UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
Washington, D.C. 20549
FORM 10-K

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

For the fiscal year ended December 31, 2022

OR

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

For the transition period from ____________ to ____________

Commission file number 1-11840

THE ALLSTATE CORPORATION

(Exact name of registrant as specified in its charter)

Delaware	**36-3871531**
(State or Other Jurisdiction of Incorporation or Organization)	(I.R.S. Employer Identification No.)

3100 Sanders Road, Northbrook, Illinois 60062

(Address of principal executive offices) (Zip Code)

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

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

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

Securities registered pursuant to Section 12(g) of the Act: None

Indicate by check mark if the registrant is a well-known seasoned issuer, as defined in Rule 405 of the Securities Act. Yes ☒ No ☐

Indicate by check mark if the registrant is not required to file reports pursuant to Section 13 or Section 15(d) of the Act. Yes ☐ No ☒

Indicate by check mark whether the registrant (1) has filed all reports required to be filed by Section 13 or 15(d) of the Securities Exchange Act of 1934 during the preceding 12 months (or for such shorter period that the registrant was required to file such reports), and (2) has been subject to such filing requirements for the past 90 days. Yes ☒ No ☐

Indicate by check mark whether the registrant has submitted electronically every Interactive Data File required to be submitted pursuant to Rule 405 of Regulation S-T (§ 232.405 of this chapter) during the preceding 12 months (or for such shorter period that the registrant was required to submit such files). Yes ☒ No ☐

Indicate by check mark whether the registrant is a large accelerated filer, an accelerated filer, a non-accelerated filer, a smaller reporting company, or an emerging growth company. See the definitions of "large accelerated filer," "accelerated filer," "smaller reporting company," and "emerging growth company" in Rule 12b-2 of the Exchange Act.

Large accelerated filer	☒	Accelerated filer	☐
Non-accelerated filer	☐	Smaller reporting company	☐
		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. ☐

Indicate by check mark whether the registrant has filed a report on and attestation to its management's assessment of the effectiveness of its internal control over financial reporting under Section 404(b) of the Sarbanes-Oxley Act (15 U.S.C. 7262(b)) by the registered public accounting firm that prepared or issued its audit report. ☒

If securities are registered pursuant to Section 12(b) of the Act, indicate by check mark whether the financial statements of the registrant included in the filing reflect the correction of an error to previously issued financial statements. ☐

Indicate by check mark whether any of those error corrections are restatements that required a recovery analysis of incentive-based compensation received by any of the registrant's executive officers during the relevant recovery period pursuant to §240.10D-1(b). ☐

Indicate by check mark whether the registrant is a shell company (as defined in Rule 12b-2 of the Exchange Act). Yes ☐ No ☒

The aggregate market value of the common stock held by non-affiliates of the registrant, computed by reference to the closing price as of the last business day of the registrant's most recently completed second fiscal quarter, June 30, 2022, was approximately $33.85 billion.

As of January 31, 2023, the registrant had 263,329,700 shares of common stock outstanding.

Documents Incorporated By Reference

Portions of the following documents are incorporated herein by reference as follows:

Part III of this Form 10-K incorporates by reference certain information from the registrant's definitive proxy statement for its annual stockholders meeting to be held on May 23, 2023, (the "Proxy Statement") to be filed not later than 120 days after the end of the fiscal year covered by this Form 10-K.

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Part I

Item 1. Business

The Allstate Corporation was incorporated under the laws of the State of Delaware on November 5, 1992, to serve as the holding company for Allstate Insurance Company. Its business is conducted principally through Allstate Insurance Company and other subsidiaries (collectively, including The Allstate Corporation, “Allstate”).

Allstate protects people from life’s uncertainties with a wide array of protection for autos, homes and personal property. Allstate is primarily engaged in the property and casualty insurance business in the United States and Canada. Additionally, Allstate provides customers other protection solutions such as accident and health insurance, protection plans that cover consumer electronics, mobile phones and appliances and personal identity protection.

The Allstate Corporation is one of the largest publicly held personal lines insurers in the United States. Allstate’s personal property-liability strategy is to increase market share by offering consumers a broad suite of protection solutions and a competitive value proposition across distribution channels. The Allstate brand is widely known through the “You’re In Good Hands With Allstate®” slogan. Allstate is the third largest personal property and casualty insurer in the United States on the basis of 2021 statutory direct premiums written according to A.M. Best.

Allstate also has strong market positions in other protection solutions. Allstate Health and Benefits provides accident, health and life insurance through employers, independent agents and direct-to-consumer, and is one of the top voluntary benefits carriers in the market. Allstate Protection Plans provides protection on a wide variety of consumer goods such as cell phones, tablets, computers, furniture and appliances, and has a leading position in distribution through major retailers. Allstate Identity Protection has a leading position in identity protection through worksite distribution. In total, Allstate had 189.1 million policies in force (“PIF”) as of December 31, 2022.

In this Annual Report on Form 10-K, we occasionally refer to statutory financial information. All domestic United States insurance companies are required to prepare statutory-basis financial statements. As a result, industry data is available that enables comparisons between insurance companies, including competitors that are not required to prepare financial statements in conformity with accounting principles generally accepted in the United States of America (“GAAP”). We frequently use industry publications containing statutory financial information to assess our competitive position.

Strategy, Transformative Growth, Our Shared Purpose and Segment Information

Our strategy has two components: increase personal property-liability market share (see Allstate Protection segment) and expand protection offerings by leveraging the Allstate brand, customer base and capabilities.

Transformative Growth is about creating a business model, capabilities and culture that continually transform to better serve customers. This is done by providing affordable, simple and connected protection through multiple distribution partners. The ultimate objective is to create continuous transformative growth in all businesses.

We are expanding protection services businesses utilizing enterprise capabilities and resources such as distribution, analytics, claims, investment expertise, talent and capital. Using innovative growth platforms (such as telematics and identity protection) and broad distribution including: Allstate exclusive agents, independent agents, contact centers, online, retailers, workplace benefits brokers, auto dealers, original equipment manufacturers and telecom providers further enhance our customer value proposition.

Our Shared Purpose			
As the good hands...	**our values**	**our operating standards**	**our behaviors**
• We **empower** customers with protection to help them achieve their hopes and dreams. • We **provide** affordable, simple and connected protection solutions. • We **create** opportunity for our team, economic value for our shareholders and improve communities.	• **Integrity** is non-negotiable. • **Inclusive Diversity & Equity** values and leverages unique identities with equitable opportunity and rewards. • **Collective Success** is achieved through empathy and prioritizing enterprise outcomes ahead of individuals.	• **Focus on Customers** by anticipating and exceeding service expectations at low costs. • **Be the Best** at protecting customers, developing talent and running our businesses. • **Be Bold** with original ideas using speed and conviction to beat the competition. • **Earn Attractive Returns** by providing customer value, proactively accepting risk and using analytics.	• **Collaborate** early and often to develop and implement comprehensive solutions and share learnings. • **Challenge Ideas** to leverage collective expertise, evaluate multiple alternatives and create the best path forward. • **Provide Clarity** for expected outcomes, decision authority and accountability. • **Provide Feedback** that is candid, actionable, independent of hierarchy and safe.

Reportable segments	
Allstate Protection [1]	Includes the Allstate brand, National General and Answer Financial. Offers private passenger auto, homeowners, other personal lines and commercial insurance through agents, contact centers and online. The Encompass brand was combined into National General beginning in the first quarter of 2021 and results prior to 2021 reflect Encompass brand results only.
Protection Services	Includes Allstate Protection Plans, Allstate Dealer Services, Allstate Roadside, Arity and Allstate Identity Protection, which offer a broad range of solutions and services that expand and enhance our customer value propositions.
Allstate Health and Benefits	Offers voluntary benefits and individual life and health products, including life, accident, critical illness, short-term disability and other health insurance products sold through independent agents, benefits brokers and Allstate exclusive agents. Also provides stop-loss and fully insured group health products to employers and short-term medical and medicare supplement insurance to individuals.
Run-off Property-Liability [1]	Relates to property and casualty insurance policies written during the 1960s through the mid-1980s with exposure to asbestos, environmental and other claims in run-off.
Corporate and Other	Includes holding company activities and certain non-insurance operations.

(1) Allstate Protection and Run-off Property-Liability segments comprise Property-Liability.

Allstate Protection Segment

Our Allstate Protection segment accounted for 92.0% of Allstate's 2022 consolidated insurance premiums and contract charges and 20.4% of Allstate's December 31, 2022 PIF. Private passenger auto, homeowners, other personal lines and commercial insurance products offered through both exclusive and independent agents and directly through contact centers and online are included in this segment. Our strategy is to offer products that allow customers to interact with us when, where and how they want with affordable, simple and connected protection products.

Strategy Allstate Protection's strategy is to increase personal lines market share through Transformative Growth focusing on:

- Improving customer value by making it easier to do business with us, improving price competitiveness and providing competitive differentiated products and experiences
- Expanding customer access to Allstate and National General products and services through the methods of interaction customers want
- Increasing sophistication and investment in customer acquisition
- Modernizing our technology to enhance the customer experience and product management ecosystems
- Driving organizational transformation

We have three market-facing property-liability businesses, Allstate brand, National General and Answer Financial with products and services that cater to different customer preferences for advice and brand recognition.

We serve our consumers using differentiated products, analytical expertise, telematics and an integrated digital enterprise that leverages data and technology to execute processes with a focus on greater effectiveness and efficiency.

Transformative Growth

Improve Customer Value	Improving the competitive prices of products through lower costs, increased price sophistication and telematics
	Increasing engagement with the Allstate Mobile app and new business penetration of telematics products, including pay-per-mile insurance
	Providing additional consumer-focused protection solutions
Expand Customer Access	Transforming our Allstate agent sales system to enable more growth at a lower cost by incenting agents to focus on sales, while expanding our distribution capacity through new agent models
	Increasing direct channel distribution through improved online experience and data-driven insights to enhance call center sales
	Growing National General by leveraging the Allstate brand capabilities and data to expand product offerings and fully utilize our independent agency relationships
Increase Sophistication and Investment in Customer Acquisition	Improving the effectiveness of customer acquisition by expanding lead management, building data capabilities and utilizing household insights
Modernize Technology Ecosystem	Deploying a new technology ecosystem to deliver affordable, simple, and connected experiences and products at a lower cost. This effort will also lead to the retirement of legacy systems
Drive Organizational Transformation	Enhancing and expanding organizational capabilities by increasing digital expertise, process redesign, decision clarity and employee empowerment, agility and diversity

Additional Information and Strategy Updates

Allstate Protection pricing and risk management strategies Our pricing and underwriting strategies and decisions are designed to generate sustainable profitable growth.

A proprietary database of underwriting and loss experience enables sophisticated pricing algorithms and methodologies to more accurately price risks while also seeking to attract and retain customers in multiple risk segments.

- For auto insurance, risk evaluation factors can include, but are not limited to: vehicle make, model and year; driver age and marital status; territory; years licensed; loss history; years insured with prior carrier; prior liability limits; prior lapse in coverage; and insurance scoring utilizing telematics data and other consumer information.
- For property insurance, risk evaluation factors can include, but are not limited to: the amount of insurance purchased; geographic location of the property; loss history; age, condition and construction characteristics of the property; and characteristics of the insured including insurance scoring utilizing other consumer information.

A combination of underwriting information, pricing and discounts are also used to achieve a more competitive position and growth. The pricing strategy involves local marketplace pricing and underwriting decisions based on risk evaluation factors to the extent permissible by applicable law and an evaluation of competitors.

Pricing of property products is intended to generate risk-adjusted returns that are acceptable over a long-term period. Rate increases are pursued to keep pace with loss trends, including losses from catastrophic events and those that are weather-related (such as wind, hail, lightning and freeze not meeting our criteria to be declared a catastrophe). We also take into consideration potential customer disruption, the impact on our ability to market our products, regulatory limitations, our competitive position and profitability.

In any reporting period, loss experience from catastrophic events and weather-related losses may contribute to negative or positive underwriting performance relative to the expectations incorporated into product pricing.

Property catastrophe exposure is managed with the goal of providing shareholders an acceptable return on the risks assumed in the property business. Catastrophe exposure management includes purchasing reinsurance to provide coverage for known exposure to hurricanes, earthquakes and fires following earthquakes, wildfires and other catastrophes. Our current catastrophe reinsurance program supports our risk tolerance framework which utilizes a modeled 1-in-100 annual aggregate limit for catastrophe losses from hurricanes, earthquakes and wildfires of $2.5 billion, net of reinsurance.

The use of different assumptions and updates to industry models and to our risk transfer program could materially change the projected loss. Growth strategies include areas where we believe diversification can be enhanced and an appropriate return can be earned for the risk. As a result, our modeled exposure may increase. In addition, we have exposure to other severe weather events, which impact catastrophe losses.

We are promoting measures to prevent and mitigate losses that are increasing due to climate change and increased severe weather including making homes and communities more resilient, enforcement of stronger building codes, adoption of sensible land use policies and expanded disaster response capabilities.

Independent agent strategy The acquisition of National General significantly enhanced our strategic position in the independent agency channel. The transaction increased our total personal property-liability market share by over one percentage point and has enhanced our independent agent-facing technology. It also expanded our distribution footprint, and led us to be a top five personal lines carrier in the independent agency distribution channel.

National General provides personal and commercial automobile, homeowners, umbrella, recreational vehicle, motorcycle, lender-placed auto and property and other niche insurance products. Auto insurance represents approximately 70% of premium with a significant presence in the non-standard auto market. Allstate's capabilities are being leveraged to create additional auto and homeowners insurance products to better serve mid-market customers through independent agents.

As part of the acquisition, Allstate Independent Agency and Encompass organizations are being integrated into National General by:

- Migrating Encompass policyholders and business operations to National General and retiring the Encompass technology infrastructure
- Transitioning Encompass and Allstate-branded Independent Agent new business to National General as auto and homeowners insurance products roll out

Commercial lines strategy Traditional small business commercial insurance is being enhanced through new product development using technology to improve customer experience and reduce costs while leveraging enterprise capabilities. Profit improvement actions continue for our traditional commercial lines insurance products, emphasizing pricing, claims, governance and operational improvements. In 2023, Allstate brand will exit traditional commercial insurance in five states. These five states combined made up 47% and 36% of 2022 Allstate brand commercial new issued applications and net written premium, respectively. Additionally, starting in the fourth quarter of 2022, coverage to transportation network companies will no longer be offered unless the contracts utilize telematics-based pricing.

Answer Financial strategy Answer Financial is an insurance agency that sells other insurance companies' products directly to customers online. Our strategy as a technology-enabled insurance agency is to provide comparison shopping and related services for businesses, offering customers choice, convenience and ease of use.

Products and distribution

Allstate Protection differentiates itself by offering a comprehensive range of affordable, simple and connected protection solutions across distribution channels for specific consumer segments.

Protection Products	
Insurance products [1]	Auto
	Homeowners
	Specialty auto (motorcycle, trailer, motor home and off-road vehicle)
	Other personal lines (renters, condominium, landlord, boat, umbrella, manufactured home and stand-alone scheduled personal property)
	Commercial lines
Answer Financial	Comparison quotes and sales of non-proprietary auto, homeowners and other personal lines (condominium, renters, motorcycle, recreational vehicle and boat)

[1] Insurance products are primarily offered by the Allstate and National General brands.

Distribution	
Allstate brand	In the U.S., we offer products through over 8,400 Allstate exclusive agents operating in approximately 8,500 locations, supported by 20,900 licensed sales professionals, and 700 exclusive financial specialists. We also offer products through approximately 8,700 independent agents, contact centers, online and Market Sales Associates. In Canada, we offer Allstate brand products through approximately 1,000 employee sales agents.
National General (including Encompass)	Distributed through over 43,000 independent agent locations, approximately 540 retail stores, contact centers and online.
Answer Financial	Comparison quotes and sales offered to customers online or through contact centers.

Allstate exclusive agents also support the Protection Services and Allstate Health and Benefits segments through offering roadside assistance, consumer protection plans and voluntary benefits products. We also sell a range of non-proprietary life and annuity insurance products offered by third-party providers.

Exclusive agent compensation structure The compensation structure for Allstate exclusive agents rewards them for delivering high value to customers and achieving certain business outcomes such as profitable growth and household penetration. Allstate exclusive agent remuneration comprises a base commission, variable compensation and a bonus.

- Agents receive a monthly base commission payment as a percentage of their total eligible written premium.
- Variable compensation rewards agents for acquiring new customers by exceeding a base production goal.
- Bonus compensation is based on a percentage of premiums and can be earned by agents who are meeting certain sales goals and selling additional policies to meet customer needs profitably.

We are aligning agent compensation to emphasize growth, improve customer service and lower costs. Agent compensation in 2023 will increase the emphasis on bundling multiple lines of business when acquiring new customers. Additionally, new business written by exclusive agents in 2023 will renew at a lower base commission rate with variable compensation available based on bundling.

When an Allstate product is not available, agents have the ability to earn commissions and additional bonuses on non-proprietary products provided to customers through Ivantage, a leading provider of property and casualty brokerage services, and arrangements with other companies, agencies, and brokers. As of December 31, 2022, Ivantage had $1.99 billion non-proprietary premiums under management, consisting of approximately $1.77 billion of personal insurance premiums primarily related to property business in hurricane exposed areas, and approximately $222 million of commercial insurance premiums.

Additionally, we offer a homeowners product through our excess and surplus lines carrier, North Light Specialty Insurance Company, in certain areas with higher risk of catastrophes or where customers do not meet the Allstate brand standard underwriting profile.

Allstate agents and exclusive financial specialists receive commissions for non-proprietary life and retirement sales and are eligible for a quarterly bonus based on the volume of non-proprietary sales.

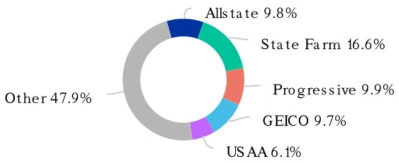
Independent agent remuneration for National General comprises a base commission and a bonus that can be earned by agents who achieve sales goals and a target loss ratio.

Innovative product offerings and features		
Market-leading solutions		
Allstate brand	Your Choice Auto®	Qualified customers choose from a variety of options, such as Accident Forgiveness, Deductible Rewards®, Safe Driving Bonus® and New Car Replacement.
	Allstate House and Home®	Featured options include Claim RateGuard®, Claim-Free Bonus, Deductible Rewards® and flexibility in options and coverages, including graduated roof coverage and pricing based on roof type and age for damage related to wind and hail events.
	Bundling Benefits	Auto customers with a qualifying property policy are provided an auto renewal guarantee and a deductible waiver (when the same event, with the same covered cause of loss, damages both auto and property). Offered in 47 states and District of Columbia ("D.C.") as of December 31, 2022.
	Auto Car Replacement Protection	Replaces a qualifying customer's vehicle involved in a total loss accident with a newer vehicle with fewer miles. Offered in 46 states and D.C. as of December 31, 2022.
National General	Custom360℠	Endorsements and coverage amounts can be scaled up or down to create a custom, needs-based insurance solution for customers at all stages in life.
Telematics solutions		
Allstate brand	Drivewise®	Telematics-based program, available in 49 states and D.C. as of December 31, 2022, that uses a mobile application or an in-car device to capture driving behaviors and encourage safe driving. It provides customers with information, tools and incentives. For example, in most states, Allstate Rewards® provides reward points for safe driving.
	Milewise®	Usage-based insurance product, available in 22 states as of December 31, 2022, that gives customers flexibility to customize their insurance and pay based on the number of miles they drive.
National General	DynamicDrive℠	Mobile-based telematics application, available in 39 states as of December 31, 2022, used to capture driving behaviors and reward customer participation.

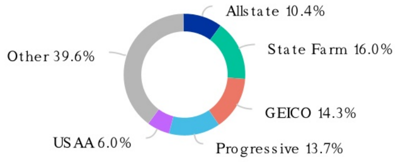
Competition

The personal lines insurance markets, including private passenger auto and homeowners insurance, are highly competitive. The following charts provide Allstate Protection's combined market share compared to our principal U.S. competitors using statutory direct written premium for the year ended December 31, 2021, according to A.M. Best.

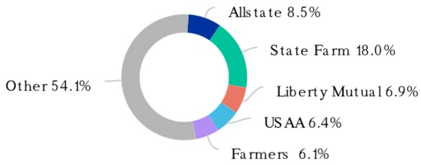
Personal lines insurance



Private passenger auto insurance



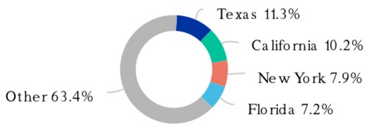
Homeowners insurance



Geographic markets

We primarily operate in the U.S. (all 50 states and D.C.) and Canada. Our top geographic markets based on 2022 statutory direct premiums are reflected below.

Top geographic markets



Protection Services Segment

Our Protection Services segment accounted for 4.8% of Allstate's 2022 consolidated total revenue and 77.3% of Allstate's December 31, 2022 PIF. Protection Services includes Allstate℠ Protection Plans, Allstate Dealer Services®, Allstate Roadside, Arity® and Allstate℠ Identity Protection, which offer a broad range of products and services that expand and enhance customer value propositions.

Strategy - Protection Services' strategy is to expand distribution and provide affordable solutions that increase customer value and create effortless interactions.

Allstate Protection Plans	Expand distribution and product breadth of consumer protection plans through new and existing retailers and mobile operators across North America, Europe and Asia.
Allstate Dealer Services	Expand distribution of Allstate branded finance and insurance products through auto dealerships and direct to customers.
Allstate Roadside	Modernize the roadside assistance business through technology and enhance capabilities to deliver a superior customer experience.
Arity	A leading telematics and mobility insights provider to insurance companies, the transportation industry and location-enabled consumer apps. Services include: telematics-enabled mobility insights for consumers and businesses, driving behavior data and scores (Arity IQ) to deliver personalized insurance pricing, and marketing services including lead generation and advertising technology integrations to optimize advertising investments.
Allstate Identity Protection	Create a leading position in the identity protection market, offering full-service identity protection including identity monitoring, digital exposure reporting, and identity theft remediation and reimbursement. Expanding our product breadth into consumer cybersecurity, privacy and family digital safety protection as well as expanding partnership and direct to consumer distribution channels.

Products and distribution

Products and services	
Allstate Protection Plans	Provides consumer protection plans and related technical support for mobile phones, consumer electronics, furniture and appliances which provide customers protection from mechanical or electrical failure, and in certain cases, accidental damage.
Allstate Dealer Services	Offers finance and insurance products, including vehicle service contracts, guaranteed asset protection waivers, road hazard tire and wheel protection, and paint and fabric protection.
Allstate Roadside	Offers towing, jump-start, lockout, fuel delivery and tire change services to retail customers and customers of our wholesale partners.
Arity	Provides insights and services created from data collected, normalized and analyzed by the Arity platform, including automotive telematics information. Product suite includes on-demand risk scoring, lead generation, digital advertising, data integration, traditional telematics, and data-as-a-service solutions.
Allstate Identity Protection	Provides identity, consumer cybersecurity, privacy and family digital safety protection.

Distribution channels	
Allstate Protection Plans	Retailers and mobile operators, in-store or online, in North America, Europe and Asia Pacific.
Allstate Dealer Services	Independent agents selling through auto dealerships in the U.S. in conjunction with the purchase of a new or used vehicle and direct to consumer.
Allstate Roadside	Allstate exclusive agents, wholesale partners, affinity groups and on-demand mobile application service.
Arity	Sells directly to affiliate and non-affiliate customers and through strategic partners.
Allstate Identity Protection	Primarily through workplace benefit programs with growth in partnerships and direct to consumer delivered through enterprise partnerships, online and mobile application sales.

Geographic markets

Protection Services primarily operates in the U.S. and Canada, with Allstate Protection Plans also offering services in Europe, Australia and Asia.

Competition

We compete on a variety of factors, including product offerings, brand recognition, financial strength, price and customer experience. The market for these services is highly competitive.

Allstate Health and Benefits Segment

Strategy

Allstate Health and Benefits segment accounted for 4.4% of Allstate's 2022 consolidated total revenue and 2.3% of Allstate's December 31, 2022 PIF. The Allstate Health and Benefits segment provides consumers with financial protection against the risk of accidents, illness and mortality. We are among the industry leaders in the growing and highly competitive voluntary benefits market, offering a broad range of accident, health and life products through workplace enrollment. Our life insurance portfolio includes individual and group permanent life solutions. We also provide stop-loss and fully insured group health products to employers and short-term medical and medicare supplement insurance to individuals. Target customers are middle market consumers with family and financial protection needs. Allstate Health and Benefits is well represented in all market segments and is a leader in the large and mega (over 10,000 employees) market segments.

Allstate Health and Benefits is differentiated through its broad product portfolio, flexible enrollment solutions, strong national accounts team and well-recognized brand.

Our strategy for growth is to deliver substantially more value through innovative products and technology, tailored solutions and exceptional service through investments in future-state technologies and data and analytics capabilities.

Products and distribution

Health and benefits products
Employer voluntary benefits
Group health
Individual health

Distribution channels
Over 8,000 independent agents and benefits brokers and Allstate exclusive agents, focusing on workplace benefits on small employers for employer voluntary benefits and group health
Over 33,000 independent agents, in-house agencies, direct-to-consumer marketing, wholesaling, worksite marketing and the internet for individual health

Competition

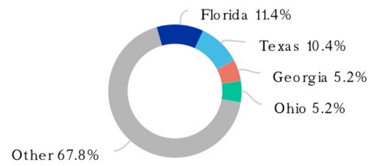
We compete on a wide variety of factors, including product offerings, brand recognition, financial strength and ratings, price, distribution and customer service.

The market for voluntary benefits is growing as these products help employees fill the increasing gaps associated with continued medical cost inflation and the shifting of costs from employers to employees to cover co-pays and deductibles. Favorable industry and economic trends have increased competitive pressure and attracted new traditional and non-traditional entrants to the voluntary benefits market. Recent entrants, including large group medical, life and disability insurance carriers, are leveraging core benefit capabilities by bundling and discounting to capture voluntary market share. We also compete with large group medical carriers in our stop-loss, fully insured group health insurance, short-term medical and medicare supplement insurance offerings.

Geographic markets

We primarily operate in the U.S. (all 50 states and D.C.) and Canada. The top geographic markets based on 2022 statutory direct premiums are reflected below.

Top geographic markets



Other Business Segments

Run-off Property-Liability Segment

The Run-off Property-Liability segment includes results from property and casualty insurance coverage that primarily relates to policies written during the 1960s through the mid-1980s.

Strategy Management of this segment has been assigned to a designated group of professionals with expertise in claims handling, policy coverage interpretation, exposure identification, litigation and reinsurance collection. As part of its responsibilities, this group may pursue settlement agreements including policy buybacks on direct excess commercial business when appropriate to improve the certainty of the liabilities. At the end of 2022, 64% of the direct excess gross case reserves were attributable to settlement agreements. This group also manages other direct commercial and assumed reinsurance business in runoff and engages in reinsurance ceded and assumed commutations as required or when considered economically advantageous.

Changes in the reserves established for asbestos, environmental and other run-off lines losses have occurred and may continue. Reserve changes can be caused by new information relating to new and additional claims, new exposures or the impact of resolving unsettled claims based on unanticipated events such as arbitrations, litigation, legislative, judicial or regulatory actions. Environmental losses may also increase as the result of additional funding for environmental site clean-up.

Challenges related to the concentration of insurance and reinsurance claims from companies who specialize in this business continue to be addressed.

Corporate and Other Segment

Our Corporate and Other segment is comprised of holding company activities and certain non-insurance operations, including expenses associated with strategic initiatives.

Regulation

Allstate is subject to extensive regulation, primarily at the state level. The method, extent and substance of such regulation vary by state but generally have their source in statutes that establish standards and requirements for conducting the business of insurance and that also delegate regulatory authority to a state agency. These rules have a substantial effect on our business and relate to a wide variety of matters, including insurer solvency and statutory surplus sufficiency, reserve adequacy, insurance company licensing and examination, agent and adjuster licensing, agent and broker compensation, policy forms, rate setting, the nature and amount of investments, claims practices, participation in shared markets and guaranty funds, transactions with affiliates, the payment of dividends, underwriting standards, statutory accounting methods, trade practices, privacy regulation and data security, corporate governance and risk management. In addition, state legislators and insurance regulators continue to examine the appropriate nature and scope of state insurance regulation. For a discussion of statutory financial information, see Note 17 of the consolidated financial statements.

For a discussion of regulatory contingencies, see Note 15 of the consolidated financial statements. Note 15 and Note 17 are incorporated in this Part I, Item 1 by reference.

The Dodd-Frank Wall Street Reform and Consumer Protection Act ("Dodd-Frank") created the Federal Insurance Office ("FIO") within the U.S. Department of the Treasury ("Treasury"). The FIO monitors the insurance industry, provides advice to the Financial Stability Oversight Council ("FSOC"), represents the U.S. on international insurance matters, and studies the current regulatory system.

Additional regulations or new requirements may emerge from the activities of various regulatory entities, including the Federal Reserve Board, FIO, FSOC, the National Association of Insurance Commissioners ("NAIC"), and the International Association of Insurance Supervisors, that are evaluating solvency and capital standards for insurance company groups. In addition, the NAIC has adopted amendments to its model holding company law that have been adopted by some jurisdictions. The outcome of these actions is uncertain; however, these actions may result in an increase in the level of capital and liquidity required by insurance holding companies.

We cannot predict whether any specific state or federal measures will be adopted to change the nature or scope of the regulation of insurance or what effect any such measures would have on Allstate. We are working for changes in the regulatory environment to make insurance more available and affordable for customers, encourage market innovation, improve driving safety, strengthen cybersecurity and promote better catastrophe preparedness and loss mitigation.

Limitations on Dividends by Insurance Subsidiaries As a holding company with no significant business operations of its own, The Allstate Corporation relies on dividends from Allstate Insurance Company as one of the principal sources of cash to pay dividends and to meet its obligations, including the payment of principal and interest on debt or to fund non-insurance-related businesses. Allstate Insurance Company is regulated as an insurance company in Illinois, and its ability to pay dividends is restricted by Illinois law. The laws of the other jurisdictions that generally govern our other insurance subsidiaries contain similar limitations on the payment of dividends. However, such laws in some jurisdictions may be more restrictive.

For additional information regarding limitations, see Part II, Item 7 - Management's Discussion and Analysis of Financial Condition and Results of Operations of this report.

In addition, the NAIC formed a working group that has developed and adopted a group capital calculation covering all entities of the insurance company group for use in solvency monitoring activities. The calculation is intended to provide analytical information to regulators, and we do not expect potential revisions to impact our current dividend plans. Any increase in the amount of capital or reserves our insurance subsidiaries are required to hold could reduce the amount of future dividends such subsidiaries are able to distribute to the holding company. Any reduction in the risk-based capital ("RBC") ratios of our insurance subsidiaries could also adversely affect their financial strength ratings as determined by statistical rating agencies.

Insurance Holding Company Regulation – Change of Control The Allstate Corporation is a holding company and its insurance subsidiaries are subject to regulation in the jurisdictions in which they write business. In the U.S., these subsidiaries are organized under the insurance codes of Alabama, California, Florida, Illinois, Indiana, Massachusetts, Michigan, Mississippi, Missouri, New Jersey, New York, North Carolina, Ohio, South Carolina and Texas. Additionally, some of these subsidiaries are considered commercially domiciled in California and Florida.

Generally, the insurance codes in these states provide that the acquisition or change of "control" of a domestic or commercially domiciled insurer or of any person that controls such an insurer cannot be consummated without the prior approval of the relevant insurance regulator. In general, a presumption of "control" arises from the ownership, control, possession with the power to vote, or possession of proxies with respect to ten percent or more of the voting securities of an insurer or of a person who controls an insurer. In addition, certain state insurance laws require pre-acquisition notification to state agencies of a change in control with respect to a non-domestic insurance company licensed to do business in that state. While such pre-acquisition notification statutes do not authorize the state agency to disapprove the change of control, such statutes do authorize certain remedies, including the issuance of a cease-and-desist order with respect to the non-domestic insurer if certain conditions exist, such as undue market concentration.

Thus, any transaction involving the acquisition of ten percent or more of The Allstate Corporation's common stock would generally require prior approval by the state insurance departments in Alabama (where the threshold is five percent or more of The Allstate Corporation's common stock), California, Florida, Illinois, Indiana, Massachusetts, Michigan, Mississippi, Missouri, New Jersey, New York, North Carolina, Ohio, South Carolina and Texas. Moreover, notification would be required in those other states that have adopted pre-acquisition notification provisions and where the insurance subsidiaries are admitted to transact business. Such approval requirements may deter, delay or prevent certain transactions affecting the ownership of The Allstate Corporation's common stock.

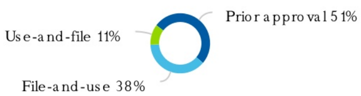
Rate Regulation Nearly all states have insurance laws requiring personal property and casualty insurers to file rating plans, policy or coverage forms, and other information with the state's regulatory authority. In many cases, such rating plans, policy forms, or both must be approved prior to use.

The speed with which an insurer can change rates in response to competition or increasing costs depends on the state rating laws, which include the following categories:

- Prior approval — Regulators must approve a rate before the insurer may use it (21 states)
- File-and-use — Insurers do not have to wait for the regulator's approval to use a rate, but the rate must be filed with the regulatory authority prior to being used (20 states)
- Use-and-file — Requires an insurer to file rates within a certain period of time after the insurer begins using them (9 states)
- No approval — One state, with an immaterial amount of written premiums, does not require a filing to be submitted

Under these rating laws, the regulator has the authority to disapprove a rate filing.

Percentage of 2022 statutory direct written premiums based on state rating laws



An insurer's ability to adjust its rates in response to competition or to changing costs is dependent on an insurer's ability to demonstrate to the regulator that its rates or proposed rating plan meets the requirements of the rating laws. In those states that significantly restrict an insurer's discretion in selecting the business that it wants to underwrite, an insurer can manage its risk of loss by charging a rate that reflects the cost and expense of providing the insurance. In those states that significantly restrict an insurer's ability to charge a rate that reflects the cost and expense of providing the insurance, the insurer may be able to manage its risk of loss by being more selective in the type of business it underwrites. When a state significantly restricts both underwriting and pricing, it becomes more difficult for an insurer to maintain its targeted level of profitability.

From time to time, the personal lines insurance industry comes under pressure from state regulators, legislators, and special-interest groups to reduce, freeze, or set rates at levels that do not correspond with our analysis of underlying costs, catastrophe loss exposure, and expenses. We expect this kind of pressure to persist. Allstate and other insurers are using increasingly sophisticated pricing models and rating plans that are reviewed by regulators and special-interest groups. States may limit the ability of insurers to include variables in their rating plans even though they are indicative of risk. State regulators may interpret existing law or rely on future legislation or regulations to impose new restrictions that adversely affect profitability or growth. We cannot predict the impact on our business of possible future legislative and regulatory measures regarding insurance rates.

Involuntary Markets As a condition of maintaining our licenses to write personal property and casualty insurance in various states, we are required to participate in assigned risk plans, reinsurance facilities, and joint underwriting associations that provide various types of insurance coverage to individuals or entities that otherwise are unable to purchase such coverage from private insurers. Underwriting results related to these arrangements, which tend to be adverse, have been immaterial to our results of operations.

For a discussion of these items see Note 15 of the consolidated financial statements. Note 15 is incorporated in this Part I, Item 1 by reference.

Indemnification Programs We are a participant in state-based industry pools, facilities or associations, mandating participation by insurers offering certain coverage in their state, including the Michigan Catastrophic Claims Association ("MCCA"), the New Jersey Property-Liability Insurance Guaranty Association, the North Carolina Reinsurance Facility and the Florida Hurricane Catastrophe Fund. We also participate in the Federal Government National Flood Insurance Program.

Recent regulatory changes have occurred related to the MCCA.

- On August 6, 2020, member companies of the MCCA were notified of the ratification of amendments to the MCCA's Plan of Operation. The amendments were designed to align the Plan of Operation with Public Acts 21 and 22, which passed in 2019.

- On July 2, 2020, portions of Public Acts 21 and 22 went into effect. The changes under those laws include:
  - Allowing insureds to choose levels of personal injury protection coverage, including the option to opt-out of personal injury protection coverage in certain circumstances.
  - Implementing mandated rate reductions that correspond to the level of personal injury protection coverage chosen by insureds.
  - Implementing or creating new processes for reviewing claims, assessing allowable expenses and setting limits on certain allowable expenses.
- On July 2, 2021, legislation passed in 2019 became effective, setting fee schedules for personal injury protection claims. Such fee schedules were set at 200% of Medicare rates in 2021, declining to 195% in 2022 and 190% in 2023, for any providers other than certain unique categories of providers and applying to treatment on existing and new claims.
- Other legislative proposals to change the MCCA operation in the future and to adjust Public Acts 21 and 22 are put forth periodically.

For a discussion of these items see Note 11 of the consolidated financial statements. Note 11 is incorporated in this Part I, Item 1 by reference.

Guaranty Funds Under state insurance guaranty fund laws, insurers doing business in a state can be assessed, up to prescribed limits, in order to cover certain obligations of insolvent insurance companies. We do not anticipate any material adverse financial impact on Allstate from these assessments.

Investment Regulation Our insurance subsidiaries are subject to state regulation that specifies the types of investments that can be made and concentration limits of invested assets. Failure to comply with these rules leads to the treatment of non-conforming investments as non-admitted assets for purposes of measuring statutory surplus. Further, in some instances, these rules require divestiture of non-conforming investments.

Exiting Geographic Markets; Canceling and Non-Renewing Policies Most states regulate an insurer's ability to exit a market. For example, states may limit, to varying degrees, an insurer's ability to cancel and non-renew policies. Some states restrict or prohibit an insurer from withdrawing one or more types of insurance business from the state, except pursuant to a plan that is approved by the state insurance department. Regulations that limit cancellation and non-renewal and that subject withdrawal plans to prior approval requirements may restrict an insurer's ability to exit unprofitable markets.

Broker-Dealer and Investment Advisers The Allstate entities that operate as a broker-dealer and registered investment advisers are subject to regulation and supervision by the Securities and Exchange Commission ("SEC"), Financial Institution Regulatory Authority and/or, in some cases, state securities administrators. Certain state and federal regulators are considering or have implemented best interest or fiduciary standards. Such standards could impact products provided by Allstate agents and Allstate's broker-dealer, their sales processes, sales volume, and producer compensation arrangements.

Inflation Reduction Act of 2022 The Inflation Reduction Act of 2022 ("Act"), which contains several tax-related provisions, was signed into law in August 2022. The Act creates a 15% corporate alternative minimum tax ("CAMT") on certain large corporations and an excise tax of 1% on stock repurchases by publicly traded U.S. corporations, both effective after December 31, 2022. The excise tax on common stock repurchases will be classified as an additional cost of the stock acquired included in treasury stock in shareholders' equity. The Company has determined that it is considered an "applicable corporation" under the rules of CAMT, and as such, it is expected to perform the CAMT computation starting January 1, 2023; however, a reasonable estimate cannot be made as of the filing date.

Climate disclosures In March 2022, the SEC released its climate-related proposed regulation, requiring registrants to provide certain climate-related information in their registration statements and annual reports. The proposed rule would require information about a registrant's climate-related risks that are reasonably likely to have a material impact on its business, results of operations, or financial condition. The required information about climate-related risks would also include disclosure of a registrant's greenhouse gas emissions, which have become a commonly used metric to assess a registrant's exposure to such risks. In addition, under the proposed rule, certain climate-related financial metrics would be required in a registrant's audited financial statements. The Company is evaluating the anticipated impacts of the proposed guidance to its disclosures.

Cybersecurity risk management The SEC issued a proposed rule in March 2022 to mandate cybersecurity disclosures, including information such as: management's and the board's role and oversight of cybersecurity risks, policies and procedures and how risks and incidents are likely to impact the financial statements. Additionally, certain incidents would have mandatory reporting on a Form 8-K. The Company is evaluating the anticipated impacts of the proposed guidance to its disclosures.

Dodd-Frank: Covered Agreement The Secretary of the Treasury (operating through FIO) and the Office of the U.S. Trade Representative ("USTR") are jointly authorized, pursuant to Dodd-Frank, to negotiate Covered Agreements. A Covered Agreement is a bilateral or multilateral agreement that "relates to the recognition of prudential measures with respect to the business of insurance or reinsurance that achieves a level of protection for insurance or reinsurance consumers that is substantially equivalent to the level of protection achieved under State insurance or reinsurance regulation."

On September 22, 2017, the U.S. and European Union ("EU") signed a Covered Agreement. In addition to signing the Covered Agreement, Treasury and the USTR jointly issued a policy statement clarifying how the U.S. views implementation of certain provisions of the Covered Agreement. The policy statement affirms the U.S. system of insurance regulation, including the role of state insurance regulators as the primary supervisors of the business of insurance and addresses several other key provisions of the Covered Agreement for which constituents sought clarity, including prospective application to reinsurance agreements and an affirmation that the Covered Agreement does not require development of a group capital standard or group capital requirement in the U.S.

The U.S. had five years from the date of signing to amend its credit for reinsurance laws and regulations to conform with the requirements of the Covered Agreement or face federal preemption determinations by the FIO. To address the requirements of the Covered Agreement, the NAIC formally adopted revisions to its existing credit for reinsurance model law and model regulation to conform with the requirements of the Covered Agreement with the expectation that states would adopt and implement the modified model law and regulation by September 2022. A sufficient number of states adopted the model and/or regulation to avoid federal preemption.

Division Statute On November 27, 2018, the Illinois General Assembly passed legislation authorizing a statute that makes available a process by which a domestic insurance company may divide into two or more domestic insurance companies. The statute, which became effective January 1, 2019, can be used to divide continuing blocks of insurance business from insurance business no longer marketed, or otherwise has been discontinued, into separate companies with separate capital. The statute can also be used for sale to a third party or to manage risks associated with indemnification programs. Before a plan of division can be effected it must be approved according to the organizational documents of the dividing insurer and submitted for approval by the Illinois Department of Insurance. Allstate Insurance Company and certain affiliate insurance companies utilized the division statute to form three Illinois domiciled insurance companies that retained assets and liabilities for certain Michigan automobile insurance policies with catastrophic personal injury claims that are ceded to the MCCA.

Privacy Regulation and Data Security Federal law and the laws of many states require financial institutions to protect the security and confidentiality of consumer information and to notify consumers about their policies and practices relating to collection, use, and disclosure of consumer information and their policies relating to protecting the security and confidentiality of that information. Federal law and the laws of many states also regulate disclosures and disposal of consumer information. Congress, state legislatures, and regulatory authorities are currently considering additional regulation relating to privacy and other aspects of consumer information.

For example, the California Consumer Privacy Act, which took effect in January 2020, as amended by the California Privacy Rights Act, which took effect in January 2023, as well as similar laws in Virginia and Connecticut, adopted significant compliance requirements for businesses in those states. Among other things, the California Privacy Rights Act expanded consumer privacy rights and established a new privacy regulatory agency. In another example, the New York State Department of Financial Services cybersecurity regulation and the NAIC Insurance Data Security Model Law, which has been adopted in some form by several states, establish standards for data security, including the investigation of and notification to insurance commissioners of cybersecurity events. Additional states are also likely to adopt similarly themed cybersecurity requirements in the future. We cannot predict the impact on our business of possible future legislative or regulatory measures regarding privacy or cybersecurity.

Asbestos Congress has repeatedly considered legislation to address asbestos claims and litigation in the past. We cannot predict the impact on our business of possible future legislative measures regarding asbestos.

Environmental Environmental pollution and clean-up of polluted waste sites is the subject of federal and state regulation. The Comprehensive Environmental Response Compensation and Liability Act of 1980 (the "Superfund") and comparable state statutes (the "mini-Superfunds") govern the clean-up and restoration of waste sites by Potentially Responsible Parties ("PRPs"). The Superfund and the mini-Superfunds (collectively, the "Environmental Clean-up Laws" or "ECLs") establish a mechanism to assign liability to PRPs or to fund the clean-up of waste sites if PRPs fail to do so. The extent of liability to be allocated to a PRP depends on a variety of factors. The insurance industry is involved in extensive litigation regarding coverage issues arising out of the clean-up of waste sites by insured PRPs and the insured parties' alleged liability to third parties responsible for the clean-up. The insurance industry, including Allstate, has disputed and is disputing many such claims. Key coverage issues include whether the Superfund response, investigation, and clean-up costs are considered damages under the policies; whether coverage has been triggered; whether any pollution exclusion applies; whether there has been proper notice of claims; whether administrative liability triggers the duty to defend; whether there is an appropriate allocation of liability among potentially responsible insurers; and whether the liability in question falls within the definition of an "occurrence." Identical coverage issues exist for clean-up and waste sites not covered under the Superfund. To date, courts have been inconsistent in their rulings on these issues.

Allstate's exposure to liability with regard to its insureds that have been, or may be, named as PRPs is uncertain. While comprehensive Superfund reform proposals have been introduced in Congress, only modest reform measures have been enacted. In May 2017, the Environmental Protection Agency created a Superfund Task Force that issued proposed reforms in its 2019 final report. These recommendations address expediting clean-up and remediation processes, reducing the financial burden of the clean-up process, encouraging private investment, promoting redevelopment and community revitalization, and building and strengthening partnerships. We cannot predict which, if any, of these reforms will be enacted or, if enacted, what their impact may be.

Developments in the insurance and reinsurance industries have fostered a movement to segregate asbestos, environmental and other run-off lines exposures into separate legal entities with dedicated capital. Regulatory bodies in certain cases have supported these actions. We are unable to determine the impact, if any, that these developments will have on the collectability of reinsurance recoverables in the future.

Human Capital

Allstate's success is highly dependent on human capital. The wellbeing of our employees is a key priority, and Allstate strives to promote a dynamic and welcoming workplace that promotes inclusive diversity and equity, fosters collaboration, and encourages employees to bring their best ideas to work every day. As of December 31, 2022, Allstate had approximately 54,000 full-time employees and 500 part-time employees.

Allstate's human capital management focuses on the following priorities:

Inclusive Diversity and Equity ("IDE") We strive for a workforce where the breadth of our diversity makes us a better company. IDE is one of Allstate's core values and serves as a foundation of Our Shared Purpose.

U.S. workforce diversity as of December 31, 2022	
Women	58%
Racially and ethnically diverse	42%

- We track our workforce composition data over time to determine if we are making appropriate progress in advancing gender and racial representation in our employee population and we disclose our progress. In our Sustainability Report, we provide, among other things, five years of workforce composition data that shows a breakdown of salaried, hourly and management employees by gender and race. Beginning in 2021, we also disclose our EEO-1 data.
- As part of our commitment to fair and equitable compensation practices, we complete an annual pay equity analysis. We partner with external law and data analytics firms to provide a more detailed analysis to identify potential pay gaps across substantially similar employee groups as well as identify policies, practices or systematic issues that may contribute to pay gaps now or over time. The external analyses found that Allstate's results compared well to benchmarks for companies of similar size and scope.
- Allstate's Employee Impact Groups ("EIG") help advance IDE.
  - In 2022, Allstate rebranded "Employee Resource Groups" to "Employee Impact Groups" to focus on impact and integration into the business. Allstate supports and funds ten EIGs.
  - EIGs are diverse communities that enhance the employee experience through engagement, development and collaboration. They bring value to participants and impact Allstate through cultural education and awareness, market and community outreach, professional development, recruiting, retention, and customer engagement.
  - Officers from across the enterprise leverage their time, networks and resources to support the EIGs and positively impact employee engagement and feelings of belonging at Allstate.
- In 2022, employees completed more than 31,000 IDE courses.
- Allstate continues to look for ways to build awareness and drive action to be a differentiated leader in IDE. In 2022, we:
  - Continued to drive skills-based hiring without 4-year degree requirements on job postings.
  - As a member of the OneTen Initiative, launched Apprenticeship Program, Internship Program and Entry Level Rotational Program.
  - Launched a new education strategy with offerings to build intercultural competence and an inclusive culture, and established metrics to measure the impact of course offerings on employees and the business.
  - Implemented an IDE Talent Scorecard to drive leadership accountability for developing a workforce that mirrors the diversity of the communities and customers Allstate serves.
  - Launched Allstate IDE A.C.T. (Accountability, Clarity, Transparency) Framework, integrating IDE strategy, goals, and collaboration across Allstate. This model drives accountability and reduces complexity by clarifying roles.

Employee Wellbeing and Safety We take seriously our responsibility to care for employees' well-being, devoting resources to employee health and safety.

- Allstate utilized strong guiding principles to drive our response to the pandemic. These principles included complying with regulations, relying on expert medical advice, adapting our approach to individual circumstances, and keeping our employees, agents, and customers safe.
- We conduct wellbeing assessments to solicit employee feedback about physical, emotional, mental and financial wellbeing. Completing the assessment lowers the cost of benefits to employees.
- We offer resilience and stress management programs, including Energy for Life, designed to help employees articulate and pursue their individual purpose and embrace new challenges with ease. Over 40,000 employees have taken this wellness workshop since 2010.
- The EIGs provided multiple forums in 2022 to share wellness resources and support for their members.
- Wellbeing Champions promote Allstate's health and wellness resources across the enterprise, including yoga and meditation classes.

Talent Recruitment and Management We seek to provide employees with rewarding work, professional growth and educational opportunities.

- Our flexible work and equal opportunity policies support talent attraction and retention. This has enabled us to recruit a more geographically dispersed and diverse talent pool, as well as to reduce our facilities footprint.
- Performance review and development takes place throughout the year. Allstate invests in training and re-skilling opportunities, with most of our learning experiences offered virtually to support our remote and global workforce.
- In 2022:
  - Employees completed over 1.1 million hours in formal learning opportunities.
  - Over 700 employees participated in Allstate's tuition reimbursement program, with $2.6 million paid in tuition reimbursement.
  - 40% of open positions were filled with internal applicants.

Organizational Culture At Allstate, we believe that when your passion fuels your purpose, you can achieve anything. We expect all employees to be leaders and dedicate extensive resources to developing leaders at all levels.

- Allstate defines culture as a self-sustaining system of shared values, priorities and principles that shape beliefs and drive behaviors and decision-making within an organization.
- In 2022, we continued to focus on further embedding Our Shared Purpose into the employee experience, including in our recruiting and hiring practices, performance management, learning and development offerings, leadership development and employee feedback and measurement.

For additional information, please see the section titled "Our Key ESG Priorities-People" in our Proxy Statement.

In addition to the above discussion of our employees, please see information about Allstate agents under the caption "Allstate Protection Segment - Products and Distribution" in Part I, Item 1 of this report.

Website

Our website is allstate.com. The Allstate Corporation's annual reports on Form 10-K, quarterly reports on Form 10-Q, current reports on Form 8-K and any amendments to such reports that we file or furnish pursuant to Section 13(a) of the Securities Exchange Act of 1934 are available on the Investor Relations section of our website (www.allstateinvestors.com), free of charge, as soon as reasonably practicable after they are electronically filed or furnished to the SEC. In addition, our Corporate Governance Guidelines, our Global Code of Business Conduct, and the charters of our Audit Committee, Compensation and Human Capital Committee, Executive Committee, Nominating, Governance and Social Responsibility Committee and Risk and Return Committee are available on the Investor Relations section of our website. The information found on our website is not incorporated by reference into this Annual Report on Form 10-K or in any other report or document filed with the SEC.

Other Information About Allstate

- Allstate's five reportable segments use shared services, including human resources, investment, finance, information technology and legal services, provided by Allstate Insurance Company and other affiliates.
- Although the insurance business generally is not seasonal, claims and claims expense for the Allstate Protection segment tend to be higher for periods of severe or inclement weather.
- "Allstate®" is a very well-recognized brand name in the United States. We use the "Allstate®", "National General®" and "Answer Financial®" brands extensively in our business. We also provide additional protection products and services through "Allstate℠ Protection Plans", "Allstate Dealer Services®", "Allstate® Roadside", "Arity®", "Allstate℠ Identity Protection" "Allstate® Benefits" and "Allstate® Health Solutions", among others. These brands, products and services are supported with the related service marks, logos, and slogans. Our rights in the United States to these names, service marks, logos and slogans continue as long as we continue to use them in commerce. Many service marks used by Allstate are the subject of renewable U.S. and/or foreign service mark registrations. We believe that these service marks are important to our business and we intend to maintain our rights to them.

Information about our Executive Officers

The following table sets forth the names of our executive officers as of February 1, 2023, their ages, positions, business experience, and the years of their first election as officers. “AIC” refers to Allstate Insurance Company. Each of the officers named below may be removed from office at any time, with or without cause, by the board of directors of the relevant company.

Name	Age	Position with Allstate and Business Experience	Year First Elected Officer
Thomas J. Wilson	65	Chairman of the Board (May 2008 to present), President (June 2005 to January 2015 and February 2018 to present), and Chief Executive Officer (January 2007 to present) of The Allstate Corporation and AIC.	1995
Elizabeth A. Brady	58	Executive Vice President, Chief Marketing, Customer and Communications Officer of AIC (January 2020 to present); Executive Vice President and Chief Marketing, Innovation and Corporate Relations Officer of AIC (August 2018 to January 2020); Senior Vice President, Global Brand Management of Kohler Co. (November 2013 to July 2018).	2018
Christine M. DeBiase	54	Executive Vice President, Chief Legal Officer, General Counsel and Corporate Secretary of The Allstate Corporation and AIC (January 2023 to present); Executive Vice President, Chief Administrative Officer and General Counsel of Brighthouse Financial (February 2018 to December 2022); Executive Vice President, General Counsel and Corporate Secretary of Brighthouse Financial (August 2017 to February 2018).	2023
John E. Dugenske	56	President, Investments and Corporate Strategy of AIC (September 2022 to present); President, Investments and Financial Products of AIC (January 2020 to September 2022); Executive Vice President and Chief Investment and Corporate Strategy Officer of AIC (January 2018 to January 2020); Executive Vice President and Chief Investment Officer of AIC (March 2017 to January 2018).	2017
Suren Gupta	61	President, Enterprise Services (October 2022 to present); Executive Vice President, Chief Information Technology and Enterprise Services Officer of AIC (January 2020 to October 2022); Executive Vice President, Enterprise Technology and Strategic Ventures of AIC (February 2015 to January 2020).	2011
Jesse E. Merten	48	Executive Vice President and Chief Financial Officer of The Allstate Corporation and AIC (September 2022 to present); President, Financial Products of AIC (May 2020 to September 2022); Executive Vice President and Chief Risk Officer of AIC (December 2017 to May 2020); Treasurer of The Allstate Corporation (January 2015 to April 2019) and of AIC (February 2015 to May 2019).	2012
John C. Pintozzi	57	Senior Vice President, Controller and Chief Accounting Officer of The Allstate Corporation and AIC (September 2019 to present); Senior Vice President and Chief Financial Officer, Allstate Investments (May 2012 to August 2019).	2005
Mark Q. Prindiville	55	Executive Vice President and Chief Risk Officer of AIC (May 2020 to present); Senior Vice President of AIC (September 2016 to May 2020).	2016
Mario Rizzo	56	President, Property Liability of AIC (September 2022 to present); Executive Vice President and Chief Financial Officer of The Allstate Corporation and AIC (January 2018 to September 2022); Senior Vice President and Chief Financial Officer, Allstate Personal Lines of AIC (February 2015 to January 2018).	2010
Robert Toohey	55	Executive Vice President and Chief Human Resources Officer of AIC (March 2022 to present); Self-Employed Talent and Operations Advisor/Consultant (August 2021 to March 2022); President of Pymetrics (May 2019 to August 2021); Chief People Officer of Verizon Media (August 2016 to September 2018).	2022
Terrance Williams	54	President, Protection Products and Services of AIC (May 2022 to present); Executive Vice President, Allstate Sales and Distribution of AIC (November 2021 to May 2022); General Manager, Allstate Agency (January 2020 to November 2021); President of Emerging Businesses and EVP, Chief Marketing Officer of Nationwide Mutual Insurance Company (May 2017 to October 2019).	2020

Forward-Looking Statements

This report contains “forward-looking statements” that anticipate results based on our estimates, assumptions and plans that are subject to uncertainty. These statements are made subject to the safe-harbor provisions of the Private Securities Litigation Reform Act of 1995. Forward-looking statements do not relate strictly to historical or current facts and may be identified by their use of words like “plans,” “seeks,” “expects,” “will,” “should,” “anticipates,” “estimates,” “intends,” “believes,” “likely,” “targets” and other words with similar meanings. These statements may address, among other things, our strategy for growth, catastrophe exposure management, product development, investment results, regulatory approvals, market position, expenses, financial results, litigation and reserves. We believe that these statements are based on reasonable estimates, assumptions and plans. Forward-looking statements speak only as of the date on which they are made, and we assume no obligation to update any forward-looking statements as a result of new information or future events or developments. In addition, forward-looking statements are subject to certain risks or uncertainties that could cause actual results to differ materially from those communicated in these forward-looking statements. These risks and uncertainties include, but are not limited to, those described in Part 1, “Item 1A. Risk Factors” and elsewhere in this report and those described from time to time in our other reports filed with the Securities and Exchange Commission.

Item 1A. Risk Factors

Summary Risks are categorized by (1) insurance and financial services, (2) business, strategy and operations and (3) macro, regulatory and risk environment. Many risks may affect more than one category and are included where the impact is most significant. If some of these risk factors occur, they may cause the emergence of or exacerbate the impact of other risk factors, which could materially increase the severity of the impact of these risks on our business, results of operations, financial condition or liquidity. The table below includes examples of risks from each category.

Insurance and financial services	*Business, strategy and operations*	*Macro, regulatory and risk environment*
Risks related to the insurance and financial services industries • Claim frequency and severity volatility • Catastrophes and severe weather • Loss cost estimates are complex and losses are unknown at the time policies are sold • Investment results are subject to market volatility and valuation judgments	*Risks related to Allstate's business and operating model* • Highly competitive industry, impacted by new and changing technologies • Operating model effectiveness in light of changing customer preferences • Ability to maintain catastrophe reinsurance programs and limits • Fluctuations in financial strength and ratings	*Risks that impact most companies* • Adverse changes in economic and capital market conditions • Large-scale pandemic events • Cybersecurity and privacy events • Changing climate conditions • Evolving environmental, social and governance expectations and standards • Regulatory and political changes • Loss of key business relationships • Ability to attract, develop and retain talent

The Allstate Corporation Board of Directors ("Allstate Board") has overall responsibility for oversight of Management's design and implementation of our Enterprise Risk and Return Management ("ERRM") framework that manages the business on an integrated basis following our risk and return principles. The Risk and Return Committee of the Allstate Board oversees effectiveness of the ERRM program, governance structure and risk-related decision-making, while focusing on the Company's overall risk profile.

See Management's Discussion and Analysis ("MD&A"), Enterprise Risk and Return Management for further details.

Consider these cautionary statements carefully together with other factors discussed elsewhere in this document, in filings with the Securities and Exchange Commission ("SEC") or in materials incorporated therein by reference.

Insurance and financial services

Unexpected increases in the frequency or severity of property and casualty claims may adversely affect our results of operations and financial condition

A significant increase in claim frequency could adversely affect our results of operations and financial condition. Changes in mix of business, miles driven, weather, driving behaviors or other factors can lead to changes in claim frequency. We may experience volatility in claim frequency, and short-term trends may not be predictive of future losses over the longer term.

Increases in claim severity can arise from numerous causes that are inherently difficult to predict. The following factors have and may continue to impact claim severity for auto bodily injury, auto physical damage (including collision and property damage) and homeowners coverages:

- Bodily injury — increased claims with attorney representation, litigation costs and higher medical inflation
- Vehicle physical damage — inflation and supply chain shortages impacting used vehicle and parts prices, labor rates, length of claim resolution and delays in the receipt of third-party carrier claims
- Homeowners — inflation in the construction industry, building materials and home furnishings, changes in the mix of loss type, and other economic and environmental factors, including short-term supply imbalances for services and supplies in areas affected by catastrophes

Catastrophes and severe weather events may subject us to significant losses

Catastrophic events could adversely affect operating results and cause them to vary significantly from one period to the next. Also, our liquidity could be constrained by a catastrophe, or multiple catastrophes, which could result in extraordinary losses, sales of investments or a downgrade of our debt or financial strength ratings.

Catastrophic losses are caused by wind and hail, wildfires, tornadoes, hurricanes, tropical storms, earthquakes, severe freeze events, volcanic eruptions, terrorism, cyber-attacks, civil unrest, industrial accidents and other such events.

Our personal property insurance business may incur catastrophe losses greater than:

- Those experienced in prior years
- The average expected level used in pricing
- Current reinsurance coverage limits
- Loss estimates from hurricane and earthquake models at various levels of probability

Property and casualty businesses are subject to claims arising from severe weather events such as winter storms, rain, hail and high winds. The incidence and severity of weather conditions resulting in claims are extremely volatile.

The total number of policyholders affected by the event, the severity of the event and the coverage provided contribute to catastrophe and severe weather losses. Increases in the insured values of covered property, geographic concentration and the number of policyholders exposed to certain events could increase the severity of claims from catastrophic and severe weather events.

Limitations in analytical models used to assess and predict the exposure to catastrophe losses may adversely affect our results of operations and financial condition

We use internally developed and third-party vendor models along with our own historical data to assess exposure to catastrophe losses. The models assume various conditions and probability scenarios and may not accurately predict future losses or measure losses currently incurred.

Price competition and changes in regulation and underwriting standards in property and casualty businesses may adversely affect our results of operations and financial condition

The personal property-liability market is highly competitive with carriers competing through underwriting, advertising, price, customer service, innovation and distribution. Changes in regulatory standards regarding underwriting and rates could also affect the ability to predict future losses and could impact profitability. Competitors can alter underwriting standards, lower prices and increase advertising, which could result in lower growth or profitability for Allstate. A decline in the growth or profitability of the property and casualty businesses could have a material effect on our results of operations and financial condition.

Property and casualty actual claim costs may exceed current reserves established for claims due to changes in the inflationary, regulatory and litigation environment

Estimating claim reserves is an inherently uncertain and complex process. We continually refine our best estimates of losses after considering known facts and interpretations of the circumstances.

Our reserving methodology may be impacted by the following:

- Models that rely on the assumption that past loss development patterns will persist into the future
- Internal factors including experience with similar cases, actual claims paid, historical trends involving claim payment patterns, pending levels of unpaid claims, loss management programs, product mix, contractual terms and changes in claim reporting and settlement practices
- External factors such as inflation, court decisions, changes in law or litigation imposing unintended coverage, regulatory requirements, changes in driving patterns, delays in reporting of claims and economic conditions
- Supply chain disruptions and labor shortages could increase the cost of settling claims
- The ultimate cost of losses, or our current estimates, have and may continue to vary materially from recorded reserves and such variance may adversely affect our results of operations and financial condition as the reserves and amounts due from reinsurers are reestimated

See MD&A, Application of Critical Accounting Estimates for further details.

Our investment portfolios are subject to market risk and declines in credit quality which may adversely affect or create volatility in our investment income and cause realized and unrealized losses

We continually evaluate investment management strategies since we are subject to risk of loss due to adverse changes in interest rates, credit spreads, equity prices, real estate values, currency exchange rates and liquidity. Adverse changes have and may continue to occur due to changes in monetary and fiscal policy, inflation and the economic climate, liquidity of a market or market segment, investor return expectations or risk tolerance, insolvency or financial distress of key market makers or participants, or changes in market perceptions of credit worthiness.

Inflation has and continues to remain elevated, which has led to higher interest rates and a widening of credit spreads reflecting ongoing recession concerns. The U.S. Federal Reserve and other central banks have begun to respond to inflationary pressure, generally through more restrictive monetary policy, including increasing target interest rates. These actions and other ongoing impacts from the pandemic could create significant economic uncertainty. Market volatility resulting from these factors has and may continue to impact our investment valuations and returns and impact our results of operations and financial condition.

Our investments are subject to risks associated with economic and capital market conditions and factors that may be unique to our portfolio, including:

- General weakening of the economy, which is typically reflected through higher credit spreads and lower equity and real estate valuations
- Declines in credit quality
- Declines in interest rates, credit spreads or sustained low interest rates could lead to declines in portfolio yields and investment income

- Increases in market interest rates, credit spreads or a decrease in liquidity could have an adverse effect on the value of our fixed income securities that form a substantial majority of our investment portfolios
- Supply chain disruptions, labor shortages and other factors have and may continue to increase inflation, which could have an adverse impact on investment valuations and returns
- Weak performance of general and joint venture partners and underlying investments unrelated to general market or economic conditions could lead to declines in investment income and cause realized losses in our limited partnership interests
- Concentration in any particular issuer, industry, collateral type, group of related industries, geographic sector or risk type

The amount and timing of net investment income, capital contributions and distributions from our performance-based investments, which primarily include limited partnership interests that are recorded on a lag, can fluctuate significantly due to the underlying investments' performance or changes in market or economic conditions. Additionally, these investments are less liquid than similar, publicly-traded investments and a decline in market liquidity could impact our ability to sell them at their current carrying values.

Declining equity markets or increases in interest rates or credit spreads could cause the value of the investments in our pension plans to decrease. Declines in interest rates could cause the funding ratio to decline and the value of the obligations for our pension and postretirement plans to increase. These factors could decrease the funded status of our pension and postretirement plans, increasing the likelihood or magnitude of future benefit expense and contributions.

Determination of the fair value and amount of credit losses for investments includes subjective judgments and could materially impact our results of operations and financial condition

The valuation of the portfolio is subjective, and the value of assets may differ from the actual amount received upon the sale of an asset. The degree of judgment required in determining fair values increases when:

- Market observable information is less readily available
- The use of different valuation assumptions may have a material effect on the assets' fair values
- Changing market conditions could materially affect the fair value of investments

The determination of the amount of credit losses varies by investment type and is based on ongoing evaluation and assessment of known and inherent risks associated with the respective asset class or investment.

Such evaluations and assessments are highly judgmental and are revised as conditions change and new information becomes available.

We update our evaluations regularly and reflect changes in credit losses in our results of operations. Our conclusions may ultimately prove to be incorrect as assumptions, facts and circumstances change. When estimating credit loss allowances, historical loss trends, consideration of current conditions, and forecasts may not be indicative of future changes in credit losses and additional amounts may need to be recorded in the future.

Our participation in indemnification programs subjects us to the risk that reimbursement for qualifying claims and claims expenses may not be received

Participation in state-based industry pools, facilities and associations may have a material, adverse effect on our results of operations and financial condition. Our largest exposure is associated with the Michigan Catastrophic Claim Association ("MCCA"), a state-mandated indemnification mechanism for qualified personal injury protection losses that exceed a specified level. To the extent the MCCA's current and future assessments are insufficient to reimburse its ultimate obligation on existing claims to member companies, our ability to obtain the 100% indemnification of ultimate loss could be impaired. We also participate in the Federal Government National Flood Insurance Program.

For further discussion of these items, see Regulation section, Indemnification Programs and Note 11 of the consolidated financial statements.

We may not be able to mitigate the impact associated with changes in capital requirements

Regulatory requirements affect the amount of capital to be maintained by our subsidiary insurance companies. Changes to requirements or regulatory interpretations may result in additional capital held in our insurance companies and could require us to increase prices, reduce our sales of certain products, or accept a return on equity below original levels assumed in pricing.

A downgrade in financial strength ratings may have an adverse effect on our business

Financial strength ratings are important factors in establishing the competitive position of insurance companies and their access to capital markets. Rating agencies could downgrade or change the outlook on our ratings due to:

- Changes in the financial profile of one of our insurance companies
- Changes in a rating agency's determination of the amount of capital required to maintain a particular rating
- Increases in the perceived risk of our investment portfolio, a reduced confidence in management or our business strategy, or other considerations that may or may not be under our control

A downgrade in our ratings could have an adverse effect on our sales, competitiveness, customer retention, the marketability of our product offerings, liquidity, access to and cost of borrowing, results of operations and financial condition.

Business, strategy and operations

We operate in markets that are highly competitive and may be impacted by new or changing technologies

Markets in which we operate are highly competitive, and we must continually allocate resources to refine and improve products and services to remain competitive. If we are unsuccessful in generating new business, retaining customers or renewing contracts, our ability to maintain or increase premiums written or the ability to sell our products could be adversely impacted.

Determining competitive position is complicated in the auto and homeowners insurance business as companies use different underwriting standards to accept new customers and quotes and close rates can fluctuate across companies and locations. Pricing of products is driven by multiple factors, including loss expectations, expense structure and dissimilar return targets. Additionally, sophisticated pricing algorithms make it difficult to determine what price potential customers would pay across competitors.

There is also significant competition for producers, such as exclusive and independent agents and their licensed sales professionals. Growth and retention may be materially affected if we are unable to attract and retain effective producers or if those producers are unable to attract and retain their licensed sales professionals or customers. Similarly, growth and retention may be impacted if customer preferences change and we are unable to effectively adapt our business model and processes.

Our business could also be affected by technological changes, such as autonomous or partially autonomous vehicles or technologies that facilitate ride, car or home sharing. Such changes could disrupt the demand for products from current customers, create coverage issues, impact the frequency or severity of losses, or reduce the size of the automobile insurance market causing our auto insurance business to decline. Since auto insurance constitutes a significant portion of our overall business, we may be more sensitive than other insurers and more adversely affected by trends that could decrease auto insurance rates or reduce demand for auto insurance over time.

Technological advancements and innovation are occurring in distribution, underwriting, claims and operations at a rapid pace that may continue to accelerate. Nontraditional competitors could enter the insurance market and further accelerate these trends. Our competitive position could be impacted if we are unable to deploy, in a cost effective and competitive manner, technology such as artificial intelligence and machine learning that collects and analyzes data to inform underwriting or other decisions, or if our competitors collect and use data which we do not have the ability to access or use. Innovations must be implemented in compliance with applicable insurance regulations and may require extensive modifications to our systems and processes and extensive coordination with and reliance on the systems and operations of third parties. If we are unable to adapt to or bring such advancements and innovations to market, the quality of our products, our relationships with customers and agents, competitive position and business prospects may be materially affected. Changes in technology related to collection and application of data regarding customers could expose us to regulatory or legal actions and may have a material adverse effect on our business, reputation, results of operations and financial condition.

Technology and customer preference changes may impact the ways in which we interact, do business with our customers and design our products. We may not be able to respond effectively to these changes, which could have a material effect on our results of operations and financial condition.

Our ability to adequately and effectively price our products and services is affected by the evolving nature of consumer needs and preferences, market and regulatory dynamics, broader use of telematics-based rate segmentation and potential reduction in consumer demand.

Many voluntary benefits contracts are renewed annually. There is a risk that employers may be able to obtain more favorable terms from competitors than they could by renewing coverage with us. These competitive pressures may adversely affect the renewal of these contracts, as well as our ability to sell products.

Transformative Growth strategy implementation may not be effective

The Transformative Growth strategy is to accelerate growth by improving customer value, expanding customer access, increasing customer acquisition sophistication and investment, modernizing the technology ecosystem and driving organizational transformation. The strategy encompasses all aspects of Allstate's customer experience and business model, spanning product distribution and sales, operations and servicing, and claims processing. If the strategy is not implemented effectively, customer retention and policy growth objectives could be adversely impacted. Lost business opportunities may result due to slower than anticipated speed to market. External forces including competitor actions or regulatory changes may also have an adverse effect on the value generated from the transformation.

Our catastrophe management strategy may adversely affect premium growth

Catastrophe risk management actions have led us to reduce the size of our homeowners business, including customers with auto and other personal lines products and may negatively impact future sales. Adjustments to our business structure, size and underwriting practices in markets with significant severe weather and catastrophe risk exposure could adversely impact premium growth rates and retention.

The ability of our subsidiaries to pay dividends may affect our liquidity and ability to meet our obligations

The Allstate Corporation is a holding company with no significant operations. Its principal assets are the stock of its subsidiaries and its directly held cash and investment portfolios. Its liabilities include debt and pension and other postretirement benefit obligations related to Allstate Insurance Company employees. State insurance regulatory authorities limit the payment of dividends by insurance subsidiaries, as described in Note 17 of the consolidated financial statements. The limitations are based on statutory income and surplus. In addition, competitive pressures generally require the subsidiaries to maintain insurance financial strength ratings. These restrictions and other regulatory requirements may affect the ability of subsidiaries to make dividend payments. Limits on the ability of the subsidiaries to pay dividends could adversely affect holding company liquidity, including the ability to pay dividends to shareholders, service debt or complete share repurchase programs as planned.

Changes in regulatory or rating agency capital requirements could decrease deployable capital and potentially reduce future dividends paid by our insurance companies.

For a discussion of capital requirements, including a change to a group capital calculation, see Regulation section, Limitations on Dividends by Insurance Subsidiaries.

Our ability to pay dividends or repurchase stock is subject to limitations under terms of certain of our securities

The terms of the outstanding subordinated debentures prohibit us from declaring or paying any dividends or distributions on our common or preferred stock or redeeming, purchasing, acquiring or making liquidation payments on our common stock or preferred stock if we have elected to defer interest payments on the subordinated debentures, subject to certain limited exceptions.

We are prohibited from declaring or paying dividends on our Series G preferred stock if we fail to meet specified capital adequacy, net income or shareholders' equity levels. The prohibition is subject to an exception permitting us to declare dividends out of the net proceeds of common stock issued by us during the 90 days before the date of declaration even if we fail to meet such levels.

If the full preferred stock dividends for all preceding dividend periods have not been declared and paid, we generally may not repurchase or pay dividends on common stock during any dividend period while our preferred stock is outstanding.

See Note 13 of the consolidated financial statements.

Reinsurance may be unavailable at current levels and prices, which may limit our ability to write new business

Market conditions impact the availability and cost of the reinsurance we purchase. Reinsurance may not remain continuously available to us to the same extent and on the same terms and rates as is currently available. Our ability to economically justify reinsurance to reduce our catastrophe risk in designated areas may depend on our ability to adjust premium rates to fully or partially recover cost. If we cannot maintain our current level of reinsurance or purchase new reinsurance protection in amounts we consider sufficient at acceptable prices, we would have to either accept an increase in our catastrophe exposure, reduce our insurance exposure or seek other alternatives.

Reinsurance subjects us to counterparty risk and may not be adequate to protect us against losses arising from ceded insurance

Collecting from reinsurers is subject to uncertainty arising from factors that include:

- Whether reinsurers, their affiliates or certain indemnitors have the financial capacity and willingness to make payments under the terms of a reinsurance treaty or contract
- Whether insured losses meet the qualifying conditions of the reinsurance contract

Our inability to recover from a reinsurer could have a material effect on our results of operations and financial condition.

Disruption, volatility or uncertainty in the insurance-linked securities market may decrease our ability to access such market on favorable terms or at all.

Acquisitions or divestitures of businesses may not produce anticipated benefits, resulting in operating difficulties, unforeseen liabilities or asset impairments

The ability to achieve certain anticipated financial benefits from the acquisition of businesses depends in part on our ability to successfully grow and integrate the businesses consistent with our anticipated acquisition economics. Financial results could be adversely affected by unanticipated performance issues, unforeseen liabilities, transaction-related charges, diversion of management time and resources to acquisition integration challenges or growth strategies, loss of key employees, challenges in integrating information technology systems of acquired companies with our own, amortization of expenses related to intangibles, charges for impairment of long-term assets or goodwill and indemnifications.

Acquired businesses may not perform as projected, cost savings anticipated from the acquisition may not materialize, and costs associated with the integration may be greater than anticipated. As a result, if we do not manage these integrations effectively, the quality of our products as well as our relationships with customers and partners may result in the company not achieving returns on its investment at the level projected at acquisition.

We also may divest businesses from time to time. These transactions may result in continued financial involvement in the divested businesses, such as through reinsurance, guarantees or other financial arrangements, following the transaction. If the acquiring companies do not perform under the arrangements, our financial results could be negatively impacted.

We may be subject to the risks and costs associated with intellectual property infringement, misappropriation and third-party claims

We rely on a combination of contractual rights and copyright, trademark, patent and trade secret laws to establish and protect our intellectual property. Third parties may infringe or misappropriate our intellectual property. We may have to litigate to enforce and protect intellectual property and to determine its scope, validity or enforceability, which could divert significant resources and prove unsuccessful. An inability to protect intellectual property or an inability to successfully defend against a claim of intellectual property infringement could have a material effect on our business.

We may be subject to claims by third parties for patent, trademark or copyright infringement or breach of usage rights. Any such claims and any resulting litigation could result in significant expense and liability. If third-party providers or we are found to have infringed a third-party intellectual property right, either of us could be enjoined from providing certain products or services or from utilizing and benefiting from certain methods, processes, copyrights, trademarks, trade secrets or licenses. Alternatively, we could be required to enter into costly licensing arrangements with third parties or implement costly work-arounds. Any of these scenarios could have a material effect on our business and results of operations.

Macro, regulatory and risk environment

Conditions in the global economy and capital markets could continue to adversely affect our business and results of operations

Global economic and capital market conditions could continue to adversely impact demand for our products, returns on our investment portfolio and results of operations. The conditions that would have the largest impact on our business include:

- Low or negative economic growth
- Interest rate levels
- Rising inflation increasing claims and claims expense
- Substantial increases in delinquencies or defaults on debt
- Significant downturns in the market value or liquidity of our investment portfolio
- Prolonged downturn in equity valuations
- Reduced consumer spending and business investment

Stressed conditions, volatility and disruptions in global capital markets or financial asset classes could adversely affect our investment portfolio. Our assumptions about portfolio diversification may not hold across market conditions, which could lead to heightened investment losses.

Capital and credit market conditions may significantly affect our ability to meet liquidity needs or obtain credit on acceptable terms

In periods of extreme volatility and disruption in the capital and credit markets, liquidity and credit capacity may be severely restricted. Our access to additional financing depends on a variety of factors such as market conditions, the general availability of credit, the overall availability of credit to our industry, our credit ratings and credit capacity, as well as lenders' perception of our long- or short-term financial prospects. In such circumstances, our ability to obtain capital to fund operating expenses, financing costs, capital expenditures or acquisitions may be limited, and the cost of any such capital may be significant.

A large-scale pandemic, the occurrence of terrorism, military actions, social unrest or other actions may have an adverse effect on our business

A large-scale pandemic, such as the Coronavirus and its impacts, the occurrence of terrorism, military actions, social unrest or other actions, may result in loss of life, property damage, and disruptions to commerce and reduced economic activity. Some of the assets in our investment portfolio may be adversely affected by declines in the equity markets, changes in interest rates, reduced liquidity and economic activity caused by a large-scale pandemic. Additionally, a large-scale pandemic or terrorist act could have a material effect on sales, liquidity and operating results.

The Coronavirus resulted in governments worldwide enacting emergency measures to combat the spread of the virus, including travel restrictions, government-imposed shelter-in-place orders, quarantine periods, social distancing, and restrictions on large gatherings. These measures have moderated, but new variants of the Coronavirus could result in further economic volatility. We continue to closely monitor and proactively adapt to developments and changing conditions. Currently, it is not possible to reliably estimate the impact to our operations, but the effects have been and could be material.

The Coronavirus has affected our operations and may continue to significantly affect our results of operations, financial condition and liquidity. The impact from the pandemic should be considered when comparing the current period to prior periods, including:

- Sales of new and retention of existing policies
- Rate changes and average gross premiums
- Supply chain disruptions and labor shortages increase the cost of settling claims

- Premiums and losses for shared economy products, including transportation network companies and home rentals
- Driving behavior and auto accident frequency
- Hospital and outpatient claim costs
- Investment valuations and returns
- Bad debt and credit allowance exposure
- Consumer utilization of Milewise®, our pay-per-mile insurance product
- Retail sales in Allstate Protection Plans

See MD&A, Highlights for a summary of the impacts of the Coronavirus on our operations, each of our segments and investments that may continue, emerge, evolve or accelerate into 2023.

The failure in cyber or other information security controls, as well as the occurrence of events unanticipated in our disaster recovery processes and business continuity planning, could result in a loss or disclosure of confidential information, damage to our reputation, additional costs and impair our ability to conduct business effectively

We depend heavily on computer systems, mathematical algorithms and data to perform necessary business functions. There are threats that could impact our ability to protect our data and systems; if the threats materialize, they could impact confidentiality, integrity and availability:

- Confidentiality — protecting our data from disclosure to unauthorized parties
- Integrity — ensuring data is not changed accidentally or without authorization and is accurate
- Availability — ensuring our data and systems are accessible to meet our business needs

We collect, use, store or transmit a large amount of confidential, proprietary and other information (including personal information of customers, claimants or employees) in connection with the operation of our business. Systems are subject to increased cyberattacks and unauthorized access, such as physical and electronic break-ins or unauthorized tampering.

We constantly defend against threats to our data and systems, including malware and computer virus attacks, unauthorized access, system failures and disruptions. We have experienced breaches of our data and systems, although to date none of these breaches has had a material effect on our business, operations or reputation. Events like these jeopardize the information processed and stored in, and transmitted through, our computer systems and networks and otherwise cause interruptions or malfunctions in our operations, which could result in damage to our reputation, financial losses, litigation, increased costs, regulatory penalties or customer dissatisfaction.

These risks may increase in the future as threats become more sophisticated and we continue to expand internet and mobile strategies, develop additional remote connectivity solutions to serve our employees and customers, develop and expand products and services designed to protect customers' digital footprint, and build and maintain an integrated digital enterprise.

Our increased use of third-party services (e.g., cloud technology and software as a service) can make it more difficult to identify and respond to cyberattacks in any of the above situations. Although we may review and assess third-party vendor cyber security controls, our efforts may not be successful in preventing or mitigating the effects of such events. Third parties to whom we outsource certain functions are also subject to cybersecurity risks.

Personal information is subject to an increasing number of federal, state, local and international laws and regulations regarding privacy and data security, as well as contractual commitments. Any failure or perceived failure by us to comply with such obligations may result in governmental enforcement actions and fines, litigation or public statements against us by consumer advocacy groups or others and could cause our employees and customers to lose trust in us, which could have an adverse effect on our reputation and business.

Our integrated operational risk and return management processes and practices may not be sufficient to timely detect and mitigate operational risks that could have an adverse effect on our reputation and business.

See the Regulation section, Privacy Regulation and Data Security, for additional information.

The occurrence of a disaster, such as a natural catastrophe, pandemic, industrial accident, blackout, terrorist attack, war, cyberattack, computer virus, insider threat, unanticipated problems with our disaster recovery processes, or a support failure from external providers, could have an adverse effect on our ability to conduct business and on our results of operations and financial condition, particularly if those events affect our computer-based data processing, transmission, storage, and retrieval systems or destroy data. If a significant number of employees were unavailable in the event of a disaster, our ability to effectively conduct business could be severely compromised. Our systems are also subject to compromise from internal threats.

Losses from changing climate and weather conditions may adversely affect our financial condition, profitability or cash flows

Climate change affects the occurrence of certain natural events, such as increasing the frequency or severity of wind, tornado, hailstorm and thunderstorm events due to increased convection in the atmosphere. There could also be more frequent wildfires in certain geographies, more flooding and the potential for increased severity of hurricanes due to higher sea surface temperatures. As a result, incurred losses from such events and the demand, price and availability of reinsurance coverages for automobile and homeowners insurance may be affected.

Climate change may also impact insurability by impairing our ability to identify and quantify potential hazards that will result in losses and offer our customers products at an affordable price. Our investment portfolio is also subject to the effects of climate change as economic shifts alter the return dynamic of long-term investments and increase valuation risk.

Due to significant variability associated with future changing climate conditions, we are unable to predict the impact climate change will have on our businesses.

NEW *Our efforts to meet evolving environmental, social, and governance standards may not meet stakeholders' expectations*

Some of our existing or potential investors, customers, employees, regulators, and other stakeholders evaluate our business practices according to a variety of environmental, social and governance ("ESG") standards and expectations, including those related to climate change, inclusive diversity and equity, data privacy, and the well-being of our employees. Some regulators have proposed or adopted, or may propose or adopt, ESG rules or standards applicable to our business. Our Shared Purpose integrates strong ESG principles and practices into our culture, strategy and business practices.

Our business practices and disclosures are evaluated against ESG standards which are continually evolving and not always well defined or readily measurable today. ESG-related expectations may also reflect contrasting or conflicting values or agendas. Our practices may not change in the particular ways or at the rate stakeholders expect. We may fail to meet our commitments or targets. Our policies and processes to evaluate and manage ESG priorities in coordination with other business priorities may not prove completely effective or fully satisfy our stakeholders. Customers and potential customers may choose not to do business with us based on our ESG practices and related policies and actions. We may face adverse regulatory, investor, media, or public scrutiny leading to business, reputational, or legal challenges.

We are subject to extensive regulation, and potential further restrictive regulation may increase operating costs and limit growth

We largely operate in the highly regulated insurance and broader financial services sectors and are subject to extensive laws and regulations that are complex and subject to change. Changes may lead to additional expenses, increased legal exposure, or increased reserve or capital requirements limiting our ability to grow or to achieve targeted profitability. Moreover, laws and regulations are administered and enforced by governmental authorities that exercise interpretive latitude, including:

- State insurance regulators
- State securities administrators
- State attorneys general
- Federal agencies including the SEC, the Financial Industry Regulatory Authority, the Department of Labor, the U.S. Department of Justice, the Consumer Financial Protection Bureau and the National Labor Relations Board

Consequently, compliance with one regulator's or enforcement authority's interpretation of a legal issue may not result in compliance with another's interpretation of the same issue.

There is risk that one regulator's or enforcement authority's interpretation of a legal issue may change to our detriment. There is also a risk that changes in the overall legal environment may cause us to change our views regarding the actions we need to take from a legal risk management perspective. This could necessitate changes to our practices that may adversely impact our business. In some cases, state insurance laws and regulations are generally intended to protect or benefit purchasers or users of insurance products, not holders of securities that we issue. These laws and regulations may limit our ability to grow or to improve the profitability of our business.

A regulatory environment that requires rate increases to be approved, can dictate underwriting practices and mandate participation in loss sharing arrangements, may adversely affect results of operations and financial condition

Political events and positions can affect the insurance market, including efforts to suppress rates to a level that may not allow us to reach targeted levels of profitability. Regulatory challenges to rate increases, especially during inflationary periods with more significant rate changes, may restrict rate changes that may be required to achieve targeted levels of profitability and returns on equity. If we are unsuccessful, our results of operations could be negatively impacted.

In addition, certain states have enacted laws that require an insurer conducting business in that state to participate in assigned risk plans, reinsurance facilities and joint underwriting associations. Certain states also require the insurer to offer coverage to all consumers, often restricting an insurer's ability to charge the price it might otherwise charge for the risk acceptance. In these markets, we may be compelled to underwrite significant amounts of business at lower-than-desired rates, possibly leading to an unacceptable return on equity. Alternatively, as the facilities recognize a financial deficit, they could have the ability to assess participating insurers, adversely affecting our results of operations and financial condition. Laws and regulations of many states also limit an insurer's ability to withdraw from one or more lines of insurance, except pursuant to a plan that is approved by the state insurance department. Certain states require an insurer to participate in guaranty funds for impaired or insolvent insurance companies. These funds periodically assess losses against all insurance companies doing business in the state. Our results of operations and financial condition could be adversely affected by any of these factors.

Regulatory reforms, and the more stringent application of existing regulations, may make it more expensive for us to conduct our business

The federal government has enacted comprehensive regulatory reforms for financial services entities. As part of a larger effort to strengthen the regulation of the financial services market, certain reforms are applicable to the insurance industry.

The Federal Insurance Office and Financial Stability Oversight Council have been established, and the federal government may enact reforms that affect the state insurance regulatory framework. The potential impact of state or federal measures that change the nature or scope of insurance and financial regulation is uncertain but may make it more expensive for us to conduct business and limit our ability to grow or achieve profitability.

We have business process and information technology operations in Canada, India, the United Kingdom and Mexico that are subject to operating, regulatory and political risks in those countries. We may incur substantial costs and other negative consequences if any of these occur, including an adverse effect on our business, results of operations and financial condition.

Losses from legal and regulatory actions may be material to our results of operations, cash flows and financial condition

We are involved in various legal actions, including class-action litigation challenging a range of company practices and coverages provided by our insurance products, some of which involve claims for substantial or indeterminate amounts. We are also involved in various regulatory actions and inquiries, including market conduct exams by state insurance regulatory agencies. In the event of an unfavorable outcome in any of these matters, the ultimate liability may be more than amounts currently accrued or disclosed in our reasonably possible loss range and may be material to our results of operations, cash flows and financial condition.

See Note 15 of the consolidated financial statements.

Changes in or the application of accounting standards issued by standard-setting bodies and changes in tax laws may adversely affect our results of operations and financial condition

Our financial statements are subject to the application of accounting principles generally accepted in the United States of America, which are periodically revised, interpreted or expanded. Accordingly, we may be required to adopt new guidance or interpretations, which may have a material effect on our results of operations and financial condition and could adversely impact financial strength ratings.

- Market declines, changes in business strategies or other events impacting the fair value of goodwill or purchased intangible assets could result in an impairment charge to income
- Realization of our deferred tax assets assumes that we can fully utilize the deductions recognized for tax purposes; we may recognize additional tax expense if these assets are not fully utilized
- New tax legislative initiatives may be enacted that may impact our effective tax rate and could adversely affect our tax positions or tax liabilities

See MD&A, Application of Critical Accounting Estimates and Note 2 of the consolidated financial statements for further details.

Loss of key vendor relationships, disruptions to the provision of products or services by a vendor, or failure of a vendor to provide and protect reliable data, and proprietary information, or personal information of our customers, claimants or employees could adversely affect our operations

We rely on services and products provided by many vendors in the U.S. and abroad. These include vendors of computer hardware, software, cloud technology and software as a service, as well as vendors or outsourcing of services such as:

- Claim adjustment services
- Call center services for customer support
- Human resource benefits management
- Information technology support
- Investment management services

We continue to identify ways to improve operating efficiency and reduce cost, which may result in additional outsourcing arrangements in the future. If we are not successful transitioning work to a vendor or a key vendor becomes unable to continue to provide products or services, fails to meet service level standards, or if any vendor fails to protect our confidential, proprietary, and other information, or if our business continuity plans do not sufficiently address a vendor-related business interruption, we may suffer operational impairments and financial losses.

Our ability to attract, develop, and retain talent to maintain appropriate staffing levels and establish a successful work culture is critical to our success

Competition for qualified employees with highly specialized knowledge in areas such as underwriting, data and analytics, technology and e-commerce, is intense and we have experienced increased competition in hiring and retaining employees. The increased prevalence of remote-working arrangements that do not require employees to relocate to take a new job could contribute to higher turnover.

Factors that affect our ability to attract and retain such employees include:

- Compensation and benefits
- Training and re-skilling programs
- Reputation as a successful business with a culture of fair hiring, and of training and promoting qualified employees
- Recognition of and response to changing trends and other circumstances that affect employees

The unexpected loss of key personnel could have a material adverse impact on our business because of the loss of their skills, knowledge of our products and offerings and years of industry experience and, in some cases, the difficulty of promptly finding qualified replacement personnel.

Misconduct or fraudulent acts by employees, agents and third parties may expose us to financial loss, disruption of business, regulatory assessments and reputational harm

The company and the insurance industry are susceptible to past and future misconduct or fraudulent activities by employees, representative agents, vendors, customers and other third parties. These activities could include:

- Fraud against the company, its employees and its customers through illegal or prohibited activities
- Unauthorized acts or representations, unauthorized use or disclosure of personal or proprietary information, deception, and misappropriation of funds or other benefits

Item 1B. Unresolved Staff Comments

None.

Item 2. Properties

On October 18, 2022, Allstate closed the sale of its headquarters in Northbrook, Illinois. The sale will reduce real estate expenses and further advance Allstate’s multi-year Transformative Growth strategy.

In Illinois, the Company has 49 locations totaling 609 thousand square feet of office space.

In North America, we operate from approximately 862 retail stores, administrative, data processing, claims handling and other support facilities that total 1.1 million square feet owned and 5.0 million square feet leased.

Outside North America, we own one and lease two properties in Northern Ireland comprising approximately 198 thousand square feet. We also have two leased facilities in India for approximately 441 thousand square feet, two leased facilities in London for seven thousand square feet and approximately two thousand square feet in other international locations.

The locations where Allstate exclusive agencies operate in the U.S. are normally leased by the agencies.

Item 3. Legal Proceedings

Information required for Item 3 is incorporated by reference to the discussion under the heading “Regulation and compliance” and under the heading “Legal and regulatory proceedings and inquiries” in Note 15 of the consolidated financial statements.

Item 4. Mine Safety Disclosures

Not applicable.

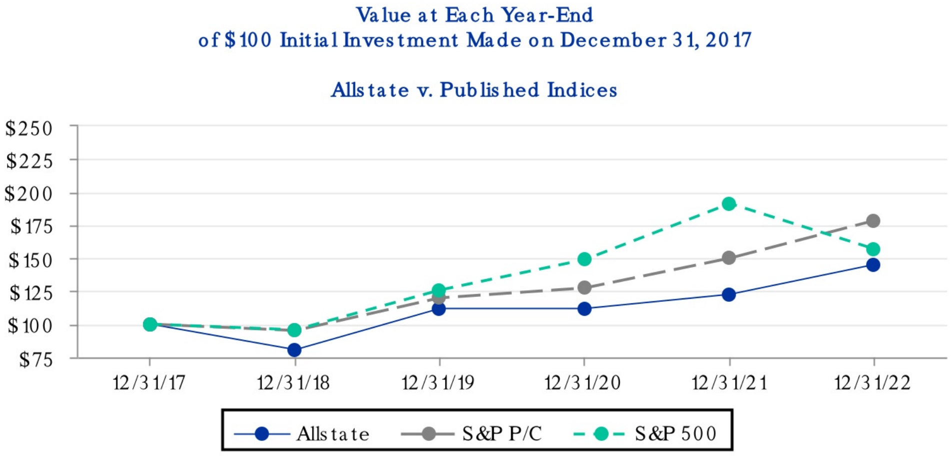
Part II

Item 5. Market for Registrant's Common Equity, Related Stockholder Matters and Issuer Purchases of Equity Securities

As of January 31, 2023, there were 59,597 holders of record of The Allstate Corporation's common stock. The principal market for the common stock is the New York Stock Exchange, where our common stock trades under the trading symbol "ALL". Our common stock is also listed on the Chicago Stock Exchange.

Common stock performance graph

The following performance graph compares the cumulative total shareholder return on Allstate common stock for a five-year period (December 31, 2017 to December 31, 2022) with the cumulative total return of the S&P Property and Casualty Insurance Index (S&P P/C) and the S&P 500 stock index.



Value at each year-end of $100 initial investment made on December 31, 2017

	12/31/2017	12/31/2018	12/31/2019	12/31/2020	12/31/2021	12/31/2022
Allstate	$ 100.00	$ 80.48	$ 111.72	$ 111.59	$ 122.61	$ 145.10
S&P P/C	$ 100.00	$ 95.31	$ 119.96	$ 127.56	$ 149.89	$ 178.18
S&P 500	$ 100.00	$ 95.61	$ 125.70	$ 148.81	$ 191.48	$ 156.77

Issuer Purchases of Equity Securities

Period	Total number of shares (or units) purchased [1]		Average price paid per share (or unit)	Total number of shares (or units) purchased as part of publicly announced plans or programs [2]		Maximum number (or approximate dollar value) of shares (or units) that may yet be purchased under the plans or programs [3]
October 1, 2022 - October 31, 2022						
Open Market Purchases	1,645,463	$	128.65	1,644,936		
November 1, 2022 - November 30, 2022						
Open Market Purchases	693,860	$	128.40	692,907		
December 1, 2022 - December 31, 2022						
Open Market Purchases	400,465	$	132.26	399,500		
Total	**2,739,788**	**$**	**129.11**	**2,737,343**	**$**	**802 million**

[1] In accordance with the terms of its equity compensation plans, Allstate acquired the following shares in connection with the vesting of restricted stock units and performance stock awards and the exercise of stock options held by employees and/or directors. The shares were acquired in satisfaction of withholding taxes due upon exercise or vesting and in payment of the exercise price of the options.

October: 527
November: 953
December: 965

[2] From time to time, repurchases under our programs are executed under the terms of a pre-set trading plan meeting the requirements of Rule 10b5-1(c) of the Securities Exchange Act of 1934.

[3] In August 2021, we announced the approval of a common share repurchase program for $5 billion which is expected to be completed by September 30, 2023. The Inflation Reduction Act, enacted in August 2022, imposes a 1% excise tax on stock repurchases occurring after December 31, 2022. The excise tax on common stock repurchases will be classified as an additional cost of the stock acquired included in treasury stock in shareholders' equity.

Item 6. [Reserved]

None.

Item 7. Management’s Discussion and Analysis of Financial Condition and Results of Operations

2022 Highlights

Overview

The following discussion highlights significant factors influencing the consolidated financial position and results of operations of The Allstate Corporation (referred to in this document as "we," "our," "us," the "Company" or "Allstate"). It should be read in conjunction with the consolidated financial statements and related notes found under Item 8. contained herein.

A discussion of strategy, including updates to the multi-year Transformative Growth initiative, can be found in Part 1, Item 1. Business.

This section of this Form 10-K generally discusses 2022 and 2021 results and year-to-year comparisons between 2022 and 2021. Discussions of 2020 results and year-to-year comparisons between 2021 and 2020 that are not included in this Form 10-K can be found in Management's Discussion and Analysis ("MD&A") in Part II, Item 7 of our annual report on Form 10-K for 2021, filed February 18, 2022. Certain amounts have been reclassified to conform to current year presentation.

The most important factors we monitor to evaluate the financial condition and performance for our reportable segments and the Company include:

- *Allstate Protection*: premium, policies in force ("PIF"), new business sales, policy retention, price changes, claim frequency and severity, catastrophes, loss ratio, expenses, underwriting results, combined ratio and relative competitive position
- *Protection Services*: revenues, premium written, PIF and adjusted net income
- *Allstate Health and Benefits*: premiums, new business sales, PIF, benefit ratio, expenses and adjusted net income
- *Investments*: exposure to market risk, asset allocation, credit quality, total return, net investment income, cash flows, net gains and losses on investments and derivatives, unrealized capital gains and losses, long-term returns and asset duration
- *Financial condition*: liquidity, parent holding company deployable assets, financial strength ratings, operating leverage, debt levels, book value per share and return on equity

Measuring segment profit or loss

The measure of segment profit or loss used in evaluating performance is underwriting income for the Allstate Protection and Run-off Property-Liability segments and adjusted net income for the Protection Services, Allstate Health and Benefits, and Corporate and Other segments.

Underwriting income is calculated as premiums earned and other revenue, less claims and claims expense ("losses"), Shelter-in-Place Payback expense, amortization of deferred policy acquisition costs ("DAC"), operating costs and expenses, amortization or impairment of purchased intangibles, and restructuring and related charges, as determined using accounting principles generally accepted in the United States of America ("GAAP"). We use this measure in our evaluation of results of operations to analyze profitability.

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

- Net gains and losses on investments and derivatives
- Pension and other postretirement remeasurement gains and losses
- Business combination expenses and the amortization or impairment of purchased intangibles
- Income or loss from discontinued operations
- Gain or loss on disposition
- Adjustments for other significant non-recurring, infrequent or unusual items, when (a) the nature of the charge or gain is such that it is reasonably unlikely to recur within two years, or (b) there has been no similar charge or gain within the prior two years
- Income tax expense or benefit on reconciling items

Sale of Headquarters

On October 18, 2022, Allstate closed the sale of its headquarters for $232 million resulting in a gain of approximately $99 million, pre-tax in the fourth quarter of 2022. $16 million of the gain was classified in Property-Liability net gains and losses on investments and derivatives and $83 million was classified as other revenue within the Corporate and Other segment. The sale reduces real estate expenses and further advances Allstate's multi-year Transformative Growth initiative.

Acquisitions and Dispositions

Acquisitions On January 4, 2021, we completed the acquisition of National General Holdings Corp. ("National General"), significantly enhancing our strategic position in the independent agency channel.

Discontinued operations and held for sale On October 1, 2021, we closed the sale of Allstate Life Insurance Company of New York ("ALNY") to Wilton Reassurance Company for $400 million. On November 1, 2021, we closed the sale of Allstate Life Insurance Company ("ALIC") and certain affiliates to entities managed by Blackstone for total proceeds of $4 billion, including a pre-close dividend of $1.25 billion paid by ALIC. In 2021, the assets and liabilities of the businesses were reclassified as held for sale and results are presented as discontinued operations. This change was applied on a retrospective basis.

In connection with the sale of ALIC and certain affiliates in 2021, the sale agreement includes a provision related to contingent consideration that may be earned over a ten-year period with the first potential payment date commencing on January 1, 2026 and a final potential payment date of January 1, 2035. The contingent consideration is determined annually based on the average ten-year Treasury rate over the preceding three-year period compared to a designated rate. The contingent consideration meets the definition of a derivative and is accounted for on a fair value basis with periodic changes in fair value reflected in earnings.

See Note 3 of the consolidated financial statements for further information on acquisitions and dispositions.

Macroeconomic Impacts

The Novel Coronavirus Pandemic or COVID-19 ("Coronavirus") resulted in governments worldwide enacting emergency measures to combat the spread of the virus, including travel restrictions, government-imposed shelter-in-place orders, quarantine periods, social distancing, and restrictions on large gatherings. These measures have moderated significantly, but new variants of the Coronavirus could result in further economic volatility. We continue to closely monitor and proactively adapt to developments and changing conditions. Currently, it is not possible to reliably estimate the continuing impact to operations, but the effects have been and could be material.

Certain growth and profitability comparisons to the prior year were impacted, in part, by the effects the Coronavirus had on prior year results. Beginning in March 2020, when shelter-in-place orders and other restrictions were initiated, and throughout 2021, we experienced lower auto accident claim frequency and different claim patterns than historically experienced. Total auto claim frequency has since increased, but remains below pre-pandemic levels.

The Coronavirus has affected operations and may continue to significantly affect results of operations, financial condition and liquidity. The impact from the pandemic should be considered when comparing the current year to the prior years, including:

- Sales of new and retention of existing policies
- Rate changes and average gross premiums
- Supply chain disruptions and labor shortages impacts on the cost of settling claims
- Premium for transportation network products
- Driving behavior and auto accident frequency
- Hospital and outpatient claim costs
- Investment valuations and returns
- Bad debt and credit allowance exposure
- Consumer utilization of Milewise®, our pay-per-mile insurance product
- Retail sales in Allstate Protection Plans

A pandemic such as the Coronavirus and its impacts are disclosed in Part 1 "Item 1A. Risk Factors'', including the risk factors titled "*A large-scale pandemic, the occurrence of terrorism, military actions, social unrest or other actions may have an adverse effect on our business*" and "*Conditions in the global economy and capital markets could continue to adversely affect our business and results of operations*".

Supply chain disruptions, labor shortages and other macroeconomic factors have increased inflation, which may have an adverse impact on investment valuations and returns. As inflation continued to remain elevated, the Federal Reserve significantly increased interest rates and credit spreads widened reflecting ongoing recession concerns. These factors along with other ongoing impacts from the pandemic create significant economic uncertainty and the resulting market volatility may continue to impact our investment valuations and returns.

This list is not inclusive of all potential impacts and should not be treated as such. Within the MD&A we have included further disclosures related to macroeconomic impacts on our 2022 results.

Russia/Ukraine Conflict

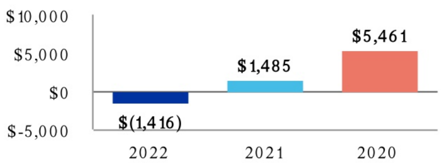
The Russia-Ukraine war and related sanctions imposed as a result of this conflict have increased global economic and political uncertainty, including inflationary pressures and an increased risk of cybersecurity incidents. Allstate does not have operations or direct investments in Russia, Belarus or Ukraine, but we could experience significant indirect impacts on the investment portfolio, financial position, or results of operations.

Allstate Delivered on 2022 Operating Priorities [1]	
Better Service Customers	Enterprise Net Promoter Score, which measures how likely customers are to recommend us, finished below the prior year, reflecting substantial price increases necessary to offset higher loss costs.
Grow Customer Base	Consolidated policies in force reached 189.1 million, a 1.0% decrease from prior year. Property-Liability policies in force increased by 0.7% compared to the prior year, as continued growth at National General was substantially offset by the Allstate brand as new business was limited in many states.
	Protection Services policies in force declined 1.4%, primarily due to expiring low average premium policies from a major retail account that ended in 2019.
Achieve Target Economic Returns on Capital	Return on average Allstate common shareholders' equity was (7.3)% in 2022.
	The Property-Liability combined ratio of 106.6 for the full year increased compared to the prior year primarily driven by higher auto losses. We continued to reduce expenses by lowering direct sales and advertising spend and are reducing exposure in states with unacceptable auto and home insurance margins through underwriting restrictions. Our claims organization is executing a plan to manage the impacts of a higher loss cost environment.
Proactively Manage Investments	Net investment income of $2.40 billion in 2022 was $890 million below prior year as higher market-based investment income was more than offset by lower performance-based results.
	Total return on the $61.83 billion investment portfolio was (4.0)% in 2022 and compares favorably to full year 2022 performance of the S&P 500 of (18.1)% and the Bloomberg Intermediate Bond return of (9.4)%. Proactive portfolio actions to reduce inflation and economic risk by shortening fixed income duration mitigated portfolio losses by approximately $2 billion this year.
Build Long-Term Growth Platforms	Allstate made substantial progress in advancing Transformative Growth initiatives in 2022, including continued cost reductions, deploying a new property-liability technology platform and a new Affordable, Simple and Connected auto insurance offering in two states.
	National General is meeting or exceeding acquisition performance targets with the objective of building a strong competitive position in independent agent distribution.
	Protection Services has increased revenues, particularly Allstate Protection Plans. Arity continued to expand its data acquisition platform with more than one trillion miles of traffic data and launched Arity IQ, a product to improve new business profitability for auto insurers.

[1] 2023 operating priorities will remain mostly consistent with the 2022 priorities, with "Building Long-Term Growth Platforms" expanding to "Execute Transformative Growth" to fully integrate Transformative Growth goals.

Consolidated Net Income

($ in millions)

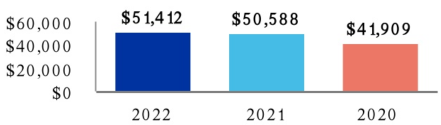


Consolidated net loss applicable to common shareholders was $1.42 billion in 2022 compared to net income of $1.49 billion in 2021, primarily due to an underwriting loss, equity valuation decreases and losses on investment sales, partially offset by the absence of the 2021 loss on sale of the life and annuities business.

For the twelve months ended December 31, 2022, return on Allstate common shareholders' equity was (7.3)% compared to 5.8% for the twelve months ended December 31, 2021.

Total Revenue

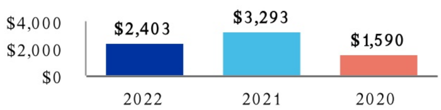
($ in millions)



Total revenue increased 1.6% to $51.41 billion in 2022 compared to 2021, primarily due to an 8.7% increase in property and casualty insurance premiums earned, partially offset by net losses on investments and derivatives in 2022 compared to net gains in 2021 and a decrease in net investment income.

Net Investment Income

($ in millions)



Net investment income decreased $890 million to $2.40 billion in 2022 compared to 2021, primarily due to lower performance-based investment results, mainly from limited partnerships, partially offset by higher market-based fixed income portfolio yields.

Summarized financial results

($ in millions)	Years Ended December 31, 2022	2021	2020
Revenues			
Property and casualty insurance premiums	$ 45,904	$ 42,218	$ 37,073
Accident and health insurance premiums and contract charges	1,833	1,821	1,094
Other revenue	2,344	2,172	1,065
Net investment income	2,403	3,293	1,590
Net gains (losses) on investments and derivatives	(1,072)	1,084	1,087
Total revenues	**51,412**	**50,588**	**41,909**
Costs and expenses			
Property and casualty insurance claims and claims expense	(37,264)	(29,318)	(22,001)
Shelter-in-Place Payback expense	—	(29)	(948)
Accident, health and other policy benefits	(1,061)	(1,049)	(549)
Amortization of deferred policy acquisition costs	(6,644)	(6,252)	(5,477)
Operating, restructuring and interest expenses	(7,832)	(7,760)	(6,065)
Pension and other postretirement remeasurement gains (losses)	(116)	644	51
Amortization of purchased intangibles	(353)	(376)	(118)
Total costs and expenses	**(53,270)**	**(44,140)**	**(35,107)**
(Loss) income from operations before income tax expense	**(1,858)**	**6,448**	**6,802**
Income tax benefit (expense)	494	(1,289)	(1,373)
Net (loss) income from continuing operations	**(1,364)**	**5,159**	**5,429**
(Loss) income from discontinued operations, net of tax	—	(3,593)	147
Net (loss) income	**(1,364)**	**1,566**	**5,576**
Less: Net loss attributable to noncontrolling interest	(53)	(33)	—
Net (loss) income attributable to Allstate	**(1,311)**	**1,599**	**5,576**
Preferred stock dividends	(105)	(114)	(115)
Net (loss) income applicable to common shareholders	**$ (1,416)**	**$ 1,485**	**$ 5,461**

Segment Highlights

Allstate Protection underwriting loss was $2.78 billion in 2022 compared to income of $1.79 billion in 2021, primarily due to higher auto insurance losses and unfavorable reserve reestimates, both excluding catastrophes, partially offset by increased premiums earned. We are executing a comprehensive plan to improve auto insurance profitability, including broadly raising rates, reducing operating expenses and advertising, implementing underwriting restrictions in underperforming states and executing claims operating actions to manage loss costs.

Catastrophe losses were $3.11 billion in 2022 compared to $3.34 billion in 2021.

Premiums written increased 10.7% to $45.79 billion in 2022 compared to $41.36 billion in 2021, reflecting higher premiums in both Allstate and National General brands.

Protection Services adjusted net income was $169 million in 2022 compared to $179 million in 2021. The decrease in 2022 was primarily due to higher technology expenses at Allstate Identity Protection and lower revenue at Arity.

Premiums and other revenues increased 10.6% or $224 million to $2.34 billion in 2022 from $2.12 billion in 2021 primarily due to Allstate Protection Plans.

Allstate Health and Benefits adjusted net income was $222 million in 2022 compared to $208 million in 2021. The increase was primarily due to increases in group health revenues, partially offset by higher operating costs and expenses and group health contract benefits.

Premiums and contract charges totaled $1.83 billion in 2022, an increase of 0.7% from $1.82 billion in 2021 primarily due to growth in group health, partially offset by a decline in individual health.

Financial Highlights

Investments totaled $61.83 billion as of December 31, 2022, decreasing from $64.70 billion as of December 31, 2021.

Allstate shareholders' equity was $17.48 billion as of December 31, 2022 and $25.18 billion as of December 31, 2021. The decrease is primarily due to net unrealized capital losses on investments in 2022 compared to gains at 2021, common share repurchases, a net loss and dividends paid to shareholders.

Book value per diluted common share (ratio of Allstate common shareholders' equity to total common shares outstanding and dilutive potential common shares outstanding) was $58.07 as of December 31, 2022, a decrease of 28.8% from $81.52 as of December 31, 2021.

Return on average common Allstate shareholders' equity For the twelve months ended December 31, 2022, return on Allstate common shareholders' equity was (7.3)%, a decrease of 13.1 points from 5.8% for the twelve months ended December 31, 2021, primarily due to net loss applicable to common shareholders.

Pension and other postretirement remeasurement gains and losses We recorded pension and other postretirement remeasurement losses of $116 million in 2022, primarily related to unfavorable asset performance compared to the expected return on plan assets, partially offset by a reduction in the projected benefit obligation due to an increase in the liability discount rate. See Note 18 of the consolidated financial statements and Application of Critical Accounting Estimates section of the MD&A for further information.

Property-Liability Operations

Overview Property-Liability operations consist of two reportable segments: Allstate Protection and Run-off Property-Liability. These segments are consistent with the groupings of financial information that management uses to evaluate performance and to determine the allocation of resources.

We do not allocate Property-Liability investment income, net gains and losses on investments and derivatives, or assets to the Allstate Protection and Run-off Property-Liability segments. Management reviews assets at the Property-Liability level for decision-making purposes.

GAAP operating ratios are used to measure our profitability to enhance an investor's understanding of our financial results and are calculated as follows:

- *Loss ratio:* the ratio of claims and claims expense (loss adjustment expenses), to premiums earned. Loss ratios include the impact of catastrophe losses and prior year reserve reestimates.
- *Expense ratio:* the ratio of amortization of DAC, operating costs and expenses, amortization or impairment of purchased intangibles, restructuring and related charges and Shelter-in-Place Payback expense, less other revenue to premiums earned.
- *Combined ratio:* the sum of the loss ratio and the expense ratio.

We have also calculated the following impacts of specific items on the GAAP operating ratios because of the volatility of these items between periods. The impacts are calculated by taking the specific items noted below divided by Property-Liability premiums earned:

- *Effect of catastrophe losses on combined ratio:* includes catastrophe losses and prior year reserve reestimates of catastrophe losses included in claims and claims expense
- *Effect of prior year reserve reestimates on combined ratio*
- *Effect of amortization of purchased intangibles on combined ratio*
- *Effect of restructuring and related charges on combined ratio*
- *Effect of Shelter-in-Place Payback expense on combined and expense ratios*
- *Effect of Run-off Property-Liability business on combined ratio:* includes claims and claims expense, restructuring and related charges and operating costs and expenses in the Run-off Property-Liability segment

Premium measures and statistics are used to analyze our premium trends and are calculated as follows:

- *PIF*: 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 PIF counts for shared economy agreements typically reflect contracts that cover multiple rather than individual drivers.
- *New issued applications*: item counts of automobile or homeowner insurance applications for insurance policies that were issued during the period, regardless of whether the customer was previously insured by another Allstate brand.
- *Average premium-gross written ("average premium"):* 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.
- *Renewal ratio:* renewal policy item counts issued during the period, based on contract effective dates, divided by the total policy item counts issued generally 6 months prior for auto or 12 months prior for homeowners.
- *Implemented rate changes:* represents the impact in the locations (U.S. states, the District of Columbia or Canadian provinces) where rate changes were implemented during the period as a percentage of total brand prior year-end premiums written.

Frequency and severity statistics, which are influenced by driving patterns, inflation and other factors, are provided to describe the trends in loss costs. Our reserving process incorporates changes in loss patterns, operational statistics and changes in claims reporting processes to determine our best estimate of recorded reserves. We use the following statistics to evaluate losses:

- *Gross claim frequency* is calculated as annualized notice counts, excluding counts associated with catastrophe events, received in the period divided by the average of PIF 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).
- *Report year incurred claim severity* is calculated by dividing the sum of recorded estimated incurred losses and allocated loss adjustment expenses, excluding catastrophes, by the reported notice counts during that report year. Report year incurred claim severity does not include incurred but not reported ("IBNR") losses or benefits from subrogation and salvage.

- *Paid claim severity* is calculated by dividing the sum of paid losses and loss expenses by claims closed with a payment during the period.
- *Percent change in frequency or paid claim severity statistics* are calculated as the amount of increase or decrease in gross claim frequency or paid claim severity in the current period compared to the same period in the prior year divided by the prior year gross claim frequency or paid claim severity.
- *Percent change in report year incurred claim severity statistic* is calculated as the amount of increase or decrease in report year incurred claim severity recorded in the current report year divided by the current estimate of the prior report year incurred claim severity.

Underwriting results

($ in millions, except ratios)	2022	2021	2020
Premiums written	$ 45,787	$ 41,358	$ 35,768
Premiums earned	$ 43,909	$ 40,454	$ 35,580
Other revenue	1,416	1,437	857
Claims and claims expense	(36,732)	(28,876)	(21,626)
Shelter-in-Place Payback expense	—	(29)	(948)
Amortization of DAC	(5,570)	(5,313)	(4,642)
Other costs and expenses	(5,650)	(5,622)	(4,549)
Restructuring and related charges [(1)]	(44)	(145)	(235)
Amortization of purchased intangibles	(240)	(241)	(12)
Underwriting (loss) income	**$ (2,911)**	**$ 1,665**	**$ 4,425**
Catastrophe losses			
Catastrophe losses, excluding reserve reestimates	$ 3,094	$ 3,541	$ 3,314
Catastrophe reserve reestimates [(2)]	18	(202)	(503)
Total catastrophe losses	**$ 3,112**	**$ 3,339**	**$ 2,811**
Non-catastrophe reserve reestimates [(2)]	1,726	326	68
Prior year reserve reestimates [(2)]	1,744	124	(435)
GAAP operating ratios			
Loss ratio	83.6	71.4	60.8
Expense ratio [(3)]	23.0	24.5	26.8
Combined ratio	106.6	95.9	87.6
Effect of catastrophe losses on combined ratio	7.1	8.3	7.9
Effect of prior year reserve reestimates on combined ratio	3.9	0.3	(1.2)
Effect of catastrophe losses included in prior year reserve reestimates on combined ratio	—	(0.5)	(1.4)
Effect of restructuring and related charges on combined ratio [(1)]	0.1	0.4	0.7
Effect of amortization of purchased intangibles on combined ratio	0.5	0.6	0.1
Effect of Shelter-in-Place Payback expense on combined and expense ratios	—	0.1	2.7
Effect of Run-off Property-Liability business on combined ratio	0.3	0.3	0.4

(1) Restructuring and related charges in 2022 primarily related to future work environment and employee costs. See Note 14 of the consolidated financial statements for additional details.

(2) Favorable reserve reestimates are shown in parentheses.

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

Allstate Protection Segment

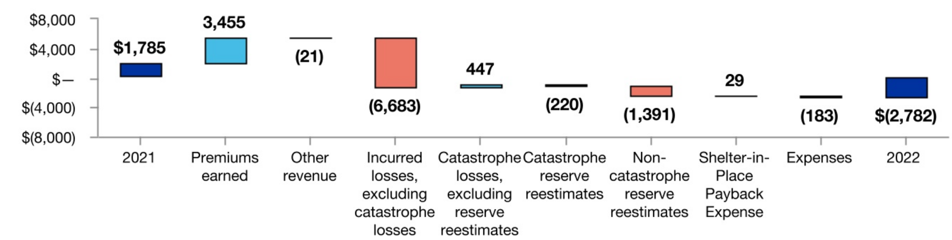
Private passenger auto, homeowners, and other personal lines insurance products are offered to consumers through exclusive and independent agents, directly through contact centers and online. The Encompass brand was combined into National General beginning in the first quarter of 2021, and results prior to 2021 reflect Encompass brand results only. Our strategy is to offer products that allow customers to interact with us when, where and how they want with affordable, simple and connected protection products. For additional information on our strategy and outlook, see Part I, Item 1. Business - Strategy and Segment Information.

Underwriting results

($ in millions)	For the years ended December 31, 2022	2021	2020
Premiums written	$ 45,787	$ 41,358	$ 35,768
Premiums earned	$ 43,909	$ 40,454	$ 35,580
Other revenue	1,416	1,437	857
Claims and claims expense	(36,607)	(28,760)	(21,485)
Shelter-in-Place Payback expense	—	(29)	(948)
Amortization of DAC	(5,570)	(5,313)	(4,642)
Other costs and expenses	(5,646)	(5,618)	(4,546)
Restructuring and related charges	(44)	(145)	(235)
Amortization of purchased intangibles	(240)	(241)	(12)
Underwriting (loss) income	**$ (2,782)**	**$ 1,785**	**$ 4,569**
Catastrophe losses	$ 3,112	$ 3,339	$ 2,811

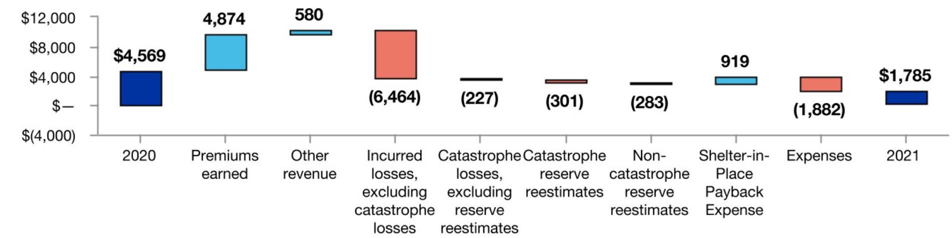
Change in underwriting results from 2021 to 2022

($ in millions)



Change in underwriting results from 2020 to 2021

($ in millions)



Underwriting income (loss) by brand and by line of business

($ in millions)	Allstate Brand 2022	Allstate Brand 2021	Allstate Brand 2020	National General 2022	National General 2021	National General 2020	Allstate Protection 2022	Allstate Protection 2021	Allstate Protection 2020
Auto [1]	$ (2,846)	$ 1,208	$ 3,404	$ (168)	$ 54	$ 40	$ (3,014)	$ 1,262	$ 3,444
Homeowners [2] [3]	701	411	798	(20)	(92)	26	681	319	824
Other personal lines [4]	(85)	216	255	(3)	17	9	(88)	233	264
Commercial lines	(478)	(158)	(36)	14	—	—	(464)	(158)	(36)
Other business lines [5]	95	115	70	—	—	—	95	115	70
Answer Financial	—	—	—	—	—	—	8	14	3
Total	**$ (2,613)**	**$ 1,792**	**$ 4,491**	**$ (177)**	**$ (21)**	**$ 75**	**$ (2,782)**	**$ 1,785**	**$ 4,569**

For the years ended December 31.

[1] 2021 results include certain National General commercial lines insurance products.
[2] 2021 results include National General packaged policies, which include auto, and commercial lines insurance products.
[3] Includes lender-placed property.
[4] Other personal lines include renters, condominium, landlord and other personal lines products.
[5] Other business lines primarily represents revenue and direct operating expenses of Ivantage and distribution of non-proprietary life and annuity products. Ivantage, a general agency for Allstate exclusive agents, provides agents a solution for their customers when coverage through Allstate brand underwritten products is not available.

Underwriting loss was $2.78 billion in 2022 compared to underwriting income of $1.79 billion in 2021, primarily due to higher auto insurance losses and unfavorable reserve reestimates, both excluding catastrophes, partially offset by increased premiums earned. We are executing a comprehensive plan to improve auto insurance profitability, including broadly raising rates, reducing operating expenses and advertising, implementing underwriting restrictions in underperforming states and executing claims operating actions to manage loss costs. In 2023, Allstate brand will exit traditional commercial insurance in five states. Additionally, starting in the fourth quarter of 2022, coverage to transportation network companies will no longer be offered unless the contracts utilize telematics-based pricing.

Premium measures and statistics include PIF, new issued applications, average premiums and renewal ratio to analyze our premium trends. Premiums written is the amount of premiums charged for policies issued during a fiscal period. Premiums are considered earned and are included in the financial results on a pro-rata basis over the policy period. The portion of premiums written applicable to the unexpired term of the policies is recorded as unearned premiums on our Consolidated Statements of Financial Position.

Premiums written by brand and line of business

($ in millions)	Allstate Brand 2022	Allstate Brand 2021	Allstate Brand 2020	National General 2022	National General 2021	National General 2020	Allstate Protection 2022	Allstate Protection 2021	Allstate Protection 2020
Auto	$ 25,946	$ 24,102	$ 24,103	$ 4,720	$ 3,763	$ 508	$ 30,666	$ 27,865	$ 24,611
Homeowners	9,936	8,717	8,012	1,812	1,772	388	11,748	10,489	8,400
Other personal lines	2,096	2,001	1,889	153	155	76	2,249	2,156	1,965
Commercial lines	917	848	792	207	—	—	1,124	848	792
Total premiums written	**$ 38,895**	**$ 35,668**	**$ 34,796**	**$ 6,892**	**$ 5,690**	**$ 972**	**$ 45,787**	**$ 41,358**	**$ 35,768**

For the years ended December 31.

Premiums earned by brand and line of business

($ in millions)	Allstate Brand 2022	Allstate Brand 2021	Allstate Brand 2020	National General 2022	National General 2021	National General 2020	Allstate Protection 2022	Allstate Protection 2021	Allstate Protection 2020
Auto	$ 25,286	$ 24,088	$ 24,115	$ 4,429	$ 3,535	$ 525	$ 29,715	$ 27,623	$ 24,640
Homeowners	9,249	8,272	7,858	1,663	1,655	396	10,912	9,927	8,254
Other personal lines	2,016	1,925	1,841	143	152	78	2,159	2,077	1,919
Commercial lines	919	827	767	204	—	—	1,123	827	767
Total premiums earned	**$ 37,470**	**$ 35,112**	**$ 34,581**	**$ 6,439**	**$ 5,342**	**$ 999**	**$ 43,909**	**$ 40,454**	**$ 35,580**

For the years ended December 31.

Reconciliation of premiums written to premiums earned

($ in millions)	2022	2021	2020
Total premiums written	**$ 45,787**	**$ 41,358**	**$ 35,768**
Increase in unearned premiums	(1,776)	(1,143)	(205)
Other	(102)	239	17
Total premiums earned	**$ 43,909**	**$ 40,454**	**$ 35,580**

For the years ended December 31.

Unearned premium balance by line of business

($ in millions)	As of December 31, 2022	2021
Allstate brand:		
Auto	$ 7,039	$ 6,426
Homeowners	5,495	4,825
Other personal lines	1,151	1,078
Commercial lines	314	315
Total Allstate brand	**13,999**	**12,644**
National General:		
Auto	2,016	1,764
Homeowners	378	451
Other personal lines	317	306
Commercial lines	442	177
Total National General	**3,153**	**2,698**
Allstate Protection unearned premiums	**$ 17,152**	**$ 15,342**

Policies in force by brand and by line of business

	Allstate brand			National General			Allstate Protection		
PIF (thousands)	**2022**	**2021**	**2020**	**2022**	**2021**	**2020**	**2022**	**2021**	**2020**
Auto	21,658	21,972	21,809	4,376	3,944	451	26,034	25,916	22,260
Homeowners	6,622	6,525	6,427	638	634	216	7,260	7,159	6,643
Other personal lines	4,636	4,578	4,459	300	288	71	4,936	4,866	4,530
Commercial lines	204	210	216	107	105	—	311	315	216
Total	**33,120**	**33,285**	**32,911**	**5,421**	**4,971**	**738**	**38,541**	**38,256**	**33,649**

Auto insurance premiums written increased 10.1% or $2.80 billion in 2022 compared to 2021, primarily due to the following factors:

- Increase in average premiums driven by rate increases. In the twelve months ended, December 31, 2022, implemented rate increases of 19.8% were taken for Allstate brand in 54 locations, resulting in total Allstate brand insurance premium impact of 16.9%
- Rate increases of 13.7% were taken for National General brand in 35 locations, resulting in total National General brand insurance premium impact of 10.0%, to improve underwriting results
- Allstate expects to continue to pursue rate increases for both Allstate and National General brands into 2023 to improve auto insurance profitability
- Renewal ratio for Allstate brand in 2022 was comparable to 2021
- PIF increased 0.5% or 118 thousand to 26,034 thousand as of December 31, 2022 compared to December 31, 2021 due to growth in National General
- Increased new issued applications driven by direct channel, including the acquisition of SafeAuto, and growth in the independent agency channel
- The impact of the ongoing rate actions and temporary reductions in advertising may have an adverse effect on the renewal ratio, new issued applications and future PIF growth

Auto premium measures and statistics

	2022	2021	2020	2022 vs. 2021	2021 vs. 2020
New issued applications (thousands)					
Allstate Protection by brand					
Allstate brand	3,644	3,616	3,467	0.8 %	4.3 %
National General	2,677	2,057	60	30.1 %	NM
Total new issued applications	**6,321**	**5,673**	**3,527**	**11.4 %**	**60.8 %**
Allstate Protection by channel					
Exclusive agency channel	2,401	2,387	2,502	0.6 %	(4.6)%
Direct channel	2,202	1,773	846	24.2 %	109.6 %
Independent agency channel	1,718	1,513	179	13.5 %	NM
Total new issued applications	**6,321**	**5,673**	**3,527**	**11.4 %**	**60.8 %**
Allstate brand average premium	$ 659	$ 605	$ 617	8.9 %	(1.9)%
Allstate brand renewal ratio (%)	87.0	87.0	87.5	—	(0.5)

Homeowners insurance premiums written increased 12.0% or $1.26 billion in 2022 compared to 2021, primarily due to the following factors:

- Higher Allstate brand average premiums from inflation in insured home replacement costs and implemented rate increases, combined with policies in force growth. National General premiums and policy growth negatively impacted as we focus on improving underwriting margins to targeted levels through underwriting and rate actions
- Increased new issued applications driven by growth in the independent agency channel in 2022 compared to 2021
- Policy growth is being reduced in states and lines of business that are underperforming. Starting in the fourth quarter of 2022, we no longer write new homeowners business in the state of California, although we will offer continuing coverage to existing customers. We also reduced homeowners new business in Florida. These actions have negatively impacted premiums starting in the fourth quarter

Homeowners premium measures and statistics

	2022	2021	2020	2022 vs. 2021	2021 vs. 2020
New issued applications (thousands)					
Allstate Protection by brand					
Allstate brand	986	962	899	2.5 %	7.0 %
National General	136	102	34	33.3 %	NM
Total new issued applications	**1,122**	**1,064**	**933**	**5.5 %**	**14.0 %**
Allstate Protection by channel					
Exclusive agency channel	826	840	810	(1.7)%	3.7 %
Direct channel	94	84	62	11.9 %	35.5 %
Independent agency channel	202	140	61	44.3 %	129.5 %
Total new issued applications	**1,122**	**1,064**	**933**	**5.5 %**	14.0 %
Allstate brand average premium	$ 1,614	$ 1,426	$ 1,328	13.2 %	7.4 %
Allstate brand renewal ratio (%)	86.8	87.1	87.5	(0.3)	(0.4)

Other personal lines premiums written increased 4.3% or $93 million in 2022 compared to 2021, primarily due to increases in landlords, personal umbrella and condominiums premiums for Allstate brand. Starting in the fourth quarter of 2022, we will no longer write condominium new business in California and Florida.

Commercial lines premiums written increased 32.5% or $276 million in 2022 compared to 2021, primarily due to higher miles driven and increased average premium in our shared economy business in part due to higher rates. In 2023, Allstate brand will exit traditional commercial insurance in five states. These five states combined made up 47% and 36% of 2022 Allstate brand commercial new issued applications and net written premium, respectively. Additionally, starting in the fourth quarter of 2022, coverage to transportation network companies will no longer be offered unless the contracts utilize telematics-based pricing. This contributed to a decline in premiums in the fourth quarter.

GAAP operating ratios include loss ratio, expense ratio and combined ratio to analyze our profitability trends. Frequency and severity statistics are used to describe the trends in loss costs.

Combined ratios by line of business

	For the years ended December 31,								
	Loss ratio			Expense ratio [(1)]			Combined ratio		
	2022	2021	2020	2022	2021	2020	2022	2021	2020
Auto	87.2	70.5	57.5	22.9	24.9	28.5	110.1	95.4	86.0
Impact of Shelter-in-Place Payback expense	—	—	—	—	0.1	3.8	—	0.1	3.8
Homeowners	69.6	72.2	67.3	24.2	24.6	22.7	93.8	96.8	90.0
Other personal lines	79.7	62.9	58.7	24.4	25.9	27.5	104.1	88.8	86.2
Commercial lines	120.7	97.5	82.4	20.6	21.6	22.3	141.3	119.1	104.7
Impact of Shelter-in-Place Payback expense	—	—	—	—	—	0.5	—	—	0.5
Total	**83.3**	**71.1**	**60.4**	**23.0**	**24.5**	**26.8**	**106.3**	**95.6**	**87.2**
Impact of amortization of purchased intangibles				0.5	0.6	0.1	0.5	0.6	0.1
Impact of Shelter-in-Place Payback expense	—	—	—	—	0.1	2.7	—	0.1	2.7
Impact of restructuring and related charges	—	—	—	0.1	0.4	0.7	0.1	0.4	0.7
Impact of Allstate Special Payment plan bad debt expense	—	—	—	—	—	0.2	—	—	0.2

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

Loss ratios by line of business

	For the years ended December 31,											
	Loss ratio			Effect of catastrophe losses			Effect of prior year reserve reestimates			Effect of catastrophe losses included in prior year reserve reestimates [1]		
	2022	2021	2020	2022	2021	2020	2022	2021	2020	2022	2021	2020
Auto	87.2	70.5	57.5	1.7	1.7	1.2	4.0	0.5	(0.4)	(0.2)	(0.1)	(0.1)
Homeowners	69.6	72.2	67.3	21.1	26.3	27.9	1.8	(1.5)	(5.3)	0.8	(1.7)	(5.1)
Other personal lines	79.7	62.9	58.7	12.3	11.0	10.4	(1.5)	(5.1)	(3.5)	0.1	(0.5)	(2.0)
Commercial lines	120.7	97.5	82.4	2.5	2.9	3.5	24.2	14.4	4.7	(0.1)	0.4	0.2
Total	**83.3**	**71.1**	**60.4**	**7.1**	**8.3**	**7.9**	**3.6**	**—**	**(1.6)**	**—**	**(0.5)**	**(1.4)**

[1] 2020 includes approximately $495 million of favorable reserve reestimates related to the PG&E Corporation and Southern California Edison subrogation settlements.

Auto underwriting results

	For the periods ended							
	2022				2021			
($ in millions, except ratios)	**Q4**	**Q3**	**Q2**	**Q1**	**Q4**	**Q3**	**Q2**	**Q1**
Underwriting income (loss)	(974)	(1,315)	(578)	(147)	(300)	(159)	394	1,327
Loss ratio	90.6	95.3	84.9	77.6	78.9	76.9	68.7	57.2
Effect of prior year non-catastrophe reserve reestimates	2.3	8.5	3.8	2.1	2.1	1.1	(0.4)	(0.2)

Frequency and severity statistics are provided to describe the trends in loss patterns and are influenced by:

- Supply chain disruptions and labor shortages
- Value of total losses due to higher used car prices
- Labor and part cost increases
- Changes in commuting activity
- Driving behavior (e.g., speed, time of day) impacting severity and mix of claim types
- Organizational and process changes impacting claim opening and closing practices and shifts in timing, if any, can impact comparisons to prior periods

The quarterly auto loss ratio has been more variable over the last eight quarters due to these and additional factors discussed below

Auto loss ratio increased 16.7 points in 2022 compared to 2021, primarily due to:

- Higher gross claim frequency in all coverages, as miles driven has rebounded toward pre-pandemic levels. While total frequency increased relative to the prior year, it remains below pre-pandemic levels
- Increased severity for most coverages, driven by inflationary pressures in both physical damage and bodily injury claims. As loss cost pressure continued throughout 2022, our estimates of the year-to-date report year incurred claim severity variance to prior full year increased, partially reflecting higher losses from claims in prior quarters than initially expected
- Unfavorable prior year reserve reestimates, excluding catastrophes, was $1.25 billion primarily in both bodily injury and physical damage coverages. Increases in injury coverages reflect recent data and updated assumptions related to severity with third-party bodily injury claims, increased claims with attorney representation, litigation costs and higher medical inflation. Increases in physical damage costs reflect the ongoing inflationary factors and supply chain shortages impacting used vehicle and parts prices and labor rates. Delays in the receipt of third-party carrier claims also contributed to the adverse development of claims reported in prior years. Late reported claim frequency attributable to prior accident years also impacted reserve reestimates

Property damage gross claim frequency for Allstate brand increased 8.2% in 2022 compared to 2021 due to factors including:

- Increases in miles driven compared to 2021
- While gross claim frequency has rebounded from the low in 2020, it is 13.2% below pre-pandemic levels of 2019

Collision gross claim frequency for Allstate brand increased 5.0% in 2022 compared to 2021. While gross claim frequency has rebounded from the low in 2020, it is 9.2% below pre-pandemic levels of 2019.

Property damage estimated report year 2022 incurred claim severity for Allstate brand, excluding Esurance and Canada, increased approximately 21% compared to report year 2021.

Collision estimated report year 2022 incurred claim severity for Allstate brand, excluding Esurance and Canada, increased approximately 17% compared to report year 2021.

The increase in estimated report year 2022 incurred claim severity for both coverages is due to rising inflationary factors and supply chain shortages impacting both repairable vehicles and total losses, including higher used car values, replacement part costs and labor rates and length of time to claim resolution.

Bodily injury estimated report year 2022 incurred claim severity for Allstate brand, excluding Esurance and Canada, increased approximately 14% compared to report year 2021. The increase is due to recent data and updated assumptions related to more severe accidents, increased claims with attorney representation, litigation costs, higher medical consumption and inflation.

Homeowners loss ratio decreased 2.6 points in 2022 compared to 2021, primarily due to lower catastrophe losses and increased premiums earned, partially offset by higher severity.

Allstate brand homeowners frequency and severity statistics (excluding catastrophe losses)	
(% change year-over-year)	
For the year ended December 31, 2022	
Gross claim frequency	(2.9)%
Paid claim severity	21.6

Gross claim frequency decreased in 2022 compared to 2021 primarily due to a decline in the wind/hail and water perils. Paid claim severity increased in 2022 compared to 2021 due to inflationary loss cost pressure driven by increases in labor and materials costs and time to repair. Homeowner paid claim severity can be impacted by both the mix of perils and the magnitude of specific losses paid during the quarter.

Other personal lines loss ratio increased 16.8 points in 2022 compared to 2021, primarily due to higher losses, excluding catastrophes, partially offset by increased premiums earned.

Commercial lines loss ratio increased 23.2 points in 2022 compared to 2021 due to higher unfavorable prior year reserve reestimates, excluding catastrophes, primarily in bodily injury coverage for both shared economy and traditional segments with a large portion of the traditional segment increase related to states we are exiting, and higher auto severity, partially offset by increased premiums earned.

Catastrophe losses decreased 6.8% or $227 million in 2022 compared to 2021. Catastrophe losses in 2022 included gross losses of $1.13 billion and net losses of $843 million related to Hurricane Ian and Winter Storm Elliott. Approximately 75% of Hurricane Ian net estimated losses relate to auto coverages. Auto policyholders generally have coverage for physical damage due to flood if they have purchased optional auto comprehensive coverage. Homeowners policies specifically exclude coverage for losses caused by flood.

Reinsurance recoveries in 2021 related to the Nationwide Aggregate Reinsurance Program for aggregate catastrophe losses occurring between April 1, 2020 and December 31, 2020, which primarily impacted homeowners prior year reserve reestimates.

We define a “catastrophe” as an event that produces pre-tax losses before reinsurance in excess of $1 million and involves multiple first party policyholders, or a winter weather event that produces a number of claims in excess of a preset, per-event threshold of average claims in a specific area, occurring within a certain amount of time following the event. Catastrophes are caused by various natural events including high winds, winter storms and freezes, tornadoes, hailstorms, wildfires, tropical storms, tsunamis, hurricanes, earthquakes and volcanoes. We are also exposed to man-made catastrophic events, such as certain types of terrorism, civil unrest, wildfires or industrial accidents. The nature and level of catastrophes in any period cannot be reliably predicted.

Catastrophe losses by the type of event

	For the years ended December 31,					
($ in millions)	**Number of events**	**2022**	**Number of events**	**2021**	**Number of events**	**2020**
Hurricanes/tropical storms	2	$ 399	6	$ 742	9	$ 1,001
Tornadoes	4	192	3	107	3	43
Wind/hail	106	1,936	85	1,878	73	1,940
Wildfires	9	52	5	269	17	300
Freeze/other events	3	515	2	611	3	30
Prior year reserve reestimates		28		35		(503) [2]
Prior year aggregate reinsurance recoveries		(10)		(237)		—
Current year aggregate reinsurance recoveries		—		(66)		—
Total catastrophe losses [1]	**124**	**$ 3,112**	**101**	**$ 3,339**	**105**	**$ 2,811**

[1] 2021 includes approximately $250 million of reinstatement premiums for the year ended December 31, 2021, related to the Nationwide Catastrophe Reinsurance Program, primarily due to Hurricane Ida.

[2] 2020 includes approximately $495 million of favorable reserve reestimates related to the PG&E Corporation and Southern California Edison subrogation settlements.

Catastrophe management

Historical catastrophe experience For the last ten years, the average annual impact of catastrophes on our loss ratio was 7.6 points, but it has varied from 4.9 points to 9.6 points. The average annual impact of catastrophes on the homeowners loss ratio for the last ten years was 24.2 points. Over time, we have limited our aggregate insurance exposure to catastrophe losses in certain regions of the country that are subject to high levels of natural catastrophes by our participation in various state facilities. For further discussion of these facilities, see Note 15 of the consolidated financial statements. However, the impact of these actions may be diminished by the growth in insured values, the effect of state insurance laws and regulations and we may not be able to maintain our current level of reinsurance or purchase new reinsurance protection in amounts we consider sufficient at acceptable prices. In addition, in various states we are required to participate in assigned risk plans, reinsurance facilities and joint underwriting associations that provide insurance coverage to individuals or entities that otherwise are unable to purchase such coverage from private insurers. Because of our participation in these and other state facilities such as wind pools, we may be exposed to losses that surpass the capitalization of these facilities and to assessments from these facilities.

We have continued to take actions to maintain an appropriate level of exposure to catastrophic events while continuing to meet the needs of our customers, including the following:

- Continuing to limit or not offer new homeowners, manufactured home and landlord package policy business in certain coastal geographies. Additionally, we:
  - Wrote a limited number of homeowners policies in select areas of California from 2016 to 2022, but have discontinued new homeowners and condominium business in the state of California starting the fourth quarter of 2022.
  - Will continue to renew current policyholders and allow replacement policies for existing customers who buy a new home or change their residence to rental property.
  - Write homeowners coverage through our excess and surplus lines carrier, North Light Specialty Insurance Company (“North Light”), which includes earthquake coverage (other than fire following earthquakes) that is currently ceded via quota share reinsurance.
- Increased capacity in our brokerage platform for customers not offered an Allstate policy. As of December 31, 2022, Ivantage had $1.99 billion non-proprietary premiums under management.
- In certain states, we have been ceding wind exposure related to insured property located in wind pool eligible areas.
- Starting in the second quarter of 2017, we began writing a limited number of homeowners policies in select areas of Florida and continue to support existing customers who replace their currently-insured home with an acceptable property. Encompass withdrew from property lines in Florida in 2009.
- Tropical cyclone deductibles are generally higher than all peril deductibles and are in place for a large portion of coastal insured properties.
- Auto comprehensive damage coverage generally includes coverage for flood-related loss. We have additional catastrophe exposure, beyond the property lines, for auto customers who have purchased comprehensive damage coverage.
- We offer a homeowners policy available in 43 states, Allstate House and Home®, that provides options of coverage for roof damage, including graduated coverage and pricing based on roof type and age. In 2022, premiums written totaled $5.60 billion or 47.7% of homeowners premiums written compared to $4.56 billion or 46.0% in 2021.

Hurricanes We consider the greatest areas of potential catastrophe losses due to hurricanes to be major metropolitan centers in counties along the eastern and gulf coasts of the United States. The average premium on a property policy near these coasts is generally greater than in other areas. However, average premiums are often not considered commensurate with the inherent risk of loss. In addition, as explained in Note 15 of the consolidated financial statements, in various states Allstate is subject to assessments from assigned risk plans, reinsurance facilities and joint underwriting associations providing insurance for wind related property losses.

We have addressed our risk of hurricane loss by, among other actions, purchasing reinsurance for specific states and on a countrywide basis for our personal lines property insurance in areas most exposed to hurricanes, limiting personal homeowners, landlord package policy and manufactured home new business writings in coastal areas in southern and eastern states, implementing tropical cyclone deductibles where appropriate, and not offering continuing coverage on certain policies in coastal counties in certain states. We continue to seek appropriate returns for the risks we write. This may require further actions, similar to those already taken, in geographies where we are not getting appropriate returns. However, we may maintain or opportunistically increase our presence in areas where adequate risk adjusted returns can be achieved.

Earthquakes We do not offer earthquake coverage in most states. We retain approximately 38,000 PIF with earthquake coverage, with the largest number of policies located in Kentucky, due to regulatory and other reasons. We purchase reinsurance in Kentucky and enter into arrangements in many states to make earthquake coverage available through our brokerage platform.

We continue to have exposure to earthquake risk on certain policies that do not specifically exclude coverage for earthquake losses, including our auto policies, and to fires following earthquakes. Allstate homeowner policyholders in California are offered coverage for damage caused by an earthquake through the California Earthquake Authority (“CEA”), a privately-financed, publicly-managed state agency created to provide insurance coverage for earthquake damage. Allstate is subject to assessments from the CEA under certain circumstances as explained in Note 15 of the consolidated financial statements. While North Light writes property policies in California, which can include earthquake coverage, this coverage is 100% ceded via quota share reinsurance.

Fires following earthquakes Under a standard homeowners policy we cover fire losses, including those caused by an earthquake. Actions taken related to our risk of loss from fires following earthquakes include restrictive underwriting guidelines in California for new business writings, purchasing reinsurance for Kentucky personal lines property risks, and purchasing nationwide occurrence reinsurance, excluding Florida.

Wildfires Actions taken related to managing our risk of loss from wildfires include purchasing nationwide occurrence reinsurance, new and renewal inspection programs to identify and remediate wildfire risk as well as leveraging contemporary underwriting tools in select areas. While these programs are designed to mitigate risk, the exposure to wildfires still exists. We continue to manage our exposure and seek appropriate returns for the risks we write.

To manage the exposure, we may implement further actions, similar to those already taken, in geographies where we are not achieving appropriate returns. However, we may maintain or opportunistically increase our presence in areas where adequate risk adjusted returns can be achieved.

Catastrophe Reinsurance The total cost of our property catastrophe reinsurance programs, excluding reinstatement premiums, during 2022 was $788 million compared to $556 million during 2021. Catastrophe placement premiums are a reduction of premium with approximately 72% related to homeowners. The increases were driven by higher Nationwide and Florida program costs. A description of our current catastrophe reinsurance program appears in Note 11 of the consolidated financial statements.

Expense ratio decreased 1.5 points in 2022 compared to 2021, primarily due to higher earned premium growth relative to fixed costs and lower advertising and restructuring costs, partially offset by higher operating costs, primarily due to employee-related costs.

Impact of specific costs and expenses on the expense ratio

	For the years ended December 31,				
($ in millions, except ratios)	**2022**	**2021**	**2020**	**2022 vs 2021**	**2021 vs 2020**
Amortization of DAC	$ 5,570	$ 5,313	$ 4,642	$ 257	$ 671
Advertising expense	934	1,249	941	(315)	308
Amortization of purchased intangibles	240	241	12	(1)	229
Other costs and expenses, net of other revenue	3,296	2,952	2,688	344	264
Restructuring and related charges	44	145	235	(101)	(90)
Shelter-in-Place Payback expense	—	29	948	(29)	(919)
Allstate Special Payment plan bad debt expense	—	(20)	60	20	(80)
Total underwriting expenses	**$ 10,084**	**$ 9,909**	**$ 9,526**	**$ 175**	**$ 383**
Premiums earned	**$ 43,909**	**$ 40,454**	**$ 35,580**	**$ 3,455**	**$ 4,874**
Expense ratio					
Amortization of DAC	12.7	13.1	13.0	(0.4)	0.1
Advertising expense	2.2	3.1	2.6	(0.9)	0.5
Other costs and expenses	7.5	7.2	7.5	0.3	(0.3)
Subtotal	22.4	23.4	23.1	(1.0)	0.3
Amortization of purchased intangibles	0.5	0.6	0.1	(0.1)	0.5
Restructuring and related charges	0.1	0.4	0.7	(0.3)	(0.3)
Shelter-in-Place Payback expense	—	0.1	2.7	(0.1)	(2.6)
Allstate Special Payment plan bad debt expense	—	—	0.2	—	(0.2)
Total expense ratio	**23.0**	**24.5**	**26.8**	**(1.5)**	**(2.3)**

Deferred acquisition costs We establish a DAC asset for costs that are related directly to the acquisition of new or renewal insurance policies, principally agent remuneration and premium taxes. DAC is amortized to income over the period in which premiums are earned.

DAC balance as of December 31 by product type

($ in millions)	**2022**	**2021**
Auto	$ 1,114	$ 1,023
Homeowners	786	700
Other personal lines	184	169
Commercial lines	62	59
Total DAC	**$ 2,146**	**$ 1,951**

Run-off Property-Liability Segment

The Run-off Property-Liability segment includes results from property and casualty insurance coverage that primarily relates to policies written during the 1960s through the mid-1980s. Our exposure to asbestos, environmental and other run-off lines claims arises principally from direct excess commercial insurance, assumed reinsurance coverage, direct primary commercial insurance and other businesses in run-off. For additional information on our strategy and outlook, see Part I, Item 1. Business - Strategy and Segment Information.

Underwriting results

	For the years ended December 31,		
($ in millions)	**2022**	**2021**	**2020**
Claims and claims expense			
Asbestos claims	$ (34)	$ (63)	$ (78)
Environmental claims	(56)	(40)	(44)
Other run-off lines	(35)	(13)	(19)
Total claims and claims expense	**(125)**	**(116)**	**(141)**
Operating costs and expenses	(4)	(4)	(3)
Underwriting loss	**$ (129)**	**$ (120)**	**$ (144)**

Underwriting losses in 2022 and 2021 primarily related to our annual reserve review using established industry and actuarial best practices. The annual review resulted in unfavorable reserve reestimates totaling $118 million and $111 million in 2022 and 2021, respectively. The reserve reestimates are included as part of claims and claims expense.

Reserve reestimates in 2022 primarily related to new reported information and defense costs for asbestos and higher than expected reported losses for environmental and other run-off exposures. Reserve reestimates in 2021 primarily related to new reported information for asbestos and environmental and higher than expected reported losses for environmental and other run-off exposures.

We believe that our reserves are appropriately established based on available facts, laws, regulations, and assessments of other pertinent factors and characteristics of exposure (e.g., claim activity, potential liability, jurisdiction, products versus non-products exposure) presented by individual policyholders, assuming no change in the legal, legislative or economic environment. However, as we progress with the resolution of disputed claims in the courts and arbitrations and with negotiations and settlements, our reported losses may be more variable.

Reserves for asbestos, environmental and other run-off claims before and after the effects of reinsurance

($ in millions)	**December 31, 2022**	**December 31, 2021**
Asbestos claims		
Gross reserves	$ 1,190	$ 1,210
Reinsurance	(379)	(382)
Net reserves	811	828
Environmental claims		
Gross reserves	328	273
Reinsurance	(61)	(47)
Net reserves	267	226
Other run-off claims		
Gross reserves	437	433
Reinsurance	(64)	(66)
Net reserves	373	367
Total		
Gross reserves	1,955	1,916
Reinsurance	(504)	(495)
Net reserves	**$ 1,451**	**$ 1,421**

Reserves by type of exposure before and after the effects of reinsurance		
($ in millions)	**December 31, 2022**	**December 31, 2021**
Direct excess commercial insurance		
Gross reserves	$ 1,106	$ 1,050
Reinsurance	(385)	(363)
Net reserves	721	687
Assumed reinsurance coverage		
Gross reserves	618	617
Reinsurance	(56)	(56)
Net reserves	562	561
Direct primary commercial insurance		
Gross reserves	148	168
Reinsurance	(62)	(75)
Net reserves	86	93
Other run-off business		
Gross reserves	1	1
Reinsurance	—	—
Net reserves	1	1
Unallocated loss adjustment expenses		
Gross reserves	82	80
Reinsurance	(1)	(1)
Net reserves	81	79
Total		
Gross reserves	1,955	1,916
Reinsurance	(504)	(495)
Net reserves	**$ 1,451**	**$ 1,421**

Percentage of gross and ceded reserves by case and IBNR				
	December 31, 2022		**December 31, 2021**	
	Case	**IBNR**	**Case**	**IBNR**
Direct excess commercial insurance				
Gross reserves [(1)]	58 %	42 %	61 %	39 %
Ceded [(2)]	63	37	67	33
Assumed reinsurance coverage				
Gross reserves	31	69	33	67
Ceded	33	67	38	62
Direct primary commercial insurance				
Gross reserves	57	43	53	47
Ceded	81	19	71	29

[(1)] Approximately 64% of gross case reserves as of December 31, 2022 are subject to settlement agreements.

[(2)] Approximately 70% of ceded case reserves as of December 31, 2022 are subject to settlement agreements.

Gross payments from case reserves by type of exposure

($ in millions)	For the years ended December 31, 2022	2021
Direct excess commercial insurance		
Gross [1]	$ 82	$ 91
Ceded [2]	(35)	(39)
Assumed reinsurance coverage		
Gross	35	43
Ceded	(3)	(4)
Direct primary commercial insurance		
Gross	7	7
Ceded	(1)	(2)
Other run-off business		
Gross	—	1
Ceded	—	—

[1] In 2022, 88% of payments related to settlement agreements.
[2] In 2022, 94% of payments related to settlement agreements.

Total net reserves as of December 31, 2022, included $765 million or 53% of estimated IBNR reserves compared to $733 million or 52% of estimated IBNR reserves as of December 31, 2021.

Total gross payments were $125 million and $142 million for 2022 and 2021, respectively. Payments mainly related to settlement agreements reached with several insureds on large claims, mainly asbestos related losses, where the scope of liability has been agreed upon. The claims associated with these settlement agreements are expected to be substantially paid out over the next several years as qualified claims are submitted by these insureds.

Reinsurance collections were $37 million and $39 million for 2022 and 2021, respectively. The allowance for uncollectible reinsurance recoverables was $58 million and $63 million as of December 31, 2022 and 2021, respectively. The allowance represents 10.0% and 11.0% of the related reinsurance recoverable balances as of December 31, 2022 and 2021, respectively.

Protection Services Segment

Protection Services comprise Allstate Protection Plans, Allstate Dealer Services, Allstate Roadside, Arity and Allstate Identity Protection. Protection Services include National General's LeadCloud and Transparent.ly's results within Arity starting in the first quarter of 2021. These businesses provide marketing and integration platforms connecting data buyers and sellers. Results prior to 2021 reflect historical Arity results only.

In 2022, Protection Services represented 77.3% of total PIF and 5.6% of premiums written. We offer consumer product protection plans, finance and insurance products (including vehicle service contracts, guaranteed asset protection waivers, road hazard tire and wheel and paintless dent repair protection), roadside assistance, device and mobile data collection services and analytic solutions using automotive telematics information and identity protection. For additional information on our strategy and outlook, see Part I, Item 1. Business - Strategy and Segment Information.

Summarized financial information

	For the years ended December 31,		
($ in millions)	**2022**	**2021**	**2020**
Premiums written	$ 2,699	$ 2,642	$ 1,890
Revenues			
Premiums	$ 1,995	$ 1,764	$ 1,493
Other revenue	347	354	208
Intersegment insurance premiums and service fees [1]	149	175	147
Net investment income	48	43	44
Costs and expenses			
Claims and claims expense	(532)	(458)	(386)
Amortization of DAC	(928)	(795)	(658)
Operating costs and expenses	(874)	(837)	(651)
Restructuring and related charges	(2)	(14)	(3)
Income tax expense on operations	(35)	(52)	(41)
Less: noncontrolling interest	**(1)**	**1**	**—**
Adjusted net income	**$ 169**	**$ 179**	**$ 153**
Allstate Protection Plans	$ 150	$ 142	$ 137
Allstate Dealer Services	35	34	29
Allstate Roadside	7	7	12
Arity	(11)	3	(11)
Allstate Identity Protection	(12)	(7)	(14)
Adjusted net income	**$ 169**	**$ 179**	**$ 153**
Allstate Protection Plans	138,726	141,073	128,982
Allstate Dealer Services	3,865	3,956	4,042
Allstate Roadside	531	525	548
Allstate Identity Protection	3,112	2,802	2,700
Policies in force as of December 31 (in thousands)	**146,234**	**148,356**	**136,272**

[1] Primarily related to Arity and Allstate Roadside and are eliminated in our consolidated financial statements.

Adjusted net income decreased 5.6% or $10 million in 2022 compared to 2021, primarily driven by higher technology expenses at Allstate Identity Protection and lower revenue at Arity.

Premiums written increased 2.2% or $57 million in 2022 compared to 2021, primarily due to international growth at Allstate Protection Plans, partially offset by a decrease in sales at Allstate Dealer Services.

PIF decreased 1.4% or 2 million in 2022 compared to 2021 due to a decline in Allstate Protection Plans .

Other revenue decreased 2.0% or $7 million in 2022 compared to 2021, primarily due to lower revenue at Arity, partially offset by growth at Allstate Identity Protection.

Intersegment premiums and service fees decreased 14.9% to $149 million in 2022 compared to 2021, driven by decreased Arity device sales due to a shift from devices to a mobile program for the Drivewise® offering.

Claims and claims expense increased 16.2% or $74 million in 2022 compared to 2021, primarily due to higher levels of claims at Allstate Protection Plans driven by growth in the business and higher severity at both Allstate Protection Plans and Allstate Roadside.

Amortization of DAC increased 16.7% or $133 million in 2022 compared to 2021, driven by business growth at Allstate Protection Plans and Allstate Dealer Services.

Operating costs and expenses increased 4.4% or $37 million in 2022 compared to 2021, primarily due to investments in technology and geographic and product expansion at Allstate Protection Plans and investments in technology at Allstate Identity Protection, partially offset by lower expenses at Arity.

Restructuring and related charges decreased $12 million in 2022 compared to 2021, primarily due to a facility closure at Allstate Identity Protection and accelerated lease costs at Allstate Protection Plans in 2021.

Property and Casualty Insurance Claims and Claims Expense Reserves

Underwriting results are significantly influenced by estimates of claims and claims expense reserves. For a description of our reserve process, see Note 9 of the consolidated financial statements. Further, for a description of our reserving policies and the potential variability in our reserve estimates, see the Application of Critical Accounting Estimates section of the MD&A. These reserves are an estimate of amounts necessary to settle all outstanding claims, including IBNR claims, as of the reporting date.

The facts and circumstances leading to reestimates of reserves relate to changes in claim activity and revisions to the development factors used to predict how losses are likely to develop from the end of a reporting period until all claims have been paid. Reestimates occur when actual losses differ from those predicted by the estimated development factors used in prior reserve estimates.

We believe the net loss reserves exposures are appropriately established based on available facts, laws and regulations.

Total reserves, net of recoverables ("net reserves"), as of December 31

($ in millions)	2022	2021	2020
Allstate Protection	$ 26,876	$ 22,124	$ 19,136
Run-off Property-Liability	1,451	1,421	1,408
Total Property-Liability	28,327	23,545	20,544
Protection Services	38	36	33
Total net reserves	**$ 28,365**	**$ 23,581**	**$ 20,577**
Reserve for property and casualty insurance claims and claims expense	$ 37,541	$ 33,060	$ 27,610
Less: reinsurance and indemnification recoverables [1]	9,176	9,479	7,033
Total net reserves	**$ 28,365**	**$ 23,581**	**$ 20,577**

[1] Includes $6.66 billion, $6.64 billion and $5.61 billion of unpaid indemnification recoverables related to the Michigan Catastrophic Claims Association ("MCCA") as of December 31, 2022, 2021 and 2020, respectively.

Impact of reserve reestimates by brand on combined ratio and net income applicable to common shareholders [1] [2]

	2022		2021		2020	
($ in millions, except ratios)	Reserve reestimates	Effect on combined ratio	Reserve reestimates	Effect on combined ratio	Reserve reestimates	Effect on combined ratio
Allstate Protection	$ 1,619	3.6	$ 8	—	$ (576)	(1.6)
Run-off Property-Liability	125	0.3	116	0.3	141	0.4
Total Property-Liability	1,744	3.9	124	0.3	(435)	(1.2)
Protection Services	(3)	—	(2)	—	(1)	—
Total	**$ 1,741**		**$ 122**		**$ (436)**	
Reserve reestimates, after-tax	$ 1,375		$ 96		$ (344)	
Consolidated net (loss) income applicable to common shareholders	$ (1,416)		$ 1,485		$ 5,461	
Reserve reestimates as a % impact on consolidated net (loss) income applicable to common shareholders	(97.1)%		(6.5)%		6.3 %	
Property-Liability prior year reserve reestimates included in catastrophe losses	$ 18		$ (202)		$ (503)	

[1] Favorable reserve reestimates are shown in parentheses.

[2] Ratios are calculated using property and casualty premiums earned.

The following tables reflect the accident years to which the reestimates shown above are applicable. Favorable reserve reestimates are shown in parentheses.

Prior year reserve reestimates

($ in millions) 2022	2017 & prior	2018	2019	2020	2021	Total
Allstate Protection	$ 27	$ 161	$ 294	$ 345	$ 792	$ 1,619
Run-off Property-Liability	125	—	—	—	—	125
Total Property-Liability	152	161	294	345	792	1,744
Protection Services	—	—	—	—	(3)	(3)
Total	**$ 152**	**$ 161**	**$ 294**	**$ 345**	**$ 789**	**$ 1,741**

2021	2016 & prior	2017	2018	2019	2020	Total
Allstate Protection	$ (130)	$ 100	$ (67)	$ 231	$ (126)	$ 8
Run-off Property-Liability	116	—	—	—	—	116
Total Property-Liability	(14)	100	(67)	231	(126)	124
Protection Services	—	—	—	—	(2)	(2)
Total	**$ (14)**	**$ 100**	**$ (67)**	**$ 231**	**$ (128)**	**$ 122**

2020	2015 & prior	2016	2017	2018	2019	Total
Allstate Protection	$ (56)	$ 42	$ (199)	$ (353)	$ (10)	$ (576)
Run-off Property-Liability	141	—	—	—	—	141
Total Property-Liability	85	42	(199)	(353)	(10)	(435)
Protection Services	—	—	—	—	(1)	(1)
Total	**$ 85**	**$ 42**	**$ (199)**	**$ (353)**	**$ (11)**	**$ (436)**

Allstate Protection

The tables below show Allstate Protection net reserves representing the estimated cost of outstanding claims as they were recorded at the beginning of years 2022, 2021, and 2020, and the effect of reestimates in each year.

Net reserves by line

	January 1 reserves		
($ in millions)	2022	2021	2020
Auto [1]	$ 16,078	$ 14,164	$ 14,728
Homeowners [1]	2,797	2,315	2,138
Other personal lines	1,844	1,463	1,459
Commercial lines and other [2]	1,405	1,194	1,071
Total Allstate Protection	**$ 22,124**	**$ 19,136**	**$ 19,396**

[1] 2022 includes a $944 million reclassification of reserves from homeowners to auto.

[2] 2022 includes the unamortized fair value adjustment related to the acquisition of National General.

Impact of reserve reestimates by line on combined ratio and underwriting income

	2022		2021		2020	
($ in millions, except ratios)	Reserve reestimates	Effect on combined ratio	Reserve reestimates	Effect on combined ratio	Reserve reestimates	Effect on combined ratio
Auto	$ 1,185	2.7	$ 149	0.4	$ (107)	(0.3)
Homeowners	194	0.4	(153)	(0.4)	(439)	(1.2)
Other personal lines	(32)	(0.1)	(107)	(0.3)	(66)	(0.2)
Commercial lines	272	0.6	119	0.3	36	0.1
Total Allstate Protection	**$ 1,619**	**3.6**	**$ 8**	**—**	**$ (576)**	**(1.6)**
Underwriting (loss) income	$ (2,782)		$ 1,785		$ 4,569	
Reserve reestimates as a % impact on underwriting (loss) income	(58.2)%		(0.4)%		12.6 %	

Unfavorable reserve reestimates for personal auto are primarily from bodily injury and physical damage coverages. Increases in injury coverages reflect recent data and updated assumptions related to severity of third-party bodily injury claims, increased claims with attorney representation, litigation costs, increased medical treatment utilization and higher medical inflation. Increases in physical damage reflect the ongoing inflationary factors and supply chain shortages impacting used vehicle and parts prices, labor rates and length of claim resolution. Delays in the receipt of claims, including third-party carrier claims also contributed to the adverse development of claims reported in prior years. The estimate of the year-to-date current report year claim severity increased in the fourth quarter for bodily injury and physical damage coverages to reflect continued increases in loss costs.

Personal auto insurance claim frequency has continued to increase, but remains below 2019 levels. Late reported claim frequency attributable to prior accident years also impacted reserve reestimates.

Unfavorable reserve reestimates for commercial are primarily from auto injury coverages for both shared economy and traditional segments with a large portion of the traditional segment increase related to states where the Company will no longer be selling new business.

Favorable results for homeowners insurance in 2021 were primarily due to catastrophe reserve reestimates driven by estimated recoveries related to our aggregate reinsurance coverage and wildfire subrogation settlements. Unfavorable reserve reestimates for auto and commercial lines in 2021 primarily related to auto liability coverages.

Run-off Property-Liability

We conduct an annual review in the third quarter of each year to evaluate and establish asbestos, environmental and other run-off reserves. Reserves are recorded in the reporting period in which they are determined. Using established industry and actuarial best practices and assuming no change in the regulatory or economic environment, this detailed and comprehensive methodology determines reserves based on assessments of the characteristics of exposure (e.g. claim activity, potential liability, jurisdiction, products versus non-products exposure) presented by policyholders.

Run-off Property-Liability net reserve reestimates

($ in millions)	2022 January 1 reserves	2022 Reserve reestimates	2021 January 1 reserves	2021 Reserve reestimates	2020 January 1 reserves	2020 Reserve reestimates
Asbestos claims	$ 828	$ 34	$ 827	$ 63	$ 810	$ 78
Environmental claims	226	56	206	40	179	44
Other run-off lines	367	35	375	13	376	19
Total	**$ 1,421**	**$ 125**	**$ 1,408**	**$ 116**	**$ 1,365**	**$ 141**
Underwriting loss		$ (129)		$ (120)		$ (144)

Reserve reestimates in 2022 primarily related to new reported information and defense costs for asbestos and higher than expected reported losses for environmental and other run-off exposures.

Reserve reestimates in 2021 primarily related to new reported information for asbestos and environmental and higher than expected reported losses for environmental and other run-off exposures.

Reserves and claim activity before (Gross) and after (Net) the effects of reinsurance

($ in millions, except ratios)	2022 Gross	2022 Net	2021 Gross	2021 Net	2020 Gross	2020 Net
Asbestos claims						
Beginning reserves	$ 1,210	$ 828	$ 1,204	$ 827	$ 1,172	$ 810
Incurred claims and claims expense	59	34	100	63	132	78
Claims and claims expense paid	(79)	(51)	(94)	(62)	(100)	(61)
Ending reserves	**$ 1,190**	**$ 811**	**$ 1,210**	**$ 828**	**$ 1,204**	**$ 827**
Annual survival ratio	15.1	15.9	12.9	13.4	12.0	13.6
3-year survival ratio	13.1	14.0	11.1	12.0	10.3	12.0
Environmental claims						
Beginning reserves	$ 273	$ 226	$ 249	$ 206	$ 219	$ 179
Incurred claims and claims expense	79	56	50	40	49	44
Claims and claims expense paid	(24)	(15)	(26)	(20)	(19)	(17)
Ending reserves	**$ 328**	**$ 267**	**$ 273**	**$ 226**	**$ 249**	**$ 206**
Annual survival ratio	13.7	17.8	10.5	11.3	13.1	12.1
3-year survival ratio	14.5	15.4	10.6	10.6	10.5	10.3
Combined environmental and asbestos claims						
Annual survival ratio	14.7	16.3	12.4	12.9	12.2	13.2
3-year survival ratio	13.3	14.3	11.0	11.7	10.3	11.6
Percentage of IBNR in ending reserves		55.9 %		54.8 %		50.3 %

The survival ratio is calculated by taking our ending reserves divided by payments made during the year. This is a commonly used but simplistic and imprecise approach to measuring the adequacy of asbestos and environmental reserve levels. Many factors, such as mix of business, level of coverage provided and settlement procedures have significant impacts on the amount of environmental and asbestos claims and claims expense reserves, claim payments and the resultant ratio. As payments result in corresponding reserve reductions, survival ratios can be expected to vary over time. The asbestos and environmental net 3-year survival ratio in 2022 increased from 2021 due to lower claim payments associated with settlement agreements.

Net asbestos reserves by type of exposure and total reserve additions

	December 31, 2022		December 31, 2021		December 31, 2020	
($ in millions)	**Net reserves**	**% of reserves**	**Net reserves**	**% of reserves**	**Net reserves**	**% of reserves**
Direct:						
Primary	$ 9	1 %	$ 8	1 %	$ 10	1 %
Excess	257	32	275	33	291	35
Total direct	266	33	283	34	301	36
Assumed reinsurance	97	12	104	13	122	15
IBNR	448	55	441	53	404	49
Total net reserves	**$ 811**	**100 %**	**$ 828**	**100 %**	**$ 827**	**100 %**
Total reserve additions	$ 34		$ 63		$ 78	

IBNR net reserves increased $7 million as of December 31, 2022 compared to December 31, 2021. IBNR provides for reserve development of known claims and future reporting of additional unknown claims from current policyholders and ceding companies.

Reinsurance and indemnification programs We utilize reinsurance to reduce exposure to catastrophe risk and manage capital, and to support the required statutory surplus and the insurance financial strength ratings of certain subsidiaries such as Castle Key Insurance Company (“CKIC”) and Allstate New Jersey Insurance Company (“ANJ”). We purchase significant reinsurance to manage our aggregate countrywide exposure to an acceptable level. The price and terms of reinsurance and the credit quality of the reinsurer are considered in the purchase process. We have also purchased reinsurance to mitigate exposures in our long-tail liability lines, including environmental, asbestos and other run-off lines as well as our commercial lines, including shared economy. We also participate in various indemnification mechanisms, including state-based industry pool or facility programs mandating participation by insurers offering certain coverage in their state and the federal government National Flood Insurance Program (“NFIP”). See Note 11 of the consolidated financial statements for additional details on these programs.

Reinsurance and indemnification recoverables, net of the allowance established for uncollectible amounts

($ in millions)	S&P financial strength rating [(1)]	A.M. Best financial strength rating [(1)]	Reinsurance or indemnification recoverables on paid and unpaid claims, net 2022	2021
Indemnification programs				
State-based industry pool or facility programs				
MCCA [(2)]	N/A	N/A	$ 6,722	$ 6,695
New Jersey Property-Liability Insurance Guaranty Association ("PLIGA")	N/A	N/A	330	371
North Carolina Reinsurance Facility ("NCRF")	N/A	N/A	292	279
Florida Hurricane Catastrophe Fund ("FHCF")	N/A	N/A	96	25
Other			7	7
Federal Government - NFIP	N/A	N/A	145	34
Subtotal			7,592	7,411
Catastrophe reinsurance recoverables				
Sanders RE II LTD.	N/A	N/A	85	303
Swiss Reinsurance America Corporation	AA-	A+	64	88
Renaissance Reinsurance Limited	N/A	A+	56	106
Other			558	873
Subtotal			763	1,370
Other reinsurance recoverables, net [(3)]				
Aleka Insurance Inc.	N/A	N/A	183	187
Lloyd's of London ("Lloyd's")	A+	A	180	165
Pacific Valley Insurance Company, Inc.	N/A	N/A	88	35
Swiss Reinsurance America Corporation	AA-	A+	67	75
Other, including allowance for credit losses			575	611
Subtotal			1,093	1,073
Total Property-Liability			**9,448**	**9,854**
Protection Services			**19**	**16**
Total			**$ 9,467**	**$ 9,870**

(1) N/A reflects no S&P Global Ratings ("S&P") or A.M. Best ratings available.

(2) As of December 31, 2022 and 2021, MCCA includes $62 million and $51 million of reinsurance recoverable on paid claims, respectively, and $6.66 billion and $6.64 billion of reinsurance recoverable on unpaid claims, respectively.

(3) Other reinsurance recoverables primarily relate to commercial lines, including shared economy, as well as asbestos, environmental and other liability exposures.

Reinsurance and indemnification recoverables include an estimate of the amount of insurance claims and claims expense reserves that are ceded under the terms of the agreements, including IBNR unpaid losses. We calculate our ceded reinsurance and indemnification estimates based on the terms of each applicable agreement, including an estimate of how IBNR losses will ultimately be ceded under the agreement. We also consider other limitations and coverage exclusions under our agreements. Accordingly, our estimate of recoverables is subject to similar risks and uncertainties as our estimate of reserves claims and claims expense. We believe the recoverables are appropriately established; however, as our underlying reserves continue to develop, the amount ultimately recoverable may vary from amounts currently recorded. We regularly evaluate the reinsurers and the respective amounts of our reinsurance recoverables, and a provision for uncollectible reinsurance recoverables is recorded, if needed. The establishment of reinsurance recoverables and the related allowance for uncollectible reinsurance is also an inherently uncertain process involving estimates. Changes in estimates could result in additional changes to the Consolidated Statements of Operations.

Indemnification recoverables are considered collectible based on the industry pool and facility enabling legislation and the Company has not had any credit losses related to these programs and we do not anticipate losses in the foreseeable future. We also have not experienced credit losses on our catastrophe reinsurance programs, which include highly rated reinsurers.

The allowance for uncollectible reinsurance relates to other reinsurance programs primarily related to our Run-off Property-Liability segment. The allowance was $62 million and $66 million as of December 31, 2022 and 2021, respectively.

The allowance is based upon our ongoing review of amounts outstanding, length of collection periods, changes in reinsurer credit standing, and other relevant factors. In addition, in the ordinary course of business, we may become involved in coverage disputes with certain of our reinsurers that may ultimately result in lawsuits and arbitrations brought by or against such reinsurers to determine the parties' rights and obligations under the various reinsurance agreements. We employ dedicated specialists to manage reinsurance collections and disputes. We also consider recent developments in commutation activity between reinsurers and cedents, and recent trends in arbitration and litigation outcomes in disputes between cedents and reinsurers in seeking to maximize our reinsurance recoveries.

Adverse developments in the insurance industry have led to a decline in the financial strength of some of our reinsurance carriers, causing amounts recoverable from them and future claims ceded to them to be considered a higher risk. There has also been consolidation activity in the industry, which causes reinsurance risk across the industry to be concentrated among fewer companies.

See Note 2 of the consolidated financial statements for a description of the methodology utilized to calculate the allowance for reinsurance recoverables.

For further details related to our reinsurance and indemnification recoverables, see the Regulation section in Part I and Note 11 of the consolidated financial statements.

Effects of reinsurance ceded and indemnification programs on our premiums earned and claims and claims expense

($ in millions)	For the years ended December 31, 2022	2021	2020
Allstate Protection - Premiums			
Indemnification programs			
State-based industry pool or facility programs			
NCRF	$ 300	$ 310	$ 63
MCCA	18	20	61
PLIGA	7	7	7
FHCF	24	15	9
Other	—	420	34
Federal Government - NFIP	319	350	261
Catastrophe reinsurance	764	541	416
Other reinsurance programs	261	60	110
Total Allstate Protection	**1,693**	**1,723**	**961**
Run-off Property-Liability	—	—	—
Total Property-Liability	**1,693**	**1,723**	**961**
Protection Services	**176**	**181**	**180**
Total effect on premiums earned	**$ 1,869**	**$ 1,904**	**$ 1,141**
Allstate Protection - Claims			
Indemnification programs			
State-based industry pool or facility programs			
MCCA	$ 116	$ 611	$ 256
NCRF	294	279	47
PLIGA	(24)	—	(40)
FHCF	74	13	15
Other	—	359	16
Federal Government - NFIP	435	267	87
Catastrophe reinsurance	298	1,719	(105) [1]
Other reinsurance programs	261	85	88
Total Allstate Protection	**1,454**	**3,333**	**364**
Run-off Property-Liability	50	60	75
Total Property-Liability	**1,504**	**3,393**	**439**
Protection Services	**96**	**91**	**91**
Total effect on claims and claims expense	**$ 1,600**	**$ 3,484**	**$ 530**

[1] Reflects reestimates in claims and claims expense related subrogation settlements.

In 2022, ceded premiums earned decreased primarily due to the expiration of legacy National General reinsurance programs. In 2021, ceded premiums earned increased primarily due to the addition of National General into our program and increased catastrophe reinsurance premium rates. In 2022, ceded claims and claims expenses decreased $1.88 billion primarily due to higher gross catastrophe losses in 2021 that resulted in reinsurance activity. In 2021, ceded claims and claims expenses increased $2.95 billion primarily due to Hurricane Ida and Winter Storm Uri. For further discussion of these items, see Regulation, Indemnification Programs and Note 11 of the consolidated financial statements.

Michigan personal injury protection reserve and claim activity before and after the effects of MCCA recoverables

	For the years ended December 31,					
	2022		2021		2020	
($ in millions)	**Gross**	**Net**	**Gross**	**Net**	**Gross**	**Net**
Beginning reserves	$ 7,387	$ 747	$ 6,282	$ 670	$ 6,106	$ 647
National General acquisition as of January 4, 2021	—	—	566	31	—	—
Incurred claims and claims expense-current year	451	175	398	132	312	98
Incurred claims and claims expense-prior years	(159)	(15)	403	59	107	65
Claims and claims expense paid-current year [1]	(26)	(26)	(35)	(35)	(47)	(42)
Claims and claims expense paid-prior years [1]	(260)	(146)	(227)	(110)	(196)	(98)
Ending reserves [2]	**$ 7,393**	**$ 735**	**$ 7,387**	**$ 747**	**$ 6,282**	**$ 670**

[1] Paid claims and claims expenses reported in the table for the current and prior years, recovered from the MCCA totaled $114 million, $117 million and $103 million in 2022, 2021 and 2020, respectively.

[2] Gross reserves for the year ended December 31, 2022, comprise 76% case reserves and 24% IBNR. Gross reserves for the year ended December 31, 2021, comprise 74% case reserves and 26% IBNR. Gross reserves for the year ended December 31, 2020, comprise 82% case reserves and 18% IBNR. The MCCA does not require member companies to report ultimate case reserves.

Pending MCCA claims differ from most personal lines insurance pending claims as other personal lines policies incurred claims settle in shorter periods due to having a coverage limit. MCCA claims can be outstanding for a claimant's lifetime, as there is no contractual limitation. Many of these injuries are catastrophic in nature, resulting in serious permanent disabilities that require attendant and residential care for periods that may span decades. A significant portion of the ultimate incurred claim reserves and the recoverables can be attributed to a small number of catastrophic claims that occurred more than five years ago and continue to pay lifetime benefits.

Pending, new and closed claims for Michigan personal injury protection exposure

	For the years ended December 31,		
Number of claims [1]	**2022**	**2021**	**2020**
Pending, beginning of year	5,421	4,857	4,942
National General acquisition as of January 4, 2021	—	525	—
New	8,059	8,616	5,896
Closed	(7,912)	(8,577)	(5,981)
Pending, end of year	**5,568**	**5,421**	**4,857**

[1] Total claims includes those covered and not covered by the MCCA indemnification.

As of December 31, 2022, approximately 1,450 of our pending claims have been reported to the MCCA, of which approximately 75% represents claims that occurred more than 5 years ago. There are 52 Allstate brand claims with reserves in excess of $15 million as of December 31, 2022, which comprise approximately 20% of the gross ending reserves in the table above. As a result, significant developments with a single claimant can result in volatility in prior year incurred claims.

Intercompany reinsurance We enter into certain intercompany insurance and reinsurance transactions in order to maintain underwriting control and manage insurance risk among various legal entities. These reinsurance agreements have been approved by the appropriate regulatory authorities. All significant intercompany transactions have been eliminated in consolidation.

Catastrophe reinsurance Our catastrophe reinsurance program is designed to address our exposure to catastrophes nationwide, utilizing our risk management methodology. Our program is designed to provide reinsurance protection for catastrophes resulting from multiple perils including hurricanes, windstorms, hail, tornadoes, earthquakes, wildfires, and fires following earthquakes. These reinsurance agreements are part of our catastrophe management strategy, which is intended to provide our shareholders an acceptable return on the risks assumed in our property business, while providing protection to our customers.

We anticipate completing the placement of our 2023 nationwide catastrophe reinsurance program in the first half of 2023. For further details of the existing 2022 program, see Note 11 of the consolidated financial statements.

Allstate Health and Benefits Segment

Allstate Health and Benefits offers employer voluntary benefits, group health and individual health products, including life, accident, critical illness, hospital, short-term disability and other health products. Allstate Health and Benefits results include National General's accident and health business, starting in the first quarter of 2021. Results prior to 2021 reflect historical Allstate Benefits results only.

In 2022, Allstate Health and Benefits represented 2.3% of total PIF. Our target customers are middle market consumers with family and financial protection needs. For additional information on our strategy and outlook, see Part I, Item 1. Business - Strategy and Segment Information.

Summarized financial information

($ in millions)	For the years ended December 31, 2022	2021	2020
Revenues			
Accident and health insurance premiums and contract charges	$ 1,833	$ 1,821	$ 1,094
Other revenue	402	359	—
Net investment income	69	74	78
Costs and expenses			
Accident, health and other policy benefits	(1,061)	(1,049)	(549)
Amortization of DAC	(147)	(144)	(177)
Operating costs and expenses	(814)	(787)	(322)
Restructuring and related charges	(2)	(9)	(1)
Income tax expense on operations	(58)	(57)	(27)
Adjusted net income	**$ 222**	**$ 208**	**$ 96**
Benefit ratio [(1)]	56.1	55.7	47.2
Employer voluntary benefits [(2)]	3,783	3,804	3,950
Group health [(3)]	119	122	—
Individual health [(4)]	394	407	—
Policies in force as of December 31 (in thousands)	4,296	4,333	3,950

(1) Benefit ratio is calculated as accident, health and other policy benefits less interest credited to contractholder funds of $33 million, $34 million, and $33 million for the years ended December 31, 2022, 2021, and 2020, respectively, divided by premiums and contract charges.

(2) Employer voluntary benefits include supplemental life and health products offered through workplace enrollment.

(3) Group health includes health products and administrative services sold to employers.

(4) Individual health includes short-term medical and other health products sold directly to individuals.

Adjusted net income increased $14 million in 2022 compared to 2021, primarily due to increases in group health revenues, partially offset by higher operating costs and expenses and group health contract benefits.

Premiums and contract charges increased 0.7% or $12 million in 2022 compared to 2021, primarily due to growth in group health, partially offset by a decline in individual health.

Premiums and contract charges by line of business

($ in millions)	For the years ended December 31, 2022	2021	2020
Employer voluntary benefits	$ 1,036	$ 1,031	$ 1,094
Group health	385	350	—
Individual health	412	440	—
Premiums and contract charges	**$ 1,833**	**$ 1,821**	**$ 1,094**

New annualized premium sales (annualized premiums at initial employer voluntary benefits customer enrollment or health policy sale) decreased to $734 million in 2022. The decrease in 2022 primarily relates to a decline in employer voluntary benefits and individual health business, partially offset by growth in group health.

Other revenue increased $43 million in 2022 compared to 2021, primarily due to an increase in group health administrative fees.

Accident, health and other policy benefits increased 1.1% or $12 million in 2022 compared to 2021, primarily due to increased contract benefits for group health, partially offset by employer voluntary benefits and individual health.

Benefit ratio increased to 56.1 in 2022 compared to 55.7 in 2021, primarily due to a higher benefit ratio in group and individual health, partially offset by a lower benefit ratio in employer voluntary benefits. Accident, health and other policy benefits include changes in estimated reserves for future policy benefits, expected development on reported claims, and reserves for incurred but not reported claims as discussed in Note 10.

Changes in DAC

	For the years ended	
($ in millions)	**2022**	**2021**
Balance, beginning of year	$ 477	$ 470
National General acquisition	—	3
Acquisition costs deferred	170	146
Amortization of DAC before amortization relating to changes in assumptions [1]	(146)	(146)
Amortization relating to net gains and losses on investments and derivatives [1]	(1)	—
Amortization acceleration for DAC unlocking [1]	1	2
Effect of unrealized capital gains and losses [2]	3	2
Ending balance	**$ 504**	**$ 477**

[1] Included as a component of amortization of DAC on the Consolidated Statements of Operations.

[2] Represents the change in the DAC adjustment for unrealized capital gains and losses. The DAC adjustment represents the amount by which the amortization of DAC would increase or decrease if the unrealized gains and losses in the respective product portfolios were realized.

Operating costs and expenses

	For the years ended December 31,		
($ in millions)	**2022**	**2021**	**2020**
Non-deferrable commissions	$ 321	$ 316	$ 99
General and administrative expenses	493	471	223
Total operating costs and expenses	**$ 814**	**$ 787**	**$ 322**

Operating costs and expenses increased $27 million in 2022 compared to 2021, primarily due to higher professional services and employee related expenses.

Allstate Health and Benefits reinsurance ceded

The vast majority of reinsurance relates to the disposition of long-term care and other closed blocks of business. We retain primary liability as a direct insurer for all risks ceded to reinsurers.

Reinsurance recoverables by reinsurer, net

($ in millions)	S&P financial strength rating	A.M. Best financial strength rating	Reinsurance recoverable on paid and unpaid benefits As of December 31, 2022	2021
Mutual of Omaha Insurance	A+	A+	$ 55	$ 55
Everlake Life Insurance Company	NR	A+	35	39
Argo Capital Group Ltd.	NR	NR	20	19
General Re Life Corporation	AA+	A++	10	16
Midlands Casualty Insurance Company	NR	NR	16	16
Other [1]			6	17
Credit loss allowance			(3)	(8)
Total			**$ 139**	**$ 154**

[1] As of December 31, 2022, the other category includes $3 million and $4 million of recoverables due from reinsurers rated A- or better by S&P and A.M. Best, respectively. As of December 31, 2021, the other category includes $8 million and $5 million of recoverables due from reinsurers rated A- or better by S&P and A.M. Best, respectively.

We continuously monitor the creditworthiness of reinsurers in order to determine our risk of recoverability on an individual and aggregate basis. No reinsurance recoverables have been written off in the three-years ended December 31, 2022.

Investments

Overview and strategy

The return on our investment portfolios is an important component of our ability to offer good value to customers, fund business improvements and create value for shareholders. Investment portfolios are held for Property-Liability, Protection Services, Allstate Health and Benefits and Corporate and Other operations. While taking into consideration the investment portfolio in aggregate, management of the underlying portfolios is significantly influenced by the nature of each respective business and its corresponding liability profile. For each business, we identify a strategic asset allocation which considers both the nature of the liabilities and the risk and return characteristics of the various asset classes in which we invest. This allocation is informed by our long-term business and market expectations, as well as other considerations such as risk appetite, portfolio diversification, duration, desired liquidity and capital. Within appropriate ranges relative to strategic allocations, tactical allocations are made in consideration of prevailing and potential future market conditions. We manage risks that involve uncertainty related to interest rates, inflation, credit spreads, equity returns and currency exchange rates.

The Property-Liability portfolio emphasizes protection of principal and consistent income generation, within a total return framework. This approach has produced competitive returns over the long term and is designed to ensure financial strength and stability for paying claims, while maximizing economic value and surplus growth. Products with lower liquidity needs, such as auto insurance and run-off lines, and capital create capacity to invest in less liquid higher yielding fixed income securities, performance-based investments such as limited partnerships and equity securities. Products with higher liquidity needs, such as homeowners insurance, are invested primarily in high quality liquid fixed income securities.

The Protection Services portfolio is focused on protection of principal and consistent income generation, within a total return framework. The portfolio is largely comprised of fixed income securities with a lesser allocation to equity securities and short-term investments.

The Allstate Health and Benefits portfolio is focused on protection of principal and consistent income generation while targeting an appropriate return on capital. The portfolio is largely comprised of fixed income securities with a small allocation to commercial mortgage loans and equity securities.

The Corporate and Other portfolio is focused on liquidity needs and capital preservation within a total return framework. The portfolio is largely comprised of high-quality liquid fixed income securities and short-term investments.

We utilize two primary strategies to manage risks and returns and to position our portfolio to take advantage of market opportunities while attempting to mitigate adverse effects. As strategies and market conditions evolve, the asset allocation may change.

Market-based strategy seeks to deliver predictable earnings aligned to business needs and provide flexibility to adjust investment risk profile based on enterprise objectives and market opportunities primarily through public and private fixed income investments and public equity securities.

Performance-based strategy seeks to deliver attractive risk-adjusted returns and supplement market risk with idiosyncratic risk. Returns are impacted by a variety of factors including general macroeconomic and public market conditions as public benchmarks are often used in the valuation of underlying investments. Variability in earnings will also result from the performance of the underlying assets or business and the timing of sales of those investments. Earnings from the sales of investments may be recorded as net investment income or net gains and losses on investments and derivatives. The portfolio, which primarily includes private equity (including infrastructure investments) and real estate with a majority being limited partnerships, is diversified across a number of characteristics, including managers or partners, vintage years, investment strategies, geographies (including international) and industry sectors or property types. These investments are generally illiquid in nature, often require specialized expertise, typically involve a third-party manager, and enhance returns and income through transformation at the company or property level. A portion of these investments seek returns in markets or asset classes that are dislocated or special situations, primarily in private markets.

Macroeconomic impacts Supply chain disruptions, labor shortages and other macroeconomic factors have increased inflation, which may have an adverse impact on investment valuations and returns. As inflation continued to remain elevated, the Federal Reserve significantly increased interest rates and credit spreads widened reflecting ongoing recession concerns. These factors along with other ongoing impacts from the pandemic create significant economic uncertainty and the resulting market volatility may continue to impact our investment valuations and returns.

Investments in Russia and Ukraine As of December 31, 2022, we do not have any direct investments in Russia, Belarus or Ukraine. We have indirect exposure of less than $1 million in Russia and Ukraine through broad-based, global funds managed by external asset managers.

Investments Outlook

We plan to focus on the following priorities:

- Enhance investment portfolio returns through use of a dynamic capital allocation framework and focus on tax efficiency.
- Leverage our broad capabilities to manage the portfolio to earn higher risk-adjusted returns on capital.
- Invest for the specific needs and characteristics of Allstate's businesses, including its corresponding liability profile.

Through our integrated enterprise risk and return management framework, we concluded in late 2021 that due to increasing enterprise risks from elevated inflation, the amount of investment risk we were willing to accept had declined. As a result, we decreased the allocation of economic capital to the investment portfolio. This decision led to a reduction in interest rate risk by shortening the portfolio duration beginning in the fourth quarter of 2021, primarily through the sale of long corporate and municipal bonds and the use of derivatives. These proactive actions mitigated portfolio losses by approximately $2 billion in 2022. As recession risks increased during 2022, we also reduced the amount of equity risk and credit risk in the portfolio through a reduction in public equity, high yield bonds and bank loans. We expect to maintain performance-based investments in our portfolio, consistent with our strategy to have a greater proportion of return derived from idiosyncratic asset or operating performance. The portfolio remains defensively positioned to interest rate, equity and credit risk at year-end relative to our positioning prior to these risk-reducing actions.

Contractual maturities and yields of fixed income securities for the next three years

	Fixed income securities	
($ in millions)	**Carrying value**	**Investment yield**
2023	$ 2,836	2.9 %
2024	7,504	2.9
2025	7,331	3.2

Portfolio composition and strategy by reporting segment [1]

	As of December 31, 2022				
($ in millions)	**Property-Liability**	**Protection Services**	**Allstate Health and Benefits**	**Corporate and Other**	**Total**
Fixed income securities [2]	$ 36,133	$ 1,694	$ 1,556	$ 3,102	$ 42,485
Equity securities [3]	3,807	127	63	570	4,567
Mortgage loans, net	661	—	101	—	762
Limited partnership interests	8,106	—	—	8	8,114
Short-term investments [4]	3,698	96	32	347	4,173
Other investments, net	1,606	—	120	2	1,728
Total	**$ 54,011**	**$ 1,917**	**$ 1,872**	**$ 4,029**	**$ 61,829**
Percent to total	**87.4 %**	**3.1 %**	**3.0 %**	**6.5 %**	**100.0 %**
Market-based	$ 44,929	$ 1,917	$ 1,872	$ 4,027	$ 52,745
Performance-based	9,082	—	—	2	9,084
Total	**$ 54,011**	**$ 1,917**	**$ 1,872**	**$ 4,029**	**$ 61,829**

(1) Balances reflect the elimination of related party investments between segments.

(2) Fixed income securities are carried at fair value. Amortized cost, net for these securities was $38.59 billion, $1.83 billion, $1.73 billion, $3.22 billion and $45.37 billion for Property-Liability, Protection Services, Allstate Health and Benefits, Corporate and Other, and in total, respectively.

(3) Equity securities are carried at fair value. The fair value of equity securities, held as of December 31, 2022, was $314 million in excess of cost. These net gains were primarily concentrated in the consumer goods, technology and banking sectors. Equity securities include $983 million of funds with underlying investments in fixed income securities as of December 31, 2022.

(4) Short-term investments are carried at fair value.

Investments totaled $61.83 billion as of December 31, 2022, decreasing from $64.70 billion as of December 31, 2021, primarily due to lower fixed income and equity valuations, common share repurchases and dividends paid to shareholders, partially offset by positive operating cash flows.

Portfolio composition by investment strategy

	As of December 31, 2022		
($ in millions)	**Market-based**	**Performance-based**	**Total**
Fixed income securities	$ 42,390	$ 95	$ 42,485
Equity securities	4,112	455	4,567
Mortgage loans, net	762	—	762
Limited partnership interests	483	7,631	8,114
Short-term investments	4,173	—	4,173
Other investments, net	825	903	1,728
Total	**$ 52,745**	**$ 9,084**	**$ 61,829**
Percent to total	**85.3 %**	**14.7 %**	**100.0 %**
Unrealized net capital gains and losses			
Fixed income securities	$ (2,884)	$ (1)	$ (2,885)
Limited partnership interests	—	2	2
Short-term investments	(1)	—	(1)
Other investments	(3)	—	(3)
Total	**$ (2,888)**	**$ 1**	**$ (2,887)**

During 2022, strategic actions focused on optimizing portfolio yield, return and risk in the more volatile and rising interest rate environment. In the first quarter, we continued to shorten the maturity profile of our fixed income portfolio through the sale of bonds and use of derivatives, to further reduce its sensitivity to higher interest rates. The sustained higher market yields provide an opportunity to increase risk-adjusted returns, so in the fourth quarter, we extended the duration to 3.4 years (including the effect of interest rate derivatives and any call features associated with the securities), and removed approximately half of the interest rate derivatives that we entered into in the first quarter of 2022. Considering the ongoing risk of recession, we retained a lower allocation to high-yield bonds, bank loans and public equity relative to year-end 2021. We maintained performance-based investments in the Property-Liability portfolio.

Fixed income securities

Fixed income securities by type

	Fair value as of December 31,	
($ in millions)	**2022**	**2021**
U.S. government and agencies	$ 7,898	$ 6,273
Municipal	6,210	6,393
Corporate	26,263	27,330
Foreign government	957	985
Asset-backed securities (“ABS”)	1,157	1,155
Total fixed income securities	**$ 42,485**	**$ 42,136**

Fixed income securities are rated by third-party credit rating agencies or are internally rated. The Securities Valuation Office (“SVO”) of the National Association of Insurance Commissioners (“NAIC”) evaluates the fixed income securities of insurers for regulatory reporting and capital assessment purposes. The NAIC assigns securities to one of six credit quality categories defined as “NAIC designations”. In general, securities with NAIC designations of 1 or 2 are considered investment grade and securities with NAIC designations of 3 through 6 are considered below investment grade. The rating is either received from the SVO based on availability of applicable ratings from rating agencies on the NAIC Nationally Recognized Statistical Rating Organizations (“NRSRO”) provider list, including Moody’s Investors Service (“Moody’s”), S&P Global Ratings (“S&P”), Fitch Ratings (“Fitch”), or a comparable internal rating.

As a result of time lags between the funding of investments, the finalization of legal documents, and the completion of the SVO filing process, the portfolio includes certain securities that have not yet been designated by the SVO as of each balance sheet date and the categorization of these securities is based on the expected ratings indicated by internal analysis.

As of December 31, 2022, 90.4% of the consolidated fixed income securities portfolio was rated investment grade. Credit ratings below these designations are considered lower credit quality or below investment grade, which includes high yield bonds.

Market prices for certain securities may have credit spreads which imply higher or lower credit quality than the current third-party rating. Our initial investment decisions and ongoing monitoring procedures for fixed income securities are based on a due diligence process which includes, but is not limited to, an assessment of the credit quality, sector, structure and liquidity risks of each issuer.

Fixed income portfolio monitoring is a comprehensive process to identify and evaluate each fixed income security that may require a credit loss allowance. The process includes a quarterly review of all securities to identify instances where the fair value of a security compared to its amortized cost is below internally established thresholds. For further detail on our fixed income portfolio monitoring process, see Note 5 of the consolidated financial statements.

Fair value and unrealized net capital gains (losses) for fixed income securities by credit rating

	December 31, 2022					
	NAIC 1 A and above		NAIC 2 BBB		NAIC 3 BB	
($ in millions)	Fair value	Unrealized gain (loss)	Fair value	Unrealized gain (loss)	Fair value	Unrealized gain (loss)
U.S. government and agencies	$ 7,898	$ (225)	$ —	$ —	$ —	$ —
Municipal	5,883	(264)	313	(29)	—	—
Corporate						
Public	5,646	(301)	11,868	(1,039)	958	(101)
Privately placed	1,684	(120)	3,052	(289)	1,533	(197)
Total corporate	7,330	(421)	14,920	(1,328)	2,491	(298)
Foreign government	956	(40)	1	—	—	—
ABS	1,078	(30)	13	(1)	9	(1)
Total fixed income securities	**$ 23,145**	**$ (980)**	**$ 15,247**	**$ (1,358)**	**$ 2,500**	**$ (299)**

	NAIC 4 B		NAIC 5-6 CCC and lower		Total	
	Fair value	Unrealized gain (loss)	Fair value	Unrealized gain (loss)	Fair value	Unrealized gain (loss)
U.S. government and agencies	$ —	$ —	$ —	$ —	$ 7,898	$ (225)
Municipal	8	—	6	3	6,210	(290)
Corporate						
Public	144	(14)	—	—	18,616	(1,455)
Privately placed	1,257	(204)	121	(34)	7,647	(844)
Total corporate	1,401	(218)	121	(34)	26,263	(2,299)
Foreign government	—	—	—	—	957	(40)
ABS	1	—	56	1	1,157	(31)
Total fixed income securities	**$ 1,410**	**$ (218)**	**$ 183**	**$ (30)**	**$ 42,485**	**$ (2,885)**

Municipal bonds, including tax exempt and taxable securities, include general obligations of state and local issuers and revenue bonds.

Our practice for acquiring and monitoring municipal bonds is predominantly based on the underlying credit quality of the primary obligor. We currently rely on the primary obligor to pay all contractual cash flows and are not relying on bond insurers for payments. As a result of downgrades in the insurers' credit ratings, the ratings of the insured municipal bonds generally reflect the underlying ratings of the primary obligor.

Corporate bonds include publicly traded and privately placed securities. Privately placed securities primarily consist of corporate issued senior debt securities that are negotiated with the borrower or are issued by entities in unregistered form under SEC Rule 144A which allows purchasers to more easily resell these securities under certain conditions.

Our $7.65 billion portfolio of privately placed securities, primarily 144A bonds, is diversified by issuer, industry sector and country. The portfolio is made up of 463 issuers. Privately placed corporate obligations may contain structural security features such as financial covenants and call protections that provide investors greater protection against credit deterioration, reinvestment risk or fluctuations in interest rates than those typically found in publicly registered debt securities. Additionally, investments in these securities are made after fundamental analysis of issuers and sectors along with macro and asset class views. Ongoing monitoring includes continuous assessment of operating performance and financial position. Every issue not rated by an independent rating agency is internally rated with a formal rating affirmation at least once a year. Liquidity of securities issued by public entities in unregistered form is similar to public debt markets.

Our corporate bonds portfolio includes $4.01 billion of below investment grade bonds, $2.91 billion of which are privately placed primarily 144A bonds. These securities are diversified by issuer and industry sector. The below investment grade corporate bonds portfolio is made up of 328 issuers. We employ fundamental analyses of issuers and sectors along with macro and asset class views to identify investment opportunities. This results in a portfolio with broad exposure to the high yield market with an emphasis on idiosyncratic positions reflective of our views of market conditions and opportunities.

Foreign government securities consist of Canadian governmental and provincial securities (all of which are held by our Canadian companies).

ABS are structured securities that are primarily collateralized by consumer or corporate borrowings and residential and commercial real estate loans. The cash flows from the underlying collateral paid to the securitization trust are generally applied in a pre-determined order and are designed so that each security issued by the trust, typically referred to as a "class", qualifies for a specific original rating.

ABS includes collateralized debt obligations, consumer and other ABS. Credit risk is managed by monitoring the performance of the underlying collateral. Many of the securities in the ABS portfolio have credit enhancement with features such as overcollateralization, subordinated structures, reserve funds, guarantees or insurance. ABS also includes residential mortgage-backed securities and commercial mortgage-backed securities.

For example, the "senior" portion or "top" of the capital structure, or rating class, which would originally qualify for a rating of Aaa typically has priority in receiving principal repayments on the underlying collateral and retains this priority until the class is paid in full. In a sequential structure, underlying collateral principal repayments are directed to the most senior rated Aaa class in the structure until paid in full, after which principal repayments are directed to the next most senior Aaa class in the structure until it is paid in full. Senior Aaa classes generally share any losses from the underlying collateral on a pro-rata basis after losses are absorbed by classes with lower original ratings.

The payment priority and class subordination included in these securities serves as credit enhancement for holders of the senior or top portions of the structures. These securities continue to retain the payment priority features that existed at the origination of the securitization trust. Other forms of credit enhancement may include structural features embedded in the securitization trust, such as overcollateralization, excess spread and bond insurance. The underlying collateral may contain fixed interest rates, variable interest rates (such as adjustable rate mortgages), or both fixed and variable rate features.

Equity securities of $4.57 billion primarily include common stocks, exchange traded and mutual funds, non-redeemable preferred stocks and real estate investment trust ("REIT") equity investments. Certain exchange traded and mutual funds have fixed income securities as their underlying investments.

Mortgage loans of $762 million mainly comprise loans secured by first mortgages on developed commercial real estate. Key considerations used to manage our exposure include property type and geographic diversification. For further detail on our mortgage loan portfolio, see Note 5 of the consolidated financial statements.

Limited partnership interests include $6.59 billion of interests in private equity funds, $1.04 billion of interests in real estate funds and $483 million of interests in other funds as of December 31, 2022. We have commitments to invest additional amounts in limited partnership interests totaling $2.78 billion as of December 31, 2022.

Private equity limited partnerships by sector

(% of carrying value)	December 31, 2022
Industrial	18.8 %
Healthcare	12.1
Consumer discretionary	11.0
Information technology	11.0
Consumer staples	9.5
Other	37.6
Total	**100.0 %**

Real estate limited partnerships by sector

(% of carrying value)	December 31, 2022
Industrial	27.7 %
Residential	22.0
Data centers	14.2
Healthcare	11.1
Consumer staples	7.0
Other	18.0
Total	**100.0 %**

Short-term investments of $4.17 billion primarily comprise money market funds, commercial paper, U.S. Treasury bills and other short-term investments, including securities lending collateral of $1.50 billion.

Other investments primarily comprise $686 million of bank loans, $813 million of real estate, $120 million of policy loans and $1 million of derivatives as of December 31, 2022. For further detail on our use of derivatives, see Note 7 of the consolidated financial statements.

Direct real estate investments by sector

(% of carrying value)	December 31, 2022
Residential	28.0 %
Agriculture	22.3
Industrial	17.5
Retail	16.4
Other	15.8
Total	**100.0 %**

Unrealized net capital gains (losses)

($ in millions)	As of December 31, 2022	2021
U.S. government and agencies	$ (225)	$ (14)
Municipal	(290)	263
Corporate	(2,299)	496
Foreign government	(40)	3
ABS	(31)	12
Fixed income securities	**(2,885)**	**760**
Short-term investments	(1)	—
Derivatives	(3)	(3)
Equity method of accounting ("EMA") limited partnerships	2	(1)
Unrealized net capital gains and losses, pre-tax	**$ (2,887)**	**$ 756**

Gross unrealized gains (losses) on fixed income securities by type and sector

	As of December 31, 2022			
		Gross unrealized		
($ in millions)	Amortized cost, net	Gains	Losses	Fair value
Corporate				
Consumer goods (cyclical and non-cyclical)	$ 5,984	$ 6	$ (531)	$ 5,459
Banking	5,153	16	(314)	4,855
Utilities	2,633	7	(203)	2,437
Technology	3,137	4	(298)	2,843
Communications	2,422	1	(261)	2,162
Financial services	2,243	4	(176)	2,071
Capital goods	2,288	3	(197)	2,094
Basic industry	1,019	2	(75)	946
Energy				
Midstream	1,725	1	(110)	1,616
Integrated	67	—	(4)	63
Independent/upstream	354	1	(29)	326
Other	218	—	(13)	205
Total energy	2,364	2	(156)	2,210
Transportation	959	1	(73)	887
Other	360	—	(61)	299
Total corporate fixed income portfolio	**28,562**	**46**	**(2,345)**	**26,263**
U.S. government and agencies	8,123	6	(231)	7,898
Municipal	6,500	36	(326)	6,210
Foreign government	997	—	(40)	957
ABS	1,188	4	(35)	1,157
Total fixed income securities	**$ 45,370**	**$ 92**	**$ (2,977)**	**$ 42,485**

Gross unrealized gains (losses) on fixed income securities by type and sector

	As of December 31, 2021			
		Gross unrealized		
($ in millions)	**Amortized cost**	**Gains**	**Losses**	**Fair value**
Corporate				
Consumer goods (cyclical and non-cyclical)	$ 6,817	$ 176	$ (42)	$ 6,951
Banking	3,975	54	(31)	3,998
Utilities	2,009	43	(28)	2,024
Technology	2,947	80	(23)	3,004
Communications	2,077	58	(21)	2,114
Financial services	1,936	41	(14)	1,963
Capital goods	2,615	75	(12)	2,678
Basic industry	1,249	56	(6)	1,299
Energy				
Midstream	1,132	37	(4)	1,165
Integrated	119	6	—	125
Independent/upstream	312	18	(1)	329
Other	224	6	(1)	229
Total energy	1,787	67	(6)	1,848
Transportation	976	35	(5)	1,006
Other	446	3	(4)	445
Total corporate fixed income portfolio	**26,834**	**688**	**(192)**	**27,330**
U.S. government and agencies	6,287	12	(26)	6,273
Municipal	6,130	279	(16)	6,393
Foreign government	982	9	(6)	985
ABS	1,143	14	(2)	1,155
Total fixed income securities	**$ 41,376**	**$ 1,002**	**$ (242)**	**$ 42,136**

In general, the gross unrealized losses are related to an increase in market yields, which may include increased risk-free interest rates and wider credit spreads since the time of initial purchase. Similarly, gross unrealized gains reflect a decrease in market yields since the time of initial purchase.

Equity securities by sector

	December 31, 2022			December 31, 2021		
($ in millions)	**Cost**	**Over (under) cost**	**Fair value**	**Cost**	**Over (under) cost**	**Fair value**
Transportation	$ 48	$ 19	$ 67	$ 74	$ 22	$ 96
Energy						
Midstream	33	(2)	31	39	7	46
Integrated	39	26	65	62	8	70
Independent/upstream	30	12	42	44	5	49
Other	8	8	16	14	3	17
Total energy	110	44	154	159	23	182
Utilities	67	12	79	122	23	145
Basic Industry	57	16	73	119	30	149
Capital Goods	196	3	199	376	37	413
Other [(1)]	1,801	323	2,124	3,413	811	4,224
Funds						
Fixed income	1,067	(84)	983	1,108	24	1,132
Equities	904	(19)	885	645	75	720
Other	3	—	3	—	—	—
Total funds	1,974	(103)	1,871	1,753	99	1,852
Total equity securities	**$ 4,253**	**$ 314**	**$ 4,567**	**$ 6,016**	**$ 1,045**	**$ 7,061**

[(1)] Other is comprised of consumer goods, technology, REITs, financial services, banking, and communications sectors.

Net investment income

($ in millions)	For the years ended December 31, 2022	2021	2020
Fixed income securities	$ 1,255	$ 1,148	$ 1,232
Equity securities	132	100	78
Mortgage loans	33	43	34
Limited partnership interests	985	1,973	238
Short-term investments	82	5	17
Other investments	162	195	124
Investment income, before expense	**2,649**	**3,464**	**1,723**
Investment expense			
Investee level expenses	(68)	(60)	(36)
Securities lending expense	(30)	—	(4)
Operating costs and expenses	(148)	(111)	(93)
Total investment expense	(246)	(171)	(133)
Net investment income	**$ 2,403**	**$ 3,293**	**$ 1,590**
Property-Liability	$ 2,190	$ 3,118	$ 1,421
Protection Services	48	43	44
Allstate Health and Benefits	69	74	78
Corporate and Other	96	58	47
Net investment income	**$ 2,403**	**$ 3,293**	**$ 1,590**
Market-based	$ 1,566	$ 1,429	$ 1,444
Performance-based	1,083	2,035	279
Investment income, before expense	**$ 2,649**	**$ 3,464**	**$ 1,723**

Net investment income decreased 27.0% or $890 million in 2022 compared to 2021, primarily due to lower performance-based results, mainly from limited partnerships, partially offset by higher market-based fixed income portfolio yields. We expect market-based net investment income to increase as we continue to reinvest at market yields that are above the current market-based portfolio yield.

Performance-based investment income

($ in millions)	For the years ended December 31, 2022	2021	2020
Private equity	$ 798	$ 1,660	$ 206
Real estate	285	375	73
Total performance-based income before investee level expenses	**$ 1,083**	**$ 2,035**	**$ 279**
Investee level expenses [(1)]	(59)	(55)	(32)
Total performance-based income	**$ 1,024**	**$ 1,980**	**$ 247**

[(1)] Investee level expenses include asset level operating expenses on directly held real estate and other consolidated investments reported in investment expense.

Performance-based investment income decreased 48.3% or $956 million in 2022 compared to strong results in 2021, primarily due to lower valuation increases for private equity investments in 2022.

Performance-based investment results and income can vary significantly between periods and are influenced by economic conditions, equity market performance, comparable public company earnings multiples, capitalization rates, operating performance of the underlying investments and the timing of asset sales. The company typically employs a lag in recording and recognizing changes in valuations of limited partnership interests due to the availability of investee financial statements.

Components of net gains (losses) on investments and derivatives and the related tax effect

($ in millions)	For the year December 31, 2022	2021	2020
Sales	$ (832)	$ 578	$ 974
Credit losses	(54)	(42)	(32)
Valuation change of equity investments - appreciation (decline):			
Equity securities	(772)	544	139
Equity fund investments in fixed income securities	(128)	(24)	(22)
Limited partnerships [1]	(160)	(21)	(21)
Total valuation of equity investments	**(1,060)**	**499**	**96**
Valuation change and settlements of derivatives	874	49	49
Net gains (losses) on investments and derivatives, pre-tax	**(1,072)**	**1,084**	**1,087**
Income tax benefit (expense)	230	(237)	(236)
Net gains (losses) on investments and derivatives, after-tax	**$ (842)**	**$ 847**	**$ 851**
Property-Liability	$ (688)	$ 798	$ 774
Protection Services	(40)	19	23
Allstate Health and Benefits	(35)	5	7
Corporate and Other	(79)	25	47
Net gains (losses) on investments and derivatives, after-tax	**$ (842)**	**$ 847**	**$ 851**
Market-based	$ (1,083)	$ 917	$ 1,033
Performance-based	11	167	54
Net gains (losses) on investments and derivatives, pre-tax	**$ (1,072)**	**$ 1,084**	**$ 1,087**

[1] Relates to limited partnerships where the underlying assets are predominately public equity securities.

Net losses on investments and derivatives in 2022 related primarily to decreased valuation on equity investments and losses on sales of fixed income securities, partially offset by increased valuation change and settlements of derivatives. Net gains on investments and derivatives in 2021 related primarily to gains on sales and higher valuation on equity investments.

Sales in 2022 related primarily to sales of fixed income securities in connection with ongoing portfolio management. Sales in 2021 related primarily to fixed income securities in connection with ongoing portfolio management and sales of real estate investments.

Valuation change and settlements of derivatives of $874 million in 2022 primarily comprised of gains on interest rate futures used to mitigate the impact of increases in interest rates, gains on foreign currency contracts due to the strengthening of the U.S. dollar and gains on equity futures used to manage exposure to equity markets. 2021 primarily comprised gains on foreign currency contracts due to the strengthening of the U.S. dollar and gains on interest rate futures used to manage asset duration and reduce exposure to increases in interest rates.

Net gains (losses) on performance-based investments and derivatives

($ in millions)	For the years ended December 31, 2022	2021	2020
Sales	$ 29	$ 111	$ 49
Credit losses	(30)	(43)	(6)
Valuation change of equity investments	(35)	71	24
Valuation change and settlements of derivatives	47	28	(13)
Total performance-based	**$ 11**	**$ 167**	**$ 54**

Net gains on performance-based investments and derivatives in 2022 primarily related to increased valuation change and settlements of derivatives and gains on sales, partially offset by decreased valuation of equity investments. 2021 primarily related to gains on sales of real estate investments, increased valuation of equity investments, and gains on valuation and settlements of derivatives.

Market Risk

Market risk is the risk that we will incur losses due to adverse changes in interest rates, credit spreads, equity prices, commodity prices or foreign currency exchange rates. Adverse changes to these rates and prices may occur due to changes in fiscal policy, inflation, the economic climate, the liquidity of a market or market segment, insolvency or financial distress of key market makers or participants or changes in market perceptions of credit worthiness or risk tolerance. Our primary market risk exposures are to changes in interest rates, credit spreads and equity prices, and to a lesser extent, foreign currency exchange rates. We also have direct and indirect exposure to commodity price changes through our diversified investments in timber, agriculture, infrastructure and energy primarily held in limited partnership interests and consolidated subsidiaries.

The active management of market risk is integral to our results of operations. We may use the following approaches to manage exposure to market risk within defined tolerance ranges:

1) Rebalance existing asset or liability portfolios
2) Change the type of investments purchased in the future
3) Use derivative instruments to modify the market risk characteristics of existing assets and liabilities or assets expected to be purchased

Overview In formulating and implementing guidelines for investing funds, we seek to earn attractive risk-adjusted returns that enhance our ability to offer competitive prices to customers while contributing to stable profits and long-term capital growth. Accordingly, our investment decisions and objectives are informed by underlying risks. Investment policies define the overall framework for managing market and other investment risks, including accountability and controls over risk management activities. Subsidiaries that conduct investment activities follow policies that have been approved by their respective boards of directors and which specify the investment limits and strategies that are appropriate given the liquidity, surplus, product profile and regulatory requirements of the subsidiary. Executive oversight of investment activities is conducted primarily through the subsidiaries' boards of directors and legal entity investment committees. The Enterprise Risk and Return Council ("ERRC") oversees the aggregate risk of Allstate and its subsidiaries. Working in conjunction with the board or the investment committee of each subsidiary, as applicable, the ERRC evaluates the risk tolerance of each subsidiary and determines the aggregate risk tolerance of the enterprise.

We use widely-accepted quantitative and qualitative approaches to measure, monitor and manage market risk. We evaluate our market risk exposure using multiple measures including but not limited to:

- *Duration,* a measure of the price sensitivity of assets and liabilities to changes in interest rates
- *Value-at-risk,* a statistical estimate that the change in fair value of a portfolio will exceed a certain amount over a given time horizon, at a specified probability
- *Scenario analysis,* an estimate of the potential changes in the fair value of a portfolio that could occur under hypothetical market conditions defined by changes to multiple market risk factors: interest rates, credit spreads, equity prices or currency exchange rates
- *Sensitivity analysis,* an estimate of the potential changes in the fair value of a portfolio that could occur using hypothetical shocks to a market risk factor

The selection of measures used in our sensitivity analysis should not be construed as our prediction of future market events, but only as an illustration of the potential effect of such an event

In general, we establish investment portfolio asset allocation and market risk limits based upon a combination of these measures. The asset allocation limits place restrictions on the total funds that may be invested within an asset class. Comprehensive day-to-day management of market risk within defined tolerance ranges occurs as portfolio managers buy and sell within their respective markets based upon the acceptable boundaries established by investment policies. Although we apply a similar overall philosophy to market risk, the underlying business frameworks and the accounting and regulatory environments may differ between our products and therefore affect investment decisions and risk parameters. Our actual experience may differ from the results of the sensitivity measurements provided below.

Interest rate risk is the risk that we will incur a loss due to adverse changes in risk-free interest rates. This risk arises from many of our primary activities, as we invest substantial funds in interest-sensitive assets. Changes in interest rates can have favorable and unfavorable effects on our results. For example, increases in rates can improve investment income, but decrease the fair value of our fixed income securities portfolio which may result in sales of assets at losses. Decreases in rates could increase the fair value of our fixed income securities portfolio while decreasing investment income due to reinvestment at lower market yields and accelerated pay-downs and prepayments of certain investments.

For our issued debt, we monitor market interest rates and evaluate refinancing opportunities as maturity dates approach. To mitigate this risk, we ladder the maturity dates of our debt. For our issued noncumulative perpetual preferred stock, we monitor market dividend rates and evaluate opportunities to redeem or refinance on or after specified dates. For further detail regarding our debt and our preferred stock, see Note 13 of the consolidated financial statements and the Capital Resources and Liquidity section of this Item.

Our assessment of interest rate risk reflects the effect of changing risk-free interest rates on interest-sensitive assets, including investments with callable or prepayable features. As of December 31, 2022, the fixed income portfolio duration[1] was 3.4 compared to 3.8 as of December 31, 2021.

Change in fair value of interest-sensitive assets [1] [2]

($ in millions)	As of December 31, 2022	2021
-100 bps change	$ 1,549	$ 1,625
+100 bps change	(1,471)	(1,638)
+200 bps change	(2,864)	(3,215)

(1) Includes the effects of interest rate derivatives and any call features associated with the securities.
(2) Represents an immediate, parallel increase or decrease based on information and assumptions used in the duration calculations.

To the extent that conditions differ from the assumptions we used in these calculations, duration and rate shock measures could be significantly impacted. These calculations may not fully capture the effect of non-parallel changes in the term structure of interest rates or large changes in interest rates.

Credit spread risk is the risk that we will incur a loss due to adverse changes in credit spreads (“spreads”). A credit spread is the additional yield on fixed income securities and loans above the risk-free rate that market participants require to compensate them for assuming credit, liquidity or prepayment risks. This risk arises from many of our primary activities, as we invest substantial funds in spread-sensitive fixed income assets. We assess credit spread risk by evaluating spread duration which measures the price sensitivity of the assets to changes in spreads.

As of December 31, 2022, the spread duration[1] was 4.0 compared to 4.6 as of December 31, 2021.

Change in fair value of spread-sensitive assets [1] [2]

($ in millions)	As of December 31, 2022	2021
+100 bps change	$ (1,462)	$ (1,767)

(1) Includes the effects of credit derivatives and any call features associated with the securities.
(2) Represents an immediate, parallel increase based on information and assumptions used in the spread duration calculations.

Equity price risk is the risk that we will incur losses due to adverse changes in the levels of equity indices, the value of individual stocks, or private market valuations related to our limited partnership interests.

Equity investments[1] As of December 31, 2022, we held $4.06 billion in equity investments that comprise equity securities, excluding those with fixed income securities as their underlying investments, and including limited partnership interests where the underlying assets are predominately public equity securities, compared to $6.67 billion as of December 31, 2021.

Change in fair value of equity investments [1] [2]

($ in millions)	As of December 31, 2022	2021
-10% change in equity valuations	$ (402)	$ (670)

(1) Includes the effects of equity derivatives.
(2) Represents an immediate change in equity valuations for investments.

We periodically use derivatives to reduce equity price risk or to adjust our equity risk profile. Derivatives provide an offset to changes in equity market values.

Limited partnership interests As of December 31, 2022, we held $7.64 billion in limited partnership interests excluding those limited partnership interests where the underlying assets are predominately public equity securities compared to $7.26 billion as of December 31, 2021. These illiquid investments are primarily comprised of private equity and real estate funds, with valuation changes typically reflecting the idiosyncratic performance of the underlying asset.

Change in fair value of limited partnership interests [1]

($ in millions)	As of December 31, 2022	2021
-10% change in private market valuations	$ (764)	$ (726)

(1) Represents an immediate change in the value of limited partnership interests.

For limited partnership interests, quarterly changes in fair values may not be highly correlated to equity indices in the short term and changes in value of these investments are generally recognized on a three-month delay due to the availability of the related investee financial statements.

Foreign currency exchange rate risk is the risk that we will incur economic losses due to adverse changes in foreign currency exchange rates. This risk primarily arises from our foreign equity investments, including common stocks, limited partnership interests, and our Canada, Northern Ireland and India operations. We use foreign currency derivative contracts to partially offset this risk.

Change in fair value of foreign currency denominated investments [1]

	As of December 31,	
($ in millions)	**2022**	**2021**
-10% change in foreign currency exchange rates	$ (310)	$ (379)
-10% change in net investments in foreign subsidiaries	(114)	(130)

(1) Represents an immediate, simultaneous depreciation in each of the foreign currency exchange rates to which we are exposed compared to the U.S. dollar, including the effects of foreign currency derivative contracts and excludes the offset from liabilities in foreign currencies.

As of December 31, 2022, we had $3.10 billion in foreign currency denominated investments, including the effects of foreign currency derivative contracts, and $1.14 billion net investment in our foreign subsidiaries, primarily related to our Canada operations. These amounts were $3.79 billion and $1.30 billion, respectively, as of December 31, 2021.

Capital Resources and Liquidity

Capital resources consist of shareholders' equity and debt, representing funds deployed or available to be deployed to support business operations or for general corporate purposes.

Capital resources

($ in millions)	As of December 31, 2022	2021	2020
Preferred stock, common stock, treasury stock, retained income and other shareholders' equity items	$ 19,864	$ 24,524	$ 26,913
Accumulated other comprehensive (loss) income	(2,389)	655	3,304
Total Allstate shareholders' equity	**17,475**	**25,179**	**30,217**
Debt	7,964	7,976	7,825
Total capital resources	**$ 25,439**	**$ 33,155**	**$ 38,042**
Ratio of debt to Allstate shareholders' equity	45.6 %	31.7 %	25.9 %
Ratio of debt to capital resources	31.3 %	24.1 %	20.6 %

Allstate shareholders' equity decreased in 2022, primarily due to net unrealized capital losses on investments in 2022 compared to gains at 2021, common share repurchases, a net loss and dividends paid to shareholders. In 2022, we paid dividends of $926 million and $105 million related to our common and preferred shares, respectively. Allstate shareholders' equity decreased in 2021, primarily due to loss on disposition from the sales of ALIC, ALNY and certain affiliates, common share repurchases, decreased net unrealized capital gains on investments, partially offset by net income. In 2021, we paid dividends of $885 million and $114 million related to our common and preferred shares, respectively.

Common share repurchases As of December 31, 2022, there was $802 million remaining in the $5.00 billion program. We expect the program to be completed by September 30, 2023, as we moderate the pace of share repurchases.

During 2022, we repurchased 19.7 million common shares, or 7.0% of total common shares outstanding as of December 31, 2021, for $2.50 billion.

Since 1995, we have acquired 789 million shares of our common stock at a cost of $42.80 billion, primarily as part of various stock repurchase programs. We have reissued 154 million common shares since 1995, primarily associated with our equity incentive plans, the 1999 acquisition of American Heritage Life Investment Corporation and the 2001 redemption of certain mandatorily redeemable preferred securities. Since 1995, total common shares outstanding has decreased by 635 million shares or 70.7%, primarily due to our repurchase programs.

Common shareholder dividends On January 3, 2022, April 1, 2022, July 1, 2022 and October 3, 2022, we paid a common shareholder dividend of $0.81, $0.85, $0.85 and $0.85, respectively. On November 18, 2022, we declared a common shareholder dividend of $0.85, payable on January 3, 2023.

Financial ratings and strength

Senior long-term debt, commercial paper and insurance financial strength ratings

	As of December 31, 2022		
	Moody's	**S&P Global Ratings**	**A.M. Best**
The Allstate Corporation (debt)	A3	A-	a
The Allstate Corporation (short-term issuer)	P-2	A-2	AMB-1+
Allstate Insurance Company (insurance financial strength)	Aa3	AA-	A+

Our ratings are influenced by many factors including our operating and financial performance, asset quality, liquidity, overall portfolio mix, financial leverage (i.e., debt), exposure to risks such as catastrophes and the current level of operating leverage. The preferred stock and subordinated debentures are viewed as having a common equity component by certain rating agencies and are given equity credit up to a pre-determined limit in our capital structure as determined by their respective methodologies. These respective methodologies consider the existence of certain terms and features in the instruments such as the noncumulative dividend feature in the preferred stock.

The Allstate Corporation (the "Corporation") and Allstate Insurance Company ("AIC") In May 2022, Moody's affirmed The Allstate Corporation's (the "Corporation's") debt and short-term issuer ratings of A3 and P-2, respectively, and the insurance financial strength rating of Aa3 for AIC. The outlook for the ratings is stable.

In November 2022, S&P affirmed the Corporation's debt and short-term issuer ratings of A- and A-2, respectively, and the insurance financial strength rating of AA- for AIC. The outlook for the ratings changed from stable to negative.

In August 2022, A.M. Best affirmed the Corporation's debt and short-term issuer ratings of a and AMB-1+, respectively, and the insurance financial strength rating of A+ for AIC. The outlook for the ratings is stable.

American Heritage Life ("AHL") In August 2022, A.M. Best affirmed the insurance financial strength rating of A+ for AHL. The outlook for the rating is stable.

Other property and casualty companies We have distinct and separately capitalized groups of subsidiaries licensed to sell property and casualty insurance that maintain separate group ratings. The ratings of these groups are influenced by the risks that relate specifically to each group. Many mortgage companies require property owners to have insurance from an insurance carrier with a secure financial strength rating from an accredited rating agency. In August 2022, A.M. Best affirmed the A rating of ANJ, which writes auto and homeowners insurance in New Jersey, and the A+ rating of North Light, our excess and surplus lines carrier. The outlook for both the ANJ and North Light ratings is stable. ANJ also has a Financial Stability Rating® of A'' from Demotech, which was affirmed in December 2022. In August 2022, A.M. Best affirmed the B+ rating of CKIC, which underwrites personal lines property insurance in Florida. CKIC also has a Financial Stability Rating of A' from Demotech that was affirmed in December 2022. ANJ, North Light and CKIC do not have support agreements with AIC.

Allstate's domestic property and casualty and life insurance subsidiaries prepare their statutory-basis financial statements in conformity with accounting practices prescribed or permitted by the insurance department of the applicable state of domicile. Statutory surplus is a measure that is often used as a basis for determining dividend paying capacity, operating leverage and premium growth capacity, and it is also reviewed by rating agencies in determining their ratings.

The property and casualty business is comprised of 58 insurance companies as of December 31, 2022, each of which has individual company dividend limitations. As of December 31, 2022, total statutory surplus is $15.28 billion compared to $21.51 billion as of December 31, 2021. Property and casualty subsidiaries surplus was $15.00 billion as of December 31, 2022, compared to $21.19 billion as of December 31, 2021. Life, accident and health insurance subsidiaries surplus was $279 million as of December 31, 2022, compared to $322 million as of December 31, 2021.

The NAIC has developed financial relationships or tests known as the Insurance Regulatory Information System to assist state insurance regulators in monitoring the financial condition of insurance companies and identifying companies that require special attention or actions by state insurance regulators. The NAIC analyzes financial data provided by insurance companies using prescribed ratios, each with defined "usual ranges". Additional regulatory scrutiny may occur if a company's ratios fall outside the usual ranges for four or more of the ratios. Two of our domestic insurance companies have more than four ratios outside the usual ranges.

Liquidity sources and uses Our potential sources and uses of funds principally include the following activities below.

Activities for potential sources of funds	*Property-Liability*	*Protection Services*	*Allstate Health and Benefits*	*Corporate and Other*
Receipt of insurance premiums	✔	✔	✔	
Recurring service fees	✔	✔	✔	
Contractholder fund deposits			✔	
Reinsurance and indemnification program recoveries	✔	✔	✔	
Receipts of principal, interest and dividends on investments	✔	✔	✔	✔
Sales of investments	✔	✔	✔	✔
Funds from securities lending, commercial paper and line of credit agreements	✔			✔
Intercompany loans	✔	✔	✔	✔
Capital contributions from parent	✔	✔	✔	✔
Dividends or return of capital from subsidiaries	✔	✔	✔	✔
Tax refunds/settlements	✔	✔	✔	✔
Funds from periodic issuance of additional securities				✔
Receipt of intercompany settlements related to employee benefit plans				✔

Activities for potential uses of funds	*Property-Liability*	*Protection Services*	*Allstate Health and Benefits*	*Corporate and Other*
Payment of claims and related expenses	✔	✔		
Payment of contract benefits, surrenders and withdrawals			✔	
Reinsurance cessions and indemnification program payments	✔	✔	✔	
Operating costs and expenses	✔	✔	✔	✔
Purchase of investments	✔	✔	✔	✔
Repayment of securities lending, commercial paper and line of credit agreements	✔			✔
Payment or repayment of intercompany loans	✔	✔	✔	✔
Capital contributions to subsidiaries	✔	✔	✔	✔
Dividends or return of capital to shareholders/parent company	✔	✔	✔	✔
Tax payments/settlements	✔	✔	✔	✔
Common share repurchases				✔
Debt service expenses and repayment	✔			✔
Payments related to employee benefit plans	✔	✔	✔	✔
Payments for acquisitions	✔	✔	✔	✔

Contractual obligations and commitments We have short-term and long-term contractual obligations and commitments. We manage our short-term liquidity position to ensure the availability of a sufficient amount of liquid assets to extinguish short-term liabilities as they come due in the normal course of business, including utilizing potential sources of liquidity. Long-term obligations include known contractual commitments that require cash needs beyond 12 months.

Short-term contractual obligations are typically settled with cash or short-term investments and operating cash flows. Most of these obligations are paid within one year. These include unconditional purchase obligations, other liabilities and accrued expenses, including liabilities for collateral and operating leases, and net unrecognized tax benefits.

We actively manage our financial position and liquidity levels in light of changing market, economic, and business conditions. Liquidity is managed at both the entity and enterprise level across the Company and is assessed on both base and stressed level liquidity needs. We believe we have sufficient liquidity to meet these needs. Additionally, we have existing intercompany agreements in place that facilitate liquidity management across the Company to enhance flexibility.

As of December 31, 2022, we held $12.66 billion of cash, U.S. government and agencies fixed income securities, and public equity securities which we would expect to be able to liquidate within one week. In addition, we regularly estimate how much of the total portfolio, which includes high quality corporate fixed income and municipal holdings, can be reasonably liquidated within one quarter. These estimates are subject to considerable uncertainty associated with evolving market conditions. As of December 31, 2022, cash and estimated liquidity available within one quarter, under normal market conditions and at current market prices, was $23.44 billion.

Certain remote events and circumstances could constrain our liquidity. Those events and circumstances include, for example, a catastrophe resulting in extraordinary losses, a decrease in market liquidity, dramatic changes in security pricing, a cybersecurity breach, a downgrade in our senior long-term debt ratings to non-investment grade status, or a downgrade in AIC's financial strength ratings. The rating agencies also consider the interdependence of our individually rated entities; therefore, a rating change in one entity could potentially affect the ratings of other related entities.

The Corporation is party to an Amended and Restated Intercompany Liquidity Agreement ("Liquidity Agreement") with certain subsidiaries, which includes, but is not limited to AIC. The Liquidity Agreement allows for short-term advances of funds to be made between parties for liquidity and other general corporate purposes. The Liquidity Agreement does not establish a commitment to advance funds on the part of any party. AIC serves as a lender and borrower, certain other subsidiaries serve only as borrowers, and the Corporation serves only as a lender. The maximum amount of potential funding under each of these agreements is $1.00 billion.

In addition to the Liquidity Agreement, the Corporation also has an intercompany loan agreement with certain of its subsidiaries, which includes, but is not limited to, AIC. The amount of intercompany loans available to the Corporation's subsidiaries is at the discretion of the Corporation. The maximum amount of loans the Corporation will have outstanding to all its eligible subsidiaries at any given point in time is limited to $1.00 billion. The Corporation may use commercial paper borrowings, bank lines of credit and securities lending to fund intercompany borrowings.

Parent company capital capacity At the parent holding company level, we have deployable assets totaling $4.02 billion as of December 31, 2022, primarily comprised of cash and investments that are generally saleable within one quarter. The earnings capacity of the operating subsidiaries is the primary source of capital generation for the Corporation.

The payment of dividends by AIC to The Allstate Corporation is limited by Illinois insurance law to formula amounts based on statutory net income and statutory surplus, as well as the timing and amount of dividends paid in the preceding twelve months. The maximum amount of dividends that AIC will be able to pay, without prior Illinois Department of Insurance approval, at a given point in time in 2023, based on 10% of actual 2022 statutory surplus, is estimated at $1.22 billion, less dividends paid during the preceding twelve months measured at that point in time. For the year ended December 31, 2022, the total amount of dividends AIC paid remained under the maximum amount of $5.51 billion allowed in 2022. Notification and approval of intercompany lending activities are also required by the Illinois Department of Insurance for those transactions that exceed formula amounts based on statutory admitted assets and statutory surplus.

These holding company assets and subsidiary dividends provide funds for the parent company's fixed charges and other corporate purposes.

Intercompany dividends were paid in 2022, 2021 and 2020 between the following companies: AIC, Allstate Insurance Holdings, LLC ("AIH"), the Corporation, ALIC, American Heritage Life Insurance Company ("AHL") and Allstate Financial Insurance Holdings Corporation ("AFIHC").

Intercompany dividends

($ in millions)	2022	2021	2020
AIC to AIH	$ 4,203	$ 5,946	$ 4,435
AIH to the Corporation	4,205	5,586	4,443
ALIC to AIC	—	1,642	—
AHL to AFIHC	110	90	80
AFIHC to the Corporation	112	128	115

There were no capital contributions paid by the Corporation to AIC in 2022, 2021 or 2020.

Dividends may not be paid or declared on our common stock and shares of common stock may not be repurchased unless the full dividends for the latest completed dividend period on our preferred stock have been declared and paid or provided for.

We are prohibited from declaring or paying dividends on our Series G preferred stock if we fail to meet specified capital adequacy, net income or shareholders' equity levels, except out of the net proceeds of common stock issued during the 90 days prior to the date of declaration. As of December 31, 2022, we satisfied all the requirements with no current restrictions on the payment of preferred stock dividends.

The terms of our outstanding subordinated debentures also prohibit us from declaring or paying any dividends or distributions on our common or preferred stock or redeeming, purchasing, acquiring, or making liquidation payments on our common stock or preferred stock if we have elected to defer interest payments on the subordinated debentures, subject to certain limited exceptions. In 2022, we did not defer interest payments on the subordinated debentures.

Additional resources to support liquidity are as follows:

- The Corporation and AIC have access to a $750 million unsecured revolving credit facility that is available for short-term liquidity requirements. In November 2022, the maturity date of this facility was extended to November 2027 and the USD benchmark rate was amended from London Interbank Offered Rate to Secured Overnight Financing Rate. The facility is fully subscribed among 11 lenders with the largest commitment being $95 million. The commitments of the lenders are several and no lender is responsible for any other lender's commitment if such lender fails to make a loan under the facility. This facility contains an increase provision that would allow up to an additional $500 million of borrowing, subject to the lenders' commitment. This facility has a financial covenant requiring that we not exceed a 37.5% debt to capitalization ratio as defined in the agreement. This ratio was 22.2% as of December 31, 2022. Although the right to borrow under the facility is not subject to a minimum rating requirement, the costs of maintaining the facility and borrowing under it are based on the ratings of our senior unsecured, unguaranteed long-term debt. There were no borrowings under the credit facility during 2022.

- To cover short-term cash needs, the Corporation has access to a commercial paper facility with a borrowing capacity limited to any undrawn credit facility balance up to $750 million.
- As of December 31, 2022, there were no balances outstanding for the credit facility or the commercial paper facility and therefore the remaining borrowing capacity was $750 million.
- The Corporation has access to a universal shelf registration statement with the Securities and Exchange Commission that expires in 2024. We can use this shelf registration to issue an unspecified amount of debt securities, common stock (including 637 million shares of treasury stock as of December 31, 2022), preferred stock, depository shares, warrants, stock purchase contracts, stock purchase units and securities of trust subsidiaries. The specific terms of any securities we issue under this registration statement will be provided in the applicable prospectus supplements.

Long-term contractual obligations

Defined benefit pension plans and other postretirement benefit plans ("OPEB") Pension plan obligations within the next 12 months represent our planned contributions to certain unfunded non-qualified plans where the benefit obligation exceeds the assets. Obligations beyond 12 months are projected based on the average remaining service period using the current underfunded status of the plans. The OPEB plans' obligations are estimated based on the expected benefits to be paid. See Note 18 of the consolidated financial statements for further information.

Reserves for property and casualty insurance claims and claims expense represent estimated amounts necessary to settle all outstanding claims, including claims that have been IBNR as of the balance sheet date. Estimated timing of payments for reserves is based on our historical experience and our expectation of future payment patterns. The ultimate cost of losses may vary materially from recorded amounts that are our best estimates. See Note 9 of the consolidated financial statements and Application of Critical Accounting Estimates section of the MD&A for further information.

Reserve for future policy benefits We estimate the present value of cash payments to be made to contractholders and policyholders. We are currently making payments for contracts where the timing of a portion or all of the payments has been determined by the contract. Contracts such as voluntary accident and health insurance, interest-sensitive life and traditional life insurance involve payment obligations where a portion or all of the amount and timing of future payments is uncertain. We have estimated the timing of payments related to these contracts based on historical experience and our expectation of future payment patterns. Uncertainties relating to these liabilities include mortality, morbidity, expenses, customer lapse and withdrawal activity, estimated additional deposits for interest-sensitive life contracts, and renewal premium for life policies, which may significantly impact both the timing and amount of future payments. See Note 10 of the consolidated financial statements for further information.

Contractual commitments represent investment commitments such as private placements, limited partnership interests and other loans. Limited partnership interests are typically funded over the commitment period which is shorter than the contractual expiration date of the partnership and as a result, the actual timing of the funding may vary.

We have agreements in place for services we conduct, generally at cost, between subsidiaries relating to insurance, reinsurance, loans and capitalization. All material intercompany transactions have been appropriately eliminated in consolidation. Intercompany transactions among insurance subsidiaries and affiliates have been approved by the appropriate departments of insurance as required.

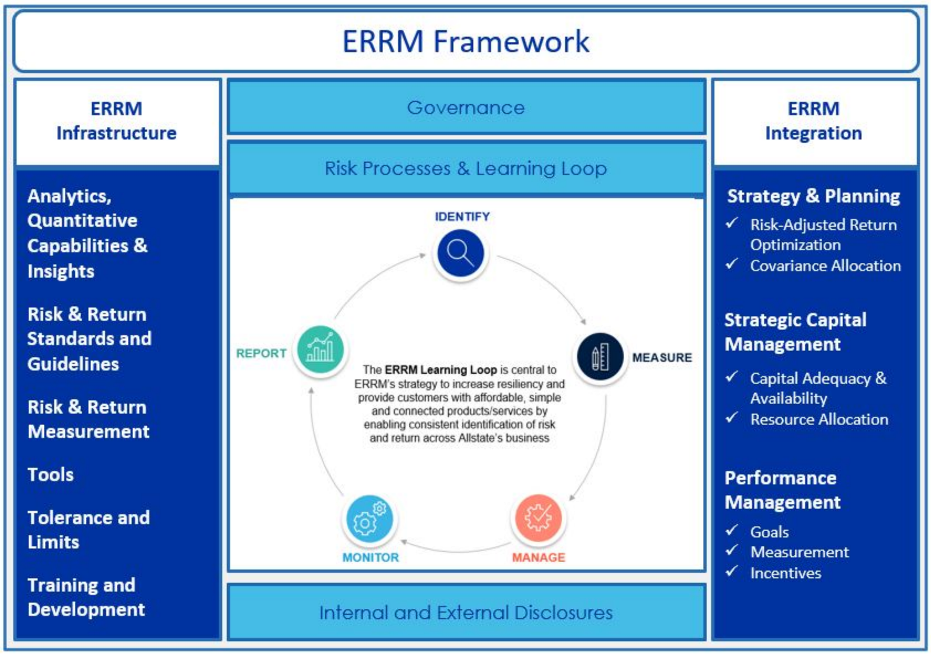
For a more detailed discussion of our off-balance sheet arrangements, see Note 7 of the consolidated financial statements.

Enterprise Risk and Return Management

Allstate is subject to significant risks as an insurer and a provider of other products and services. These risks are discussed in more detail in the Risk Factors section of this document.

We regularly identify, measure, manage, monitor and report all significant risks. Major categories of enterprise risk are strategic, insurance, investment, financial, operational and culture.

Allstate manages these risks through an Enterprise Risk and Return Management ("ERRM") framework that includes governance, processes, culture, and activities that are performed on an integrated, enterprise-wide basis, following our risk and return principles. Our legal and capital structures are designed to manage capital and solvency on a legal entity basis. Our risk-return principles define how we operate and guide risk and return decision making. These principles state that our priority is to maintain a strong foundation by protecting solvency, complying with laws and acting with integrity. We strive to build strategic value and optimize risk and return.



Governance ERRM governance includes board oversight, an executive management committee, and enterprise and market-facing business chief risk officers.

- The Allstate Corporation Board of Directors ("Allstate Board") has overall responsibility for oversight of Management's design and implementation of ERRM.
- The Risk and Return Committee ("RRC") of the Allstate Board oversees effectiveness of the ERRM program, governance structure and risk-related decision-making, while focusing on the Company's overall risk profile.
- The Audit Committee oversees the effectiveness of internal controls over financial reporting, disclosure controls and procedures as well as management's risk control framework and cybersecurity program.
- The ERRC directs ERRM activities by establishing risk and return targets, determining economic capital levels and monitoring integrated strategies and actions from an enterprise risk and return perspective. The ERRC consists of Allstate's chief executive officer, chief financial officer, chief risk officer and other senior leaders.
- Other key committees work with the ERRC to direct ERRM activities, including the Operating Committee, the Operational Risk and Return Council, the Information Security Council, the ESG (Environmental, Social, and Governance) Steering Committee, liability governance committees, and investment committees.

Key risks are assessed and reported through comprehensive ERRM reports prepared for senior management and the RRC. The risk summary report communicates the alignment of Allstate's risk profile with risk and return principles, while providing a perspective on risk positioning. Discussion promotes active engagement with management and the RRC. Internal controls over key risks are managed and reported to senior management and the Audit Committee of the Company through a semi-annual risk control dashboard. Annually, we review risks related to the strategic plan, operating plan and incentive compensation programs with the Allstate Board.

Framework We apply risk and return principles using an integrated ERRM framework that focuses on assessment, transparency and dialogue. Our framework provides a comprehensive view of risks and is used by senior management and business managers to drive risk-return based decisions. We continually validate and improve our ERRM practices by benchmarking and obtaining external perspectives.

Management and the ERRC rely on internal and external perspectives to determine an appropriate level of target economic capital. Internal perspectives include enterprise solvency and volatility assessments, review of key operating and model assumptions, and management judgment. Sensitivity testing and scenario analysis are used to gauge the robustness of Allstate's risk, capital and liquidity positions. Analysis of extremely low frequency scenarios is used to assess the sufficiency of capital and contingency options under worst-case outcomes, including unlikely but impactful single events, as well as sequences of multiple tail events. External considerations include NAIC risk-based capital as well as S&P's, Moody's, and A.M. Best's capital adequacy measurement. Our economic capital reflects management's view of the aggregate level of capital necessary to satisfy stakeholder interests, manage Allstate's risk profile and maintain financial strength. The impact of strategic initiatives on enterprise risk is evaluated through the economic capital framework.

The NAIC has adopted the Risk Management and Own Risk and Solvency Assessment Model Act ("ORSA Model Act"), which has been enacted by our insurance subsidiaries' domiciliary states. The ORSA Model Act requires that insurers maintain a risk management framework and conduct an internal own risk and solvency assessment of the insurer's material risks in normal and stressed environments. Results of the assessment are filed annually.

Allstate's risk appetite is measured through our economic capital framework. The enterprise risk appetite is cascaded into individual risk limits which set boundaries on the amount of risk we are willing to accept from one specific risk category before escalating for further management discussion and action. Risk limits are established based upon expected returns, volatility, potential tail losses and impact on the enterprise portfolio. To effectively operate within risk limits and for risk-return optimization, Allstate establishes risk limits and capital targets specific to each business unit. Allstate's risk management strategies adapt to changes in business and market environments.

Process Our ERRM framework establishes a basis for transparency and dialogue across the enterprise and for continuous learning by embedding our risk and return management culture of identifying, assessing, managing, monitoring and reporting risks within the organization. Allstate designs business and enterprise strategies that seek to optimize risk-adjusted returns on capital. Risks are managed at both the legal entity and enterprise level.

A summary of our process to manage each of our major risk categories follows:

Strategic risk and return management addresses loss associated with inadequate or flawed business planning or strategy setting, including product mix, mergers or acquisitions and market positioning, and unexpected changes within the market or regulatory environment in which Allstate operates. This includes reputational risk, which is the potential for negative publicity regarding a company's conduct or business practices to adversely impact its profitability, operations, or consumer base, or to require costly litigation and other defensive measures.

We manage strategic risk in part through Allstate Board and senior management strategy reviews that include risk and return assessment of our strategic plans and ongoing monitoring of strategic actions, key assumptions and the external competitive environment. Using the ERRM framework, Allstate designs strategies that seek to optimize risk-adjusted returns associated with taking insurance, investment, and other business risks.

Insurance risk and return management addresses fluctuations in the timing, frequency and severity of benefits, expenses, and premiums relative to the return expectations inclusive of systemic risk, concentration of insurance exposures, policy terms, reinsurance coverage, and claims handling practices.

Insurance risk is the potential for loss due to adverse changes in actual or anticipated insurance claims experience (including claims adjustment expenses), net of reinsurance, and lost future profits. Insurance risk exposures include our operating results and financial condition, claims frequency and severity, and catastrophe and severe weather.

Insurance risk exposures are measured and monitored with different approaches including:

- Stochastic methods: measure and monitor risks such as natural catastrophes and severe weather. We develop probabilistic estimates of risk based on our exposures, historical observed volatility or industry-recognized models in the case of catastrophe risk.
- Scenario analysis: measures and monitors risks and estimated losses due to extreme low frequency events that include combined multiple event scenarios across risk categories and time periods.

Investment risk and return management addresses financial loss due to changes in the valuations of assets held in the Allstate investment portfolio. Such losses may be caused by macro developments, such as changes to interest rates, credit spreads and equity price levels, or could be specific to individual investments in the portfolio. These losses can encompass both daily market volatility and permanent impairments of capital due to credit defaults and equity write-downs.

Investment risk exposures include interest rate risk, credit spread risk, equity price risk and foreign currency exchange rate risk.

Investment risk exposures are measured, monitored and limited in a number of ways including:

- Sensitivity analysis: measures the impact from a unit change in a market risk input.
- Stochastic and probabilistic estimation of potential losses: combines portfolio risk exposures with historical or recent market volatilities and correlations to assess the potential range of future investment results.
- Contributions to economic capital: measure the percentage allocations of investment risk and risk types within enterprise economic capital.
- Scenario analysis: measures material adverse outcomes such as shock scenarios applied to credit, public and private equity markets.

Some of the stress scenarios are a combination of multiple scenarios across risk categories and over multiple time periods, considering the effects of macroeconomic conditions.

Financial risk and return management addresses the risk of insufficient cash flows to meet corporate or policyholder needs, risk of inadequate aggregate capital or capital within any subsidiary, inability to access capital markets, credit risk that arises when an external party fails to meet a contractual obligation such as reinsurance for ceded claims, or risk associated with a business counterparty default.

We actively manage our capital and liquidity levels in light of changing market, economic and business conditions. Our capital position, capital generation capacity, and targeted risk profile provide strategic and financial flexibility.

We generally assess solvency on a statutory accounting basis, but also consider holding company capital and liquidity needs. Current enterprise capital, which exceeds economic targeted levels, is based on a combination of statutory surplus and deployable assets at the parent holding company level.

Operational risk and return management addresses loss as a result of the failure of people, processes, or systems. Operational risk exposures include human capital, privacy, regulatory compliance, ethics, fraud, system availability, cybersecurity, data quality, disaster recovery and business continuity.

Operational risk is managed at the enterprise and market-facing business levels, through an integrated Operational Risk and Return Management (“ORRM”) framework that is anchored to the ERRM Learning Loop, which depicts the five components of effective risk management. The Learning Loop is a continual process which includes risk identification, measurement, management, monitoring, and reporting of risk.

From time to time, we engage independent advisers to assess and consult on operational risks. We also perform internal risk reviews of the quality of our operational risk program and identify opportunities to strengthen our internal controls.

Culture risk and return management addresses the potential for loss of stakeholder value from a suboptimal work environment, missed opportunities, or ineffective risk management practices. Allstate defines organization culture as a self-sustaining system of shared values, principles and priorities that shape beliefs, drive behavior and influence decision-making within an organization. Allstate’s approach is grounded in its Risk and Return Principles and organized by Our Shared Purpose.

Culture is managed using a set of cultural risk categories established as a basis for assessment and measurement, and the Learning Loop is applied to ensure continuous improvement. Results of culture risk assessments are reported to the ERRC and RRC throughout the year. To strengthen oversight, the Culture Risk and Return Management (“CRRM”) team partners with Human Resources and the broader organization to enhance the sophistication of the CRRM framework, including the following key components:

- Key risk categories, defining the most important areas of culture to track and enhance.
- Key risk indicators, reflecting the health of the system, providing early warnings, and helping Allstate prioritize risk and return activities.
- Governance, ensuring timely discussion, escalation, and prioritization of issues, as well as identification of opportunities.

Many risk drivers impact more than one of these key risk categories. Examples include risks related to the Coronavirus, inflation, and ESG factors. Such risks are managed within processes listed above, but overall strategy is coordinated at the enterprise level, and holistic governance is provided by cross-functional committees such as the ERRC and ESG Steering Committee.

Application of Critical Accounting Estimates

The preparation of financial statements in conformity with GAAP requires management to adopt accounting policies and make estimates and assumptions that affect amounts reported in the consolidated financial statements. The most critical estimates, presented in the order they appear in the Consolidated Statements of Financial Position, include those used in determining:

- Fair value of financial assets
- Impairment of fixed income securities with credit losses
- Business combinations and purchase price allocations
- Evaluation of goodwill
- Reserve for property and casualty insurance claims and claims expense estimation
- Pension and other postretirement plans net costs and assumptions

In making these determinations, management makes subjective and complex judgments that frequently require estimates about matters that are inherently uncertain. Many of these policies, estimates and related judgments are common in the insurance and financial services industries; others are specific to our businesses and operations. It is reasonably likely that changes in these estimates could occur from period to period and result in a material impact on our consolidated financial statements.

A summary of each of these critical accounting estimates follows. For a more detailed discussion of the effect of these estimates on our consolidated financial statements, and the judgments and assumptions related to these estimates, see the referenced sections of this document. For a more detailed summary of our significant accounting policies, see the notes to the consolidated financial statements.

Fair value of financial assets Fair value is defined as the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. We are responsible for the determination of fair value of financial assets and the supporting assumptions and methodologies. We use independent third-party valuation service providers, broker quotes and internal pricing methods to determine fair values. We utilize only one single quote or price to value each financial instrument in our financial statements.

Valuation service providers typically obtain data about market transactions and other key valuation model inputs from multiple sources and, through the use of proprietary models, produce valuation information in the form of a single fair value for individual fixed income and other securities for which a fair value has been requested under the terms of our agreements. The inputs used by the valuation service providers include, but are not limited to, market prices from recently completed transactions and transactions of comparable securities, interest rate yield curves, credit spreads, liquidity spreads, currency rates, and other information, as applicable. Credit and liquidity spreads are typically implied from completed transactions and transactions of comparable securities. Valuation service providers also use proprietary discounted cash flow models that are widely accepted in the financial services industry and similar to those used by other market participants to value the same financial instruments. The valuation models take into account, among other things, market observable information as of the measurement date, as described above, as well as the specific attributes of the security being valued including its term, interest rate, credit rating, industry sector, and where applicable, collateral quality and other issue or issuer specific information. Executing valuation models effectively requires seasoned professional judgment and experience. For certain equity securities, valuation service providers provide market quotations for completed transactions on the measurement date. In cases where market transactions or other market observable data is limited, the extent to which judgment is applied varies inversely with the availability of market observable information.

For certain of our financial assets measured at fair value, where our valuation service providers cannot provide fair value determinations, we obtain a single non-binding price quote from a broker familiar with the security who, similar to our valuation service providers, may consider transactions or activity in similar securities among other information. The brokers providing price quotes are generally from the brokerage divisions of financial institutions with market making, underwriting and distribution expertise regarding the security subject to valuation.

The fair value of certain financial assets, including privately placed corporate fixed income securities and free-standing derivatives, for which our valuation service providers or brokers do not provide fair value determinations, is developed using valuation methods and models widely accepted in the financial services industry. Our internal pricing methods are primarily based on models using discounted cash flow methodologies that develop a single best estimate of fair value. Our models generally incorporate inputs that we believe are representative of inputs other market participants would use to determine fair value of the same instruments, including yield curves, quoted market prices of comparable securities or instruments, published credit spreads, and other applicable market data as well as instrument-specific characteristics that include, but are not limited to, coupon rates, expected cash flows, sector of the issuer, and call provisions. Because judgment is required in developing the fair values of these financial assets, they may differ from the amount actually received to sell an asset in an orderly transaction between market participants at the measurement date. Moreover, the use of different valuation assumptions may have a material effect on the financial assets' fair values.

For most of our financial assets measured at fair value, all significant inputs are based on or corroborated by market observable data, and significant management judgment does not affect the periodic determination of fair value. The determination of fair value using discounted cash flow models involves management judgment when significant model inputs are not based on or corroborated by market observable data. However, where market observable data is available, it takes precedence, and as a result, no range of reasonably likely inputs exists from which the basis of a sensitivity analysis could be constructed.

We gain assurance that our financial assets are appropriately valued through the execution of various processes and controls designed to ensure the overall reasonableness and consistent application of valuation methodologies, including inputs and assumptions, and compliance with accounting standards. For fair values received from third parties or internally estimated, our processes and controls are designed to ensure that the valuation methodologies are appropriate and consistently applied, the inputs and assumptions are reasonable and consistent with the objective of determining fair value, and the fair values are accurately recorded. For example, on a continuing basis, we assess the reasonableness of individual fair values that have stale security prices or that exceed certain thresholds as compared to previous fair values received from valuation service providers or brokers or derived from internal models. We perform procedures to understand and assess the methodologies, processes and controls of valuation service providers. In addition, we may validate the reasonableness of fair values by comparing information obtained from valuation service providers or brokers to other third-party valuation sources for selected securities. We perform ongoing price validation procedures such as back-testing of actual sales, which corroborate the various inputs used in internal models to market observable data. When fair value determinations are expected to be more variable, we validate them through reviews by members of management who have relevant expertise and who are independent of those charged with executing investment transactions.

During periods of high volatility or market disruption, we may perform an analysis to determine whether there has been a significant decrease in the volume and level of activity for the asset when compared to normal market activity, and if so, whether transactions may not be orderly. Among the indicators we consider in determining whether a significant decrease in the volume and level of market activity for a specific asset has occurred include the level of new issuances in the primary market, trading volume in the secondary market, level of credit spreads over historical levels, bid-ask spread, and price consensuses among market participants and sources. If evidence indicates that prices are based on transactions that are not orderly, we place little, if any, weight on the transaction price and will estimate fair value using an internal model. As of December 31, 2022 and 2021, we did not adjust fair values provided by our valuation service providers or brokers or substitute them with an internal model for such securities.

Fixed income, equity securities and short-term investments by source of fair value determination

	December 31, 2022	
($ in millions)	**Fair value**	**Percent to total**
Fair value based on internal sources	$ 257	0.5 %
Fair value based on external sources [1]	50,968	99.5
Total	**$ 51,225**	**100.0 %**

[1] Includes $76 million that are valued using broker quotes and $278 million that are valued using quoted prices or quoted net asset values from deal sponsors.

For additional detail on fair value measurements, see Note 6 of the consolidated financial statements.

Impairment of fixed income securities with credit losses For fixed income securities classified as available-for-sale, the difference between amortized cost, net of credit loss allowance ("amortized cost, net") and fair value, net of certain other items and deferred income taxes (as disclosed in Note 5 of the consolidated financial statements), is reported as a component of AOCI on the Consolidated Statements of Financial Position and is not reflected in the operating results of any period until reclassified to net income upon the consummation of a transaction with an unrelated third party or when a credit loss allowance is recorded. We have a comprehensive portfolio monitoring process to identify and evaluate each fixed income security that may require a credit loss allowance.

For each fixed income security in an unrealized loss position, we assess whether management with the appropriate authority has made the decision to sell or whether it is more likely than not we will be required to sell the security before recovery of the amortized cost basis for reasons such as liquidity, contractual or regulatory purposes. If a security meets either of these criteria, any existing credit loss allowance would be written-off against the amortized cost basis of the asset along with any remaining unrealized losses, with the incremental losses recorded in earnings.

If we have not made the decision to sell the fixed income security and it is not more likely than not we will be required to sell the fixed income security before recovery of its amortized cost basis, we evaluate whether we expect to receive cash flows sufficient to recover the entire amortized cost basis of the security. We calculate the estimated recovery value based on the best estimate of future cash flows considering past events, current conditions and reasonable and supportable forecasts. The estimated future cash flows are discounted at the security's current effective rate, and are compared to the amortized cost of the security. The determination of cash flow estimates is inherently subjective, and methodologies may vary depending on facts and circumstances specific to the security. All reasonably available information relevant to the collectability of the security are considered when developing the estimate of cash flows expected to be collected. That information generally includes, but is not limited to, as applicable, the remaining payment terms of the security, prepayment speeds, the financial condition and future earnings potential of the issue or issuer, expected defaults, expected recoveries, the value of underlying collateral, origination vintage year, geographic concentration of underlying collateral, available reserves or escrows, current subordination levels, third-party guarantees and other credit enhancements. Other information, such as industry analyst reports and forecasts, sector credit ratings, financial condition of the bond insurer for insured fixed income securities, and other market data relevant to the realizability of contractual cash flows, may also be considered. The estimated fair value of collateral will be used to estimate recovery value if we determine that the security is dependent on the liquidation of collateral for ultimate settlement.

If we do not expect to receive cash flows sufficient to recover the entire amortized cost basis of the fixed income security, a credit loss allowance is recorded in earnings for the shortfall in expected cash flows; however, the amortized cost, net of the credit loss allowance, may not be lower than the fair value of the security. The portion of the unrealized loss related to factors other than credit remains classified in AOCI. If we determine that the fixed income security does not have sufficient cash flow or other information to estimate a recovery value for the security, we may conclude that the entire decline in fair value is deemed to be credit related and the loss is recorded in earnings.

When a security is sold or otherwise disposed or the security is deemed uncollectible and written off, we remove amounts previously recognized in the credit loss allowance. Recoveries after write-offs are recognized when received.

For additional detail on investment impairments, see Note 5 of the consolidated financial statements.

Business combinations and purchase price allocations We have acquired significant intangible assets through acquisitions of businesses. Intangible assets (reported in other assets in the Consolidated Statements of Financial Position) consist of capitalized costs, primarily of the estimated fair value of distribution and customer relationships, trade names, licenses and technology assets. The estimated useful lives of these assets generally range from 3 to 10 years.

On January 4, 2021, the Company completed the acquisition of National General Holdings Corp. ("National General"), an insurance holding company serving customers predominantly through independent agents for property and casualty and accident and health products. The estimated fair value of distribution and customer relationship intangible assets was determined using an income approach that considered cash flows and profits expected to be generated by the acquired relationships, a weighted-average cost of capital discount rate reflecting the relative risk of achieving the anticipated cash flows, profits, the time value of money, and other relevant inputs. Technology and trade names were valued using estimated useful lives and market licensing rates discounted at a weighted-average cost of capital. Licenses are primarily insurance licenses which were valued using the median value of market transactions executed over an extended observation period.

Value of business acquired (reported in DAC in the Consolidated Statements of Financial Position) recognized in connection with the acquisition of National General represents the value of future profits expected to be earned over the lives of the contracts acquired determined using a weighted-average cost of capital discount rate and other relevant assumptions. These costs are amortized over the policy term of the contracts in force at the acquisition date, generally over six or twelve months.

Evaluation of goodwill Goodwill represents the excess of amounts paid for acquiring businesses over the fair value of the net assets acquired, less any impairment of goodwill recognized. Goodwill is recognized when acquired and allocated to reporting units based on which unit is expected to benefit from the synergies of the business combination. Our goodwill reporting units are equivalent to our reportable segments to which goodwill has been assigned: Allstate Protection, Protection Services, and Allstate Health and Benefits.

The goodwill balance was $3.50 billion at both December 31, 2022 and 2021.

Upon acquisition, the purchase price of the acquired business is assumed to be its fair value. Subsequently, we estimate the fair value of our businesses in each goodwill reporting unit, utilizing a combination of widely accepted valuation techniques including a stock price and market capitalization analysis, discounted cash flow ("DCF") calculations and an estimate of a business's fair value using market to book multiples derived from peer company analysis. The stock price and market capitalization analysis takes into consideration the quoted market price of our outstanding common stock and includes a control premium, derived from relevant historical acquisition activity, in determining the estimated fair value of the consolidated entity before allocating that fair value to individual reporting units. The DCF analysis utilizes long term assumptions for revenues, investment income, benefits, claims, other operating expenses and income taxes to produce projections of both income and cash flows available for dividends that are present valued using the weighted average cost of capital. Market to book multiples represent the mean market to book multiple for selected peer companies with operations similar to each goodwill reporting unit to which the multiple is applied. The outputs from these methods are weighted based on the nature of the business and the relative amount of market observable assumptions supporting the estimates. The computed values are then weighted to reflect the fair value estimate based on the specific attributes of each goodwill reporting unit.

Estimating the fair value of reporting units is a subjective process that involves the use of significant estimates by management. Changes in market inputs or other events impacting the fair value of these businesses, including discount rates, operating results, investment returns, strategies and growth rate assumptions, among other factors, could result in goodwill impairments, resulting in a charge to income. Certain of our goodwill reporting units are comprised of a combination of legacy and acquired businesses and as a result have substantial internally generated and unrecognized intangibles and fair values that significantly exceed their carrying values.

The most significant assumptions utilized in the determination of the estimated fair value of the Protection Services reporting unit are the earnings growth rate and discount rate. The growth rate utilized in our fair value estimates is consistent with our plans to grow these businesses more rapidly over the near-term with more moderated growth rates in later years.

The discount rate, which is consistent with the weighted average cost of capital expected by a market participant, is based upon industry specific required rates of return, including consideration of both debt and equity components of the capital structure. Our discount rate may be impacted by changes in the risk-free rate, cost of debt, equity risk premium and entity specific risks.

Changes in our growth assumptions, including the risk of loss of key customers, or adverse changes in the discount rates could result in a decline in fair value and result in a goodwill impairment charge.

Reserve for property and casualty insurance claims and claims expense estimation Reserves are established to provide for the estimated costs of paying claims and claims expenses under insurance policies we have issued. Underwriting results are significantly influenced by estimates of property and casualty insurance claims and claims expense reserves. These reserves are an estimate of amounts necessary to settle all outstanding claims, including IBNR, as of the financial statement date.

Characteristics of reserves Reserves are established independently of business segment management for each business segment and line of business based on estimates of the ultimate cost to settle claims, less losses that have been paid. The significant lines of business are auto, homeowners, and other personal lines for Allstate Protection, and asbestos, environmental, and other run-off lines for Run-off Property-Liability. Allstate Protection's claims are typically reported promptly with relatively little reporting lag between the date of occurrence and the date the loss is reported. Auto and homeowners liability losses generally take an average of about two years to settle, while auto physical damage, homeowners property and other personal lines generally have an average settlement time of less than one year. Liability losses, especially those involving litigation, can take several years to resolve. Run-off Property-Liability involves long-tail losses, such as those related to asbestos and environmental claims, which often involve substantial reporting lags and extended times to settle.

Reserves are the difference between the estimated ultimate cost of losses incurred and the amount of paid losses as of the reporting date. Reserves are estimated for both reported and unreported claims, and include estimates of all expenses associated with processing and settling all incurred claims. We update most of our reserve estimates quarterly and as new data and information become available or as events emerge that may affect the resolution of unsettled claims. Changes in prior reserve estimates (reserve reestimates), which may be material, are determined by comparing updated estimates of ultimate losses to prior estimates, with the differences recorded as property and casualty insurance claims and claims expense in the Consolidated Statements of Operations in the period such changes are determined. Estimating the ultimate cost of claims and claims expenses is an inherently uncertain and complex process involving a high degree of judgment and is subject to the evaluation of numerous variables.

The actuarial methods used to develop reserve estimates Reserve estimates are derived by using several different actuarial estimation methods that are variations on one primary actuarial technique. The actuarial technique is known as a “chain ladder” estimation process in which historical loss patterns are applied to actual paid losses and reported losses (paid losses plus individual case reserves established by claim adjusters) for an accident year or a report year to create an estimate of how losses are likely to develop over time. An accident year refers to classifying claims based on the year in which the claims occurred. A report year refers to classifying claims based on the year in which the claims are reported. Both classifications are used to prepare estimates of required reserves for payments to be made in the future. The key assumptions affecting our reserve estimates comprise data elements including claim counts, paid losses, case reserves, and development factors calculated with this data.

In the chain ladder estimation technique, a ratio (development factor) is calculated which compares current period results to results in the prior period for each accident year. The effects of inflation are implicitly considered in the reserving process, as a development factor. Historic data incorporates inflation from recent prior periods in estimating future loss costs. The development factor estimation methodology may require modification when data changes due to changing claim reporting practices, changing claim settlement patterns, external regulatory or financial influences, or contractual coverage changes. Changes in such items and inflation can result in increased variability in loss costs and reserve estimates. Actuarial judgment is then applied to develop a best estimate of gross ultimate losses. These developments are discussed further in the loss ratio disclosures within the Allstate Protection Segment and the Claims and Claims Expense Reserves sections of the MD&A.

See Run-off Property-Liability reserve estimates section for specific disclosures of industry and actuarial best practices for this segment.

How reserve estimates are established and updated Reserve estimates are developed at a very detailed level, and the results are aggregated to form a consolidated reserve estimate. The detailed estimates include each line of insurance, major components of losses (such as coverages and perils), major states or groups of states and for reported losses and IBNR. Development factors are calculated for data elements such as claim counts reported and settled, paid losses, and paid losses combined with case reserves. The historical development patterns for these data elements are used to calculate reserve estimates. Based on this review our best estimate of required reserves is recorded.

Reserves are reestimated quarterly and periodically throughout the year, by combining historical results with current actual results to calculate new development factors. This process continuously incorporates the historic and latest actual trends, and other underlying changes in the data elements used to calculate reserve estimates. New development factors are likely to differ from previous development factors used in prior reserve estimates because actual results occur differently than the assumptions contained in the previous development factor calculations. When actual development of these data elements is different than the historical development pattern used in a prior period reserve estimate, a new reserve is determined. The difference between indicated reserves based on new reserve estimates and recorded reserves (the previous estimate) is the amount of reserve reestimate. This amount, which could be material and vary significantly from period to period is recognized as an increase or decrease in claims and claims expense in the Consolidated Statements of Operations. A more detailed discussion of reserve reestimates is presented in the Claims and Claims Expense Reserves section of the MD&A.

Favorable (unfavorable) impact of reserve reestimates on net income applicable to common shareholders

	2022	2021	2020
Net reserve reestimates, after-tax	(97.1)%	(6.5)%	6.3 %

3-year average of net reserve reestimates as a percentage of total reserves for each segment [(1) (2)]

	2022
Allstate Protection	1.5 %
Run-off Property-Liability	8.9 %
Protection Services	(5.7)%

(1) Favorable reserve reestimates are shown in parentheses.

(2) Each of these results is consistent within a reasonable actuarial tolerance for the respective businesses.

Net claims and claims expense reserves by segment and line of business

($ in millions)	As of December 31, 2022	2021	2020
Allstate Protection			
Auto [(1)]	$ 19,365	$ 16,078	$ 14,164
Homeowners [(1)]	3,595	2,797	2,315
Other lines [(2)]	3,916	3,249	2,657
Total Allstate Protection	**26,876**	**22,124**	**19,136**
Run-off Property-Liability			
Asbestos	811	828	827
Environmental	267	226	206
Other run-off lines	373	367	375
Total Run-off Property-Liability	**1,451**	**1,421**	**1,408**
Total Protection Services	**38**	**36**	**33**
Total net claims and claims expense reserves	**$ 28,365**	**$ 23,581**	**$ 20,577**

(1) 2021 includes a $944 million reclassification of reserves from homeowners to auto.

(2) 2022 and 2021 include the unamortized fair value adjustment related to the acquisition of National General.

Allstate Protection reserve estimate

Factors affecting reserve estimates Reserve estimates are developed based on the processes and historical development trends described above. These estimates are considered in conjunction with known facts and interpretations of circumstances and factors including our experience with similar cases, actual claims paid, historical trends involving claim payment patterns and pending levels of unpaid claims, loss management programs, product mix and contractual terms, changes in law and regulation, judicial decisions, and economic conditions. When we experience changes of the type previously mentioned, we apply actuarial judgment in the determination and selection of development factors considered more reflective of the new trends, such as combining shorter or longer periods of historical results with current actual results to produce development factors based on two-year, three-year, or longer development periods to reestimate our reserves. For example:

- The Coronavirus has had a significant impact on driving patterns and auto frequency and severity, including supply chain disruptions and labor shortages, higher used car prices, labor and part cost increases, unemployment levels, changes in commuting activity and driving behavior that may lead to historical development trends being less predictive of future loss development, potentially creating additional reserve variability.
- If a legal change is expected to have a significant impact on the development of claim severity for a coverage which is part of a particular line of insurance in a specific state, judgment is applied to determine appropriate development factors that will most accurately reflect the expected impact on that specific estimate.
- A change in economic conditions is expected to affect the cost of repairs to damaged autos or property for a particular line, coverage, or state, actuarial judgment is applied to determine appropriate development factors to use in the reserve estimate that will most accurately reflect the expected impacts on severity development.

Case and supplemental reserves

- Typically, the case, including statistical case, and supplemental development reserves comprise about 90% of total reserves.
- As claims are reported, for certain liability claims of sufficient size and complexity, the field adjusting staff establishes case reserve estimates of ultimate cost, based on their assessment of facts and circumstances related to each individual claim.
- For other claims which occur in large volumes and settle in a relatively short time frame, it is not practical or efficient to set case reserves for each claim, and a statistical case reserve is set for these claims based on estimation techniques described above.
- In the normal course of business, we may also supplement our claims processes by utilizing third-party adjusters, appraisers, engineers, inspectors, and other professionals and information sources to assess and settle catastrophe and non-catastrophe related claims.
- Historically, the case reserves set by the field adjusting staff have not proven to be an entirely accurate estimate of the ultimate cost of claims. To provide for this, a development reserve is estimated using the processes described above and allocated to pending claims as a supplement to case reserves.

Incurred but not reported ("IBNR")

- Comprises about 10% of total reserves.
- IBNR can be a small percentage of reserves for relatively short-term claims, such as auto physical damage claims, or a large percentage of reserves for claims that have uncertain payout requirements over a long period of time, such as auto injury and MCCA claims.

All major components of reserves are affected by changes in claim frequency as well as claim severity.

Generally, the initial reserves for a new accident year are established based on actual claim frequency and severity assumptions for different business segments, lines and coverages based on historical relationships to relevant inflation indicators. Reserves for prior accident years are statistically determined using processes described above. Changes in auto claim frequency may result from changes in mix of business, driving behaviors, miles driven or other macroeconomic factors. Changes in auto current year claim severity are generally influenced by inflation in the medical and auto repair sectors of the economy, the effectiveness and efficiency of our claim practices and changes in mix of claim type. Injury claims are affected largely by medical inflation, treatment trends, attorney representation and litigation costs while physical damage claims are affected largely by auto repair cost inflation, used car prices, length of claim resolution and the timing of receipt of third-party carrier claims.

We mitigate these effects through various loss management programs. For auto physical damage coverages, we monitor our rate of increase in average cost per claim against the auto maintenance, repair, parts and equipment price indices. We believe our claim settlement initiatives, such as improvements to the claim review and settlement process, the use of special investigative units to detect fraud and handle suspect claims, litigation management and defense strategies, as well as various other loss management initiatives underway, contribute to the mitigation of injury and physical damage severity trends.

Changes in homeowners current year claim severity are generally influenced by inflation in the cost of building materials, the cost of construction and property repair services, the cost of replacing home furnishings and other contents, the types of claims that qualify for coverage, deductibles, other economic and environmental factors and the effectiveness of our claim practices.

As loss experience for the current year develops for each type of loss, it is monitored relative to initial assumptions until it is judged to have sufficient statistical credibility. From that point in time forward, reserves are reestimated using statistical actuarial processes to reflect the impact actual loss trends have on development factors incorporated into the actuarial estimation processes.

Causes of reserve estimate uncertainty Since reserves are estimates of unpaid portions of claims and claims expenses for claims that have occurred, including IBNR losses, the establishment of appropriate reserves, including reserves for catastrophe losses, requires regular reevaluation and refinement of estimates to determine our ultimate loss estimate.

At each reporting date, the highest degree of uncertainty in estimates for most of our losses from ongoing businesses arise from claims remaining to be settled for the current accident year and the most recent preceding accident year. The greatest degree of uncertainty exists in the current accident year because the current accident year contains the greatest proportion of losses that have not been reported or settled as well as heightened uncertainty for claims that involve litigation or take longer to settle during periods of rapidly increasing loss costs, but must be estimated as of the current reporting date. Most of these losses relate to damaged property such as automobiles and homes, and medical care for injuries from accidents. During the first year after the end of an accident year, a large portion of the total losses for that accident year are settled. When accident year losses paid through the end of the first year following the initial accident year are incorporated into updated actuarial estimates, the trends inherent in the settlement of claims emerge more clearly. After the second year, the losses that we pay for an accident year typically relate to claims that are more difficult to settle, such as those involving serious injuries or litigation. Private passenger auto insurance provides a good illustration of the uncertainty of future loss estimates: our typical annual percentage payout of reserves remaining at December 31 for an accident year is approximately 50% in the first year after the end of the accident year, 20% in the second year, 10% in the third year, 10% in the fourth year, and the remaining 10% thereafter.

Reserves for catastrophe losses Catastrophe losses are an inherent risk of the property and casualty insurance industry that have contributed, and will continue to contribute, to potentially material year-to-year fluctuations in our results of operations and financial position. We define a “catastrophe” as an event that produces pre-tax losses before reinsurance in excess of $1 million and involves multiple first party policyholders, or a winter weather event that produces a number of claims in excess of a preset, per-event threshold of average claims in a specific area, occurring within a certain amount of time following the event. Catastrophes are caused by various natural events including high winds, winter storms and freezes, tornadoes, hailstorms, wildfires, tropical storms, tsunamis, hurricanes, earthquakes and volcanoes. We are also exposed to man-made catastrophic events, such as certain types of terrorism, civil unrest, wildfires or industrial accidents. The nature and level of catastrophes in any period cannot be reliably predicted.

The estimation of claims and claims expense reserves for catastrophe losses also comprises estimates of losses from reported claims and IBNR, primarily for damage to property. In general, our estimates for catastrophe reserves are based on claim adjuster inspections and the application of historical loss development factors as described above. However, depending on the nature of the catastrophe, the estimation process can be further complicated. For example, for hurricanes, complications could include the inability of insureds to promptly report losses, limitations placed on claims adjusting staff affecting their ability to inspect losses, determining whether losses are covered by our homeowners policy (generally for damage caused by wind or wind driven rain) or specifically excluded coverage caused by flood, exposure to mold damage, and the effects of numerous other considerations, including the timing of a catastrophe in relation to other events, such as at or near the end of a financial reporting period, which can affect the availability of information needed to estimate reserves for that reporting period. In these situations, we may need to adapt our practices to accommodate these circumstances in order to determine a best estimate of our losses from a catastrophe. For example, to complete estimates for certain areas affected by catastrophes not yet inspected by our claims adjusting staff, or where we believed our historical loss development factors were not predictive, we rely on analysis of actual claim notices received compared to total PIF, as well as visual, governmental and third-party information, including aerial photos, using satellites, aircrafts and drones, area observations, and data on wind speed and flood depth to the extent available.

Potential reserve estimate variability The aggregation of numerous components for each business segment, line of insurance, major types of losses (such as coverages and perils), and major states or groups of states for reported losses and IBNR forms the reserve liability recorded in the Consolidated Statements of Financial Position. Because of this detailed approach to developing our reserve estimates, there is not a single set of assumptions that determines our reserve estimates at the consolidated level. Given the numerous estimates for reported losses and IBNR, management does not believe the processes that we follow will produce a statistically credible or reliable actuarial reserve range that would be meaningful. Reserve estimates, by their very nature, are very complex to determine and subject to significant judgment, and do not represent an exact determination for each outstanding claim. Accordingly, as actual claims, paid losses, and case reserve results emerge, our estimate of the ultimate cost to settle will be different than previously estimated.

To develop a statistical indication of potential reserve variability within reasonably likely possible outcomes, an actuarial technique (stochastic modeling) is applied to the countrywide consolidated data elements for paid losses and paid losses combined with case reserves separately for injury losses, auto physical damage losses, and homeowners losses excluding catastrophe losses. Based on the combined historical variability of the development factors calculated for these data elements, an estimate of the standard error or standard deviation around these reserve estimates is calculated within each accident year for the last twelve years for each type of loss. The variability of these reserve estimates within one standard deviation of the mean (a measure of frequency of dispersion often viewed to be an acceptable level of accuracy) is believed by management to represent a reasonable and statistically probable measure of potential variability. Based on our products and coverages, historical experience, the statistical credibility of our extensive data and stochastic modeling of actuarial chain ladder methodologies used to develop reserve estimates, we estimate that the potential variability of our Allstate Protection reserves, excluding reserves for catastrophe losses, within a reasonable possibility of other outcomes, may be approximately plus or minus 5.5%, or plus or minus $1.4 billion in net income applicable to common shareholders. Although this evaluation reflects most reasonably likely outcomes, it is possible the final outcome may fall below or above these amounts. Historical variability of reserve estimates is reported in the Claims and Claims Expense Reserves section of the MD&A.

The Company regularly updates its reserve estimates as new information becomes available and as events unfold that may affect the resolution of unsettled claims. Changes in reserve estimates, which may be material, are reported in property and casualty insurance claims and claims expense in the Consolidated Statements of Operations in the period such changes are determined. Management believes that the reserve for property and casualty insurance claims and claims expense, net of recoverables, is appropriately established in the aggregate and adequate to cover the ultimate net cost of reported and unreported claims arising from losses which had occurred by the date of the Consolidated Statements of Financial Position based on available facts, laws and regulations.

Reserves for Michigan and New Jersey unlimited personal injury protection Claims and claims expense reserves include reserves for Michigan mandatory unlimited personal injury protection coverage to insureds involved in qualifying motor vehicle accidents. The administration of this program is through the MCCA, a state-mandated, non-profit association of which all insurers actively writing automobile coverage in Michigan are members.

The process employed to estimate MCCA covered losses involves a number of activities including the comprehensive review and interpretation of MCCA actuarial reports, other MCCA members' reports and our personal injury protection loss trends which have increased in severity over time. A significant portion of incurred claim reserves can be attributed to a small number of catastrophic claims and thus a large portion of the recoverable is similarly concentrated. We conduct comprehensive claim file reviews to develop case reserve type estimates of specific claims, which inform our view of future claim development and longevity of claimants. Each year, we update the actuarial estimate of our ultimate reserves and recoverables. We report our paid and unpaid claims based on MCCA requirements. The MCCA develops its own reserving estimates based on its own reserve methodologies, which may not align with our estimations. The MCCA does not provide member companies with its estimate of a company's claim costs. We continue to update each comprehensive claim file case reserve estimate when there is a significant change in the status of the claimant, or once every three years if there have been no significant changes.

We provide similar personal injury protection coverage in New Jersey for auto policies issued or renewed in New Jersey prior to 1991 that is administered by PLIGA. We use similar actuarial estimating techniques as for the MCCA exposures to estimate loss reserves for unlimited personal injury protection coverage for policies covered by PLIGA. We continue to update our estimates for these claims as the status of claimant's changes. However, unlimited coverage was no longer offered after 1991; therefore, no new claimants are being added.

Reserve estimates are confidential and proprietary and by their nature are very complex to determine and subject to significant judgments. Reserve estimates do not represent an exact determination for each outstanding claim. Claims may be subject to litigation. As actual claims, paid losses and case reserve results emerge, our estimate of the ultimate cost to settle may be materially greater or less than previously estimated amounts.

For additional information related to indemnification recoverables, see Item 1 - Regulation, Indemnification Programs and Note 11 of the consolidated financial statements.

Adequacy of reserve estimates We believe our net claims and claims expense reserves are appropriately established based on available methodologies, facts, laws and regulations. Additionally, we rely on historical claims experience to inform the level of the recorded reserve. We calculate and record a single best reserve estimate, in conformance with generally accepted actuarial standards and practices, for each line of insurance, its components (coverages and perils) and state, for reported losses and for IBNR losses, and as a result we believe that no other estimate is better than our recorded amount. Due to the uncertainties involved, the ultimate cost of losses may vary materially from recorded amounts, which are based on our best estimates.

Run-off Property-Liability reserve estimates

Characteristics of Run-off exposure Our exposure to asbestos, environmental and other run-off claims arise principally from assumed reinsurance coverage written during the 1960s through the mid-1980s, including reinsurance on primary insurance written on large U.S. companies, and from direct excess commercial insurance written from 1972 through 1985, including substantial excess general liability coverages on large U.S. companies. Additional exposure stems from direct primary commercial insurance written during the 1960s through the mid-1980s. Asbestos claims relate primarily to bodily injuries asserted by claimants who were exposed to asbestos or products containing asbestos. Environmental claims relate primarily to pollution and related clean-up costs. Other run-off claims exposures primarily relate to general liability and product liability mass tort claims, such as those for medical devices and other products, workers' compensation claims and claims for various other coverage exposures other than asbestos and environmental.

In 1986, the general liability policy form used by us and others in the property and casualty industry was amended to introduce an "absolute pollution exclusion," which excluded coverage for environmental damage claims, and to add an asbestos exclusion. Most general liability policies issued prior to 1987 contain annual aggregate limits for product liability coverage. General liability policies issued in 1987 and thereafter contain annual aggregate limits for product liability coverage and annual aggregate limits for all coverages. Our experience to date is that these policy form changes have limited the extent of our exposure to environmental and asbestos claim risks.

Our exposure to liability for asbestos, environmental and other run-off claims losses manifests differently depending on whether it arises from assumed reinsurance coverage, direct excess commercial insurance or direct primary commercial insurance.

Direct excess commercial insurance and reinsurance involve coverage written by us for specific layers of protection above retentions and other insurance plans and largely has resulted in asbestos, environmental and mass tort claims. The nature of excess coverage and reinsurance provided to other insurers limits our exposure to loss to specific layers of protection in excess of policyholder retention on their primary insurance plans. Our exposure is further limited by the significant reinsurance that we had purchased on our direct excess business.

Our assumed reinsurance business involved writing generally small participations in other insurers' reinsurance programs. The reinsured losses in which we participate may be a proportion of all eligible losses or eligible losses in excess of defined retentions. Of the majority of our assumed reinsurance exposure, approximately 85%, is for excess of loss coverage, while the remaining 15% is for pro-rata coverage.

Our direct primary commercial insurance business comprises a cross section of policyholders engaged in many diverse business sectors throughout the country and did not include coverage to large asbestos manufacturers.

How reserve estimates are established and updated We conduct an annual review in the third quarter to evaluate, establish and adjust as necessary, asbestos, environmental and other run-off claims reserves. Changes to reserves are recorded in the reporting period in which they are determined. Using established industry and actuarial best practices and assuming no change in the regulatory or economic environment, this detailed and comprehensive methodology determines asbestos reserves based on assessments of the characteristics of exposure (i.e. claim activity, potential liability, jurisdiction, products versus non-products exposure) presented by individual policyholders, and determines environmental reserves based on assessments of the characteristics of exposure (i.e. environmental damages, respective shares of liability of potentially responsible parties, appropriateness and cost of remediation) to pollution and related clean-up costs. The number and cost of these claims are affected by advertising by trial lawyers seeking asbestos plaintiffs, and entities with asbestos exposure seeking bankruptcy protection as a result of asbestos liabilities, initially causing a delay in the reporting of claims, often followed by an acceleration and an increase in claims and claims expenses as settlements occur.

After evaluating our insureds' probable liabilities for asbestos, environmental and other run-off claims, we evaluate our insureds' coverage programs for such claims. We consider our insureds' total available insurance coverage, including the coverage we issued. We also consider relevant judicial interpretations of policy language and applicable coverage defenses or determinations, if any.

Evaluation of both the insureds' estimated liabilities and our exposure to the insureds depends heavily on an analysis of the relevant legal issues and litigation environment. This analysis is conducted by our specialized claims adjusting staff and legal counsel. Based on these evaluations, case reserves are established by claims adjusting staff and actuarial analysis is employed to develop an IBNR reserve, which includes estimated potential reserve development and claims that have occurred but have not been reported. As of December 31, 2022 and 2021, IBNR was 55.9% and 54.8%, respectively, of combined net asbestos and environmental reserves.

For both asbestos and environmental reserves, we also evaluate our historical direct net loss and expense paid and incurred experience to assess any emerging trends, fluctuations or characteristics suggested by the aggregate paid and incurred activity. Other run-off claims reserves are based on considerations similar to those described above, as they relate to the characteristics of specific individual coverage exposures.

Potential reserve estimate variability Establishing Run-off Property-Liability net loss reserves for asbestos, environmental and other run-off claims is subject to uncertainties that are much greater than those presented by other types of property and casualty claims. Among the complications are lack of historical data, long reporting delays, uncertainty as to the number and identity of insureds with potential exposure and unresolved legal issues regarding policy coverage; unresolved legal issues regarding the determination, availability and timing of exhaustion of policy limits; plaintiffs' evolving and expanding theories of liability; availability and collectability of recoveries from reinsurance; retrospectively determined premiums and other contractual agreements; estimates of the extent and timing of any contractual liability; the impact of bankruptcy protection sought by various asbestos producers and other asbestos defendants; and other uncertainties. There are also complex legal issues concerning the interpretation of various insurance policy provisions and whether those losses are covered, or were ever intended to be covered, and could be recoverable through retrospectively determined premium, reinsurance or other contractual agreements. Courts have reached different and sometimes inconsistent conclusions as to when losses are deemed to have occurred and which policies provide coverage; what types of losses are covered; whether there is an insurer obligation to defend; how policy limits are determined; how policy exclusions and conditions are applied and interpreted; and whether clean-up costs represent insured property damage. Our reserves for asbestos, environmental and other run-off exposures could be affected by tort reform, class action litigation, and other potential legislation and judicial decisions. Environmental exposures could also be affected by a change in the existing federal Superfund law and similar state statutes. There can be no assurance that any reform legislation will be enacted or that any such legislation will provide for a fair, effective and cost-efficient system for settlement of asbestos or environmental claims. We believe these issues are not likely to be resolved in the near future, and the ultimate costs may vary materially from the amounts currently recorded resulting in material changes in loss reserves. Historical variability of reserve estimates is demonstrated in the Claims and Claims Expense Reserves section of the MD&A.

Adequacy of reserve estimates Management believes its net loss reserves for asbestos, environmental and other run-off claims exposures are appropriately established based on available facts, laws, regulations, and assessments of other pertinent factors and characteristics of exposure (i.e. claim activity, potential liability, jurisdiction, products versus non-products exposure) presented by individual policyholders, assuming no change in the legal, legislative or economic environment. Due to the uncertainties and factors described above, management believes it is not practicable to develop a meaningful range for any such additional net loss reserves that may be required.

Further discussion of reserve estimates For further discussion of these estimates and quantification of the impact of reserve estimates, reserve reestimates and assumptions, see Note 9 and Note 15 of the consolidated financial statements and the Claims and Claims Expense Reserves section of the MD&A.

Pension and other postretirement plans net costs and assumptions Our defined benefit pension plans cover most full-time employees, certain part-time employees and employee-agents. Benefits are provided to plan participants based on a cash balance formula. Certain participants also have a significant portion of their benefits attributable to a former final average pay formula. 80% of the projected benefit obligation ("PBO") of our primary qualified employee plan is related to the former final average pay formula. See Note 18 of the consolidated financial statements for a discussion of these plans and their effect on the consolidated financial statements.

Our pension and other postretirement benefit costs are calculated using various actuarial assumptions and methodologies. These assumptions include discount rates, health care cost trend rates, inflation, expected returns on plan assets, mortality and other factors. The assumptions utilized in recording the obligations under our pension plans represent our best estimates and we believe they are reasonable based on information as to historical experience and performance as well as other factors that might cause future expectations to differ from past trends.

Net costs for our defined benefit plans are recognized on the Consolidated Statements of Operations and consist of two elements: 1) costs comprised of service and interest costs, expected return of plan assets, amortization of prior service credit and curtailment gains and losses which are reported in property and casualty claims and claims expense, operating costs and expenses, net investment income and, if applicable, restructuring and related charges and 2) remeasurement gains and losses comprised of changes in actuarial assumptions and the difference between actual and expected returns on plan assets which are recognized immediately in earnings as part of pension and other postretirement remeasurement gains and losses.

We recognize expected returns on plan assets using an unadjusted fair value method. Our policy is to remeasure our pension and postretirement plans on a quarterly basis. We immediately recognize remeasurement of projected benefit obligation and plan assets in earnings as it provides greater transparency of our economic obligations in accounting results and better aligns the recognition of the effects of economic and interest rate changes on pension and other postretirement plan assets and liabilities in the year in which the gains and losses are incurred.

Differences in actual experience and changes in other assumptions affect our pension and other postretirement obligations and expenses. Differences between expected and actual returns on plan assets affect remeasurement gains and losses. The primary factors contributing to pension and postretirement remeasurement gains and losses are: 1) changes in the discount rate used to value pension and postretirement obligations as of the measurement date; 2) differences between the expected and the actual return on plan assets; 3) changes in demographic assumptions, including mortality and participant experience; and 4) changes in lump sum interest rates used to value pension obligations as of the measurement date.

Pension and other postretirement service cost, interest cost, expected return on plan assets and amortization of prior service credits are allocated to our reportable segments. The pension and other postretirement remeasurement gains and losses are reported in the Corporate and Other segment.

Pension and postretirement benefits remeasurement gains and losses

	For the years ended December 31,		
($ in millions)	**2022**	**2021**	**2020**
Remeasurement of projected benefit obligation (gains) losses:			
Discount rate	$ (1,268)	$ (285)	$ 553
Other assumptions	(176)	(40)	282
Remeasurement of plan assets (gains) losses	1,560	(319)	(886)
Remeasurement (gains) losses	**$ 116**	**$ (644)**	**$ (51)**

Impact of assumption changes to net cost for pension and other postretirement plans

Remeasurement losses in 2022 primarily related to unfavorable asset performance compared to the expected return on plan assets, partially offset by a reduction in the projected benefit obligation due to an increase in the liability discount rate and changes in other assumptions, primarily related to an increase in the long-term lump sum interest rate. Remeasurement gains in 2021 primarily related to favorable asset performance compared to the expected return on plan assets and an increase in the liability discount rate.

The discount rate is based on rates at which expected pension benefits attributable to past employee service could effectively be settled on a present value basis at the measurement date. We develop the assumed discount rate by utilizing the weighted average yield of a theoretical dedicated portfolio derived from non-callable bonds and callable bonds with a make-whole provision available in the Bloomberg corporate bond universe having ratings of at least "AA" by S&P or at least "Aa" by Moody's on the measurement date with cash flows that match expected plan benefit requirements. Significant changes in discount rates, such as those caused by changes in the credit spreads, yield curve, the mix of bonds available in the market, the duration of selected bonds and expected benefit payments, may result in volatility in pension cost. Due to increased corporate bond yields in 2022, the weighted average discount rate used to measure the benefit obligation increased to 5.64% in 2022 compared to 2.93% in 2021, resulting in remeasurement gains for 2022.

The expected long-term rate of return on plan assets reflects the average rate of earnings expected on plan assets. While this rate reflects long-term assumptions and is consistent with long-term historical returns, sustained changes in the market or changes in the mix of plan assets may lead to revisions in the assumed long-term rate of return on plan assets that may result in variability of pension cost. Differences between the actual return on plan assets and the expected long-term rate of return on plan assets are immediately recognized through earnings upon remeasurement. Short-term asset performance can differ significantly from the expected rate of return, especially in volatile markets. In 2022, the actual return on plan assets was lower than the expected return primarily due to higher interest rates, widening credit spreads and weak equity market performance. In 2021, the actual return on plan assets was higher than the expected return primarily due to strong equity market performance.

We complete periodic evaluations of demographic information and historical experience that affects our pension and other postretirement obligations to identify any required changes to long-term actuarial assumptions and methodologies. Demographic assumptions affect both our pension and postretirement plans and include elements such as retirement rates and participation rates in our postretirement programs, among other factors.

These actuarial assumption updates affect our pension and other postretirement obligations and are incorporated into our best estimates of these assumptions. Remeasurement gains for other assumptions in 2022 primarily related to an increase in the long-term lump sum interest rate.

Impact of assumption changes to net periodic pension cost as of December 31, 2022

($ in millions)	**Basis/percentage point change**	**Increase (decrease) to net cost, pre-tax**
Pension plans discount rate	+100 basis points	$ (404)
	-100 basis points	485
Expected long-term rate of return on assets	+100 basis points	(42)
	-100 basis points	42

Regulation and Legal Proceedings

We are subject to extensive regulation and we are involved in various legal and regulatory actions, all of which have an effect on specific aspects of our business. For a detailed discussion of the legal and regulatory actions in which we are involved, see Note 15 of the consolidated financial statements.

Pending Accounting Standard

There is a pending accounting standard that we have not implemented because the implementation date has not yet occurred. For a discussion of this pending standard, see Note 2 of the consolidated financial statements.

The effect of implementing certain accounting standards on our financial results and financial condition is often based in part on market conditions at the time of implementation of the standard and other factors we are unable to determine prior to implementation. For this reason, we are sometimes unable to estimate the effect of certain pending accounting standards until the relevant authoritative body finalizes these standards or until we implement them.

Item 7A. Quantitative and Qualitative Disclosures About Market Risk

Information required for Item 7A is incorporated by reference to the material under the caption “Market Risk” in Part II, Item 7 of this report.

Item 8. Financial Statements and Supplementary Data

The Allstate Corporation and Subsidiaries
Consolidated Statements of Operations

($ in millions, except per share data)	Years Ended December 31, 2022	2021	2020
Revenues			
Property and casualty insurance premiums (net of reinsurance ceded and indemnification programs of $1,869, $1,904 and $1,141)	$ 45,904	$ 42,218	$ 37,073
Accident and health insurance premiums and contract charges (net of reinsurance ceded of $38, $78 and $13)	1,833	1,821	1,094
Other revenue	2,344	2,172	1,065
Net investment income	2,403	3,293	1,590
Net gains (losses) on investments and derivatives	(1,072)	1,084	1,087
Total revenues	**51,412**	**50,588**	**41,909**
Costs and expenses			
Property and casualty insurance claims and claims expense (net of reinsurance ceded and indemnification programs of $1,600, $3,484 and $530)	37,264	29,318	22,001
Shelter-in-Place Payback expense	—	29	948
Accident, health and other policy benefits (net of reinsurance ceded of $28, $86 and $15)	1,061	1,049	549
Amortization of deferred policy acquisition costs	6,644	6,252	5,477
Operating costs and expenses	7,446	7,260	5,494
Pension and other postretirement remeasurement (gains) losses	116	(644)	(51)
Restructuring and related charges	51	170	253
Amortization of purchased intangibles	353	376	118
Interest expense	335	330	318
Total costs and expenses	**53,270**	**44,140**	**35,107**
(Loss) income from operations before income tax expense	**(1,858)**	**6,448**	**6,802**
Income tax (benefit) expense	(494)	1,289	1,373
Net (loss) income from continuing operations	**(1,364)**	**5,159**	**5,429**
(Loss) income from discontinued operations, net of tax	—	(3,593)	147
Net (loss) income	**(1,364)**	**1,566**	**5,576**
Less: Net loss attributable to noncontrolling interest	(53)	(33)	—
Net (loss) income attributable to Allstate	**(1,311)**	**1,599**	**5,576**
Less: Preferred stock dividends	105	114	115
Net (loss) income applicable to common shareholders	**$ (1,416)**	**$ 1,485**	**$ 5,461**
Earnings per common share applicable to common shareholders			
Basic			
Continuing operations	$ (5.22)	$ 17.23	$ 17.06
Discontinued operations	—	(12.19)	0.47
Total	**$ (5.22)**	**$ 5.04**	**$ 17.53**
Diluted			
Continuing operations	$ (5.22)	$ 16.98	$ 16.84
Discontinued operations	—	(12.02)	0.47
Total	**$ (5.22)**	**$ 4.96**	**$ 17.31**
Weighted average common shares - Basic	271.2	294.8	311.6
Weighted average common shares - Diluted	271.2	299.1	315.5

See notes to consolidated financial statements.

The Allstate Corporation and Subsidiaries
Consolidated Statements of Comprehensive Income (Loss)

	Years Ended December 31,		
($ in millions)	**2022**	**2021**	**2020**
Net (loss) income	$ (1,364)	$ 1,566	$ 5,576
Other comprehensive (loss) income, after-tax			
Changes in:			
Unrealized net capital gains and losses	(2,851)	(2,582)	1,293
Unrealized foreign currency translation adjustments	(150)	(8)	52
Unamortized pension and other postretirement prior service credit	(43)	(59)	9
Other comprehensive (loss) income, after-tax	**(3,044)**	**(2,649)**	**1,354**
Comprehensive (loss) income	(4,408)	(1,083)	6,930
Less: Comprehensive loss attributable to noncontrolling interest	(73)	(36)	—
Comprehensive (loss) income attributable to Allstate	**$ (4,335)**	**$ (1,047)**	**$ 6,930**

See notes to consolidated financial statements.

The Allstate Corporation and Subsidiaries
Consolidated Statements of Financial Position

($ in millions, except par value data)	December 31, 2022	December 31, 2021
Assets		
Investments		
Fixed income securities, at fair value (amortized cost, net $45,370 and $41,376)	$ 42,485	$ 42,136
Equity securities, at fair value (cost $4,253 and $6,016)	4,567	7,061
Mortgage loans, net	762	821
Limited partnership interests	8,114	8,018
Short-term, at fair value (amortized cost $4,174 and $4,009)	4,173	4,009
Other investments, net	1,728	2,656
Total investments	**61,829**	**64,701**
Cash	736	763
Premium installment receivables, net	9,165	8,364
Deferred policy acquisition costs	5,418	4,722
Reinsurance and indemnification recoverables, net	9,606	10,024
Accrued investment income	423	339
Deferred income taxes	386	—
Property and equipment, net	987	939
Goodwill	3,502	3,502
Other assets, net	5,905	6,086
Total assets	**97,957**	**99,440**
Liabilities		
Reserve for property and casualty insurance claims and claims expense	37,541	33,060
Reserve for future policy benefits	1,273	1,273
Contractholder funds	897	908
Unearned premiums	22,311	19,844
Claim payments outstanding	1,268	1,123
Deferred income taxes	—	833
Other liabilities and accrued expenses	9,353	9,296
Debt	7,964	7,976
Total liabilities	**80,607**	**74,313**
Commitments and Contingent Liabilities (Note 7, 9 and 15)		
Shareholders' equity		
Preferred stock and additional capital paid-in, $1 par value, 25 million shares authorized, 81.0 thousand shares issued and outstanding, $2,025 aggregate liquidation preference	1,970	1,970
Common stock, $.01 par value, 2.0 billion shares authorized and 900 million issued, 263 million and 281 million shares outstanding	9	9
Additional capital paid-in	3,788	3,722
Retained income	50,954	53,294
Treasury stock, at cost (637 million and 619 million shares)	(36,857)	(34,471)
Accumulated other comprehensive income:		
Unrealized net capital gains and losses	(2,253)	598
Unrealized foreign currency translation adjustments	(165)	(15)
Unamortized pension and other postretirement prior service credit	29	72
Total accumulated other comprehensive (loss) income	**(2,389)**	**655**
Total Allstate shareholders' equity	**17,475**	**25,179**
Noncontrolling interest	(125)	(52)
Total equity	**17,350**	**25,127**
Total liabilities and equity	**$ 97,957**	**$ 99,440**

See notes to consolidated financial statements.

The Allstate Corporation and Subsidiaries
Consolidated Statements of Shareholders' Equity

($ in millions, except per share data)	Years Ended December 31, 2022	2021	2020
Preferred stock par value	**$ —**	**$ —**	**$ —**
Preferred stock additional capital paid-in			
Balance, beginning of year	1,970	1,970	2,248
Acquisition	—	450	—
Preferred stock redemption	—	(450)	(278)
Balance, end of year	**1,970**	**1,970**	**1,970**
Common stock par value	**9**	**9**	**9**
Common stock additional capital paid-in			
Balance, beginning of year	3,722	3,498	3,463
Forward contract on accelerated share repurchase agreement	—	113	(38)
Equity incentive plans activity	66	111	73
Balance, end of year	**3,788**	**3,722**	**3,498**
Retained income			
Balance, beginning of year	53,294	52,767	48,074
Cumulative effect of change in accounting principle	—	—	(88)
Net (loss) income	(1,311)	1,599	5,576
Dividends on common stock (declared per share of $3.40, $3.24 and $2.16)	(924)	(958)	(680)
Dividends on preferred stock	(105)	(114)	(115)
Balance, end of year	**50,954**	**53,294**	**52,767**
Treasury stock			
Balance, beginning of year	(34,471)	(31,331)	(29,746)
Shares acquired	(2,496)	(3,262)	(1,700)
Shares reissued under equity incentive plans, net	110	122	115
Balance, end of year	**(36,857)**	**(34,471)**	**(31,331)**
Accumulated other comprehensive income (loss)			
Balance, beginning of year	655	3,304	1,950
Change in unrealized net capital gains and losses	(2,851)	(2,582)	1,293
Change in unrealized foreign currency translation adjustments	(150)	(8)	52
Change in unamortized pension and other postretirement prior service credit	(43)	(59)	9
Balance, end of year	**(2,389)**	**655**	**3,304**
Total Allstate shareholders' equity	**17,475**	**25,179**	**30,217**
Noncontrolling interest			
Balance, beginning of period	(52)	—	—
Acquisition	—	(16)	—
Change in unrealized net capital gains and losses	(20)	(3)	—
Noncontrolling loss	(53)	(33)	—
Balance, end of period	**(125)**	**(52)**	**—**
Total equity	**$ 17,350**	**$ 25,127**	**$ 30,217**

See notes to consolidated financial statements.

The Allstate Corporation and Subsidiaries Consolidated Statements of Cash Flows

($ in millions)	Years Ended December 31, 2022	2021	2020
Cash flows from operating activities			
Net (loss) income	$ (1,364)	$ 1,566	$ 5,576
Adjustments to reconcile net income (loss) to net cash provided by operating activities:			
Depreciation, amortization and other non-cash items	847	1,086	686
Net (gains) losses on investments and derivatives	1,072	(1,279)	(1,356)
Pension and other postretirement remeasurement (gains) losses	116	(644)	(51)
Amortization of deferred gain on reinsurance	—	(4)	(4)
Loss on disposition of operations, net of tax	—	4,031	—
Changes in:			
Accident, health and other policy benefits	4,503	2,432	(44)
Unearned premiums	2,541	1,618	598
Deferred policy acquisition costs	(702)	(608)	(125)
Premium installment receivables, net	(1,038)	(498)	(3)
Reinsurance recoverables, net	408	(1,565)	(11)
Income taxes	(721)	349	(232)
Other operating assets and liabilities	(541)	(1,368)	457
Net cash provided by operating activities	**5,121**	**5,116**	**5,491**
Cash flows from investing activities			
Proceeds from sales			
Fixed income securities	31,494	31,774	31,950
Equity securities	10,969	4,513	8,405
Limited partnership interests	970	886	1,350
Mortgage loans	—	—	230
Other investments	1,071	1,406	340
Investment collections			
Fixed income securities	728	2,284	2,235
Mortgage loans	163	860	626
Other investments	167	550	209
Investment purchases			
Fixed income securities	(36,920)	(33,857)	(38,121)
Equity securities	(9,294)	(6,409)	(4,648)
Limited partnership interests	(1,258)	(1,766)	(1,265)
Mortgage loans	(104)	(221)	(203)
Other investments	(295)	(1,647)	(371)
Change in short-term and other investments, net	792	4,017	(3,871)
Purchases of property and equipment, net	(420)	(345)	(308)
Proceeds from sale of property and equipment	209	—	—
Acquisition of operations, net of cash acquired	—	(3,593)	1
Proceeds from disposition of operations, net of cash transferred	—	2,058	—
Net cash (used in) provided by investing activities	**(1,728)**	**510**	**(3,441)**
Cash flows from financing activities			
Proceeds from issuance of debt	—	—	1,189
Redemption and repayment of debt	—	(436)	—
Redemption of preferred stock	—	(450)	(288)
Contractholder fund deposits	133	826	991
Contractholder fund withdrawals	(49)	(1,140)	(1,494)
Dividends paid on common stock	(926)	(885)	(668)
Dividends paid on preferred stock	(105)	(114)	(108)
Treasury stock purchases	(2,520)	(3,120)	(1,737)
Shares reissued under equity incentive plans, net	82	114	63
Other	(35)	(35)	41
Net cash used in financing activities	**(3,420)**	**(5,240)**	**(2,011)**
Net (decrease) increase in cash, including cash classified as assets held for sale	**(27)**	**386**	**39**
Cash from continuing operations at beginning of period	763	311	273
Cash classified as assets held for sale at beginning of period	—	66	65
Less: Cash classified as assets held for sale at end of period	—	—	66
Cash from continuing operations at end of period	**$ 736**	**$ 763**	**$ 311**

See notes to consolidated financial statements.

Notes to Consolidated Financial Statements

Note 1 General

Basis of presentation

The accompanying consolidated financial statements include the accounts of The Allstate Corporation (the "Corporation") and its wholly owned subsidiaries, primarily Allstate Insurance Company ("AIC"), a property and casualty insurance company (collectively referred to as the "Company" or "Allstate") and variable interest entities ("VIEs") in which the Company is considered a primary beneficiary. These consolidated financial statements have been prepared in conformity with accounting principles generally accepted in the United States of America ("GAAP"). All significant intercompany accounts and transactions have been eliminated. Certain amounts have been reclassified to conform to current year presentation.

The preparation of financial statements in conformity with GAAP requires management to make estimates and assumptions that affect the amounts reported in the consolidated financial statements and accompanying notes. Actual results could differ from those estimates.

Nature of operations

Allstate is engaged, principally in the United States, in the property and casualty insurance business. Allstate is one of the country's largest personal property and casualty insurers and is organized into five reportable segments: Allstate Protection, Run-off Property Liability, Protection Services, Allstate Health and Benefits, and Corporate and Other.

Allstate's primary business is the sale of private passenger auto and homeowners insurance. The Company also offers several other personal property and casualty insurance products, select commercial property and casualty coverages, consumer product protection plans, device and mobile data collection services and analytic solutions using automotive telematics information, roadside assistance, finance and insurance products, employer voluntary benefits and group accident and health insurance and identity protection. Allstate primarily distributes its products through exclusive agents, financial specialists, independent agents and brokers, major retailers, contact centers and the internet.

Risks and uncertainties

Allstate has exposure to catastrophic events, including wind/hail, wildfires, tornadoes, hurricanes, tropical storms, earthquakes, severe freeze events, volcanic eruptions, terrorism and industrial accidents.

Catastrophes, an inherent risk of the property and casualty insurance business, have contributed, and will continue to contribute, to material year-to-year fluctuations in the Company's results of operations and financial position (see Note 9). The nature and level of catastrophic loss experienced in any period cannot be predicted and could be material to results of operations and financial position.

The Company considers the following categories and locations to be the greatest areas of potential catastrophe losses:

- Wildfires — California, Colorado, Oregon, Texas and Arizona
- Hurricanes — Major metropolitan centers in counties along the eastern and gulf coasts of the United States
- Wind/Hail, Rain and Tornado — Texas, Illinois, Georgia and Colorado
- Earthquakes and fires following earthquakes —Major metropolitan areas near fault lines in the states of California, Oregon, Washington, South Carolina and Kentucky

The Novel Coronavirus Pandemic or COVID-19 ("Coronavirus")

The Novel Coronavirus Pandemic or COVID-19 ("Coronavirus") resulted in governments worldwide enacting emergency measures to combat the spread of the virus, including travel restrictions, government-imposed shelter-in-place orders, quarantine periods, social distancing, and restrictions on large gatherings. These measures have moderated significantly, but new variants of the Coronavirus could result in further economic volatility. The Company continues to closely monitor and proactively adapt to developments and changing conditions. Currently, it is not possible to reliably estimate the continuing impact to the Company's operations, but the effects have been and could be material.

Certain growth and profitability comparisons to the prior year were impacted, in part, by the effects the Coronavirus had on prior year results. Throughout 2021 the Company experienced lower auto accident claim frequency and different claim patterns than historically experienced. Total auto claim frequency has since increased, but remains below pre-pandemic levels.

The Coronavirus has affected operations and may continue to significantly affect results of operations, financial condition and liquidity. The impact from the pandemic should be considered when comparing the current year to the prior years, including:

- Sales of new and retention of existing policies
- Rate changes and average gross premiums
- Supply chain disruptions and labor shortages impacts on the cost of settling claims
- Premium for transportation network products
- Driving behavior and auto accident frequency
- Hospital and outpatient claim costs
- Investment valuations and returns
- Bad debt and credit allowance exposure
- Consumer utilization of Milewise®, the Company's pay-per-mile insurance product
- Retail sales in Allstate Protection Plans

This list is not inclusive of all potential impacts and should not be treated as such.

Note 2 Summary of Significant Accounting Policies

Investments

Fixed income securities include bonds and asset-backed securities ("ABS"). Fixed income securities, which may be sold prior to their contractual maturity, are designated as available-for-sale ("AFS") and are carried at fair value. The difference between amortized cost, net of credit loss allowances ("amortized cost, net") and fair value, net of deferred income taxes, is reflected as a component of accumulated other comprehensive income ("AOCI"). The Company excludes accrued interest receivable from the amortized cost basis of its AFS fixed income securities. Cash received from calls and make-whole payments is reflected as a component of proceeds from sales and cash received from maturities and pay-downs is reflected as a component of investment collections within the Consolidated Statements of Cash Flows.

Equity securities primarily include common stocks, exchange traded and mutual funds, non-redeemable preferred stocks and real estate investment trust equity investments. Certain exchange traded and mutual funds have fixed income securities as their underlying investments. Equity securities are carried at fair value. Equity securities without readily determinable or estimable fair values are measured using the measurement alternative, which is cost less impairment, if any, and adjustments resulting from observable price changes in orderly transactions for the identical or similar investment of the same issuer.

Mortgage loans and bank loans are carried at amortized cost, net, which represent the amount expected to be collected. The Company excludes accrued interest receivable from the amortized cost basis of its mortgage and bank loans. Credit loss allowances are estimates of expected credit losses, established for loans upon origination or purchase, and are established considering all relevant information available, including past events, current conditions, and reasonable and supportable forecasts over the life of the loans. Loans are evaluated on a pooled basis when they share similar risk characteristics; otherwise, they are evaluated individually.

Investments in limited partnership interests are primarily accounted for in accordance with the equity method of accounting ("EMA") and include interests in private equity funds, real estate funds and other funds. Investments in limited partnership interests purchased prior to January 1, 2018, where the Company's interest is so minor that it exercises virtually no influence over operating and financial policies, are accounted for at fair value primarily utilizing the net asset value ("NAV") as a practical expedient to determine fair value.

Short-term investments, including money market funds, commercial paper, U.S. Treasury bills and other short-term investments, are carried at fair value. Other investments primarily consist of bank loans, policy loans, real estate and derivatives. Bank loans are primarily senior secured corporate loans. Policy loans are carried at unpaid principal balances. Real estate is carried at cost less accumulated depreciation. Derivatives are carried at fair value.

Investment income primarily consists of interest, dividends, income from limited partnership interests, rental income from real estate, and income from certain derivative transactions.

Interest is recognized on an accrual basis using the effective yield method and dividends are recorded at the ex-dividend date. Interest income for ABS is determined considering estimated pay-downs, including prepayments, obtained from third-party data sources and internal estimates. Actual prepayment experience is periodically reviewed, and effective yields are recalculated when differences arise between the prepayments originally anticipated and the actual prepayments received and currently anticipated. For ABS of high credit quality with fixed interest rates, the effective yield is recalculated on a retrospective basis. For all others, the effective yield is generally recalculated on a prospective basis. Net investment income for AFS fixed income securities includes the impact of accreting the credit loss allowance for the time value of money. Accrual of income is suspended for fixed income securities when the timing and amount of cash flows expected to be received is not probable. Accrual of income is suspended for mortgage loans and bank loans that are in default or when full and timely collection of principal and interest payments is not probable. Accrued income receivable is monitored for recoverability, and when not expected to be collected, is written off through net investment income. Cash receipts on investments on nonaccrual status are generally recorded as a reduction of amortized cost.

Income from limited partnership interests carried at fair value is recognized based upon the changes in fair value of the investee's equity primarily determined using NAV. Income from EMA limited partnership interests is recognized based on the Company's share of the partnerships' earnings. Income from EMA limited partnership interests is generally recognized on a three month delay due to the availability of the related financial statements from investees.

Net gains and losses on investments and derivatives include gains and losses on investment sales, changes in the credit loss allowances related to fixed income securities, mortgage loans and bank loans, impairments, valuation changes of equity investments, including equity securities and certain limited partnerships where the underlying assets are predominately public equity securities, and periodic changes in fair value and settlements of certain derivatives, including hedge ineffectiveness. Net gains and losses on sales of investments and derivatives are determined on a specific identification basis and are net of credit losses already recognized through an allowance.

Derivative and embedded derivative financial instruments

Derivative financial instruments include interest rate swaps, credit default swaps, futures (interest rate and equity), options (including swaptions), warrants and stock rights, foreign currency forwards and total return swaps.

All derivatives are accounted for on a fair value basis and reported as other investments, other assets and other liabilities and accrued expenses. Embedded derivative instruments subject to bifurcation are also accounted for on a fair value basis and are reported together with the host contract. Cash flows from other derivatives are reported in cash flows from investing activities within the Consolidated Statements of Cash Flows.

For derivatives for which hedge accounting is not applied, the income statement effects, including fair value gains and losses and accrued periodic settlements, are reported either in net gains and losses on investments and derivatives or in a single line item together with the results of the associated asset or liability for which risks are being managed.

Securities loaned

The Company's business activities include securities lending transactions, which are used primarily to generate net investment income. The proceeds received in conjunction with securities lending transactions can be reinvested in short-term investments or fixed income securities. These transactions are short-term in nature, usually 30 days or less.

The Company receives cash collateral for securities loaned in an amount generally equal to 102% and 105% of the fair value of domestic and foreign securities, respectively, and records the related obligations to return the collateral in other liabilities and accrued expenses. The carrying value of these obligations approximates fair value because of their relatively short-term nature. The Company monitors the market value of securities loaned on a daily basis and obtains additional collateral as necessary under the terms of the agreements to mitigate counterparty credit risk. The Company maintains the right and ability to repossess the securities loaned on short notice.

Recognition of premium revenues and contract charges, and related benefits and interest credited

Property and casualty insurance premiums include premiums from personal lines policies, protection plans, other contracts (primarily finance and insurance products) and roadside assistance.

Personal lines insurance premiums are deferred and earned on a pro-rata basis over the terms of the policies, typically periods of six or twelve months.

Revenues related to protection plans, other contracts (primarily finance and insurance products) and roadside assistance are deferred and earned over the term of the contract in a manner that recognizes revenue as obligations under the contracts are fulfilled. Revenues from these products are classified as premiums as the products are backed by insurance. Protection plans and finance and insurance premiums are recognized using a cost-based incurrence method over the term of the contracts, which is generally one to five years. Roadside assistance premiums are recognized evenly over the term of the contract as performance obligations are fulfilled.

The portion of premiums written applicable to the unexpired terms of the policies is recorded as unearned premiums.

Unearned premiums

	December 31,	
($ in millions)	**2022**	**2021**
Allstate Protection	$ 17,538	$ 15,762
Protection Services	4,745	4,054
Total	**$ 22,283**	**$ 19,816**

Protection Services For the year ended December 31, 2022, the Company recognized $1.46 billion of property and casualty insurance premiums for Protection Services that were included in the unearned premium balance as of December 31, 2021.

For the year ended December 31, 2021, the Company recognized $1.28 billion of property and casualty insurance premiums for Protection Services that were included in the unearned premium balance as of December 31, 2020.

The Company expects to recognize approximately $1.64 billion, $1.31 billion and $1.79 billion of the December 31, 2022 unearned premium balance in 2023, 2024 and thereafter, respectively.

Premium installment receivables represent premiums written and not yet collected, net of the credit loss allowance for uncollectible premiums. These receivables are primarily outstanding for one year or less. The Company utilizes historical internal data including aging analyses to estimate allowances under current conditions and for the forecast period. The Company regularly evaluates and updates the data and adjusts its allowance as appropriate.

Rollforward of credit loss allowance for premium installment receivables

($ in millions)	For the years ended December 31, 2022	2021
Beginning balance	$ (107)	$ (153)
Increase in the provision for credit losses	(313)	(293)
Write-off of uncollectible premium installment receivable amounts	288	339
Ending balance	**$ (132)**	**$ (107)**

Voluntary accident and health insurance products are expected to remain in force for an extended period and therefore are primarily classified as long-duration contracts. Traditional life insurance products consist principally of products with fixed and guaranteed premiums and benefits, primarily term and whole life insurance products. Premiums from these products are recognized as revenue when due from policyholders, net of any credit loss allowance for uncollectible premiums. Benefits are reflected in accident, health and other policy benefits and recognized over the life of the policy in relation to premiums.

Interest-sensitive life contracts, such as universal life, are insurance contracts whose terms are not fixed and guaranteed. The terms that may be changed include premiums paid by the contractholder, interest credited to the contractholder account balance and contract charges assessed against the contractholder account balance. Premiums from these contracts are reported as contractholder fund deposits. Contract charges consist of fees assessed against the contractholder account balance for the cost of insurance (mortality risk), contract administration and surrender of the contract prior to contractually specified dates. These contract charges are recognized as revenue when assessed against the contractholder account balance. Benefit payments in excess of the contractholder account balance are reflected in accident, health and other policy benefits.

Interest credited to contractholder funds, which are reported in accident, health and other policy benefits, represents interest accrued or paid on interest-sensitive life contracts. Crediting rates for interest-sensitive life contracts are adjusted periodically by the Company to reflect current market conditions subject to contractually guaranteed minimum rates.

Other revenue

Other revenue 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. Other revenue is recognized when performance obligations are fulfilled.

The Company collects service fees in the form of commission and general agent fees by selling policies issued by third-party insurance companies. The Company recognizes Medicare-related and other accident and health commission revenues equal to the estimated life-time value of the revenues at the time when the policy is sold, net of an allowance for estimated policy cancellations, as no further performance obligations exist. The allowance for estimated third-party cancellations is periodically evaluated and adjusted as necessary.

Deferred policy acquisition costs

Costs that are related directly to the successful acquisition of new or renewal policies or contracts are deferred and recorded as deferred policy acquisition costs ("DAC"). These costs are principally agent and broker remuneration, premium taxes and certain underwriting expenses. All other acquisition costs are expensed as incurred and included in operating costs and expenses.

For property and casualty insurance, DAC is amortized into income as premiums are earned, typically over periods of six or twelve months for personal lines policies or generally one to five years for protection plans and other contracts (primarily related to finance and insurance products), and is included in amortization of deferred policy acquisition costs. DAC associated with property and casualty insurance is periodically reviewed for recoverability and adjusted if necessary. Future investment income is considered in determining the recoverability of DAC.

For voluntary accident and health insurance and traditional life, DAC is amortized over the premium paying period of the related policies in proportion to the estimated revenues on such business.

Assumptions used in the amortization of DAC and reserve calculations are established at the time the policy is issued and are generally not revised during the life of the policy. Any deviations from projected business in force resulting from actual policy terminations differing from expected levels and any estimated premium deficiencies may result in a change to the rate of amortization in the period such events occur. Generally, the amortization periods for these policies approximates the estimated lives of the policies. The Company periodically reviews the recoverability of DAC using actual experience and current assumptions. Voluntary accident and health insurance products and traditional life insurance products are reviewed individually. If actual experience and current assumptions are adverse compared to the original assumptions and a premium deficiency is determined to exist, any remaining unamortized DAC balance would be expensed to the extent not recoverable and the establishment of a premium deficiency reserve may be required for any remaining deficiency.

For interest-sensitive life insurance, DAC is amortized in proportion to the incidence of the total present value of gross profits expected to be earned over the estimated lives of the contracts.

Gross profits primarily consist of the following components: contract charges for the cost of insurance less mortality costs and other benefits; investment income and net gains and losses on investments less interest credited; and surrender and other contract charges less maintenance expenses. The principal assumptions for determining the amount of gross profits are mortality, persistency, expenses, investment returns and interest crediting rates to contractholders.

The Company performs quarterly reviews of DAC recoverability for interest-sensitive life using actual experience and current assumptions.

The DAC balance presented includes adjustments to reflect the amount by which the amortization of DAC would increase or decrease if the unrealized capital gains or losses in the respective product investment portfolios were actually realized. The adjustments are recorded net of tax in AOCI. DAC and deferred income taxes determined on unrealized capital gains and losses and reported in AOCI recognize the impact on shareholders' equity consistently with the amounts that would be recognized in the income statement on net gains and losses on investments and derivatives.

Customers of the Company may exchange one insurance policy for another offered by the Company, or make modifications to an existing life, accident and health or property and casualty contract issued by the Company. These transactions are identified as internal replacements for accounting purposes. Internal replacement transactions determined to result in replacement contracts that are substantially unchanged from the replaced contracts are accounted for as continuations of the replaced contracts. Unamortized DAC related to the replaced contracts continue to be deferred and amortized in connection with the replacement contracts. For traditional life, accident and health and property and casualty insurance policies, any changes to unamortized DAC that result from replacement contracts are treated as prospective revisions and any costs associated with the issuance of replacement contracts are characterized as maintenance costs and expensed as incurred.

The costs assigned to the right to receive future cash flows from certain business purchased from other insurers are also classified as DAC in the Consolidated Statements of Financial Position. The costs capitalized represent the present value of future profits expected to be earned over the lives of the contracts acquired. These costs are amortized as profits emerge over the lives of the acquired business and are periodically evaluated for recoverability. The present value of future profits was $13 million and $24 million as of December 31, 2022 and 2021, respectively. Amortization expense of the present value of future profits was $11 million, $323 million and $14 million in 2022, 2021 and 2020, respectively.

Reinsurance and Indemnification

Reinsurance In the normal course of business, the Company seeks to limit aggregate and single exposure to losses on large risks by purchasing reinsurance. The Company has also used reinsurance to affect the disposition of certain blocks of business. Reinsurance does not extinguish the Company's primary liability under the policies written. Therefore, in addition to establishing allowances as appropriate after evaluating reinsurers' activities related to claims settlement practices and commutations, the Company evaluates reinsurer counterparty credit risk and records reinsurance recoverables net of credit loss allowances. The Company assesses counterparty credit risk for individual reinsurers separately when more relevant or on a pooled basis when shared risk characteristics exist. The evaluation considers the credit quality of the reinsurer and the period over which the recoverable balances are expected to be collected. The Company considers factors including past events, current conditions and reasonable and supportable forecasts in the development of the estimate of credit loss allowances.

Allowances for property and casualty and accident and health reinsurance recoverables are established primarily through risk-based evaluations.

The property and casualty recoverable evaluation considers the credit rating of the reinsurer, the period over which the reinsurance recoverable balances are expected to be recovered and other relevant factors including historical experience of reinsurer failures. Reinsurers in liquidation or in default status are evaluated individually using the Company's historical liquidation recovery assumptions and any other relevant information available including the most recent public information related to the financial condition or liquidation status of the reinsurer. For accident and health reinsurance recoverables, the Company uses a probability of default and loss given default model developed independently of the Company to estimate current expected credit losses. The accident and health reinsurance recoverable evaluation utilizes factors including historical industry factors based on the probability of liquidation, and incorporates current loss given default factors reflective of the industry.

The Company monitors the credit ratings of reinsurer counterparties and evaluates the circumstances surrounding credit rating changes as inputs into its credit loss assessments. Uncollectible reinsurance recoverable balances are written off against the allowances when there is no reasonable expectation of recovery.

The changes in the allowances are reported in property and casualty insurance claims and claims expense and accident, health and other policy benefits.

Indemnification The Company also participates in various indemnification mechanisms, including industry pools and facilities, which are reimbursement mechanisms that assess participating insurers for expected insured claims, reimburse participating insurers for qualifying paid claims and permit participating insurers to recoup amounts assessed directly from insureds. Indemnification recoverables are backed by the financial resources of the property and casualty insurance company market participants.

The amounts reported as indemnification recoverables include amounts paid and due from indemnitors as well as estimates of amounts expected to be recovered from indemnitors on insurance liabilities that have been incurred but not yet paid. The design and function of these indemnification programs does not result in the retention of insurance or reinsurance risk by the indemnitee. Based on the Company's evaluation of these programs on an individual basis, the establishment of credit loss allowances is not warranted at this time. The Company has not experienced any historical credit losses related to its indemnification programs. The Company continues to monitor these programs to determine whether any changes from historical experience have emerged or are expected to emerge or whether there have been any changes in the design or administration of the programs that would require establishment of credit loss allowances.

Goodwill

Goodwill represents the excess of amounts paid for acquiring businesses over the fair value of the net assets acquired, less any impairment of goodwill recognized. The Company's goodwill reporting units are equivalent to its reportable segments to which goodwill has been assigned: Allstate Protection, Protection Services, and Allstate Health and Benefits.

Goodwill by reporting unit

	December 31,	
($ in millions)	**2022**	**2021**
Allstate Protection	$ 1,563	$ 1,563
Protection Services	1,494	1,494
Allstate Health and Benefits	445	445
Total	**$ 3,502**	**$ 3,502**

Goodwill is recognized when acquired and allocated to reporting units based on which unit is expected to benefit from the synergies of the business combination. Goodwill is not amortized but is tested for impairment at least annually. The Company performs its annual goodwill impairment testing during the fourth quarter of each year based upon data as of the close of the third quarter. Goodwill impairment is measured and recognized as the amount by which a reporting unit's carrying value, including goodwill, exceeds its fair value, not to exceed the carrying amount of goodwill allocated to the reporting unit. The Company also reviews goodwill for impairment whenever events or changes in circumstances, such as deteriorating or adverse market conditions, indicate that it is more likely than not that the carrying amount of the reporting unit including goodwill may exceed the fair value of the reporting unit. The goodwill impairment analysis is performed at the reporting unit level.

As of December 31, 2022 and 2021, the fair value of the Company's goodwill reporting units exceeded their carrying values.

Intangible assets

Intangible assets (reported in other assets) consist of capitalized costs primarily related to acquired distribution and customer relationships, trade names and licenses, technology and other assets. The estimated useful lives of distribution and customer relationships, technology and other intangible assets are generally 10 years, 5 years and 7 years, respectively. Intangible assets are carried at cost less accumulated amortization.

Intangible assets by type

	December 31,	
($ in millions)	**2022**	**2021**
Distribution and customer relationships	$ 697	$ 909
Trade names and licenses	179	206
Technology and other	301	305
Total	**$ 1,177**	**$ 1,420**

Amortization expense is calculated using an accelerated amortization method. Amortization expense on intangible assets was $353 million, $376 million and $118 million in 2022, 2021 and 2020, respectively.

Amortization expense of intangible assets for the next five years and thereafter

($ in millions)	
2023	$ 313
2024	248
2025	201
2026	91
2027	64
Thereafter	88
Total amortization	**$ 1,005**

Accumulated amortization of intangible assets was $1.48 billion and $1.13 billion as of December 31, 2022 and 2021, respectively.

Trade names and licenses are considered to have an indefinite useful life and are reviewed for impairment at least annually or more frequent if circumstances arise that indicate an impairment may have occurred. An impairment is recognized if the carrying amount of the asset exceeds its estimated fair value.

Property and equipment

Property and equipment is carried at cost less accumulated depreciation. Included in property and equipment are capitalized costs related to computer software licenses and software developed for internal use. These costs generally consist of certain external payroll and payroll related costs. Property and equipment depreciation is calculated using the straight-line method over the estimated useful lives of the assets, generally 3 to 10 years for equipment and 40 years for real property. Depreciation expense is reported in operating costs and expenses. Accumulated depreciation on property and equipment was $2.45 billion and $2.44 billion as of December 31, 2022 and 2021, respectively. Depreciation expense on property and equipment was $335 million, $411 million and $353 million in 2022, 2021 and 2020, respectively. The Company reviews its property and equipment for impairment at least annually and whenever events or changes in circumstances indicate that the carrying amount may not be recoverable.

Income taxes

Income taxes are accounted for using the asset and liability method under which deferred tax assets and liabilities are recognized for temporary differences between the financial reporting and tax bases of assets and liabilities at the enacted tax rates. The principal assets and liabilities giving rise to such differences are DAC, unearned premiums, investments (including unrealized capital gains and losses), intangible assets and insurance reserves. A deferred tax asset valuation allowance is established when it is more likely than not such assets will not be realized. The Company recognizes interest expense related to income tax matters in income tax expense and penalties in operating costs and expenses.

Reserve for property and casualty insurance claims and claims expense

The reserve for property and casualty insurance claims and claims expense is the estimate of amounts necessary to settle all reported and unreported incurred claims for the ultimate cost of insured property and casualty losses, based upon the facts of each case and the Company’s experience with similar cases. Estimated amounts of salvage and subrogation are deducted from the reserve for claims and claims expense. The establishment of appropriate reserves, including reserves for catastrophe losses, is an inherently uncertain and complex process. Reserve estimates are primarily derived using an actuarial estimation process in which historical loss patterns are applied to actual paid losses and reported losses (paid losses plus individual case reserves established by claim adjusters) for an accident or report year to create an estimate of how losses are likely to develop over time. Development factors are calculated quarterly and periodically throughout the year for data elements such as claims reported and settled, paid losses, and paid losses combined with case reserves. The effects of inflation are implicitly considered in the reserving process as a development factor using historic data incorporated as a reasonable estimate of future inflation. The Company has also digitized and modified claim processes to increase effectiveness and efficiency. The historical development patterns for these data elements are used as the assumptions to calculate reserve estimates, including the reserves for reported and unreported claims; however, when the Company experiences changes it may lead to historical development trends being less predictive of future loss development, potentially creating additional reserve variability. Reserve estimates are regularly reviewed and updated, using the most current data and information available. Any resulting reestimates are reflected in current results of operations.

Reserve for future policy benefits

The reserve for future policy benefits payable under insurance policies, including voluntary accident and health insurance and traditional life insurance products, is computed on the basis of long-term actuarial assumptions of future investment yields, mortality, morbidity, policy terminations and expenses. These assumptions include provisions for adverse deviation and generally vary by characteristics such as type of coverage, year of issue and policy duration. The assumptions are established at the time the policy is issued and are generally not changed during the life of the policy. The Company periodically reviews the adequacy of reserves using actual experience and current assumptions. If actual experience and current assumptions are adverse compared to the original assumptions and a premium deficiency is determined to exist, any remaining unamortized DAC balance would be expensed to the extent not recoverable and the establishment of a premium deficiency reserve may be required for any remaining deficiency. Voluntary accident and health insurance and traditional life insurance products are reviewed individually. The Company also reviews these policies for circumstances where projected profits would be recognized in early years followed by projected losses in later years. If this circumstance exists, the Company will accrue a liability, during the period of profits, to offset the losses at such time as the future losses are expected to commence using a method updated prospectively over time.

Accident and health short duration contracts The reserve for future policy benefits includes unpaid losses and loss adjustment expense (“LAE”) reserves for individual and certain voluntary accident and health short-duration contracts and is an estimate of the Company’s liability from incurred claims at the end of the reporting period. The unpaid losses and LAE reserves are the result of an ongoing analysis of recent loss development trends and emerging historical experience. Original estimates are increased or decreased as additional information becomes known regarding individual claims. In setting its reserves, the Company reviews its loss data to estimate expected loss development. Management believes that its use of standard actuarial methodology applied to its analyses of its historical experience provides a reasonable estimate of future losses. However, actual future losses may differ from the Company’s estimate, and may be affected by future events, including inflation and changes in law and judicial interpretations, which would favorably or unfavorably impact the ultimate settlement of the Company's losses and LAE.

The anticipated effect of inflation is implicitly considered when estimating liabilities for losses and LAE. In addition to inflation, the average severity of claims is affected by a number of factors that may vary by types and features of policies written. Future average severities are projected from historical trends, adjusted for implemented changes in underwriting standards and policy provisions, as well as general economic trends. These estimated trends are monitored and revised as necessary based on actual development.

Unpaid losses include a provision for incurred-but-not-reported ("IBNR") reserve estimates representing claims that have occurred but have not yet been reported, some of which are not yet known to the insured, as well as a provision for future development on reported claims. IBNR reserves are generally calculated by first projecting the ultimate cost of all claims that have occurred and then subtracting reported losses and loss expenses. Reported losses include cumulative paid losses and loss expenses plus case reserves.

Contractholder funds

Contractholder funds represent interest-bearing liabilities arising primarily from the sale of interest-sensitive life insurance contracts. Contractholder funds primarily comprise cumulative deposits received and interest credited to the contractholder less cumulative contract benefits, surrenders, withdrawals and contract charges for mortality or administrative expenses.

Pension and other postretirement remeasurement gains and losses

The Company's policy is to remeasure its pension and postretirement plans on a quarterly basis. Pension and other postretirement gains and losses represent the remeasurement of projected benefit obligations and differences between the expected and actual return on plan assets, which are immediately recognized in earnings and are referred to as pension and other postretirement remeasurement gains and losses on the Consolidated Statements of Operations.

Differences in actual experience and changes in other assumptions affect the Company's pension and other postretirement obligations and expenses. Differences between expected and actual returns on plan assets affect remeasurement gains and losses.

The primary factors contributing to pension and postretirement remeasurement gains and losses are:

- Changes in the discount rate used to value pension and postretirement obligations as of the measurement date
- Differences between the expected and the actual return on plan assets
- Changes in demographic assumptions, including mortality and participant experience
- Changes in lump sum interest rates used to value pension obligations as of the measurement date

Pension and other postretirement service cost, interest cost, expected return on plan assets and amortization of prior service credits are allocated to the Company's reportable segments. The pension and other postretirement remeasurement gains and losses are reported in the Corporate and Other segment.

Legal contingencies

The Company reviews its lawsuits, regulatory inquiries, and other legal proceedings on an ongoing basis. The Company establishes accruals for such matters at management's best estimate when the Company assesses that it is probable that a loss has been incurred and the amount of the loss can be reasonably estimated. The Company's assessment of whether a loss is reasonably possible or probable is based on its assessment of the ultimate outcome of the matter following all appeals. The Company does not include potential recoveries in its estimates of reasonably possible or probable losses. Legal fees are expensed as incurred.

Debt

Debt includes senior notes, senior debentures, subordinated debentures and junior subordinated debentures issued by the Corporation. Unamortized debt issuance costs and fair value adjustments are reported in debt and are amortized over the expected period the debt will remain outstanding.

Equity incentive plans

The Company has equity incentive plans under which it grants nonqualified stock options, restricted stock units and performance stock awards ("equity awards") to certain employees and directors of the Company. The Company measures the fair value of equity awards at the grant date and recognizes the expense over the shorter of the period in which the requisite service is rendered or retirement eligibility is attained. The expense for performance stock awards with no market condition is adjusted each period to reflect the performance factor most likely to be achieved at the end of the performance period. The expense for performance stock awards with a market condition is based on the fair value of the awards at the grant date which incorporates the probability of achieving the market condition. In the event the market condition is not met, any previously recognized expense is not reversed. The Company uses a binomial lattice model to determine the fair value of employee stock options. The Company uses a Monte Carlo simulation model to determine the fair value of performance stock awards with a market condition.

Measurement of credit losses

The Company carries an allowance for expected credit losses for all financial assets measured at amortized cost on the Consolidated Statements of Financial Position. The Company considers past events, current conditions, and reasonable and supportable forecasts in estimating an allowance for credit losses. The Company also carries a credit loss allowance for fixed income securities where applicable and, when amortized cost is reported, it is net of credit loss allowances. For additional information, refer to the Investments, Reinsurance, Indemnification or Recognition of premium revenues and contract charges, topics of this section.

The Company also estimates a credit loss allowance for commitments to fund mortgage loans and bank loans unless they are unconditionally cancellable by the Company. The related allowance is reported in other liabilities and accrued expenses.

Allowance for credit losses

($ in millions)	As of December 31, 2022	2021
Fixed income securities	$ 13	$ 6
Mortgage loans	7	6
Bank loans	57	61
Investments	**77**	**73**
Premium installment receivables	132	107
Reinsurance recoverables	65	74
Other assets	19	26
Assets	**293**	**280**
Commitments to fund mortgage loans and bank loans	—	—
Liabilities	**—**	**—**
Total	**$ 293**	**$ 280**

Leases

The Company has certain operating leases for office facilities, computer and office equipment, and vehicles. The Company's leases have remaining lease terms of generally 1 year to 8 years, some of which include options to extend the leases for up to 20 years, and some of which include options to terminate the leases within 60 days.

The Company determines if an arrangement is a lease at inception. Leases with an initial term less than one year are not recorded on the balance sheet and the lease costs for these leases are recorded as an expense on a straight-line basis over the lease term. Operating leases with terms greater than one year result in a lease liability recorded in other liabilities with a corresponding right-of-use ("ROU") asset recorded in other assets. As of December 31, 2022 and 2021, the Company had $343 million and $465 million in lease liabilities and $234 million and $314 million in ROU assets, respectively.

Operating lease liabilities are recognized at the commencement date based on the present value of future minimum lease payments over the lease term. ROU assets are recognized based on the corresponding lease liabilities adjusted for qualifying initial direct costs, prepaid or accrued lease payments and unamortized lease incentives. As most of the Company's leases do not disclose the implicit interest rate, the Company uses collateralized incremental borrowing rates based on information available at lease commencement when determining the present value of future lease payments. The Company has lease agreements with lease and non-lease components, which are accounted for as a single lease. Lease terms may include options to extend or terminate the lease which are incorporated into the Company's measurements when it is reasonably certain that the Company will exercise the option.

Operating lease costs are recognized on a straight-line basis over the lease term and include interest expense on the lease liability and amortization of the ROU asset. Variable lease costs are expensed as incurred and include maintenance costs and real estate taxes. Lease costs are reported in operating costs and expenses and totaled $131 million and $162 million, including $23 million and $30 million of variable lease costs in 2022 and 2021, respectively.

Other information related to operating leases

	December 31, 2022	2021
Weighted average remaining lease term (years)	4	5
Weighted average discount rate	3.08 %	3.09 %

Maturity of lease liabilities

($ in millions)	Operating leases
2023	$ 100
2024	97
2025	71
2026	41
2027	26
Thereafter	32
Total lease payments	**$ 367**
Less: interest	(24)
Present value of lease liabilities	**$ 343**

Consolidation of variable interest entities

A VIE is a legal entity that does not have sufficient equity at risk to finance its activities without additional financial support or is structured such that equity investors lack the ability to make significant decisions relating to the entity's operations through voting rights or do not participate in the gains and losses of the entity. The Company consolidates VIEs in which the Company is deemed the primary beneficiary. The primary beneficiary is the entity that has both (1) the obligation to absorb losses or the right to receive benefits that could potentially be significant to the VIE and (2) the power to direct the activities of the VIE that most significantly affect that entity's economic performance.

Discontinued Operations and Held for Sale

A business is classified as held for sale when management having the authority to approve the action commits to a plan to sell the business, the sale is probable to occur during the next 12 months at a price that is reasonable in relation to its current fair value and certain other criteria are met. A business classified as held for sale is recorded at the lower of its carrying amount or estimated fair value less cost to sell. When the carrying amount of the business exceeds its estimated fair value less cost to sell, a loss is recognized and updated each reporting period as appropriate.

The Company completed its sale of the life and annuity business in 2021.

The results of operations of business classified as held for sale are reported as discontinued operations if the disposal represents a strategic shift that will have a major effect on the entity's operations and financial results. The disposal of a reportable segment generally qualifies for discontinued operations presentation.

When a business is identified for discontinued operations reporting:

- Results for prior periods are retrospectively reclassified as discontinued operations
- Results of operations are reported in a single line, net of tax, in the Consolidated Statements of Operations
- Assets and liabilities are reported as held for sale in the Consolidated Statements of Financial Position in the period in which the business is classified as held for sale

Additional details by major classification of operating results and financial position are included in Note 3.

Foreign currency translation

The local currency of the Company's foreign subsidiaries is deemed to be the functional currency of the country in which these subsidiaries operate. The financial statements of the Company's foreign subsidiaries are translated into U.S. dollars at the exchange rate in effect at the end of a reporting period for assets and liabilities and at average exchange rates during the period for results of operations.

The unrealized gains and losses from the translation of the net assets are recorded as unrealized foreign currency translation adjustments and included in AOCI. Changes in unrealized foreign currency translation adjustments are included in other comprehensive income ("OCI"). Gains and losses from foreign currency transactions are reported in operating costs and expenses and have not been material.

Earnings per common share

Basic earnings per common share is computed using the weighted average number of common shares outstanding, including vested unissued participating restricted stock units. Diluted earnings per common share is computed using the weighted average number of common and dilutive potential common shares outstanding.

For the Company, dilutive potential common shares consist of outstanding stock options and unvested non-participating restricted stock units and contingently issuable performance stock awards. The effect of dilutive potential common shares does not include options with an anti-dilutive effect on earnings per common share because their exercise prices exceed the average market price of Allstate common shares during the period or for which the unrecognized compensation cost would have an anti-dilutive effect.

Computation of basic and diluted earnings per common share

($ in millions, except per share data)	For the years ended December 31, 2022	2021	2020
Numerator:			
Net (loss) income from continuing operations	$ (1,364)	$ 5,159	$ 5,429
Less: Net loss attributable to noncontrolling interest	(53)	(33)	—
Net (loss) income from continuing operations attributable to Allstate	(1,311)	5,192	5,429
Less: Preferred stock dividends	105	114	115
Net (loss) income from continuing operations applicable to common shareholders	(1,416)	5,078	5,314
Income (loss) from discontinued operations, net of tax	—	(3,593)	147
Net (loss) income applicable to common shareholders	**$ (1,416)**	**$ 1,485**	**$ 5,461**
Denominator:			
Weighted average common shares outstanding	271.2	294.8	311.6
Effect of dilutive potential common shares [1]:			
Stock options	—	2.7	2.2
Restricted stock units (non-participating) and performance stock awards	—	1.6	1.7
Weighted average common and dilutive potential common shares outstanding	**271.2**	**299.1**	**315.5**
Earnings per share applicable to common shareholders			
Basic			
Continuing operations	$ (5.22)	$ 17.23	$ 17.06
Discontinued operations	—	(12.19)	0.47
Total	**$ (5.22)**	**$ 5.04**	**$ 17.53**
Diluted [1]			
Continuing operations	$ (5.22)	$ 16.98	$ 16.84
Discontinued operations	—	(12.02)	0.47
Total	**$ (5.22)**	**$ 4.96**	**$ 17.31**
Anti-dilutive options excluded from diluted earnings per common share	1.7	1.3	2.9
Weighted average dilutive potential common shares excluded due to net loss applicable to common shareholders [1]	3.1	—	—

[1] As a result of the net loss reported for the year ended December 31, 2022, weighted average shares for basic earnings per share is also used for calculating diluted earnings per share because all dilutive potential common shares are anti-dilutive and are therefore excluded from the calculation.

Pending accounting standard

Accounting for Long-Duration Insurance Contracts In August 2018, the Financial Accounting Standards Board ("FASB") issued guidance revising the accounting for certain long-duration insurance contracts. As disclosed in Note 3, the Company sold substantially all of its life and annuity business in scope of the new standard. The Company's reserves and DAC for certain voluntary and individual life and accident and health insurance products are subject to the new guidance.

Under the new guidance, measurement assumptions, including those for mortality, morbidity and policy terminations, will be required to be reviewed at least annually, and updated as appropriate. The effects of updating assumptions other than the discount rate are required to be measured on a retrospective basis and reported in net income. In addition, reserves under the new guidance are required to be discounted using an upper-medium grade fixed income instrument yield that is updated through OCI at each reporting date. Current GAAP requires the measurement of reserves to utilize assumptions set at policy issuance unless updated current assumptions indicate that recorded reserves are deficient.

The new guidance also requires DAC and other capitalized balances currently amortized in proportion to premiums or gross profits to be amortized on a constant level basis over the expected term for all long-duration insurance contracts. DAC will not be subject to loss recognition testing but will be reduced when actual lapse experience exceeds expected experience.

The new guidance is effective for financial statements issued for reporting periods beginning after December 15, 2022 and restatement of prior periods presented is required. The new guidance will be applied to affected contracts and DAC on the basis of existing carrying amounts at the earliest period presented.

In December 2022, the FASB issued Accounting Standards Update No. 2022-05 ("ASU 2022-05") that provides reporting entities with an accounting policy election to not apply the new guidance to insurance contracts in-force on the January 1, 2021 transition date but sold prior to the January 1, 2023 effective date provided certain conditions are met. The Company will make an election to not apply the new guidance to sold contracts that meet the conditions included in ASU 2022-05.

The Company will adopt the new guidance effective January 1, 2023, using the modified retrospective approach. The Company is finalizing its implementation activities which include updating processes and controls resulting from the new guidance, model validation, and establishing new accounting policies and practices for validating model inputs and assumptions on a periodic basis.

Impact of adoption at January 1, 2021	
Decrease in equity	$250 million to $350 million
Decrease in retained income	$15 million to $35 million
Decrease in AOCI	$235 million to $315 million

The expected decrease in equity includes the anticipated decrease in AOCI primarily attributable to a change in the discount rate used in measuring the liability for future policy benefits for traditional life contracts and other long-term products with guaranteed terms from a portfolio-based rate at contract issuance to an upper-medium grade fixed income-based rate. The expected decrease in equity also includes the anticipated decrease in retained income which primarily relates to certain long-term contracts with guaranteed terms with net premium ratios that are required to be adjusted at the transition date. The impact on equity, AOCI, and retained income excludes sold contracts that would meet the conditions included in ASU 2022-05.

Impact of adoption to AOCI and net income

	As of and for the years ended December 31,	
	2022	2021
Ending AOCI [1]	$0 million to $(50) million	$(200) million to $(250) million
Increase in net income	$5 million to $20 million	$5 million to $20 million

[1] Represents the impact of adoption to the ending balance of AOCI reported on the Consolidated Statements of Financial Position.

The estimated impact to AOCI at transition date will decline significantly at the effective date due to the increase in the discount rate between the transition date and effective date.

Note 3 Acquisitions and Dispositions

Acquisitions

National General On January 4, 2021, the Company completed the acquisition of National General Holdings Corp. ("National General"), an insurance holding company serving customers predominantly through independent agents for property and casualty and accident and health products.

National General provides personal and commercial automobile, homeowners, umbrella, recreational vehicle, motorcycle, lender-placed auto and property, health and other niche insurance products. This acquisition increased the Company's market share in personal property-liability and enhanced its independent agent distribution platform.

Assets and liabilities recognized in the National General acquisition [1]

($ in millions)		January 4, 2021
Assets		
Investments	$	4,962
Cash		400
Premiums and other receivables, net		1,539
Deferred acquisition costs (value of business acquired)		317
Reinsurance recoverables, net		1,212
Intangible assets		1,199
Other assets		734
Goodwill [2]		1,038
Total assets		**11,401**
Liabilities		
Reserve for property and casualty insurance claims and claims expense		2,765
Reserve for future policy benefits		186
Unearned premiums		2,245
Reinsurance payable		363
Debt [3]		593
Deferred tax liabilities		162
Other liabilities		776
Total liabilities	**$**	**7,090**

[1] The amounts reflect allocation of assets acquired and liabilities assumed.

[2] $675 million, $20 million and $343 million of goodwill were allocated to the Allstate Protection, Protection Services and Allstate Health and Benefits segments, respectively, and is non-deductible for income tax purposes. Goodwill is primarily attributable to expected synergies and future growth opportunities.

[3] Subsequent to the acquisition, the Company repaid $100 million of 7.625% Subordinated Notes and $72 million of Subordinated Debentures on February 3, 2021 and March 15, 2021, respectively. As of December 31, 2022, the Company had principal balance remaining of $350 million 6.750% Senior Notes due 2024, with a fair value adjustment of $26 million.

Intangible assets (reported in other assets in the Consolidated Statements of Financial Position) consist of capitalized costs, primarily of the estimated fair value of distribution and customer relationships, trade names, licenses and technology assets.

Intangible assets by type

($ in millions)		January 4, 2021
Distribution and customer relationships	$	795
Trade names		102
Licenses		97
Technology		205
Total	**$**	**1,199**

Value of business acquired (reported in DAC in the Consolidated Statements of Financial Position) recognized in connection with the acquisition of National General represents the value of future profits expected to be earned over the lives of the contracts acquired determined using a weighted-average cost of capital discount and other relevant assumptions. These costs are amortized over the policy term of the contracts in force at the acquisition date, generally over six or twelve months. The value of business acquired asset recognized in connection with the National General acquisition totaled $317 million, all of which was expensed in 2021. The most significant portion relates to insurance contracts in the Allstate Protection segment.

Other fair value adjustments included an increase in reserves of $62 million, a $9 million reduction to investments that were not held at fair value, and a net increase in current and deferred tax liabilities of $153 million.

Transactions costs (reported in operating costs and expenses in the Consolidated Statements of Operations) of $22 million related to the acquisition were expensed as incurred in the Corporate and Other segment.

SafeAuto On October 1, 2021, the Company completed the acquisition of Safe Auto Insurance Group, Inc. (“SafeAuto”), a non-standard auto insurance carrier focused on providing state-minimum private-passenger auto insurance direct to consumers with coverage options in 28 states, for $267 million in cash. Starting in the fourth quarter of 2021, the Allstate Protection segment includes SafeAuto.

In connection with the acquisition, the Company recorded goodwill of $79 million, intangible assets of $31 million and value of business acquired of $7 million. The intangible assets include $25 million and $6 million related to acquired customer relationships and licenses, respectively.

On December 17, 2021, subsequent to the acquisition, the Company redeemed the outstanding principal of SafeAuto’s trust preferred securities for $13 million.

Dispositions

Life and annuity business On October 1, 2021, the Company closed the sale of Allstate Life Insurance Company of New York ("ALNY") to Wilton Reassurance Company for $400 million. On November 1, 2021, the Company closed the sale of Allstate Life Insurance Company ("ALIC") and certain affiliates to entities managed by Blackstone for total proceeds of $4 billion, including a pre-close dividend of $1.25 billion paid by ALIC.

In connection with the sale of ALIC and certain affiliates, the sale agreement includes a provision related to contingent consideration that may be earned over a ten-year period with the first potential payment date commencing on January 1, 2026 and a final potential payment date of January 1, 2035. The contingent consideration is determined annually based on the average ten-year Treasury rate over the preceding three-year period compared to a designated rate. The contingent consideration meets the definition of a derivative and is accounted for on a fair value basis with periodic changes in fair value reflected in earnings. See Note 7 for further details.

In 2021, the loss on disposition was $4.09 billion, after-tax, and reflects purchase price adjustments associated with certain pre-close transactions specified in the stock purchase agreements, changes in statutory capital and surplus prior to the closing date and the closing date equity of the sold entities determined under GAAP, excluding AOCI derecognized related to the dispositions.

Beginning in the first quarter of 2021, the assets and liabilities of the business were reclassified as held for sale and results are presented as discontinued operations. This change was applied on a retrospective basis.

Financial results from discontinued operations

($ in millions)	For the years ended December 31, 2021	2020
Revenues		
Life premiums and contract charges	$ 1,109	$ 1,350
Net investment income	1,336	1,262
Net gains (losses) on investments and derivatives	195	269
Total revenues	**2,640**	**2,881**
Costs and expenses		
Life contract benefits	1,315	1,726
Interest credited to contractholder funds	414	605
Amortization of DAC	87	153
Operating costs and expenses	163	238
Restructuring and related charges	31	7
Total costs and expenses	**2,010**	**2,729**
Amortization of deferred gain on reinsurance	4	4
Income from discontinued operations before income tax expense	634	156
Income tax expense	136	9
Income from discontinued operations, net of tax	**498**	**147**
Loss on disposition of operations	(4,315)	—
Income tax benefit	(224)	—
Loss on disposition of operations, net of tax	**(4,091)**	**—**
(Loss) income from discontinued operations, net of tax	**$ (3,593)**	**$ 147**

Major classes of assets and liabilities disposed in transactions

($ in millions)	Closing [1]	
Assets		
Investments		
Fixed income securities, at fair value	$	26,425
Equity securities, at fair value		11
Mortgage loans, net		2,662
Limited partnership interests		1,624
Short-term, at fair value		643
Other investments, net		690
Total investments	$	32,055
Cash		1,081
Deferred policy acquisitions costs		996
Reinsurance recoverables, net		1,979
Accrued investment income		240
Other assets		536
Separate accounts		3,465
Total assets	**$**	**40,352**
Liabilities		
Reserve for future policy benefits	$	11,573
Contractholder funds		15,880
Deferred income taxes		834
Other liabilities and accrued expenses		452
Separate accounts		3,465
Total liabilities	**$**	**32,204**

[1] The Company closed the sales of Allstate Life Insurance Company of New York and Allstate Life Insurance Company and certain affiliates on October 1, 2021 and November 1, 2021, respectively.

Cash flows from discontinued operations

($ in millions)	For the years ended December 31, 2021		2020	
Net cash provided by operating activities from discontinued operations	$	634	$	311
Net cash provided by investing activities from discontinued operations		984		330

Note 4 Reportable Segments

The Company's chief operating decision maker reviews financial performance and makes decisions about the allocation of resources for the five reportable segments. These segments are described below and align with the Company's key product and service offerings.

Allstate Protection principally offers private passenger auto and homeowners insurance in the United States and Canada, with earned premiums accounting for 85.4% of Allstate's 2022 consolidated revenues. Allstate Protection primarily operates in the U.S. (all 50 states and the District of Columbia ("D.C.")) and Canada. For 2022, the top geographic locations for statutory direct premiums for the Allstate Protection segment were Texas, California, New York and Florida. No other jurisdiction accounted for more than 5% of statutory direct premiums for Allstate Protection. Revenues from external customers generated outside the United States were $1.94 billion, $1.86 billion and $1.57 billion in 2022, 2021 and 2020, respectively.

Run-off Property-Liability includes property and casualty insurance coverage that primarily relates to policies written during the 1960s through the mid-1980s. Our exposure to asbestos, environmental and other run-off lines claims arises principally from direct excess commercial insurance, assumed reinsurance coverage, direct primary commercial insurance and other businesses in run-off.

Protection Services comprise Allstate Protection Plans, Allstate Dealer Services, Allstate Roadside, Arity and Allstate Identity Protection. Protection Services offer consumer product protection plans, finance and insurance products (including vehicle service contracts, guaranteed asset protection waivers, road hazard tire and wheel and paintless dent repair protection), roadside assistance, device and mobile data collection services and analytic solutions using automotive telematics information and identity protection. Protection Services primarily operates in the U.S. and Canada, with Allstate Protection Plans also offering services in Europe, Australia and Asia. Revenues from external customers generated outside the United

States relate to consumer product protection plans sold primarily in the European Union and were $258 million, $232 million and $188 million in 2022, 2021 and 2020, respectively.

Allstate Health and Benefits offers employer voluntary benefits, group health and individual health products, including life, accident, critical illness, hospital, short-term disability and other health products. Allstate Health and Benefits primarily operates in the U.S. (all 50 states and D.C.) and Canada. For 2022, the top geographic locations for statutory direct accident, health and life insurance premiums were Florida, Texas, Georgia and Ohio. No other jurisdiction accounted for more than 5% of statutory direct accident, health and life insurance premiums. Revenues from external customers generated outside the United States relate to voluntary accident and health insurance sold in Canada and were not material.

Corporate and Other comprises holding company activities and certain non-insurance operations, including expenses associated with strategic initiatives.

Beginning in the first quarter of 2021, National General results are included in the following segments:

- Property and casualty - Allstate Protection
- Accident and health - Allstate Health and Benefits
- Technology solutions - Protection Services

Allstate Protection and Run-off Property Liability segments comprise Property-Liability. The Company does not allocate investment income, net gains and losses on investments and derivatives, or assets to the Allstate Protection and Run-off Property Liability segments. Management reviews assets at the Property-Liability, Protection Services, Allstate Health and Benefits, and Corporate and Other levels for decision-making purposes.

The accounting policies of the reportable segments are the same as those described in Note 2. The effects of intersegment transactions are eliminated in the consolidated results. For segment results, services provided by Protection Services to Allstate Protection are not eliminated as management considers those transactions in assessing the results of the respective segments.

Measuring segment profit or loss

The measure of segment profit or loss used in evaluating performance is underwriting income for the Allstate Protection and Run-off Property-Liability and adjusted net income for the Protection Services, Allstate Health and Benefits and Corporate and Other segments.

Underwriting income is calculated as premiums earned and other revenue, less claims and claims expenses (“losses”), Shelter-in-Place Payback expense, amortization of DAC, operating costs and expenses, amortization or impairment of purchased intangibles and restructuring and related charges as determined using GAAP.

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

- Net gains and losses on investments and derivatives
- Pension and other postretirement remeasurement gains and losses
- Business combination expenses and the amortization or impairment of purchased intangibles
- Income or loss from discontinued operations
- Gain or loss on disposition
- Adjustments for other significant non-recurring, infrequent or unusual items, when (a) the nature of the charge or gain is such that it is reasonably unlikely to recur within two years, or (b) there has been no similar charge or gain within the prior two years
- Income tax expense or benefit on reconciling items

A reconciliation of these measures to net income (loss) applicable to common shareholders is provided below.

Reportable segments financial performance

($ in millions)	For the years ended December 31, 2022	2021	2020
Underwriting income (loss) by segment			
Allstate Protection	$ (2,782)	$ 1,785	$ 4,569
Run-off Property-Liability	(129)	(120)	(144)
Total Property-Liability	(2,911)	1,665	4,425
Adjusted net income (loss) by segment, after-tax			
Protection Services	169	179	153
Allstate Health and Benefits	222	208	96
Corporate and Other	(422)	(433)	(428)
Reconciling items			
Property-Liability net investment income	2,190	3,118	1,421
Net gains (losses) on investments and derivatives	(1,072)	1,084	1,087
Pension and other postretirement remeasurement gains (losses)	(116)	644	51
Curtailment gains (losses)	—	—	8
Business combination expenses and amortization of purchased intangibles [1]	(113)	(157)	(106)
Business combination fair value adjustment	—	6	—
Gain (loss) on disposition [2]	89	—	—
Income tax benefit (expense) on reconciling items and other	496	(1,270)	(1,393)
Total reconciling items	**1,474**	**3,425**	**1,068**
Income (loss) from discontinued operations	—	(3,612)	157
Income tax benefit (expense) from discontinued operations	—	19	(10)
Total from discontinued operations	**$ —**	**$ (3,593)**	**$ 147**
Less: Net loss attributable to noncontrolling interest [3]	(52)	(34)	—
Net (loss) income applicable to common shareholders	**$ (1,416)**	**$ 1,485**	**$ 5,461**

[1] Excludes amortization or impairment of purchased intangibles in Property-Liability, which is included above in underwriting income.

[2] Includes $83 million related to the gain on sale of headquarters in the fourth quarter of 2022 reported as other revenue in Corporate and Other segment.

[3] Reflects net loss attributable to noncontrolling interest in Property-Liability.

Reportable segments revenue information

($ in millions)	For the years ended December 31, 2022	2021	2020
Property-Liability			
Insurance premiums			
Auto	$ 29,715	$ 27,623	$ 24,640
Homeowners	10,912	9,927	8,254
Other personal lines	2,159	2,077	1,919
Commercial lines	1,123	827	767
Allstate Protection	43,909	40,454	35,580
Run-off Property-Liability	—	—	—
Total Property-Liability insurance premiums	43,909	40,454	35,580
Other revenue	1,416	1,437	857
Net investment income	2,190	3,118	1,421
Net gains (losses) on investments and derivatives	(877)	1,021	990
Total Property-Liability	**46,638**	**46,030**	**38,848**
Protection Services			
Protection Plans	1,307	1,132	909
Roadside assistance	202	192	188
Finance and insurance products	486	440	396
Intersegment premiums and service fees [(1)]	149	175	147
Other revenue	347	354	208
Net investment income	48	43	44
Net gains (losses) on investments and derivatives	(52)	25	30
Total Protection Services	**2,487**	**2,361**	**1,922**
Allstate Health and Benefits			
Employer voluntary benefits	1,036	1,031	1,094
Group health	385	350	—
Individual health	412	440	—
Other revenue	402	359	—
Net investment income	69	74	78
Net gains (losses) on investments and derivatives	(44)	7	8
Total Allstate Health and Benefits	**2,260**	**2,261**	**1,180**
Corporate and Other			
Other revenue	179	22	—
Net investment income	96	58	47
Net gains (losses) on investments and derivatives	(99)	31	59
Total Corporate and Other	**176**	**111**	**106**
Intersegment eliminations [(1)]	(149)	(175)	(147)
Consolidated revenues	**$ 51,412**	**$ 50,588**	**$ 41,909**

[(1)] Intersegment insurance premiums and service fees are primarily related to Arity and Allstate Roadside and are eliminated in the consolidated financial statements.

Additional significant financial performance data

($ in millions)	For the years ended December 31, 2022	2021	2020
Amortization of DAC			
Property-Liability	$ 5,570	$ 5,313	$ 4,642
Protection Services	928	795	658
Allstate Health and Benefits	146	144	177
Consolidated	**$ 6,644**	**$ 6,252**	**$ 5,477**
Income tax expense (benefit)			
Property-Liability	$ (427)	$ 1,151	$ 1,382
Protection Services	5	39	26
Allstate Health and Benefits	39	50	28
Corporate and Other	(111)	49	(63)
Consolidated	**$ (494)**	**$ 1,289**	**$ 1,373**

Interest expense is primarily incurred in the Corporate and Other segment. Capital expenditures for long-lived assets are generally made in Property-Liability as the Company does not allocate assets to the Allstate Protection and Run-off Property-Liability segments. A portion of these long-lived assets are used by entities included in the Protection Services, Allstate Health and Benefits and Corporate and Other segments and, accordingly, are charged to expenses in proportion to their use.

Reportable segment total assets, investments and deferred policy acquisition costs

($ in millions)	As of December 31, 2022	2021
Assets		
Property-Liability	$ 82,744	$ 84,846
Protection Services	6,922	6,909
Allstate Health and Benefits	3,720	4,015
Corporate and Other	4,571	3,670
Consolidated	**$ 97,957**	**$ 99,440**
Investments [(1)]		
Property-Liability	$ 54,011	$ 57,258
Protection Services	1,917	1,890
Allstate Health and Benefits	1,872	2,191
Corporate and Other	4,029	3,362
Consolidated	**$ 61,829**	**$ 64,701**
Deferred policy acquisition costs		
Property-Liability	$ 2,146	$ 1,951
Protection Services	2,768	2,294
Allstate Health and Benefits	504	477
Consolidated	**$ 5,418**	**$ 4,722**

(1) The balances reflect the elimination of related party investments between segments.

Note 5 Investments

Portfolio composition

($ in millions)	As of December 31, 2022	2021
Fixed income securities, at fair value	$ 42,485	$ 42,136
Equity securities, at fair value	4,567	7,061
Mortgage loans, net	762	821
Limited partnership interests	8,114	8,018
Short-term investments, at fair value	4,173	4,009
Other investments, net	1,728	2,656
Total	**$ 61,829**	**$ 64,701**

Amortized cost, gross unrealized gains (losses) and fair value for fixed income securities

($ in millions)	Amortized cost, net	Gross unrealized Gains	Gross unrealized Losses	Fair value
December 31, 2022				
U.S. government and agencies	$ 8,123	$ 6	$ (231)	$ 7,898
Municipal	6,500	36	(326)	6,210
Corporate	28,562	46	(2,345)	26,263
Foreign government	997	—	(40)	957
ABS	1,188	4	(35)	1,157
Total fixed income securities	**$ 45,370**	**$ 92**	**$ (2,977)**	**$ 42,485**
December 31, 2021				
U.S. government and agencies	$ 6,287	$ 12	$ (26)	$ 6,273
Municipal	6,130	279	(16)	6,393
Corporate	26,834	688	(192)	27,330
Foreign government	982	9	(6)	985
ABS	1,143	14	(2)	1,155
Total fixed income securities	**$ 41,376**	**$ 1,002**	**$ (242)**	**$ 42,136**

Scheduled maturities for fixed income securities

($ in millions)	As of December 31, 2022 Amortized cost, net	As of December 31, 2022 Fair value	As of December 31, 2021 Amortized cost, net	As of December 31, 2021 Fair value
Due in one year or less	$ 2,870	$ 2,836	$ 1,105	$ 1,111
Due after one year through five years	26,546	25,217	21,039	21,291
Due after five years through ten years	11,035	9,870	13,808	14,079
Due after ten years	3,731	3,405	4,281	4,500
	44,182	**41,328**	**40,233**	**40,981**
ABS	1,188	1,157	1,143	1,155
Total	**$ 45,370**	**$ 42,485**	**$ 41,376**	**$ 42,136**

Actual maturities may differ from those scheduled as a result of calls and make-whole payments by the issuers. ABS is shown separately because of potential prepayment of principal prior to contractual maturity dates.

Net investment income

($ in millions)	For the years ended December 31, 2022	2021	2020
Fixed income securities	$ 1,255	$ 1,148	$ 1,232
Equity securities	132	100	78
Mortgage loans	33	43	34
Limited partnership interests	985	1,973	238
Short-term investments	82	5	17
Other investments	162	195	124
Investment income, before expense	**2,649**	**3,464**	**1,723**
Investment expense	(246)	(171)	(133)
Net investment income	**$ 2,403**	**$ 3,293**	**$ 1,590**

Net gains (losses) on investments and derivatives by asset type

($ in millions)	For the years ended December 31, 2022	2021	2020
Fixed income securities	$ (875)	$ 425	$ 925
Equity securities	(900)	520	117
Mortgage loans	(1)	20	(1)
Limited partnership interests	(191)	(52)	(14)
Derivatives	874	49	49
Other investments	21	122	11
Net gains (losses) on investments and derivatives	**$ (1,072)**	**$ 1,084**	**$ 1,087**

Net gains (losses) on investments and derivatives by transaction type

	For the years ended December 31,		
($ in millions)	**2022**	**2021**	**2020**
Sales	$ (832)	$ 578	$ 974
Credit losses	(54)	(42)	(32)
Valuation change of equity investments [1]	(1,060)	499	96
Valuation change and settlements of derivatives	874	49	49
Net gains (losses) on investments and derivatives	**$ (1,072)**	**$ 1,084**	**$ 1,087**

[1] Includes valuation change of equity securities and certain limited partnership interests where the underlying assets are predominately public equity securities.

Gross realized gains (losses) on sales of fixed income securities

	For the years ended December 31,		
($ in millions)	**2022**	**2021**	**2020**
Gross realized gains	$ 136	$ 587	$ 1,105
Gross realized losses	(1,004)	(158)	(177)

Net appreciation (decline) recognized in net income for assets that are still held

	For the years ended December 31,		
($ in millions)	**2022**	**2021**	**2020**
Equity securities	$ (466)	$ 377	$ 247
Limited partnership interests carried at fair value	(5)	435	150
Total	**$ (471)**	**$ 812**	**$ 397**

Credit losses recognized in net income

	For the years ended December 31,		
($ in millions)	**2022**	**2021**	**2020**
Assets			
Fixed income securities:			
Corporate	$ (6)	$ (5)	$ (1)
ABS	(1)	1	(2)
Total fixed income securities	**(7)**	**(4)**	**(3)**
Mortgage loans	(1)	18	(1)
Limited partnership interests	(4)	(34)	(6)
Other investments			
Bank loans	(26)	(22)	(23)
Real estate	(16)	—	—
Total credit losses by asset type	**$ (54)**	**$ (42)**	**$ (33)**
Liabilities			
Commitments to fund commercial mortgage loans and bank loans	—	—	1
Total	**$ (54)**	**$ (42)**	**$ (32)**

Unrealized net capital gains and losses included in AOCI

($ in millions) December 31, 2022	Fair value	Gross unrealized Gains	Losses	Unrealized net gains (losses)
Fixed income securities	$ 42,485	$ 92	$ (2,977)	$ (2,885)
Short-term investments	4,173	—	(1)	(1)
Derivative instruments	—	—	(3)	(3)
Limited partnership interests [1]				2
Unrealized net capital gains and losses, pre-tax				**(2,887)**
Other unrealized net capital gains and losses, pre-tax [2]				26
Deferred income taxes				608
Unrealized net capital gains and losses, after-tax				**$ (2,253)**
December 31, 2021				
Fixed income securities	$ 42,136	$ 1,002	$ (242)	$ 760
Short-term investments	4,009	—	—	—
Derivative instruments	—	—	(3)	(3)
Limited partnership interests				(1)
Unrealized net capital gains and losses, pre-tax				**756**
Other unrealized net capital gains and losses, pre-tax [2]				5
Deferred income taxes				(163)
Unrealized net capital gains and losses, after-tax				**$ 598**

[1] Unrealized net capital gains and losses for limited partnership interests represent the Company's share of EMA limited partnerships' OCI. Fair value and gross unrealized gains and losses are not applicable.

[2] Includes amounts recognized for the reclassification of unrealized gains and losses related to noncontrolling interest and the amount by which the amortization of DAC would increase or decrease if the unrealized gains or losses in the respective product portfolios were realized.

Change in unrealized net capital gains (losses)

($ in millions)	For the years ended December 31, 2022	2021	2020
Fixed income securities	$ (3,645)	$ (1,771)	$ 2,152
Short-term investments	(1)	—	—
Derivative instruments	—	—	—
Limited partnerships interests	3	—	—
Investments classified as held for sale	—	(2,369)	—
Total	**(3,643)**	**(4,140)**	**2,152**
Other unrealized net capital gains and losses, pre-tax	21	865	(510)
Deferred income taxes	771	693	(349)
(Decrease) increase in unrealized net capital gains and losses, after-tax	**$ (2,851)**	**$ (2,582)**	**$ 1,293**

Mortgage loans The Company's mortgage loans are commercial mortgage loans collateralized by a variety of commercial real estate property types located across the United States and totaled $762 million and $821 million, net of credit loss allowance, as of December 31, 2022 and 2021, respectively. Substantially all of the commercial mortgage loans are non-recourse to the borrower.

Principal geographic distribution of commercial real estate exceeding 5% of the mortgage loans portfolio

	As of December 31,	
(% of mortgage loan portfolio carrying value)	**2022**	**2021**
California	24.9 %	19.6 %
Texas	16.3	20.4
Washington	7.3	4.3
Florida	6.4	6.0
Tennessee	6.1	5.7
Ohio	5.6	5.3
Massachusetts	2.6	5.7
Illinois	2.4	6.7

Types of properties collateralizing the mortgage loan portfolio

	As of December 31,	
(% of mortgage loan portfolio carrying value)	**2022**	**2021**
Apartment complex	30.2 %	35.3 %
Retail	27.4	23.8
Office	17.5	18.5
Warehouse	16.0	11.0
Other	8.9	11.4
Total	**100.0 %**	**100.0 %**

Contractual maturities of the mortgage loan portfolio

	As of December 31, 2022		
($ in millions)	**Number of loans**	**Amortized cost, net**	**Percent**
2023	6	$ 61	8.0 %
2024	5	89	11.7
2025	7	85	11.2
2026	5	100	13.1
Thereafter	28	427	56.0
Total	**51**	**$ 762**	**100.0 %**

Limited partnership interests include interests in private equity funds, real estate funds and other funds. Principal factors influencing carrying value appreciation or decline include operating performance, comparable public company earnings multiples, capitalization rates and the economic environment. For equity method limited partnerships, the Company recognizes an impairment loss when evidence demonstrates that the loss is other than temporary. Evidence of a loss in value that is other than temporary may include the absence of an ability to recover the carrying amount of the investment or the inability of the investee to sustain a level of earnings that would justify the carrying amount of the investment. Changes in fair value limited partnerships are recorded through net investment income and therefore are not tested for impairment.

Carrying value for limited partnership interests

	As of December 31, 2022			As of December 31, 2021		
($ in millions)	**EMA**	**Fair Value**	**Total**	**EMA**	**Fair Value**	**Total**
Private equity	$ 5,372	$ 1,217	$ 6,589	$ 4,905	$ 1,434	$ 6,339
Real estate	1,013	29	1,042	823	97	920
Other [1]	483	—	483	759	—	759
Total	**$ 6,868**	**$ 1,246**	**$ 8,114**	**$ 6,487**	**$ 1,531**	**$ 8,018**

[1] Other consists of certain limited partnership interests where the underlying assets are predominately public equity and debt securities.

Municipal bonds The Company maintains a diversified portfolio of municipal bonds, including tax exempt and taxable securities, which totaled $6.21 billion and $6.39 billion as of December 31, 2022 and 2021, respectively. The balance as of December 31, 2022 includes $4.64 billion of tax exempt securities. The municipal bond portfolio includes general obligations of state and local issuers and revenue bonds (including pre-refunded bonds, which are bonds for which an irrevocable trust has been established to fund the remaining payments of principal and interest).

Principal geographic distribution of municipal bond issuers exceeding 5% of the portfolio

	As of December 31,	
(% of municipal bond portfolio carrying value)	**2022**	**2021**
Texas	9.6 %	8.7 %
California	8.5	11.8
New York	6.7	5.1
Illinois	5.6	4.1
Pennsylvania	5.4	5.4
Florida	5.0	4.2

Short-term investments Short-term investments, including money market funds, commercial paper, U.S. Treasury bills and other short-term investments, are carried at fair value. As of December 31, 2022 and 2021, the fair value of short-term investments totaled $4.17 billion and $4.01 billion, respectively.

Other investments Other investments primarily consist of bank loans, real estate, policy loans and derivatives. Bank loans are primarily senior secured corporate loans and are carried at amortized cost, net. Policy loans are carried at unpaid principal balances. Real estate is carried at cost less accumulated depreciation. Derivatives are carried at fair value.

Other investments by asset type

	As of December 31,	
($ in millions)	**2022**	**2021**
Bank loans, net	$ 686	$ 1,574
Real estate	813	809
Policy loans	120	148
Derivatives	1	12
Other	108	113
Total	**$ 1,728**	**$ 2,656**

Concentration of credit risk As of December 31, 2022, the Company is not exposed to any credit concentration risk of a single issuer and its affiliates greater than 10% of the Company's shareholders' equity, other than the U.S. government and its agencies.

Securities loaned The Company's business activities include securities lending programs with third parties, mostly large banks. As of December 31, 2022 and 2021, fixed income and equity securities with a carrying value of $1.93 billion and $1.38 billion, respectively, were on loan under these agreements. Interest income on collateral, net of fees, was $6 million, $1 million and $2 million in 2022, 2021 and 2020, respectively.

Other investment information Included in fixed income securities are below investment grade assets totaling $4.10 billion and $7.50 billion as of December 31, 2022 and 2021, respectively.

As of December 31, 2022, fixed income securities and short-term investments with a carrying value of $198 million were on deposit with regulatory authorities as required by law.

As of December 31, 2022, the carrying value of fixed income securities and other investments that were non-income producing was $66 million.

Portfolio monitoring and credit losses

Fixed income securities The Company has a comprehensive portfolio monitoring process to identify and evaluate each fixed income security that may require a credit loss allowance.

For each fixed income security in an unrealized loss position, the Company assesses whether management with the appropriate authority has made the decision to sell or whether it is more likely than not the Company will be required to sell the security before recovery of the amortized cost basis for reasons such as liquidity, contractual or regulatory purposes. If a security meets either of these criteria, any existing credit loss allowance would be written-off against the amortized cost basis of the asset along with any remaining unrealized losses, with incremental losses recorded in earnings.

If the Company has not made the decision to sell the fixed income security and it is not more likely than not the Company will be required to sell the fixed income security before recovery of its amortized cost basis, the Company evaluates whether it expects to receive cash flows sufficient to recover the entire amortized cost basis of the security. The Company calculates the estimated recovery value based on the best estimate of future cash flows considering past events, current conditions and reasonable and supportable forecasts. The estimated future cash flows are discounted at the security's current effective rate and is compared to the amortized cost of the security.

The determination of cash flow estimates is inherently subjective, and methodologies may vary depending on facts and circumstances specific to the security. All reasonably available information relevant to the collectability of the security is considered when developing the estimate of cash flows expected to be collected. That information generally includes, but is not limited to, the remaining payment terms of the security, prepayment speeds, the financial condition and future earnings potential of the issue or issuer, expected defaults, expected recoveries, the value of underlying collateral, origination vintage year, geographic concentration of underlying collateral, available reserves or escrows, current subordination levels, third-party guarantees and other credit enhancements. Other information, such as industry analyst reports and forecasts, credit ratings, financial condition of the bond insurer for insured fixed income securities, and other market data relevant to the realizability of contractual cash flows, may also be considered. The estimated fair value of collateral will be used to estimate recovery value if the Company determines that the security is dependent on the liquidation of collateral for ultimate settlement.

If the Company does not expect to receive cash flows sufficient to recover the entire amortized cost basis of the fixed income security, a credit loss allowance is recorded in earnings for the shortfall in expected cash flows; however, the amortized cost, net of the credit loss allowance, may not be lower than the fair value of the security. The portion of the unrealized loss related to factors other than credit remains classified in AOCI. If the Company determines that the fixed income security does not have sufficient cash flow or other information to estimate a recovery value for the security, the Company may conclude that the entire decline in fair value is deemed to be credit related and the loss is recorded in earnings.

When a security is sold or otherwise disposed or when the security is deemed uncollectible and written off, the Company removes amounts previously recognized in the credit loss allowance. Recoveries after write-offs are recognized when received. Accrued interest excluded from the amortized cost of fixed income securities totaled $389 million and $311 million as of December 31, 2022, and 2021, respectively, and is reported within the accrued investment income line of the Consolidated Statements of Financial Position. The Company monitors accrued interest and writes off amounts when they are not expected to be received.

The Company's portfolio monitoring process includes a quarterly review of all securities to identify instances where the fair value of a security compared to its amortized cost is below internally established thresholds. The process also includes the monitoring of other credit loss indicators such as ratings, ratings downgrades and payment defaults. The securities identified, in addition to other securities for which the Company may have a concern, are evaluated for potential credit losses using all reasonably available information relevant to the collectability or recovery of the security. Inherent in the Company's evaluation of credit losses for these securities are assumptions and estimates about the financial condition and future earnings potential of the issue or issuer. Some of the factors that may be considered in evaluating whether a decline in fair value requires a credit loss allowance are: 1) the financial condition, near-term and long-term prospects of the issue or issuer, including relevant industry specific market conditions and trends, geographic location and implications of rating agency actions and offering prices; 2) the specific reasons that a security is in an unrealized loss position, including overall market conditions which could affect liquidity; and 3) the extent to which the fair value has been less than amortized cost.

Rollforward of credit loss allowance for fixed income securities

($ in millions)	For the years ended December 31, 2022	2021	2020
Beginning balance	$ (6)	$ (2)	$ —
Credit losses on securities for which credit losses not previously reported	(1)	(5)	(2)
Net increases related to credit losses previously reported	(6)	1	—
Reduction of allowance related to sales	—	—	—
Write-offs	—	—	—
Ending balance	**$ (13)**	**$ (6)**	**$ (2)**
Components of credit loss allowance			
Corporate bonds	$ (11)	$ (6)	$ (1)
ABS	(2)	—	(1)
Total	**$ (13)**	**$ (6)**	**$ (2)**

Gross unrealized losses and fair value by type and length of time held in a continuous unrealized loss position

	Less than 12 months			12 months or more			
($ in millions)	Number of issues	Fair value	Unrealized losses	Number of issues	Fair value	Unrealized losses	Total unrealized losses
December 31, 2022							
Fixed income securities							
U.S. government and agencies	112	$ 4,900	$ (138)	75	$ 2,393	$ (93)	$ (231)
Municipal	3,015	3,944	(215)	507	740	(111)	(326)
Corporate	2,085	18,072	(1,389)	845	6,105	(956)	(2,345)
Foreign government	74	739	(22)	42	200	(18)	(40)
ABS	194	874	(27)	83	109	(8)	(35)
Total fixed income securities	**5,480**	**$ 28,529**	**$ (1,791)**	**1,552**	**$ 9,547**	**$ (1,186)**	**$ (2,977)**
Investment grade fixed income securities	4,959	$ 25,487	$ (1,409)	1,437	$ 8,791	$ (1,009)	$ (2,418)
Below investment grade fixed income securities	521	3,042	(382)	115	756	(177)	(559)
Total fixed income securities	**5,480**	**$ 28,529**	**$ (1,791)**	**1,552**	**$ 9,547**	**$ (1,186)**	**$ (2,977)**
December 31, 2021							
Fixed income securities							
U.S. government and agencies	112	$ 5,451	$ (24)	4	$ 72	$ (2)	$ (26)
Municipal	767	1,213	(15)	2	14	(1)	(16)
Corporate	1,197	9,725	(176)	22	130	(16)	(192)
Foreign government	51	415	(6)	4	3	—	(6)
ABS	80	500	(2)	53	8	—	(2)
Total fixed income securities	**2,207**	**$ 17,304**	**$ (223)**	**85**	**$ 227**	**$ (19)**	**$ (242)**
Investment grade fixed income securities	1,993	$ 15,391	$ (188)	71	$ 183	$ (8)	$ (196)
Below investment grade fixed income securities	214	1,913	(35)	14	44	(11)	(46)
Total fixed income securities	**2,207**	**$ 17,304**	**$ (223)**	**85**	**$ 227**	**$ (19)**	**$ (242)**

Gross unrealized losses by unrealized loss position and credit quality as of December 31, 2022

($ in millions)	Investment grade	Below investment grade	Total
Fixed income securities with unrealized loss position less than 20% of amortized cost, net [1] [2]	$ (2,058)	$ (388)	$ (2,446)
Fixed income securities with unrealized loss position greater than or equal to 20% of amortized cost, net [3] [4]	(360)	(171)	(531)
Total unrealized losses	**$ (2,418)**	**$ (559)**	**$ (2,977)**

[1] Below investment grade fixed income securities include $302 million that have been in an unrealized loss position for less than twelve months.

[2] Related to securities with an unrealized loss position less than 20% of amortized cost, net, the degree of which suggests that these securities do not pose a high risk of having credit losses.

[3] No below investment grade fixed income securities have been in an unrealized loss position for a period of twelve or more consecutive months.

[4] Evaluated based on factors such as discounted cash flows and the financial condition and near-term and long-term prospects of the issue or issuer and were determined to have adequate resources to fulfill contractual obligations.

Investment grade is defined as a security having a National Association of Insurance Commissioners ("NAIC") designation of 1 or 2, which is comparable to a rating of Aaa, Aa, A or Baa from Moody's Investors Service ("Moody's"), a rating of AAA, AA, A or BBB from S&P Global Ratings ("S&P"), a comparable rating from another nationally recognized rating agency, or a comparable internal rating if an externally provided rating is not available. Market prices for certain securities may have credit spreads which imply higher or lower credit quality than the current third-party rating. Unrealized losses on investment grade securities are principally related to an increase in market yields which may include increased risk-free interest rates or wider credit spreads since the time of initial purchase. The unrealized losses are expected to reverse as the securities approach maturity.

ABS in an unrealized loss position were evaluated based on actual and projected collateral losses relative to the securities' positions in the respective securitization trusts, security specific expectations of cash flows, and credit ratings. This evaluation also takes into consideration credit enhancement, measured in terms of (i) subordination from other classes of securities in the trust that are contractually obligated to absorb losses before the class of security the Company owns, and (ii) the expected impact of other structural features embedded in the securitization trust beneficial to the class of securities the Company owns, such as overcollateralization and excess spread. Municipal bonds in an unrealized loss position were evaluated based on the underlying credit quality of the primary obligor, obligation type and quality of the underlying assets.

As of December 31, 2022, the Company has not made the decision to sell and it is not more likely than not the Company will be required to sell fixed income securities with unrealized losses before recovery of the amortized cost basis.

Loans The Company establishes a credit loss allowance for mortgage loans and bank loans when they are originated or purchased, and for unfunded commitments unless they are unconditionally cancellable by the Company. The Company uses a probability of default and loss given default model for mortgage loans and bank loans to estimate current expected credit losses that considers all relevant information available including past events, current conditions, and reasonable and supportable forecasts over the life of an asset. The Company also considers such factors as historical losses, expected prepayments and various economic factors. For mortgage loans the Company considers origination vintage year and property level information such as debt service coverage, property type, property location and collateral value. For bank loans the Company considers the credit rating of the borrower, credit spreads and type of loan. After the reasonable and supportable forecast period, the Company's model reverts to historical loss trends.

Loans are evaluated on a pooled basis when they share similar risk characteristics. The Company monitors loans through a quarterly credit monitoring process to determine when they no longer share similar risk characteristics and are to be evaluated individually when estimating credit losses.

Loans are written off against their corresponding allowances when there is no reasonable expectation of recovery. If a loan recovers after a write-off, the estimate of expected credit losses includes the expected recovery.

Accrual of income is suspended for loans that are in default or when full and timely collection of principal and interest payments is not probable. Accrued income receivable is monitored for recoverability and when not expected to be collected is written off through net investment income. Cash receipts on loans on non-accrual status are generally recorded as a reduction of amortized cost.

Accrued interest is excluded from the amortized cost of loans and is reported within the accrued investment income line of the Consolidated Statements of Financial Position.

Accrued interest

($ in millions)	As of December 31, 2022	2021
Mortgage loans	$ 3	$ 2
Bank Loans	3	4

Mortgage loans When it is determined a mortgage loan shall be evaluated individually, the Company uses various methods to estimate credit losses on individual loans such as using collateral value less estimated costs to sell where applicable, including when foreclosure is probable or when repayment is expected to be provided substantially through the operation or sale of the collateral and the borrower is experiencing financial difficulty. When collateral value is used, the mortgage loans may not have a credit loss allowance when the fair value of the collateral exceeds the loan's amortized cost. An alternative approach may be utilized to estimate credit losses using the present value of the loan's expected future repayment cash flows discounted at the loan's current effective interest rate.

Individual loan credit loss allowances are adjusted for subsequent changes in the fair value of the collateral less costs to sell, when applicable, or present value of the loan's expected future repayment cash flows.

Debt service coverage ratio is considered a key credit quality indicator when mortgage loan credit loss allowances are estimated. Debt service coverage ratio represents the amount of estimated cash flow from the property available to the borrower to meet principal and interest payment obligations. Debt service coverage ratio estimates are updated annually or more frequently if conditions are warranted based on the Company's credit monitoring process.

Mortgage loans amortized cost by debt service coverage ratio distribution and year of origination

	December 31, 2022							December 31, 2021
($ in millions)	2017 and prior	2018	2019	2020	2021	Current	Total	Total
Below 1.0	$ —	$ —	$ —	$ —	$ —	$ 18	$ 18	$ —
1.0 - 1.25	10	—	—	10	—	22	42	46
1.26 - 1.50	37	5	102	—	—	7	151	160
Above 1.50	36	73	136	42	217	54	558	621
Amortized cost before allowance	**$ 83**	**$ 78**	**$ 238**	**$ 52**	**$ 217**	**$ 101**	**$ 769**	**$ 827**
Allowance							(7)	(6)
Amortized cost, net							**$ 762**	**$ 821**

Mortgage loans with a debt service coverage ratio below 1.0 that are not considered impaired primarily relate to situations where the borrower has the financial capacity to fund the revenue shortfalls from the properties for the foreseeable term, the decrease in cash flows from the properties is considered temporary, or there are other risk mitigating factors such as additional collateral, escrow balances or borrower guarantees. Payments on all mortgage loans were current as of December 31, 2022, 2021 and 2020.

Rollforward of credit loss allowance for mortgage loans

($ in millions)	For the years ended December 31, 2022	2021	2020
Beginning balance	$ (6)	$ (67)	$ (3)
Cumulative effect of change in accounting principle	—	—	(42)
Net (increases) decreases related to credit losses	(1)	40	(39)
Reduction of allowance related to sales	—	21	17
Write-offs	—	—	—
Ending balance [1]	**$ (7)**	**$ (6)**	**$ (67)**

[1] Includes $59 million of credit loss allowance for mortgage loans that are classified as held for sale as of December 31, 2020.

Bank loans When it is determined a bank loan shall be evaluated individually, the Company uses various methods to estimate credit losses on individual loans such as the present value of the loan's expected future repayment cash flows discounted at the loan's current effective interest rate.

Credit ratings of the borrower are considered a key credit quality indicator when bank loan credit loss allowances are estimated. The ratings are updated quarterly and are either received from a nationally recognized rating agency or a comparable internal rating is derived if an externally provided rating is not available. The year of origination is determined to be the year in which the asset is acquired.

Bank loans amortized cost by credit rating and year of origination

($ in millions)	December 31, 2022							December 31, 2021
	2017 and prior	2018	2019	2020	2021	Current	Total	Total
NAIC 2 / BBB	$ —	$ —	$ 6	$ 6	$ 37	$ 5	$ 54	$ 86
NAIC 3 / BB	6	—	5	2	239	14	266	656
NAIC 4 / B	7	16	17	15	241	33	329	768
NAIC 5-6 / CCC and below	21	10	36	8	14	5	94	125
Amortized cost before allowance	**$ 34**	**$ 26**	**$ 64**	**$ 31**	**$ 531**	**$ 57**	**$ 743**	**$ 1,635**
Allowance							(57)	(61)
Amortized cost, net							**$ 686**	**$ 1,574**

Rollforward of credit loss allowance for bank loans

($ in millions)	For the years ended December 31, 2022	2021	2020
Beginning balance	$ (61)	$ (67)	$ —
Cumulative effect of change in accounting principle	—	—	(53)
Net decreases related to credit losses	(26)	(15)	(28)
Reduction of allowance related to sales	30	21	9
Write-offs	—	—	5
Ending balance [(1)]	**$ (57)**	**$ (61)**	**$ (67)**

(1) Includes $16 million of credit loss allowance for bank loans that are classified as held for sale as of December 31, 2020.

Note 6 Fair Value of Assets and Liabilities

Fair value is defined as the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The hierarchy for inputs used in determining fair value maximizes the use of observable inputs and minimizes the use of unobservable inputs by requiring that observable inputs be used when available. Assets and liabilities recorded on the Consolidated Statements of Financial Position at fair value are categorized in the fair value hierarchy based on the observability of inputs to the valuation techniques as follows:

Level 1: Assets and liabilities whose values are based on unadjusted quoted prices for identical assets or liabilities in an active market that the Company can access.

Level 2: Assets and liabilities whose values are based on the following:

(a) Quoted prices for similar assets or liabilities in active markets;

(b) Quoted prices for identical or similar assets or liabilities in markets that are not active; or

(c) Valuation models whose inputs are observable, directly or indirectly, for substantially the full term of the asset or liability.

Level 3: Assets and liabilities whose values are based on prices or valuation techniques that require inputs that are both unobservable and significant to the overall fair value measurement. Unobservable inputs reflect the Company's estimates of the assumptions that market participants would use in valuing the assets and liabilities.

The availability of observable inputs varies by instrument. In situations where fair value is based on internally developed pricing models or inputs that are unobservable in the market, the determination of fair value requires more judgment. The degree of judgment exercised by the Company in determining fair value is typically greatest for instruments categorized in Level 3. In many instances, valuation inputs used to measure fair value fall into different levels of the fair value hierarchy. The category level in the fair value hierarchy is determined based on the lowest level input that is significant to the fair value measurement in its entirety. The Company uses prices and inputs that are current as of the measurement date, including during periods of market disruption. In periods of market disruption, the ability to observe prices and inputs may be reduced for many instruments.

The Company is responsible for the determination of fair value and the supporting assumptions and methodologies. The Company gains assurance that assets and liabilities are appropriately valued through the execution of various processes and controls designed to ensure the overall reasonableness and consistent application of valuation methodologies, including inputs and assumptions, and compliance with accounting standards. For fair values received from third parties or internally estimated, the Company's processes and controls are designed to ensure that the valuation methodologies are appropriate and consistently applied, the inputs and assumptions are reasonable and consistent with the objective of determining fair value, and the fair values are accurately recorded. For example, on a continuing basis, the Company assesses the reasonableness of individual fair values that have stale security prices or that exceed certain thresholds as compared to previous fair values received from valuation service providers or brokers or derived from internal models. The Company performs procedures to understand and assess the methodologies, processes and controls of valuation service providers. In addition, the Company may validate the reasonableness of fair values by comparing information obtained from valuation service providers or brokers to other third-party valuation sources for selected securities. The Company performs ongoing price validation procedures such as back-testing of actual sales, which corroborate the various inputs used in internal models to market observable data. When fair value determinations are expected to be more variable, the Company validates them through reviews by members of management who have relevant expertise and who are independent of those charged with executing investment transactions.

The Company has two types of situations where investments are classified as Level 3 in the fair value hierarchy:

(1) Specific inputs significant to the fair value estimation models are not market observable. This primarily occurs in the Company's use of broker quotes to value certain securities where the inputs have not been corroborated to be market observable, and the use of valuation models that use significant non-market observable inputs.

(2) Quotes continue to be received from independent third-party valuation service providers and all significant inputs are market observable; however, there has been a significant decrease in the volume and level of activity for the asset when compared to normal market activity such that the degree of market observability has declined to a point where categorization as a Level 3 measurement is considered appropriate. The indicators considered in determining whether a significant decrease in the volume and level of activity for a specific asset has occurred include the level of new issuances in the primary market, trading volume in the secondary market, the level of credit spreads over historical levels, applicable bid-ask spreads, and price consensus among market participants and other pricing sources.

Certain assets are not carried at fair value on a recurring basis, including mortgage loans, bank loans and policy loans and are only included in the fair value hierarchy disclosure when the individual investment is reported at fair value.

In determining fair value, the Company principally uses the market approach which generally utilizes market transaction data for the same or similar instruments. To a lesser extent, the Company uses the income approach which involves determining fair values from discounted cash flow methodologies. For the majority of Level 2 and Level 3 valuations, a combination of the market and income approaches is used.

Summary of significant inputs and valuation techniques for Level 2 and Level 3 assets and liabilities measured at fair value on a recurring basis

Level 2 measurements

- *Fixed income securities:*

  U.S. government and agencies, municipal, corporate - public and foreign government: The primary inputs to the valuation include quoted prices for identical or similar assets in markets that are not active, contractual cash flows, benchmark yields and credit spreads.

  Corporate - privately placed: Privately placed are valued using a discounted cash flow model that is widely accepted in the financial services industry and uses market observable inputs and inputs derived principally from, or corroborated by, observable market data. The primary inputs to the discounted cash flow model include an interest rate yield curve, as well as published credit spreads for similar assets in markets that are not active that incorporate the credit quality and industry sector of the issuer.

  Corporate - privately placed also includes redeemable preferred stock that are valued using quoted prices for identical or similar assets in markets that are not active, contractual cash flows, benchmark yields, underlying stock prices and credit spreads.

  ABS: The primary inputs to the valuation include quoted prices for identical or similar assets in markets that are not active, contractual cash flows, benchmark yields, collateral performance, and credit spreads. Certain ABS are valued based on non-binding broker quotes whose inputs have been corroborated to be market observable. Residential mortgage-backed securities ("MBS"), included in ABS, use prepayment speeds as a primary input for valuation.

- *Equity securities:* The primary inputs to the valuation include quoted prices or quoted net asset values for identical or similar assets in markets that are not active.

- *Short-term:* The primary inputs to the valuation include quoted prices for identical or similar assets in markets that are not active, contractual cash flows, benchmark yields and credit spreads.

- *Other investments:* Free-standing exchange listed derivatives that are not actively traded are valued based on quoted prices for identical instruments in markets that are not active.

  Over-the-counter ("OTC") derivatives, including interest rate swaps, foreign currency swaps, total return swaps, foreign exchange forward contracts, certain options and certain credit default swaps, are valued using models that rely on inputs such as interest rate yield curves, implied volatilities, index price levels, currency rates, and credit spreads that are observable for substantially the full term of the contract. The valuation techniques underlying the models are widely accepted in the financial services industry and do not involve significant judgment.

Level 3 measurements

- *Fixed income securities:*

  Municipal: Comprise municipal bonds that are not rated by third-party credit rating agencies. The primary inputs to the valuation of these municipal bonds include quoted prices for identical or similar assets that are not market observable, contractual cash flows, benchmark yields and credit spreads. Also included are municipal bonds valued based on non-binding broker quotes where the inputs have not been corroborated to be market observable and municipal bonds in default valued based on the present value of expected cash flows.

  Corporate - public and privately placed and ABS: Primarily valued based on non-binding broker quotes where the inputs have not been corroborated to be market observable. Other inputs for corporate fixed income securities include an interest rate yield curve, as well as published credit spreads for similar assets that incorporate the credit quality and industry sector of the issuer.

- *Equity securities:* The primary inputs to the valuation include quoted prices or quoted net asset values for identical or similar assets that are not market observable.
- *Short-term:* For certain short-term investments, amortized cost is used as the best estimate of fair value.
- *Other investments:* Certain OTC derivatives, such as interest rate caps, certain credit default swaps and certain options (including swaptions), are valued using models that are widely accepted in the financial services industry. These are categorized as Level 3 as a result of the significance of non-market observable inputs such as volatility. Other primary inputs include interest rate yield curves and credit spreads and quoted prices for identical or similar assets in markets that exhibit less liquidity relative to those markets supporting Level 2 fair value measurements.
- *Other assets:* Includes the contingent consideration provision in the sale agreement for ALIC which meets the definition of a derivative. This derivative is valued internally using a model that includes stochastically determined cash flows and inputs that include spot and forward interest rates, volatility, corporate credit spreads and a liquidity discount. This derivative is categorized as Level 3 due to the significance of non-market observable inputs.
- *Assets held for sale:* Comprise municipal, corporate and ABS fixed income securities and equity securities. The valuation is based on the respective asset type as described above.
- *Liabilities held for sale:* Comprise derivatives embedded in certain life and annuity contracts which are valued internally using models widely accepted in the financial services industry that determine a single best estimate of fair value for the embedded derivatives within a block of contractholder liabilities. The models primarily use stochastically determined cash flows based on the contractual elements of embedded derivatives, projected option cost and applicable market data, such as interest rate yield curves and equity index volatility assumptions. These are categorized as Level 3 as a result of the significance of non-market observable inputs.

Assets measured at fair value on a non-recurring basis

Comprise long-lived assets to be disposed of by sale, including real estate, that are written down to fair value less costs to sell.

Investments excluded from the fair value hierarchy

Limited partnerships carried at fair value, which do not have readily determinable fair values, use NAV provided by the investees and are excluded from the fair value hierarchy. These investments are generally not redeemable by the investees and generally cannot be sold without approval of the general partner. The Company receives distributions of income and proceeds from the liquidation of the underlying assets of the investees, which usually takes place in years 4-9 of the typical contractual life of 10-12 years. As of December 31, 2022, the Company has commitments to invest $214 million in these limited partnership interests.

Assets and liabilities measured at fair value

($ in millions)	As of December 31, 2022 Quoted prices in active markets for identical assets (Level 1)	Significant other observable inputs (Level 2)	Significant unobservable inputs (Level 3)	Counterparty and cash collateral netting	Total
Assets					
Fixed income securities:					
U.S. government and agencies	$ 7,878	$ 20	$ —		$ 7,898
Municipal	—	6,189	21		6,210
Corporate - public	—	18,547	69		18,616
Corporate - privately placed	—	7,592	55		7,647
Foreign government	—	957	—		957
ABS	—	1,129	28		1,157
Total fixed income securities	**7,878**	**34,434**	**173**		**42,485**
Equity securities	3,936	298	333		4,567
Short-term investments	508	3,659	6		4,173
Other investments	—	23	3	$ (22)	4
Other assets	3	—	103		106
Total recurring basis assets	**12,325**	**38,414**	**618**	**(22)**	**51,335**
Non-recurring basis	—	—	23		23
Total assets at fair value	**$ 12,325**	**$ 38,414**	**$ 641**	**$ (22)**	**$ 51,358**
% of total assets at fair value	24.0 %	74.8 %	1.2 %	— %	100.0 %
Investments reported at NAV					1,246
Total					**$ 52,604**
Liabilities					
Other liabilities	$ (1)	$ (25)	$ —	$ 21	$ (5)
Total recurring basis liabilities	**(1)**	**(25)**	**—**	**21**	**(5)**
Total liabilities at fair value	**$ (1)**	**$ (25)**	**$ —**	**$ 21**	**$ (5)**
% of total liabilities at fair value	20.0 %	500.0 %	— %	(420.0)%	100.0 %

Assets and liabilities measured at fair value

($ in millions)	As of December 31, 2021 Quoted prices in active markets for identical assets (Level 1)	Significant other observable inputs (Level 2)	Significant unobservable inputs (Level 3)	Counterparty and cash collateral netting	Total
Assets					
Fixed income securities:					
U.S. government and agencies	$ 6,247	$ 26	$ —		$ 6,273
Municipal	—	6,375	18		6,393
Corporate - public	—	16,569	20		16,589
Corporate - privately placed	—	10,675	66		10,741
Foreign government	—	985	—		985
ABS	—	1,115	40		1,155
Total fixed income securities	**6,247**	**35,745**	**144**		**42,136**
Equity securities	6,312	400	349		7,061
Short-term investments	1,140	2,864	5		4,009
Other investments	—	34	2	$ (22)	14
Other assets	1	—	65		66
Total recurring basis assets	**13,700**	**39,043**	**565**	**(22)**	**53,286**
Non-recurring basis	—	—	32		32
Total assets at fair value	**$ 13,700**	**$ 39,043**	**$ 597**	**$ (22)**	**$ 53,318**
% of total assets at fair value	25.7 %	73.2 %	1.1 %	— %	100.0 %
Investments reported at NAV					1,531
Total					**$ 54,849**
Liabilities					
Other liabilities	$ (3)	$ (12)	$ —	$ 7	$ (8)
Total recurring basis liabilities	**(3)**	**(12)**	**—**	**7**	(8)
Total liabilities at fair value	**$ (3)**	**$ (12)**	**$ —**	**$ 7**	**$ (8)**
% of total liabilities at fair value	37.5 %	150.0 %	— %	(87.5)%	100.0 %

As of December 31, 2022 and 2021, Level 3 fair value measurements of fixed income securities total $173 million and $144 million, respectively, and include $70 million and $41 million, respectively, of securities valued based on non-binding broker quotes where the inputs have not been corroborated to be market observable and $21 million and $16 million, respectively, of municipal fixed income securities that are not rated by third-party credit rating agencies. As the Company does not develop the Level 3 fair value unobservable inputs for these fixed income securities, they are not included in the table above. However, an increase (decrease) in credit spreads for fixed income securities valued based on non-binding broker quotes would result in a lower (higher) fair value, and an increase (decrease) in the credit rating of municipal bonds that are not rated by third-party credit rating agencies would result in a higher (lower) fair value.

Rollforward of Level 3 assets and liabilities held at fair value during the year ended December 31, 2022

($ in millions)	Balance as of December 31, 2021	Total gains (losses) included in: Net income	OCI	Transfers Into Level 3	Transfers Out of Level 3	Purchases	Sales	Issues	Settlements	Balance as of December 31, 2022
Assets										
Fixed income securities:										
Municipal	$ 18	$ —	$ 1	$ 2	$ —	$ 2	$ —	$ —	$ (2)	$ 21
Corporate - public	20	—	(5)	—	—	66	(10)	—	(2)	69
Corporate - privately placed	66	19	2	—	—	34	(65)	—	(1)	55
ABS	40	1	—	—	(28)	17	—	—	(2)	28
Total fixed income securities	**144**	**20**	**(2)**	**2**	**(28)**	**119**	**(75)**	**—**	**(7)**	**173**
Equity securities	349	16	—	—	—	13	(45)	—	—	333
Short-term investments	5	—	—	—	—	23	—	—	(22)	6
Other investments	2	2	—	—	—	—	(1)	—	—	3
Other assets	65	38	—	—	—	—	—	—	—	103
Total recurring Level 3 assets	**565**	**76**	**(2)**	**2**	**(28)**	**155**	**(121)**	**—**	**(29)**	**618**
Liabilities										
Total recurring Level 3 liabilities	**$ —**	**$ —**	**$ —**	**$ —**	**$ —**	**$ —**	**$ —**	**$ —**	**$ —**	**$ —**

Rollforward of Level 3 assets and liabilities held at fair value during the year ended December 31, 2021

($ in millions)	Balance as of December 31, 2020	Total gains (losses) included in: Net income	OCI	Transfers Into Level 3	Transfers Out of Level 3	Purchases	Sales	Issues	Settlements	Balance as of December 31, 2021
Assets										
Fixed income securities:										
Municipal	$ 17	$ —	$ —	$ 1	$ —	$ 3	$ —	$ —	$ (3)	$ 18
Corporate - public	67	1	(1)	—	—	13	(53)	—	—	20
Corporate - privately placed	63	(2)	3	10	—	6	(23)	—	(5)	66
ABS	79	—	1	4	(32)	47	(5)	—	(54)	40
Total fixed income securities	**226**	**(1)**	**3**	**15**	**(32)**	**69**	**(81)**	**—**	**(62)**	**144**
Equity securities	304	61	—	—	—	43	(160)	—	—	349
Short-term investments	35	—	—	—	—	5	—	—	(35)	5
Other investments	—	—	—	—	—	3	(1)	—	—	2
Other assets	—	65	—	—	—	—	—	—	—	65
Assets held for sale	267	3	(1)	17	(13)	4	(163)	—	(6)	—
Total recurring Level 3 assets	**832**	**128**	**2**	**32**	**(45)**	**124**	**(405)**	**—**	**(103)**	**565**
Liabilities										
Liabilities held for sale	(516)	35	—	—	—	—	492	(28)	17	—
Total recurring Level 3 liabilities	**$ (516)**	**$ 35**	**$ —**	**$ —**	**$ —**	**$ —**	**$ 492**	**$ (28)**	**$ 17**	**$ —**

Rollforward of Level 3 assets and liabilities held at fair value during the year ended December 31, 2020

		Total gains (losses) included in:		Transfers						
($ in millions)	**Balance as of December 31, 2019**	**Net income**	**OCI**	**Into Level 3**	**Out of Level 3**	**Purchases**	**Sales**	**Issues**	**Settlements**	**Balance as of December 31, 2020**
Assets										
Fixed income securities:										
Municipal	$ 22	$ —	$ —	$ —	$ —	$ —	$ (3)	$ —	$ (2)	$ 17
Corporate - public	36	—	1	1	—	48	(19)	—	—	67
Corporate - privately placed	32	—	(5)	21	—	17	(2)	—	—	63
ABS	84	(1)	—	54	(49)	59	(26)	—	(42)	79
Total fixed income securities	**174**	**(1)**	**(4)**	**76**	**(49)**	**124**	**(50)**	**—**	**(44)**	**226**
Equity securities	255	—	—	—	—	57	(8)	—	—	304
Short-term investments	25	—	—	—	(25)	35	—	—	—	35
Assets held for sale	284	1	(8)	52	(42)	24	(37)	—	(7)	267
Total recurring Level 3 assets	**738**	**—**	**(12)**	**128**	**(116)**	**240**	**(95)**	**—**	**(51)**	**832**
Liabilities										
Liabilities held for sale	(462)	(43)	—	—	—	—	—	(34)	23	(516)
Total recurring Level 3 liabilities	**$ (462)**	**$ (43)**	**$ —**	**$ —**	**$ —**	**$ —**	**$ —**	**$ (34)**	**$ 23**	**$ (516)**

Total Level 3 gains (losses) included in net income

	For the years ended December 31,		
($ in millions)	**2022**	**2021**	**2020**
Net investment income	$ 15	$ 1	$ (16)
Net gains (losses) on investments and derivatives	61	124	15

Transfers into Level 3 during 2022, 2021 and 2020 included situations where a quote was not provided by the Company’s independent third-party valuation service provider and as a result the price was stale or had been replaced with a broker quote where the inputs had not been corroborated to be market observable resulting in the security being classified as Level 3.

Transfers out of Level 3 during 2022, 2021 and 2020 included situations where a broker quote was used in the prior period and a quote became available from the Company’s independent third-party valuation service provider in the current period. A quote utilizing the new pricing source was not available as of the prior period, and any gains or losses related to the change in valuation source for individual securities were not significant.

Valuation changes included in net income and OCI for Level 3 assets and liabilities held as of December 31,						
($ in millions)		2022		2021		2020
Assets						
Fixed income securities:						
Corporate - public	$	—	$	—	$	(1)
Corporate - privately placed		1		(2)		—
Total fixed income securities		**1**		**(2)**		**(1)**
Equity securities		14		28		(1)
Other investments		2		—		—
Other assets		38		65		—
Total recurring Level 3 assets	**$**	**55**	**$**	**91**	**$**	**(2)**
Liabilities						
Liabilities held for sale	$	—	$	—	$	(43)
Total recurring Level 3 liabilities		**—**		**—**		**(43)**
Total included in net income	**$**	**55**	**$**	**91**	**$**	**(45)**
Components of net income						
Net investment income	$	14	$	1	$	(16)
Net gains (losses) on investments and derivatives		41		90		14
Total included in net income	**$**	**55**	**$**	**91**	**$**	**(2)**
Assets						
Municipal	$	1	$	—	$	—
Corporate - public		(5)		—		1
Corporate - privately placed		—		3		(5)
Assets held for sale		—		—		(5)
Changes in unrealized net capital gains and losses reported in OCI	**$**	**(4)**	**$**	**3**	**$**	**(9)**

Financial instruments not carried at fair value					
($ in millions)		December 31, 2022		December 31, 2021	
Financial assets	**Fair value level**	**Amortized cost, net**	**Fair value**	**Amortized cost, net**	**Fair value**
Mortgage loans	Level 3	$ 762	$ 700	$ 821	$ 853
Bank loans	Level 3	686	686	1,574	1,634
Financial liabilities	**Fair value level**	**Carrying value** [(1)]	**Fair value**	**Carrying value** [(1)]	**Fair value**
Contractholder funds on investment contracts	Level 3	$ 50	$ 50	$ 55	$ 55
Debt	Level 2	7,964	7,449	7,976	9,150
Liability for collateral	Level 2	2,011	2,011	1,444	1,444

(1) Represents the amounts reported on the Consolidated Statements of Financial Position.

Note 7 Derivative Financial Instruments and Off-balance Sheet Financial Instruments

The Company uses derivatives for risk reduction and to increase investment portfolio returns through asset replication. Risk reduction activity is focused on managing the risks with certain assets and liabilities arising from the potential adverse impacts from changes in risk-free interest rates, changes in equity market valuations, increases in credit spreads and foreign currency fluctuations.

Asset replication refers to the “synthetic” creation of assets through the use of derivatives. The Company replicates fixed income securities using a combination of a credit default swap, index total return swap, options, futures, or a foreign currency forward contract and one or more highly rated fixed income securities, primarily investment grade host bonds, to synthetically replicate the economic characteristics of one or more cash market securities. The Company replicates equity securities using futures, index total return swaps, and options to increase equity exposure.

Property-Liability may use interest rate swaps, swaptions, futures and options to manage the interest rate risks of existing investments. These instruments are utilized to change the duration of the portfolio in order to offset the economic effect that interest rates would otherwise have on the fair value of its fixed income securities. Fixed income index total return swaps are used to offset valuation losses in the fixed income portfolio during periods of declining market values. Credit default swaps are typically used to mitigate the credit risk within the Property-Liability fixed income portfolio. Equity index total return swaps, futures and options are used by Property-Liability to offset valuation losses in the equity portfolio during periods of declining equity market values. In addition, equity futures are used to hedge the market risk related to deferred compensation liability contracts. Forward contracts are primarily used by Property-Liability to hedge foreign currency risk associated with holding foreign currency denominated investments and foreign operations.

Prior to December 31, 2022, the Company also had derivatives embedded in non-derivative host contracts that are required to be separated from the host contracts and accounted for at fair value with changes in fair value of embedded derivatives reported in net income.

When derivatives meet specific criteria, they may be designated as accounting hedges and accounted for as fair value, cash flow, foreign currency fair value or foreign currency cash flow hedges.

The notional amounts specified in the contracts are used to calculate the exchange of contractual payments under the agreements and are generally not representative of the potential for gain or loss on these agreements. However, the notional amounts specified in credit default swaps where the Company has sold credit protection represent the maximum amount of potential loss, assuming no recoveries.

Fair value, which is equal to the carrying value, is the estimated amount that the Company would receive or pay to terminate the derivative contracts at the reporting date. The carrying value amounts for OTC derivatives are further adjusted for the effects, if any, of enforceable master netting agreements and are presented on a net basis, by counterparty agreement, in the Consolidated Statements of Financial Position.

For those derivatives which qualify and have been designated as fair value accounting hedges, net income includes the changes in the fair value of both the derivative instrument and the hedged risk. For cash flow hedges, gains and losses are amortized from AOCI and are reported in net income in the same period the forecasted transactions being hedged impact net income.

Non-hedge accounting is generally used for “portfolio” level hedging strategies where the terms of the individual hedged items do not meet the strict homogeneity requirements to permit the application of hedge accounting. For non-hedge derivatives, net income includes changes in fair value and accrued periodic settlements, when applicable. With the exception of non-hedge derivatives used for asset replication and non-hedge embedded derivatives, all of the Company’s derivatives are evaluated for their ongoing effectiveness as either accounting hedge or non-hedge derivative financial instruments on at least a quarterly basis.

In connection with the sale of ALIC and certain affiliates in 2021, the sale agreement includes a provision related to contingent consideration that may be earned over a ten-year period with the first potential payment date commencing on January 1, 2026 and a final potential payment date of January 1, 2035. The contingent consideration is determined annually based on the average 10-year Treasury rate over the preceding 3-year period compared to a designated rate. The contingent consideration meets the definition of a derivative and is accounted for on a fair value basis with periodic changes in fair value reflected in earnings.

Summary of the volume and fair value positions of derivative instruments as of December 31, 2022

($ in millions, except number of contracts)	Balance sheet location	Volume [1] Notional amount	Volume [1] Number of contracts	Fair value, net	Gross asset	Gross liability
Asset derivatives						
Derivatives not designated as accounting hedging instruments						
Interest rate contracts						
Futures	Other assets	n/a	24,380	$ 3	$ 3	$ —
Equity and index contracts						
Futures	Other assets	n/a	343	—	—	—
Foreign currency contracts						
Foreign currency forwards	Other investments	$ 354	n/a	1	14	(13)
Contingent consideration	Other assets	250	n/a	103	103	—
Credit default contracts						
Credit default swaps – buying protection	Other investments	24	n/a	—	1	(1)
Total asset derivatives		**$ 628**	**24,723**	**$ 107**	**$ 121**	**$ (14)**
Liability derivatives						
Derivatives not designated as accounting hedging instruments						
Interest rate contracts						
Futures	Other liabilities & accrued expenses	n/a	1,624	$ —	$ —	$ —
Equity and index contracts						
Futures	Other liabilities & accrued expenses	n/a	1,229	(1)	—	(1)
Foreign currency contracts						
Foreign currency forwards	Other liabilities & accrued expenses	$ 283	n/a	—	7	(7)
Credit default contracts						
Credit default swaps – buying protection	Other liabilities & accrued expenses	525	n/a	(3)	1	(4)
Total liability derivatives		**808**	**2,853**	**(4)**	**$ 8**	**$ (12)**
Total derivatives		**$ 1,436**	**27,576**	**$ 103**		

[1] Volume for OTC and cleared derivative contracts is represented by their notional amounts. Volume for exchange traded derivatives is represented by the number of contracts, which is the basis on which they are traded. (n/a = not applicable)

Summary of the volume and fair value positions of derivative instruments as of December 31, 2021

($ in millions, except number of contracts)	Balance sheet location	Volume [(1)] Notional amount	Volume [(1)] Number of contracts	Fair value, net	Gross asset	Gross liability
Asset derivatives						
Derivatives not designated as accounting hedging instruments						
Interest rate contracts						
Futures	Other assets	n/a	1,181	$ 1	$ 1	$ —
Equity and index contracts						
Options	Other investments	n/a	61	5	5	—
Futures	Other assets	n/a	113	—	—	—
Foreign currency contracts						
Foreign currency forwards	Other investments	$ 2	n/a	—	—	—
Embedded derivative financial instruments	Other investments	750	n/a	—	—	—
Contingent consideration	Other assets	250	n/a	65	65	—
Credit default contracts						
Credit default swaps – buying protection	Other investments	33	n/a	(1)	—	(1)
Credit default swaps – selling protection	Other investments	250	n/a	6	6	—
Total asset derivatives		**$ 1,285**	**1,355**	**$ 76**	**$ 77**	**$ (1)**
Liability derivatives						
Derivatives not designated as accounting hedging instruments						
Interest rate contracts						
Futures	Other liabilities & accrued expenses	n/a	36,668	$ (2)	$ —	$ (2)
Equity and index contracts						
Futures	Other liabilities & accrued expenses	n/a	1,260	(1)	—	(1)
Foreign currency contracts						
Foreign currency forwards	Other liabilities & accrued expenses	715	n/a	16	23	(7)
Credit default contracts						
Credit default swaps – buying protection	Other liabilities & accrued expenses	70	n/a	(4)	—	(4)
Credit default swaps – selling protection	Other liabilities & accrued expenses	5	n/a	—	—	—
Total liability derivatives		**790**	**37,928**	**9**	**$ 23**	**$ (14)**
Total derivatives		**$ 2,075**	**39,283**	**$ 85**		

(1) Volume for OTC and cleared derivative contracts is represented by their notional amounts. Volume for exchange traded derivatives is represented by the number of contracts, which is the basis on which they are traded. (n/a = not applicable)

Gross and net amounts for OTC derivatives [(1)]

($ in millions)	Gross amount	Offsets: Counter-party netting	Offsets: Cash collateral (received) pledged	Net amount on balance sheet	Securities collateral (received) pledged	Net amount
December 31, 2022						
Asset derivatives	$ 23	$ (22)	$ —	$ 1	$ —	$ 1
Liability derivatives	(22)	22	(1)	(1)	—	(1)
December 31, 2021						
Asset derivatives	$ 23	$ (24)	$ 2	$ 1	$ —	$ 1
Liability derivatives	(10)	24	(17)	(3)	—	(3)

(1) All OTC derivatives are subject to enforceable master netting agreements.

Gains (losses) from valuation and settlements reported on derivatives not designated as accounting hedges

($ in millions)	Net gains (losses) on investments and derivatives	Accident, health and other policy benefits	Operating costs and expenses	(Loss) income from discontinued operations	Total gain (loss) recognized in net income on derivatives
2022					
Interest rate contracts	$ 737	$ —	$ —	$ —	$ 737
Equity and index contracts	94	—	(43)	—	51
Contingent consideration	—	—	38	—	38
Foreign currency contracts	47	—	(6)	—	41
Credit default contracts	(4)	—	—	—	(4)
Other contracts	—	—	(1)	—	(1)
Total	**$ 874**	**$ —**	**$ (12)**	**$ —**	**$ 862**
2021					
Interest rate contracts	$ 22	$ —	$ —	$ —	$ 22
Equity and index contracts	(7)	27	45	—	65
Contingent consideration	—	—	—	65	65
Foreign currency contracts	32	—	—	—	32
Credit default contracts	7	—	—	—	7
Total return swaps - fixed income	4	—	—	—	4
Total	**$ 58**	**$ 27**	**$ 45**	**$ 65**	**$ 195**
2020					
Interest rate contracts	$ 36	$ —	$ —	$ —	$ 36
Equity and index contracts	15	—	29	—	44
Foreign currency contracts	(13)	—	—	—	(13)
Credit default contracts	6	—	—	—	6
Total return swaps - fixed income	1	—	—	—	1
Total return swaps - equity	4	—	—	—	4
Total	**$ 49**	**$ —**	**$ 29**	**$ —**	**$ 78**

The Company manages its exposure to credit risk by utilizing highly rated counterparties, establishing risk control limits, executing legally enforceable master netting agreements ("MNAs") and obtaining collateral where appropriate. The Company uses MNAs for OTC derivative transactions that permit either party to net payments due for transactions and collateral is either pledged or obtained when certain predetermined exposure limits are exceeded.

OTC cash and securities collateral pledged

($ in millions)	December 31, 2022
Pledged by the Company	$ 11
Pledged to the Company [(1)]	12

(1) $10 million of collateral was posted under MNAs for contracts containing credit-risk-contingent provisions that are in a liability provision.

The Company has not incurred any losses on derivative financial instruments due to counterparty nonperformance. Other derivatives, including futures and certain option contracts, are traded on organized exchanges which require margin deposits and guarantee the execution of trades, thereby mitigating any potential credit risk.

Counterparty credit exposure represents the Company's potential loss if all of the counterparties concurrently fail to perform under the contractual terms of the contracts and all collateral, if any, becomes worthless. This exposure is measured by the fair value of OTC derivative contracts with a positive fair value at the reporting date reduced by the effect, if any, of legally enforceable master netting agreements.

OTC derivatives counterparty credit exposure by counterparty credit rating

($ in millions)	December 31, 2022				December 31, 2021			
Rating [1]	Number of counter-parties	Notional amount [2]	Credit exposure [2]	Exposure, net of collateral [2]	Number of counter-parties	Notional amount [2]	Credit exposure [2]	Exposure, net of collateral [2]
A+	1	$ 128	$ 5	$ —	1	$ 199	$ 7	$ —
A	1	192	7	—	1	367	9	—
Total	**2**	**$ 320**	**$ 12**	**$ —**	**2**	**$ 566**	**$ 16**	**$ —**

[1] Allstate uses the lower of S&P's or Moody's long-term debt issuer ratings.
[2] Only OTC derivatives with a net positive fair value are included for each counterparty.

For certain exchange traded and cleared derivatives, margin deposits are required as well as daily cash settlements of margin accounts.

Exchange traded and cleared margin deposits

($ in millions)	December 31, 2022
Pledged by the Company	$ 177
Received by the Company	—

Market risk is the risk that the Company will incur losses due to adverse changes in market rates and prices. Market risk exists for all of the derivative financial instruments the Company currently holds, as these instruments may become less valuable due to adverse changes in market conditions. To limit this risk, the Company's senior management has established risk control limits. In addition, changes in fair value of the derivative financial instruments that the Company uses for risk management purposes are generally offset by the change in the fair value or cash flows of the hedged risk component of the related assets, liabilities or forecasted transactions.

Certain of the Company's derivative transactions contain credit-risk-contingent termination events and cross-default provisions. Credit-risk-contingent termination events allow the counterparties to terminate the derivative agreement or a specific trade on certain dates if AIC's financial strength credit ratings by Moody's or S&P fall below a certain level. Credit-risk-contingent cross-default provisions allow the counterparties to terminate the derivative agreement if the Company defaults by pre-determined threshold amounts on certain debt instruments.

The following table summarizes the fair value of derivative instruments with termination, cross-default or collateral credit-risk-contingent features that are in a liability position, as well as the fair value of assets and collateral that are netted against the liability in accordance with provisions within legally enforceable MNAs.

($ in millions)	December 31, 2022	December 31, 2021
Gross liability fair value of contracts containing credit-risk-contingent features	$ 21	$ 8
Gross asset fair value of contracts containing credit-risk-contingent features and subject to MNAs	(11)	(7)
Collateral posted under MNAs for contracts containing credit-risk-contingent features	(10)	—
Maximum amount of additional exposure for contracts with credit-risk-contingent features if all features were triggered concurrently	**$ —**	**$ 1**

Credit derivatives - selling protection

A credit default swap ("CDS") is a derivative instrument, representing an agreement between two parties to exchange the credit risk of a specified entity (or a group of entities), or an index based on the credit risk of a group of entities (all commonly referred to as the "reference entity" or a portfolio of "reference entities"), in return for a periodic premium. In selling protection, CDS are used to replicate fixed income securities and to complement the cash market when credit exposure to certain issuers is not available or when the derivative alternative is less expensive than the cash market alternative. CDS typically have a five-year term. As of December 31, 2022, there were no open CDS positions.

CDS notional amounts by credit rating and fair value of protection sold

($ in millions)	Notional amount AAA	AA	A	BBB	BB and lower	Total	Fair value
December 31, 2021							
Single name							
Corporate debt	$ —	$ —	$ —	$ —	$ 5	$ 5	$ —
Index							
Corporate debt	2	4	46	190	8	250	6
Total	**$ 2**	**$ 4**	**$ 46**	**$ 190**	**$ 13**	**$ 255**	**$ 6**

In selling protection with CDS, the Company sells credit protection on an identified single name or credit derivative index ("CDX") that is generally investment grade, and in return receives periodic premiums through expiration or termination of the agreement. With single name CDS, this premium or credit spread generally corresponds to the difference between the yield on the reference entity's public fixed maturity cash instruments and swap rates at the time the agreement is executed. CDX is utilized to take a position on multiple (generally 125) reference entities. Credit events are typically defined as bankruptcy, failure to pay, or restructuring, depending on the nature of the reference entities. If a credit event occurs, the Company settles with the counterparty, either through physical settlement or cash settlement. In a physical settlement, a reference asset is delivered by the buyer of protection to the Company, in exchange for cash payment at par, whereas in a cash settlement, the Company pays the difference between par and the prescribed value of the reference asset. When a credit event occurs in a single name or FTD basket (for FTD, the first credit event occurring for any one name in the basket), the contract terminates at the time of settlement. For CDX, the reference entity's name incurring the credit event is removed from the index while the contract continues until expiration. The maximum payout on a CDS is the contract notional amount. A physical settlement may afford the Company with recovery rights as the new owner of the asset.

The Company monitors risk associated with credit derivatives through individual name credit limits at both a credit derivative and a combined cash instrument/credit derivative level. The ratings of individual names for which protection has been sold are also monitored.

Off-balance sheet financial instruments

Commitments to invest, commitments to purchase private placement securities, commitments to fund loans, financial guarantees and credit guarantees have off-balance sheet risk because their contractual amounts are not recorded in the Company's Consolidated Statements of Financial Position.

Contractual amounts of off-balance sheet financial instruments

($ in millions)	As of December 31, 2022	2021
Commitments to invest in limited partnership interests	$ 2,778	$ 2,720
Private placement commitments	114	104
Other loan commitments	10	16

In the preceding table, the contractual amounts represent the amount at risk if the contract is fully drawn upon, the counterparty defaults and the value of any underlying security becomes worthless. Unless noted otherwise, the Company does not require collateral or other security to support off-balance sheet financial instruments with credit risk.

Commitments to invest in limited partnership interests represent agreements to acquire new or additional participation in certain limited partnership investments. The Company enters into these agreements in the normal course of business. Because the investments in limited partnerships are not actively traded, it is not practical to estimate the fair value of these commitments.

Private placement commitments represent commitments to purchase private placement debt and private equity securities at a future date. The Company enters into these agreements in the normal course of business. The fair value of the debt commitments generally cannot be estimated on the date the commitment is made as the terms and conditions of the underlying private placement securities are not yet final. Because the private equity securities are not actively traded, it is not practical to estimate fair value of the commitments.

Other loan commitments are agreements to lend to a borrower provided there is no violation of any condition established in the contract. The Company enters into these agreements to commit to future loan fundings at predetermined interest rates. Unless unconditionally cancellable, the Company recognizes a credit loss allowance on such commitments. Commitments have either fixed or varying expiration dates or other termination clauses. The fair value of these commitments is insignificant.

Note 8 Variable Interest Entities

Consolidated VIEs, of which the Company is the primary beneficiary, primarily include Adirondack Insurance Exchange, a New York reciprocal insurer, and New Jersey Skylands Insurance Association, a New Jersey reciprocal insurer (together "Reciprocal Exchanges"). The Reciprocal Exchanges are insurance carriers organized as unincorporated associations. The Company does not own the equity of the Reciprocal Exchanges, which is owned by their respective policyholders.

The Company manages the business operations of the Reciprocal Exchanges and has the power to direct their activities that most significantly impact their economic performance. The Company receives a management fee for the services provided to the Reciprocal Exchanges. In addition, as of both December 31, 2022 and 2021, the Company holds interests of $123 million in the form of surplus notes included in other liabilities and expenses on the Statement of Assets and Liabilities of the Reciprocal Exchanges that provide capital to the Reciprocal Exchanges and would absorb any expected losses. The Company is therefore the primary beneficiary. In addition, the Company provides quota share reinsurance on the property business of the Reciprocal Exchanges.

In the event of dissolution, policyholders would share any residual unassigned surplus but are not subject to assessment for any deficit in unassigned surplus of the Reciprocal Exchanges. The assets of the Reciprocal Exchanges can be used only to settle the obligations of the Reciprocal Exchanges and general creditors have no recourse to the Company.

The results of operations of the Reciprocal Exchanges are included in the Company's Allstate Protection segment and generated $164 million and $181 million of earned premiums in 2022 and 2021, respectively.

Claims and claims expenses were $130 million and $135 million in 2022 and 2021, respectively.

Assets and liabilities of Reciprocal Exchanges

($ in millions)	December 31, 2022	December 31, 2021
Assets		
Fixed income securities	$ 302	$ 324
Short-term investments	13	30
Deferred policy acquisition costs	15	15
Premium installment and other receivables, net	43	42
Reinsurance recoverables, net	97	114
Other assets	90	82
Total assets	**560**	**607**
Liabilities		
Reserve for property and casualty insurance claims and claims expense	209	226
Unearned premiums	171	175
Other liabilities and expenses	311	265
Total liabilities	**$ 691**	**$ 666**

Note 9 Reserve for Property and Casualty Insurance Claims and Claims Expense

The Company establishes reserves for claims and claims expense on reported and unreported claims of insured losses. The Company's reserving process takes into account known facts and interpretations of circumstances and factors including the Company's experience with similar cases, actual claims paid, historical trends involving claim payment patterns and pending levels of unpaid claims, loss management programs, product mix and contractual terms, changes in law and regulation, judicial decisions, and economic conditions.

When the Company experiences changes in the mix or type of claims or changing claim settlement patterns or data, it applies actuarial judgment in the determination and selection of development factors to develop reserve liabilities. For example, the Coronavirus has had a significant impact on driving patterns and auto frequency. Supply chain disruptions have resulted in higher parts costs, used car values and longer time to claim resolution, which have combined with labor shortages to increase physical damage loss costs. Medical inflation, treatment trends, attorney representation, litigation costs and more severe accidents have contributed to higher third-party bodily injury loss costs. The company has also digitized and modified claim processes to increase effectiveness and efficiency. These factors may lead to historical development trends being less predictive of future loss development, potentially creating additional reserve variability. Generally, the initial reserves for a new accident year are established based on claim frequency and severity assumptions for different business segments, lines and coverages based on historical relationships to relevant inflation indicators. Reserves for prior accident years are statistically determined using several different actuarial estimation methods. Changes in auto claim frequency may result from changes in mix of business, driving behaviors, miles driven or other factors. Changes in auto current year claim severity are generally influenced by inflation in the medical and auto repair sectors, the effectiveness and efficiency of claim practices and changes in mix of claim types. The Company mitigates these effects through various loss management programs. When such changes in claim data occur, actuarial judgment is used to determine appropriate development factors to establish reserves. The Company's reserving process incorporates changes in loss patterns, operational statistics and changes in claims reporting processes to determine its best estimate of recorded reserves.

As part of the reserving process, the Company may also supplement its claims processes by utilizing third-party adjusters, appraisers, engineers, inspectors, and other professionals and information sources to assess and settle catastrophe and non-catastrophe related claims. The effects of inflation are implicitly considered in the reserving process.

Because reserves are estimates of unpaid portions of losses that have occurred, including IBNR losses, the establishment of appropriate reserves, including reserves for catastrophes, Run-off Property-Liability and reinsurance and indemnification recoverables, is an inherently uncertain and complex process. The ultimate cost of losses may vary materially from recorded amounts, which are based on management's best estimates.

The highest degree of uncertainty is associated with reserves for losses incurred in the initial reporting period as it contains the greatest proportion of losses that have not been reported or settled as well as heightened uncertainty for claims that involve litigation or take longer to settle during periods of rapidly increasing loss costs. The Company also has uncertainty in the Run-off Property-Liability reserves that are based on events long since passed and are complicated by lack of historical data, legal interpretations, unresolved legal issues and legislative intent based on establishment of facts.

The Company regularly updates its reserve estimates as new information becomes available and as events unfold that may affect the resolution of unsettled claims. Changes in reserve estimates, which may be material, are reported in property and casualty insurance claims and claims expense in the Consolidated Statements of Operations in the period such changes are determined.

Management believes that the reserve for property and casualty insurance claims and claims expense, net of recoverables, is appropriately established in the aggregate and adequate to cover the ultimate net cost of reported and unreported claims arising from losses which had occurred by the date of the Consolidated Statements of Financial Position based on available facts, laws and regulations.

Rollforward of reserve for property and casualty insurance claims and claims expense

($ in millions)	**2022**	**2021**	**2020**
Balance as of January 1	$ 33,060	$ 27,610	$ 27,712
Less recoverables [1]	(9,479)	(7,033)	(6,912)
Net balance as of January 1	**23,581**	**20,577**	**20,800**
National General acquisition as of January 4, 2021	—	1,797	—
SafeAuto acquisition as of October 1, 2021	—	134	—
Incurred claims and claims expense related to:			
Current year	35,523	29,196	22,437
Prior years	1,741	122	(436)
Total incurred	**37,264**	**29,318**	**22,001**
Claims and claims expense paid related to:			
Current year	(20,739)	(18,438)	(14,245)
Prior years	(11,741)	(9,807)	(7,979)
Total paid	**(32,480)**	**(28,245)**	**(22,224)**
Net balance as of December 31	28,365	23,581	20,577
Plus recoverables	9,176	9,479	7,033
Balance as of December 31	**$ 37,541**	**$ 33,060**	**$ 27,610**

[1] Recoverables comprises reinsurance and indemnification recoverables. See Note 11 for further details.

Reconciliation of total claims and claims expense incurred and paid by coverage

($ in millions)	December 31, 2022 Incurred	December 31, 2022 Paid
Allstate Protection		
Auto insurance - liability coverage	$ 14,376	$ (11,173)
Auto insurance - physical damage coverage	9,411	(8,802)
Homeowners insurance	6,971	(5,977)
Total auto and homeowners insurance	30,758	(25,952)
Other personal lines	1,520	(1,317)
Commercial lines	1,256	(817)
Protection Services	440	(438)
Run-off Property-Liability	116	(86)
Unallocated loss adjustment expenses ("ULAE")	3,048	(2,847)
Claims incurred and paid from before 2018	80	(787)
Other [1]	46	(236)
Total	**$ 37,264**	**$ (32,480)**

(1) Paid and incurred amounts primarily related to the effect of foreign currency translation adjustments. Additionally, paid includes the acquisition of SafeAuto.

Incurred claims and claims expense represents the sum of paid losses, claim adjustment expenses and reserve changes in the calendar year. This expense includes losses from catastrophes of $3.11 billion, $3.34 billion and $2.81 billion in 2022, 2021 and 2020, respectively, net of recoverables. Catastrophes are an inherent risk of the property and casualty insurance business that have contributed to, and will continue to contribute to, material year-to-year fluctuations in the Company's results of operations and financial position.

The Company calculates and records a single best reserve estimate for losses from catastrophes, in conformance with generally accepted actuarial standards. As a result, management believes that no other estimate is better than the recorded amount. Due to the uncertainties involved, including the factors described above, the ultimate cost of losses may vary materially from recorded amounts, which are based on management's best estimates. Accordingly, management believes that it is not practical to develop a meaningful range for any such changes in losses incurred.

Prior year reserve reestimates included in claims and claims expense [1]

	Twelve months ended December 31,								
	Non-catastrophe losses			Catastrophe losses			Total		
($ in millions)	2022	2021	2020	2022	2021 [2][3]	2020 [4]	2022	2021	2020
Auto	$ 1,249	$ 178	$ (63)	$ (64)	$ (29)	$ (44)	$ 1,185	$ 149	$ (107)
Homeowners	113	12	(17)	81	(165)	(422)	194	(153)	(439)
Other personal lines	(34)	(96)	(27)	2	(11)	(39)	(32)	(107)	(66)
Commercial lines	273	116	34	(1)	3	2	272	119	36
Run-off Property-Liability [5]	125	116	141	—	—	—	125	116	141
Protection Services	(3)	(2)	(1)	—	—	—	(3)	(2)	(1)
Total prior year reserve reestimates	**$ 1,723**	**$ 324**	**$ 67**	**$ 18**	**$ (202)**	**$ (503)**	**$ 1,741**	**$ 122**	**$ (436)**

(1) Favorable reserve reestimates are shown in parentheses.

(2) Includes approximately $240 million of estimated recoveries related to Nationwide Aggregate Reinsurance Program cover for aggregate catastrophe losses occurring between April 1, 2020 and December 31, 2020, which primarily impacted homeowners reestimates.

(3) Includes approximately $110 million favorable subrogation settlements arising from the Woolsey wildfire, which primarily impacted homeowners reestimates.

(4) Includes approximately $495 million of favorable reserve reestimates related to the PG&E Corporation and Southern California Edison subrogation settlements, which primarily impacted homeowners.

(5) The Company's 2022, 2021 and 2020 annual reserve review, using established industry and actuarial best practices, resulted in unfavorable reestimates of $118 million, $111 million and $132 million, respectively.

Unfavorable reserve reestimates for personal auto are primarily from bodily injury and physical damage coverages. Increases in injury coverages reflect recent data and updated assumptions related to severity of third-party bodily injury claims, increased claims with attorney representation, litigation costs, increased medical treatment utilization and higher medical inflation. Increases in physical damage reflect the ongoing inflationary factors and supply chain shortages impacting used vehicle and parts prices, labor rates and length of claim resolution. Delays in the receipt of claims, including third-party carrier claims also contributed to the adverse development of claims reported in prior years. The estimate of the year-to-date current report year claim severity increased in the fourth quarter for bodily injury and physical damage coverages to reflect continued increases in loss costs.

Personal auto insurance claim frequency has continued to increase, but remains below 2019 levels. Late reported claim frequency attributable to prior accident years also impacted reserve reestimates.

Unfavorable reserve reestimates for commercial are primarily from auto injury coverages for both shared economy and traditional segments with a large portion of the traditional segment increase related to states where the Company will no longer be selling new business.

The following presents information about incurred and paid claims development as of December 31, 2022, net of recoverables, as well as the cumulative number of reported claims and the total of IBNR reserves plus expected development on reported claims included in the net incurred claims amounts. See Note 2 for the accounting policy and methodology for determining reserves for claims and claims expense, including both reported and IBNR claims. The cumulative number of reported claims is identified by coverage and excludes reported claims for industry pools and facilities where information is not available. The information about incurred and paid claims development for the 2018 to 2022 years, and the average annual percentage payout of incurred claims by age as of December 31, 2022, is presented as required supplementary information.

Auto insurance – liability coverage

($ in millions, except number of reported claims)	Incurred claims and allocated claim adjustment expenses, net of recoverables						IBNR reserves plus expected development on reported claims	Cumulative number of reported claims
	For the years ended December 31,							
Accident year	(unaudited) **2018** (1)	(unaudited) **2019** (1)	(unaudited) **2020** (1)	(unaudited) **2021**	**2022**	**Prior year reserve reestimates**	**As of December 31, 2022**	
2018	$ 9,788	$ 9,758	$ 9,798	$ 9,835	$ 9,928	$ 93	$ 603	2,500,972
2019	—	10,526	10,471	10,716	10,905	189	1,242	2,637,152
2020	—	—	8,748	8,744	8,984	240	1,813	1,904,004
2021	—	—	—	10,365	10,823	458	3,488	2,291,873
2022	—	—	—	—	13,396		8,904	2,311,893
				Total	**$ 54,036**	**$ 980**		
Reconciliation to total prior year reserve reestimates recognized by line								
Prior year reserve reestimates for pre-2018 accident years						**152**		
Prior year reserve reestimates for ULAE						**18**		
Other						**4**		
Total prior year reserve reestimates						**$ 1,154**		

	Cumulative paid claims and allocated claims adjustment expenses, net of recoverables				
	For the years ended December 31,				
Accident year	(unaudited) **2018** (1)	(unaudited) **2019** (1)	(unaudited) **2020** (1)	(unaudited) **2021**	**2022**
2018	$ 3,663	$ 6,404	$ 7,785	$ 8,703	$ 9,325
2019	—	3,974	7,080	8,651	9,663
2020	—	—	3,135	5,858	7,171
2021	—	—	—	3,601	7,335
2022	—	—	—	—	4,492
				Total	**$ 37,986**
All outstanding liabilities before 2018, net of recoverables					1,332
Liabilities for claims and claim adjustment expenses, net of recoverables					**$ 17,382**

(1) Results include certain National General commercial lines insurance products.

Average annual percentage payout of incurred claims by age, net of recoverables, as of December 31, 2022	**1 year**	**2 years**	**3 years**	**4 years**	**5 years**
Auto insurance – liability coverage	37.6 %	28.7 %	13.3 %	8.5 %	5.3 %

Auto insurance – physical damage coverage

($ in millions, except number of reported claims)	Incurred claims and allocated claim adjustment expenses, net of recoverables						IBNR reserves plus expected development on reported claims	Cumulative number of reported claims
	For the years ended December 31,							
Accident year	(unaudited) 2018 [1]	(unaudited) 2019 [1]	(unaudited) 2020 [1]	(unaudited) 2021	2022	Prior year reserve reestimates	As of December 31, 2022	
2018	$ 5,775	$ 5,692	$ 5,647	$ 5,640	$ 5,637	$ (3)	$ —	4,686,877
2019	—	6,255	6,174	6,136	6,134	(2)	(1)	4,861,875
2020	—	—	5,495	5,407	5,381	(26)	(7)	4,013,428
2021	—	—	—	7,285	7,342	57	(23)	4,587,385
2022	—	—	—	—	9,385		1,060	4,711,189
				Total	$ 33,879	$ 26		
Reconciliation to total prior year reserve reestimates recognized by line								
Prior year reserve reestimates for pre-2018 accident years						**—**		
Prior year reserve reestimates for ULAE						**3**		
Other						**2**		
Total prior year reserve reestimates						**$ 31**		

	Cumulative paid claims and allocated claims adjustment expenses, net of recoverables				
	For the years ended December 31,				
Accident year	(unaudited) 2018 [1]	(unaudited) 2019 [1]	(unaudited) 2020 [1]	(unaudited) 2021	2022
2018	$ 5,464	$ 5,681	$ 5,638	$ 5,635	$ 5,637
2019	—	5,947	6,144	6,138	6,135
2020	—	—	5,129	5,415	5,388
2021	—	—	—	6,860	7,365
2022	—	—	—	—	8,325
				Total	**$ 32,850**
All outstanding liabilities before 2018, net of recoverables					11
Liabilities for claims and claim adjustment expenses, net of recoverables					**$ 1,040**

[1] Results include certain National General commercial lines insurance products.

Average annual percentage payout of incurred claims by age, net of recoverables, as of December 31, 2022	1 year	2 years	3 years	4 years	5 years
Auto insurance – physical damage coverage	95.2 %	4.4 %	(0.3)%	(1.5)%	1.6 %

Homeowners insurance

($ in millions, except number of reported claims)	Incurred claims and allocated claim adjustment expenses, net of recoverables						IBNR reserves plus expected development on reported claims	Cumulative number of reported claims
	For the years ended December 31,							
	(unaudited)	(unaudited)	(unaudited)	(unaudited)				
Accident year	2018 (1)	2019 (1)	2020 (1)	2021	2022	Prior year reserve reestimates	As of December 31, 2022	
2018	$ 5,145	$ 5,251	$ 4,947	$ 4,818	$ 4,852	$ 34	$ 42	898,857
2019	—	4,853	4,912	4,920	4,931	11	85	869,860
2020	—	—	5,781	5,827	5,921	94	137	989,034
2021	—	—	—	6,404	6,532	128	385	992,897
2022	—	—	—	—	6,704		2,724	705,357
				Total	**$ 28,940**	**$ 267**		
Reconciliation to total prior year reserve reestimates recognized by line								
Prior year reserve reestimates for pre-2018 accident years						**(72)**		
Prior year reserve reestimates for ULAE						**2**		
Other						**(3)**		
Total prior year reserve reestimates						**$ 194**		

	Cumulative paid claims and allocated claims adjustment expenses, net of recoverables				
	For the years ended December 31,				
	(unaudited)	(unaudited)	(unaudited)	(unaudited)	
Accident year	2018 (1)	2019 (1)	2020 (1)	2021	2022
2018	$ 3,768	$ 4,873	$ 4,749	$ 4,736	$ 4,810
2019	—	3,527	4,576	4,768	4,846
2020	—	—	4,257	5,548	5,784
2021	—	—	—	4,538	6,147
2022	—	—	—	—	3,980
				Total	**$ 25,567**
All outstanding liabilities before 2018, net of recoverables					86
Liabilities for claims and claim adjustment expenses, net of recoverables					**$ 3,459**

(1) Results include National General packaged policies, which include auto, and commercial lines insurance products.

Average annual percentage payout of incurred claims by age, net of recoverables, as of December 31, 2022

	1 year	2 years	3 years	4 years	5 years
Homeowners insurance	72.0 %	21.3 %	2.9 %	0.8 %	0.8 %

Reconciliation of the net incurred and paid claims development tables above to the reserve for property and casualty insurance claims and claims expense

($ in millions)	As of December 31, 2022
Net outstanding liabilities	
Allstate Protection	
Auto insurance - liability coverage	$ 17,382
Auto insurance - physical damage coverage	1,040
Homeowners insurance	3,459
Other personal lines	1,558
Commercial lines	1,857
Protection Services	36
Run-off Property-Liability [1]	1,370
ULAE	1,649
Other [2]	14
Net reserve for property and casualty insurance claims and claims expense	**28,365**
Recoverables	
Allstate Protection	
Auto insurance - liability coverage	7,214
Auto insurance - physical damage coverage	44
Homeowners insurance	666
Other personal lines	320
Commercial lines	292
Protection Services	11
Run-off Property-Liability	503
ULAE	126
Total recoverables	**9,176**
Gross reserve for property and casualty insurance claims and claims expense	**$ 37,541**

[1] Run-off Property-Liability includes business in run-off with most of the claims related to accident years more than 30 years ago. IBNR reserves represent $765 million of the total reserves as of December 31, 2022.
[2] Primarily related to the unamortized fair value adjustment related to the acquisition of National General.

Note 10 Reserve for Future Policy Benefits and Contractholder Funds

Reserve for future policy benefits

($ in millions)	As of December 31, 2022	2021
Traditional life insurance and other	$ 318	$ 313
Accident and health insurance	955	960
Reserve for future policy benefits	**$ 1,273**	**$ 1,273**

Key assumptions generally used in calculating the reserve for future policy benefits

Product	Mortality	Interest rate	Estimation method
Traditional life insurance	Actual company experience plus loading	Interest rate assumptions range from 1.8% to 7.0%	Net level premium reserve method using the Company's withdrawal experience rates; includes reserves for unpaid claims
Accident and health insurance	Actual company experience plus loading	Interest rate assumptions range from 2.0% to 7.0%	Unearned premium; additional contract reserves for mortality risk and unpaid claims

Accident and health short-duration contracts

The following presents information about incurred and paid claims development as of December 31, 2022, net of recoverables, as well as the cumulative number of reported claims and the total of IBNR reserves plus expected development on reported claims included in the net incurred claims amounts. See Note 2 for the accounting policy and methodology for determining reserves for future policy benefits, including both reported and IBNR claims. The Company's accident and health claims are counted by claim number assigned to each claimant per illness, injury or death, regardless of number of services rendered for each incident. Claims closed without payment are not included in the cumulative number of reported accident and health claims. The information about incurred and paid claims development for the 2018 to 2022 years, as of December 31, 2022, is presented as required supplementary information.

Group and individual accident and health

($ in millions, except number of reported claims)	Incurred claims and allocated claim adjustment expenses, net of recoverables					IBNR reserves plus expected development on reported claims	Cumulative number of reported claims
	For the years ended December 31,						
	(unaudited)	(unaudited)	(unaudited)	(unaudited)			
Accident year	**2018**	**2019**	**2020**	**2021**	**2022**	**As of December 31, 2022**	
2018	$ 235	$ 205	$ 203	$ 203	$ 203	$ —	292,491
2019	—	257	239	242	242	—	311,662
2020	—	—	297	293	294	4	414,634
2021	—	—	—	424	420	12	671,483
2022	—	—	—	—	437	162	427,124
				Total	**$ 1,596**		

	Cumulative paid claims and allocated claims adjustment expenses, net of recoverables				
	For the years ended December 31,				
	(unaudited)	(unaudited)	(unaudited)	(unaudited)	
Accident year	**2018**	**2019**	**2020**	**2021**	**2022**
2018	$ 126	$ 201	$ 203	$ 203	$ 203
2019	—	158	234	242	242
2020	—	—	184	284	290
2021	—	—	—	272	408
2022	—	—	—	—	275
				Total	**$ 1,418**
All outstanding liabilities before 2018, net of recoverables					—
Liabilities for claims and claim adjustment expenses, net of recoverables					**$ 178**

Reconciliation of the net incurred and paid claims development tables above to the reserve for future policy benefits	
($ in millions)	**As of December 31, 2022**
Net outstanding liabilities	
Group and individual accident and health short-duration contracts	$ 178
Other accident and health short-duration contracts	31
Long duration accident and health insurance	592
Long duration traditional life insurance and other	324
ULAE	9
Net reserve for future policy benefits	**1,134**
Recoverables	
Group and individual accident and health short-duration contracts	35
Other accident and health short-duration contracts	—
Insurance lines other than short-duration	104
ULAE	—
Gross reserve for future policy benefits	**$ 1,273**

Average annual percentage payout of incurred claims by age, net of recoverables, as of December 31, 2022					
	1 year	**2 years**	**3 years**	**4 years**	**5 years**
Group and individual accident and health	63.0 %	34.3 %	2.1 %	0.6 %	— %

Contractholder funds for interest-sensitive life insurance were $847 million and $853 million as of December 31, 2022 and 2021, respectively.

Contractholder funds activity

($ in millions)	For the years ended December 31, 2022	2021	2020
Balance, beginning of year	$ 908	$ 857	$ 915
Deposits	133	118	121
Interest credited	32	34	33
Benefits	(21)	(41)	(34)
Surrenders and partial withdrawals	(28)	(23)	(61)
Contract charges	(121)	(107)	(123)
Other adjustments	(6)	70	6
Balance, end of year	**$ 897**	**$ 908**	**$ 857**

Note 11 Reinsurance and Indemnification

Effects of reinsurance and indemnification on property and casualty premiums written and earned and accident and health insurance premiums and contract charges

($ in millions)	For the years ended December 31, 2022	2021	2020
Property and casualty insurance premiums written			
Direct	$ 50,065	$ 45,523	$ 38,695
Assumed	245	213	105
Ceded	(1,824)	(1,736)	(1,142)
Property and casualty insurance premiums written, net of recoverables	**$ 48,486**	**$ 44,000**	**$ 37,658**
Property and casualty insurance premiums earned			
Direct	$ 47,552	$ 43,944	$ 38,115
Assumed	221	178	99
Ceded	(1,869)	(1,904)	(1,141)
Property and casualty insurance premiums earned, net of recoverables	**$ 45,904**	**$ 42,218**	**$ 37,073**
Accident and health insurance premiums and contract charges			
Direct	$ 1,840	$ 1,878	$ 1,093
Assumed	31	21	14
Ceded	(38)	(78)	(13)
Accident and health insurance premiums and contract charges, net of recoverables	**$ 1,833**	**$ 1,821**	**$ 1,094**

Reinsurance and indemnification recoverables

Reinsurance and indemnification recoverables, net

($ in millions)	As of December 31, 2022	2021
Property and casualty		
Paid and due from reinsurers and indemnitors	$ 291	$ 391
Unpaid losses estimated (including IBNR)	9,176	9,479
Total property and casualty	**$ 9,467**	**$ 9,870**
Accident and health insurance	139	154
Total	**$ 9,606**	**$ 10,024**

Rollforward of credit loss allowance for reinsurance recoverables

($ in millions)	For the years ended December 31, 2022	2021
Property and casualty [1] [2]		
Beginning balance	$ (66)	$ (59)
Increase in the provision for credit losses	(5)	(8)
Write-offs	9	1
Ending balance	**$ (62)**	**$ (66)**
Accident and health insurance		
Beginning balance	$ (8)	$ (1)
Decrease/(Increase) in the provision for credit losses	5	(7)
Write-offs	—	—
Ending Balance	**$ (3)**	**$ (8)**

[1] Primarily related to Run-off Property-Liability reinsurance ceded.
[2] Indemnification recoverables are considered collectible based on the industry pool and facility enabling legislation.

Property and casualty

Property and casualty programs are grouped by the following characteristics:

1. Indemnification programs - industry pools, facilities or associations that are governed by state insurance statutes or regulations or the federal government.
2. Catastrophe reinsurance programs - reinsurance protection for catastrophe exposure nationwide and by specific states, as applicable.
3. Other reinsurance programs - reinsurance protection for asbestos, environmental and other liability exposures as well as commercial lines, including shared economy.

Property and casualty reinsurance is in place for the Allstate Protection, Run-off lines and Protection Services segments. The Company purchases reinsurance after evaluating the financial condition of the reinsurer as well as the terms and price of coverage.

Indemnification programs

The Company participates in state-based industry pools or facilities mandating participation by insurers offering certain coverage in their state, including the Michigan Catastrophic Claims Association (“MCCA”), the New Jersey Property-Liability Insurance Guaranty Association (“PLIGA”), the North Carolina Reinsurance Facility (“NCRF”) and the Florida Hurricane Catastrophe Fund (“FHCF”). When the Company pays qualifying claims under the coverage indemnified by a state’s pool or facility, the Company is reimbursed for the qualifying claim losses and expenses. Each state pool or facility may assess participating companies to collect sufficient amounts to meet its total indemnification requirements. The enabling legislation for each state’s pool or facility compels the pool or facility only to indemnify participating companies for qualifying claim losses and expenses; the state pool or facility does not underwrite the coverage or take on the ultimate risk of the indemnified business. As a pass through, these pools or facilities manage the receipt of assessments paid by participating companies and payment of indemnified amounts for covered claims presented by participating companies. The Company has not had any credit losses related to these indemnification programs.

State-based industry pools or facilities

Michigan Catastrophic Claims Association The MCCA is a statutory indemnification mechanism for member insurers’ qualifying personal injury protection claims paid for the unlimited lifetime medical benefits above the applicable retention level for qualifying injuries from automobile, motorcycle and commercial vehicle accidents. Indemnification recoverables on paid and unpaid claims, including IBNR, as of December 31, 2022 and 2021 include $6.72 billion and $6.70 billion, respectively, from the MCCA for its indemnification obligation.

The MCCA is funded by annually assessing participating member companies actively writing motor vehicle coverage in Michigan on a per vehicle basis that is currently $86 per vehicle insured for unlimited personal injury protection (“PIP”) coverage. The MCCA’s calculation of the annual assessment is based upon the total of members’ actuarially determined present value of expected payments on lifetime claims by all persons expected to be catastrophically injured in that year and ultimately qualify for MCCA reimbursement, its operating expenses, and adjustments for the amount of excesses or deficiencies in prior assessments. The MCCA has also included in its calculation, the impacts of the auto insurance reforms which have begun to phase in since their passage in June 2019, including the PIP medical fee schedule that became effective July 2, 2021. The assessment is incurred by the Company as policies are written and recovered as a component of premiums from the Company’s customers.

The MCCA indemnifies qualifying claims of all current and former member companies (whether or not actively writing motor vehicle coverage in Michigan) for qualifying claims and claims expenses incurred while the member companies were actively writing the mandatory PIP coverage in Michigan. Member companies actively writing automobile coverage in Michigan include the MCCA annual assessments in determining the level of premiums to charge insureds in the state.

As required for member companies by the MCCA, the Company reports covered paid and unpaid claims to the MCCA when estimates of loss for a reported claim are expected to exceed the retention level, the claims involve certain types of severe injuries, or there are litigation demands received suggesting the claim value exceeds certain thresholds. The retention level is adjusted upward every other MCCA fiscal year by the lesser of 6% or the increase in the Consumer Price Index. The retention level will be $600 thousand per claim for the fiscal two-years ending June 30, 2023 compared to $580 thousand per claim for the fiscal two-years ending June 30, 2021.

The MCCA is obligated to fund the ultimate liability of member companies' qualifying claims and claim expenses. The MCCA does not underwrite the insurance coverage or hold any underwriting risk.

The MCCA indemnifies members as qualifying claims are paid and billed by members to the MCCA. Unlimited lifetime covered losses result in significant levels of ultimate incurred claim reserves being recorded by member companies along with offsetting indemnification recoverables. Disputes with claimants over coverage on certain reported claims can result in additional losses, which may be recoverable from the MCCA, excluding litigation expenses. There is currently no method by which insurers are able to obtain the benefit of managed care programs to reduce claims costs through the MCCA.

The MCCA annual assessments fund current operations and member company reimbursements. The MCCA prepares statutory-basis financial statements in conformity with accounting practices prescribed or permitted by the State of Michigan Department of Insurance and Financial Services ("MI DOI"). The MI DOI has granted the MCCA a statutory permitted practice that expires in June 30, 2025 to discount its liabilities for loss and loss adjustment expense. As of June 30, 2022, the date of its most recent annual financial report, the MCCA had cash and invested assets of $21.82 billion and an accumulated deficit of $3.68 billion. The permitted practice reduced the accumulated deficit by $44.89 billion. As a result of this deficit, there will be an additional assessment of $48 per passenger and commercial vehicle and motorcycle insured beginning July 1, 2023 with varying assessments for commercial fleet and historical vehicles.

As a result of the auto insurance reforms passed in June 2019, the MCCA announced on November 3, 2021 that the surplus reported for the fiscal year ended June 30, 2021 had increased beyond a level necessary to safely cover its expected losses and expenses and will return a portion of its surplus to its member insurance companies as a pass-through to issue a refund of $400 per vehicle and $80 per historical vehicle to the policyholders. At the time the returned surplus was received, a liability was recorded until the refunds were disbursed to the policyholders. All refunds have been sent to policyholders as of December 31, 2022.

New Jersey Property-Liability Insurance Guaranty Association PLIGA serves as the statutory administrator of the Unsatisfied Claim and Judgment Fund ("UCJF"), Workers' Compensation Security Fund and the New Jersey Surplus Lines Insurance Guaranty Fund.

In addition to its insolvency protection responsibilities, PLIGA reimburses insurers for unlimited excess medical benefits ("EMBs") paid in connection with PIP claims in excess of $75,000 for policies issued or renewed prior to January 1, 1991, and limited EMB claims in excess of $75,000 and capped at $250,000 for policies issued or renewed on or after January 1, 1991, to December 31, 2003.

A significant portion of the incurred claim reserves and the recoverables can be attributed to a small number of catastrophic claims. Assessments paid to PLIGA for the EMB program totaled $7 million in 2022. The amounts of paid and unpaid recoverables as of December 31, 2022 and 2021 were $330 million and $371 million, respectively.

PLIGA annually assesses all admitted property and casualty insurers writing covered lines in New Jersey for PLIGA indemnification and expenses. PLIGA assessments may be recouped as a surcharge on premiums collected. PLIGA does not ultimately retain underwriting risk as it assesses member companies for their expected qualifying losses to provide funding for payment of its indemnification obligation to member companies for their actual losses. As a pass through, PLIGA facilitates these transactions of receipt of assessments paid by member companies and payment to member companies for covered claims presented by them for indemnification. As of December 31, 2021, the date of its most recent annual financial report, PLIGA had a fund balance of $268 million.

As statutory administrator of the UCJF, PLIGA provides compensation to qualified claimants for personal injury protection, bodily injury, or death caused by private passenger automobiles operated by uninsured or "hit and run" drivers. The UCJF also provides private passenger pedestrian personal injury protection benefits when no other coverage is available.

PLIGA annually collects a UCJF assessment from all admitted property and casualty insurers writing motor vehicle liability insurance in New Jersey for UCJF indemnification and expenses. UCJF assessments can be expensed as losses recoverable in rates as appropriate. As of December 31, 2021, the date of its most recent annual financial report, the UCJF fund had a balance of $62 million.

North Carolina Reinsurance Facility The NCRF provides automobile liability insurance to drivers that private market insurers are not otherwise willing to insure. All insurers licensed to write automobile insurance in North Carolina are members of the NCRF. Premiums, losses and expenses are assigned to the NCRF. North Carolina law allows the NCRF to recoup operating losses for certain insureds through a surcharge to policyholders. As of September 30, 2022, the NCRF reported a deficit of $148 million in members' equity. The NCRF implemented a loss recoupment surcharge on all private passenger and commercial fleet policies effective October 1, 2022, through March 31, 2023. Member companies are assessed the recoupment surcharge. The loss recoupment surcharge will be adjusted on April 1, 2023 and discontinued once losses are recovered. The NCRF results are shared by the member companies in proportion to their respective North Carolina automobile liability writings. For the fiscal year ending September 30, 2022, net loss was $81 million, including $1.1 billion of earned premiums, $302 million of certain private passenger auto risk recoupment and $37 million of member loss recoupments. As of December 31, 2022, the NCRF recoverables on paid claims is $52 million and recoverables on unpaid claims is $240 million. Paid recoverable balances, if covered, are typically settled within sixty days of monthly filing.

Florida Hurricane Catastrophe Fund Allstate subsidiaries Castle Key Insurance Company ("CKIC") and Castle Key Indemnity Company ("CKI", and together with CKIC, "Castle Key") participate in the mandatory coverage provided by the FHCF and therefore have access to reimbursement for certain qualifying Florida hurricane losses from the FHCF. Castle Key has exposure to assessments and pays annual premiums to the FHCF for this reimbursement protection. The FHCF has the authority to issue bonds to pay its obligations to participating insurers in excess of its capital balances. Payment of these bonds is funded by emergency assessments on all property and casualty premiums in the state, except workers' compensation, medical malpractice, accident and health insurance and policies written under the National Flood Insurance Program ("NFIP"). The FHCF emergency assessments are limited to 6% of premiums per year beginning the first year in which reimbursements require bonding, and up to a total of 10% of premiums per year for assessments in the second and subsequent years, if required to fund additional bonding. The FHCF has not issued an emergency assessment since 2015.

Annual premiums earned and paid under the FHCF agreement were $24 million, $15 million and $9 million in 2022, 2021 and 2020, respectively. Qualifying losses were $74 million, $13 million and $15 million in 2022, 2021 and 2020, respectively. The Company has access to reimbursement provided by the FHCF for 90% of qualifying personal property losses that exceed its current retention of $153 million for the two largest hurricanes and $51 million for other hurricanes, up to a maximum total of $350 million, effective from June 1, 2022 to May 31, 2023. The amounts recoverable from the FHCF totaled $96 million and $25 million as of December 31, 2022 and 2021, respectively.

Federal Government - National Flood Insurance Program NFIP is a program administered by the Federal Emergency Management Agency ("FEMA") whereby the Company sells and services NFIP flood insurance policies as an agent of FEMA and receives fees for its services. The Company is fully indemnified for claims and claim expenses and does not retain any ultimate risk for the indemnified business. The federal government is obligated to pay all claims and certain allocated loss adjustment expenses in accordance with the arrangement.

Congressional authorization for the NFIP is periodically evaluated and may be subjected to freezes, including when the federal government experiences a shutdown. FEMA has a NFIP reinsurance program to manage the future exposure of the NFIP through the transfer of risk to private reinsurance companies and capital market investors. Congress is evaluating the funding of the program as well as considering reforms to the program that would be incorporated in legislation to reauthorize the NFIP. As of June 30, 2022, the NFIP owes $20.5 billion to the U.S. Treasury.

The amounts recoverable as of December 31, 2022 and 2021 were $145 million and $34 million, respectively. Premiums earned under the NFIP include $319 million, $350 million and $261 million in 2022, 2021 and 2020, respectively. Qualifying losses incurred include $435 million, $267 million and $87 million in 2022, 2021 and 2020, respectively.

Catastrophe reinsurance

The Company's reinsurance program is designed to provide reinsurance protection for catastrophes resulting from multiple perils including hurricanes, windstorms, hail, tornadoes, winter storms, wildfires, earthquakes and fires following earthquakes.

- The Company purchases reinsurance from traditional reinsurance companies as well as the insurance-linked securities ("ILS") market.
- The majority of the Company's program comprises multi-year contracts, primarily placed in the traditional reinsurance market, such that generally one-third of the program is renewed every year.
- Coverage is generally purchased on a broad geographic, product line and multiple peril loss basis.
- Florida personal lines property is covered by a separate agreement, as the risk of loss is different and the Company's subsidiaries operating in this state are separately capitalized.
- When applicable, reinsurance reinstatement premiums are recognized in the same period as the loss event that gave rise to the reinstatement premium and are recorded in claims and claims expense in the consolidated statements of operations.

The Company's current catastrophe reinsurance program supports the Company's risk tolerance framework which utilizes a modeled 1-in-100 annual aggregate limit for catastrophe losses from hurricanes, earthquakes and wildfires of $2.5 billion, net of reinsurance.

The program includes coverage for losses to personal lines property, personal lines automobile, commercial lines property or commercial lines automobile arising out of multiple perils, in addition to hurricanes and earthquakes. These reinsurance agreements are part of the catastrophe management strategy, which is intended to provide shareholders an acceptable return on the risks assumed in the property business, and to reduce variability of earnings, while providing protection to customers. The Company has the following catastrophe reinsurance agreements in effect as of December 31, 2022.

The Nationwide Excess Catastrophe Reinsurance Program (the "Nationwide Program") provides coverage up to $7.01 billion of losses less a $500 million retention, and is subject to the percentage of reinsurance placed in each of its agreements. Property business in the state of Florida is excluded from this program. Separate reinsurance agreements address the distinct needs of separately capitalized legal entities. The Nationwide Program includes reinsurance agreements with both the traditional and ILS markets as described below:

- *The traditional market multi-year placements* provide limits totaling $3.89 billion for catastrophe losses arising out of multiple perils and are comprised of the following:
  - $3.56 billion of placed limits attaching at $500 million, exhausting at $3.75 billion, with a 5% co-participation. Coverage is provided in four contracts with one annual reinstatement of limits. 31.7% of the first $250 million in excess of $500 million is retained by Allstate.
  - $331 million of placed limits in excess of a $3.75 billion retention, with a 5% co-participation. Coverage is provided in two contracts, with one reinstatement of limits over each contract's eight-year term.
- *ILS placements* provide $1.55 billion of placed limits, with no reinstatement of limits, and are comprised of the following:
  - Five contracts providing occurrence coverage of $950 million of placed limits, reinsuring losses in all states except Florida caused by named storms, earthquakes and fire following earthquakes, severe weather, wildfires, and other naturally occurring or man-made events determined to be a catastrophe by the Company.
  - Three contracts providing occurrence and aggregate coverage of $425 million of placed limits, also provide that for each annual period beginning April 1, Allstate declared catastrophes to personal lines property and automobile business can be aggregated to erode the aggregate retention and qualify for coverage under the aggregate limits. Recoveries are limited to the ultimate net loss from the reinsured event.
  - One contract, providing aggregate coverage of $175 million of placed limits.
- *Traditional single-year placements provide* $640 million of placed limits, filling capacity around the traditional market and insurance-linked securities multi-year placements:
  - Three contracts providing $465 million of placed limits between $5.94 billion and $6.61 billion of loss, with no reinstatement of limits.
  - Two contracts providing $175 million of placed limits between $3.75 billion and $5.94 billion of loss, with no reinstatement limits.

The Kentucky earthquake agreement comprises a three-year term contract that reinsures personal lines property losses caused by earthquakes and fire following earthquakes in Kentucky and provides $28 million of limits, 95% placed, in excess of a $2 million retention.

The Florida program provides limit up to $1.83 billion of a single event loss, less a $40 million retention. The Florida program includes reinsurance agreements placed in the traditional market, the FHCF, and the ILS market as follows:

- Traditional market placements comprise reinsurance limits for losses to personal lines property in Florida arising out of multiple perils. These contracts provide a combined $1.30 billion of limits, with a portion of the traditional market placements providing coverage for perils not covered by the FHCF contracts, which only cover hurricanes.
- Two FHCF contracts provide $350 million of limits for qualifying losses to personal lines property in Florida caused by storms the National Hurricane Center declares to be hurricanes. Both contracts are 90% placed.
- The ILS placement provides $488 million of reinsurance limit for qualifying losses to personal lines property in Florida caused by a named storm event, a severe weather event, an earthquake event, a fire event, a volcanic eruption event, or a meteorite impact event.

National General Lender Services Standalone Program is placed in the traditional market and provides $225 million of coverage, subject to a $50 million retention, with one reinstatement of limits. Inuring contracts include the National General Florida Hurricane Catastrophe Program providing $32 million of limit and is 90% placed.

National General Reciprocal Excess Catastrophe Reinsurance Contracts are placed in the traditional market and provides $690 million of coverage, subject to a $20 million retention, with one reinstatement of limits.

Canada Catastrophe Excess of Loss Reinsurance Contract is placed in the traditional market and provides CAD 175 million of coverage, subject to a CAD 50 million retention, with one reinstatement of limits.

The Company has not experienced credit losses on its catastrophe reinsurance programs. The total cost of the property catastrophe reinsurance program was $788 million, $556 million and $425 million in 2022, 2021 and 2020, respectively.

Other reinsurance programs

The Company's other reinsurance programs relate to commercial lines, including shared economy, and asbestos, environmental, and other liability exposures. The largest reinsurance recoverable balance the Company had outstanding was $183 million and $187 million from Aleka Insurance Inc. as of December 31, 2022 and 2021, respectively. These programs also include reinsurance recoverables of $180 million and $165 million from Lloyd's of London as of December 31, 2022 and 2021, respectively.

Note 12 Deferred Policy Acquisition Costs

Deferred policy acquisition costs activity

	For the years ended December 31,		
($ in millions)	**2022**	**2021**	**2020**
Balance, beginning of year	$ 4,722	$ 3,774	$ 3,600
National General acquisition	—	317	—
SafeAuto acquisition	—	7	—
Acquisition costs deferred	7,337	6,874	5,651
Amortization charged to income	(6,644)	(6,252)	(5,477)
Effect of unrealized gains and losses	3	2	—
Balance, end of year	**$ 5,418**	**$ 4,722**	**$ 3,774**

Note 13 Capital Structure

Total debt outstanding

($ in millions)	As of December 31, 2022	2021
Floating Rate Senior Notes, due 2023 [1]	$ 250	$ 250
3.150% Senior Notes, due 2023 [2]	500	500
6.750% Senior Notes due 2024 [2] [3]	350	350
0.750% Senior Notes, due 2025 [2]	600	600
3.280% Senior Notes, due 2026 [2]	550	550
Due in one year through five years	**2,250**	**2,250**
1.450% Senior Notes, due 2030 [2]	600	600
6.125% Senior Notes, due 2032 [2]	159	159
Due after five years through ten years	**759**	**759**
5.350% Senior Notes due 2033 [2]	323	323
5.550% Senior Notes due 2035 [2]	546	546
5.950% Senior Notes, due 2036 [2]	386	386
6.900% Senior Debentures, due 2038	165	165
5.200% Senior Notes, due 2042 [2]	62	62
4.500% Senior Notes, due 2043 [2]	500	500
4.200% Senior Notes, due 2046 [2]	700	700
3.850% Senior Notes, due 2049 [2]	500	500
5.100% Subordinated Debentures, due 2053	500	500
5.750% Subordinated Debentures, due 2053	800	800
6.500% Junior Subordinated Debentures, due 2067	500	500
Due after ten years	**4,982**	**4,982**
Long-term debt total principal	**7,991**	**7,991**
Fair value adjustments [3]	26	45
Debt issuance costs	(53)	(60)
Total long-term debt	**7,964**	**7,976**
Short-term debt [4]	—	—
Total debt	**$ 7,964**	**$ 7,976**

[1] 2023 Floating Rate Senior Notes are not redeemable prior to the applicable maturity dates and bear interest at a floating rate equal to three-month LIBOR, reset quarterly on each interest reset date, plus 0.63% per year.

[2] Senior Notes are subject to redemption at the Company's option in whole or in part at any time at the greater of either 100% of the principal amount plus accrued and unpaid interest to the redemption date or the discounted sum of the present values of the remaining scheduled payments of principal and interest and accrued and unpaid interest to the redemption date.

[3] Debt acquired as part of the National General acquisition completed on January 4, 2021.

[4] The Company classifies any borrowings which have a maturity of twelve months or less at inception as short-term debt.

Debt maturities

Debt maturities for each of the next five years and thereafter (excluding issuance costs and other)

($ in millions)	
2023	$ 750
2024	350
2025	600
2026	550
2027	—
Thereafter	5,741
Total long-term debt principal	**$ 7,991**

The Subordinated Debentures may be redeemed (i) in whole at any time or in part from time to time on or after January 15, 2023 for the 5.100% Subordinated Debentures and August 15, 2023 for the 5.750% Subordinated Debentures at their principal amount plus accrued and unpaid interest to, but excluding, the date of redemption; provided that if the Subordinated Debentures are not redeemed in whole, at least $25 million aggregate principal amount must remain outstanding, or (ii) in whole, but not in part, prior to January 15, 2023 for the 5.100% Subordinated Debentures and August 15, 2023 for the 5.750% Subordinated Debentures, within 90 days after the occurrence of certain tax and rating agency events, at their principal amount or, if greater, a make-whole redemption price, plus accrued and unpaid interest to, but excluding, the date of redemption. The 5.750% Subordinated Debentures have this make-whole redemption price provision only when a reduction of equity credit assigned by a rating agency has occurred.

Interest on the 5.100% Subordinated Debentures is payable quarterly at the stated fixed annual rate to January 14, 2023, or any earlier redemption date, and then at an annual rate equal to the three-month LIBOR plus 3.165%. Interest on the 5.750% Subordinated Debentures is payable semi-annually at the stated fixed annual rate to August 14, 2023, or any earlier redemption date, and then quarterly at an annual rate equal to the three-month LIBOR plus 2.938%. The Company may elect to defer payment of interest on the Subordinated Debentures for one or more consecutive interest periods that do not exceed five years. During a deferral period, interest will continue to accrue on the Subordinated Debentures at the then-applicable rate and deferred interest will compound on each interest payment date. If all deferred interest on the Subordinated Debentures is paid, the Company can again defer interest payments.

As of December 31, 2022, the Company had outstanding $500 million of Series A 6.500% Fixed-to-Floating Rate Junior Subordinated Debentures (“Debentures”). The scheduled maturity date for the Debentures is May 15, 2057 with a final maturity date of May 15, 2067. The Debentures may be redeemed (i) in whole or in part, at any time on or after May 15, 2037 at the principal amount plus accrued and unpaid interest to the date of redemption, or (ii) in certain circumstances, in whole or in part, prior to May 15, 2037 at the principal amount plus accrued and unpaid interest to the date of redemption or, if greater, a make-whole price.

Interest on the Debentures is payable semi-annually at the stated fixed annual rate to May 15, 2037, and then payable quarterly at an annual rate equal to the three-month LIBOR plus 2.120%. The Company may elect at one or more times to defer payment of interest on the Debentures for one or more consecutive interest periods that do not exceed 10 years. Interest compounds during such deferral periods at the rate in effect for each period. The interest deferral feature obligates the Company in certain circumstances to issue common stock or certain other types of securities if it cannot otherwise raise sufficient funds to make the required interest payments. The Company has reserved 75 million shares of its authorized and unissued common stock to satisfy this obligation.

The terms of the Company’s outstanding subordinated debentures prohibit the Company from declaring or paying any dividends or distributions on common or preferred stock or redeeming, purchasing, acquiring, or making liquidation payments on common stock or preferred stock if the Company has elected to defer interest payments on the subordinated debentures, subject to certain limited exceptions.

In connection with the issuance of the Debentures, the Company entered into a replacement capital covenant (“RCC”). This covenant was not intended for the benefit of the holders of the Debentures and could not be enforced by them. Rather, it was for the benefit of holders of one or more other designated series of the Company’s indebtedness (“covered debt”), currently the 5.750% Subordinated Debentures due 2053. Pursuant to the RCC, the Company has agreed that it will not repay, redeem, or purchase the Debentures on or before May 15, 2067 (or such earlier date on which the RCC terminates by its terms) unless, subject to certain limitations, the Company has received net cash proceeds in specified amounts from the sale of common stock or certain other qualifying securities. The promises and covenants contained in the RCC will not apply if (i) S&P upgrades the Company’s issuer credit rating to A or above, (ii) the Company redeems the Debentures due to a tax event, (iii) after notice of redemption has been given by the Company and a market disruption event occurs preventing the Company from raising proceeds in accordance with the RCC, or (iv) the Company repurchases or redeems up to 10% of the outstanding principal of the Debentures in any one-year period, provided that no more than 25% will be so repurchased, redeemed or purchased in any ten-year period.

The RCC terminates in 2067. The RCC will terminate prior to its scheduled termination date if (i) the Debentures are no longer outstanding and the Company has fulfilled its obligations under the RCC or it is no longer applicable, (ii) the holders of a majority of the then-outstanding principal amount of the then-effective series of covered debt consent to agree to the termination of the RCC, (iii) the Company does not have any series of outstanding debt that is eligible to be treated as covered debt under the RCC, (iv) the Debentures are accelerated as a result of an event of default, (v) certain rating agency or change in control events occur, (vi) S&P, or any successor thereto, no longer assigns a solicited rating on senior debt issued or guaranteed by the Company, or (vii) the termination of the RCC would have no effect on the equity credit provided by S&P with respect to the Debentures. An event of default, as defined by the supplemental indenture, includes default in the payment of interest or principal and bankruptcy proceedings.

The administrator of London Interbank Offered Rate (“LIBOR”) has ceased the publication of the one week and two month U.S. dollar (“USD”) LIBOR settings since December 31, 2021, and the remaining USD LIBOR settings will immediately cease following the LIBOR publication on June 30, 2023. The Subordinated Debentures and the 2023 Floating Rate Senior Notes allow for the use of an alternative methodology to determine the interest rate if LIBOR is no longer available. The Federal Reserve Board adopted a final rule that implemented the Adjustable Interest Rate (LIBOR) Act on December 16, 2022. This guidance impacts the alternative rate methodology utilized by the Subordinated Debentures. The Company is evaluating the anticipated impacts of the enacted legislation.

To manage short-term liquidity, the Company maintains a commercial paper program and a credit facility as a potential source of funds. In November, 2020, the Company entered into a new unsecured revolving credit facility agreement with a borrowing limit of $750 million. In November 2022, the maturity date was extended to November 2027 and the USD benchmark rate was amended from LIBOR to Secured Overnight Financing Rate (“SOFR”). This facility contains an increase provision that would allow up to an additional $500 million of borrowing. This facility has a financial covenant requiring the Company not to exceed a 37.5% debt to capitalization ratio as defined in the agreement. Although the right to borrow under the facility is not subject to a minimum rating requirement, the costs of maintaining the facility and borrowing under it are based on the ratings of the Company's senior unsecured, unguaranteed long-term debt. The total amount outstanding at any point in time under the combination of the commercial paper program and the credit facility cannot exceed the amount that can be borrowed under the credit facility. No amounts were outstanding under the credit facility as of December 31, 2022 or 2021. The Company had no commercial paper outstanding as of December 31, 2022 or 2021.

The Company paid $323 million, $321 million and $311 million of interest on debt in 2022, 2021 and 2020, respectively.

The Company had $371 million and $401 million of investment-related debt that is reported in other liabilities and accrued expenses as of December 31, 2022 and 2021, respectively.

During 2021, the Company filed a universal shelf registration statement with the Securities and Exchange Commission ("SEC") that expires in 2024. The registration statement covers an unspecified amount of securities and can be used to issue debt securities, common stock, preferred stock, depositary shares, warrants, stock purchase contracts, stock purchase units and securities of trust subsidiaries.

Common stock The Company had 900 million shares of issued common stock of which 263 million shares were outstanding and 637 million shares were held in treasury as of December 31, 2022. In 2022, the Company acquired 20 million shares at an average cost of $126.56 and reissued 3 million net shares under equity incentive plans.

Preferred stock All outstanding preferred stock represents noncumulative perpetual preferred stock with a $1.00 par value per share and a liquidation preference of $25,000 per share.

Total preferred stock outstanding

	As of December 31,		Aggregate liquidation preference ($ in millions)			Dividend per depository share [1]			Aggregate dividend payment ($ in millions)		
	2022	2021	2022	2021	Dividend rate	2022	2021	2020	2022	2021	2020
Series A	—	—	$ —	$ —	5.625 %	$ —	$ —	$ —	$ —	$ —	$ 4 [2]
Series G	23,000	23,000	575.0	575.0	5.625 %	1.41	1.41	1.41	32	32	32
Series H	46,000	46,000	1,150.0	1,150.0	5.100 %	1.28	1.28	1.28	59	59	59
Series I	12,000	12,000	300.0	300.0	4.750 %	1.19	1.19	1.19	14	14	13
National General Series [3]									—	9	—
Total	**81,000**	**81,000**	**$ 2,025**	**$ 2,025**					**$ 105**	**$ 114**	**$ 108**

(1) Each depository share represents a 1/1,000th interest in a share of preferred stock.

(2) Excludes $10 million related to original issuance costs in preferred stock dividends on the Consolidated Statements of Operations and Consolidated Statements of Shareholders' Equity as a result of the preferred stock redemptions.

(3) On February 2, 2021 and July 15, 2021, the Company redeemed all outstanding shares of National General Preferred Stock Series A, B and D, and National General Preferred Stock Series C, respectively.

The preferred stock ranks senior to the Company's common stock with respect to the payment of dividends and liquidation rights. The Company will pay dividends on the preferred stock on a noncumulative basis only when, as and if declared by the Company's board of directors (or a duly authorized committee of the board) and to the extent that the Company has legally available funds to pay dividends. If dividends are declared on the preferred stock, they will be payable quarterly in arrears at an annual fixed rate. Dividends on the preferred stock are not cumulative. Accordingly, in the event dividends are not declared on the preferred stock for payment on any dividend payment date, then those dividends will cease to be payable. If the Company has not declared a dividend before the dividend payment date for any dividend period, the Company has no obligation to pay dividends for that dividend period, whether or not dividends are declared for any future dividend period. No dividends may be paid or declared on the Company's common stock and no shares of the Company's common stock may be repurchased unless the full dividends for the latest completed dividend period on the preferred stock have been declared and paid or provided for.

The Company is prohibited from declaring or paying dividends on its Series G preferred stock in excess of the amount of net proceeds from an issuance of common stock taking place within 90 days before a dividend declaration date if, on that dividend declaration date, either: (1) the risk-based capital ratios of the largest U.S. property-casualty insurance subsidiaries that collectively account for 80% or more of the net written premiums of U.S. property-casualty insurance business on a weighted average basis were less than 175% of their company action level risk-based capital as of the end of the most recent year; or (2) consolidated net income for the four-quarter period ending on the preliminary quarter end test date (the quarter that is two quarters prior to the most recently completed quarter) is zero or negative and consolidated shareholders' equity (excluding AOCI, and subject to certain other adjustments relating to changes in U.S. GAAP) as of each of the preliminary quarter test date and the most recently completed quarter has declined by 20% or more from its level as measured at the end of the benchmark quarter (the date that is ten quarters prior to the most recently completed quarter). If the Company fails to satisfy either of these tests on any dividend declaration date, the restrictions on dividends will continue until the Company is able again to satisfy the test on a dividend declaration date. In addition, in the case of a restriction arising under (2) above, the restrictions on dividends will continue until consolidated shareholders' equity (excluding AOCI, and subject to certain other adjustments relating to changes in U.S. GAAP) has increased, or has declined by less than 20%, in either case as compared to its level at the end of the benchmark quarter for each dividend payment date as to which dividend restrictions were imposed.

The preferred stock does not have voting rights except with respect to certain changes in the terms of the preferred stock, in the case of certain dividend nonpayments, certain other fundamental corporate events, mergers or consolidations and as otherwise provided by law. If and when dividends have not been declared and paid in full for at least six quarterly dividend periods or their equivalent (whether or not consecutive), the authorized number of directors then constituting the Company's board of directors will be increased by two. The holders of the preferred stock, together with the holders of all other affected classes and series of voting parity stock, voting as a single class, will be entitled to elect the two additional members of the board of directors of the Company, subject to certain conditions. The board of directors shall at no time have more than two preferred stock directors.

The preferred stock is perpetual and has no maturity date. The preferred stock is redeemable at the Company's option in whole or in part, on or after April 15, 2023 for Series G, October 15, 2024 for Series H and January 15, 2025 for Series I at a redemption price of $25,000 per share of preferred stock, plus declared and unpaid dividends. Prior to April 15, 2023 for Series G, October 15, 2024 for Series H and January 15, 2025 for Series I, the preferred stock is redeemable at the Company's option, in whole but not in part, within 90 days of the occurrence of certain regulatory capital events at a redemption price equal to $25,000 or $25,500 per share or a certain rating agency event at a redemption price equal to $25,000 or $25,500 per share, plus declared and unpaid dividends for Series G and for Series H and I, respectively.

Note 14 Company Restructuring

The Company undertakes various programs to reduce expenses. These programs generally involve a reduction in staffing levels, and in certain cases, office closures. Restructuring and related charges primarily include the following costs related to these programs:

- *Employee* - severance and relocation benefits
- *Exit* - contract termination penalties and real estate costs primarily related to accelerated amortization of right-of-use assets and related leasehold improvements at facilities to be vacated

The expenses related to these activities are included in the Consolidated Statements of Operations as restructuring and related charges and totaled $51 million, $170 million and $253 million in 2022, 2021 and 2020, respectively.

Restructuring expenses in 2022 are primarily due to the future work environment as the Company reevaluates its facilities footprint and employee costs related to global workforce enablement, including outsourcing various elements of its operations. The Company continues to identify ways to improve operating efficiency and reduce cost which may result in additional restructuring charges in the future.

Future work environment

($ in millions)		
Expected program charges	$	110
2021 expenses		(131)
2022 expenses		(8)
Changes in estimated program costs		41
Remaining program charges	**$**	**12**

These charges are primarily recorded in the Allstate Protection segment. Exit costs of this program reflect real estate costs primarily related to accelerated amortization of right-of-use assets and related leasehold improvements at facilities to be vacated. The actions related to the future work environment are substantially complete as of December 31, 2022.

Restructuring activity during the period

($ in millions)	Employee costs		Exit costs		Total liability	
Restructuring liability as of December 31, 2021	$	14	$	7	$	21
Expense incurred		31		29		60
Adjustments to liability		(9)		—		(9)
Payments and non-cash charges		(9)		(29)		(38)
Restructuring liability as of December 31, 2022	**$**	**27**	**$**	**7**	**$**	**34**

As of December 31, 2022, the cumulative amount incurred to date for active programs related to employee severance, relocation benefits and exit expenses totaled $29 million for employee costs and $146 million for exit costs.

Note 15 Commitments, Guarantees and Contingent Liabilities

Shared markets and state facility assessments

The Company is required to participate in assigned risk plans, reinsurance facilities and joint underwriting associations in various states that provide insurance coverage to individuals or entities that otherwise are unable to purchase such coverage from private insurers.

The Company routinely reviews its exposure to assessments from these plans, facilities and government programs. Underwriting results related to these arrangements, which tend to be adverse, have been immaterial to the Company's results of operations in the last three years. Because of the Company's participation, it may be exposed to losses that surpass the capitalization of these facilities or assessments from these facilities.

Florida Citizens Castle Key is subject to assessments from Citizens Property Insurance Corporation in the state of Florida ("FL Citizens"), which was initially created by the state of Florida to provide insurance to property owners unable to obtain coverage in the private insurance market. FL Citizens, at the discretion and direction of its Board of Governors, can levy a regular assessment on assessable insurers and assessable insureds for a deficit in any calendar year up to a maximum of the greater of: 2% of the projected deficit or 2% of the aggregate statewide direct written premium for the prior calendar year. The base of assessable insurers includes all property and casualty premiums in the state, except workers' compensation, medical malpractice, accident and health insurance and policies written under the NFIP. An insurer may recoup a regular assessment through a surcharge to policyholders. In order to recoup this assessment, an insurer must file for a policy surcharge with the Florida Office of Insurance Regulation at least fifteen days prior to imposing the surcharge on policies. If a deficit remains after the regular assessment, FL Citizens can also levy emergency assessments in the current and subsequent years. Companies are required to collect the emergency assessments directly from residential property policyholders and remit to FL Citizens as collected. Currently, the emergency assessment is zero for all policies issued or renewed on or after July 1, 2015.

Louisiana Citizens Louisiana Citizens Property Insurance Corporation ("LA Citizens") can levy a regular assessment on participating companies for a deficit in any calendar year up to a maximum of the greater of 10% of the calendar year deficit or 10% of Louisiana direct property premiums industry-wide for the prior calendar year. If the plan year deficit exceeds the amount that can be recovered through regular assessments, LA Citizens may fund the remaining deficit by issuing revenue assessment bonds in the capital markets. LA Citizens then declares emergency assessments each year to provide debt service on the bonds until they are retired. Companies writing assessable lines must surcharge their policyholders emergency assessments in the percentage established annually by LA Citizens and must remit amounts collected to the bond trustee on a quarterly basis. Emergency assessments to pay off bonds issued in 2007 for the hurricanes of 2005 will continue until 2025.

Facilities such as FL Citizens and LA Citizens are generally designed so that the ultimate cost is borne by policyholders; however, the exposure to assessments from these facilities and the availability of recoupments or premium rate increases may not offset each other in the Company's financial statements. Moreover, even if they do offset each other, they may not offset each other in financial statements for the same fiscal period due to the ultimate timing of the assessments and recoupments or premium rate increases, as well as the possibility of policies not being renewed in subsequent years.

California Earthquake Authority Exposure to certain potential losses from earthquakes in California is limited by the Company's participation in the California Earthquake Authority ("CEA"), which provides insurance for California earthquake losses. The CEA is a privately-financed, publicly-managed state agency created to provide insurance coverage for earthquake damage. Insurers selling homeowners insurance in California are required to offer earthquake insurance to their customers either through their company or by participation in the CEA. The Company's homeowners policies continue to include coverages for losses caused by explosions, theft, glass breakage and fires following an earthquake, which are not underwritten by the CEA.

As of September 30, 2022, the CEA's capital balance was approximately $5.60 billion. Should losses arising from an earthquake cause a deficit in the CEA, an additional $1.60 billion would be obtained from the proceeds of revenue bonds the CEA may issue, an existing $9.30 billion reinsurance layer, $1.00 billion from policy surcharge, and finally, if needed, assessments on participating insurance companies. Participating insurers are required to pay an assessment, currently estimated not to exceed $1.70 billion, if the capital of the CEA falls below $350 million. Within the limits previously described, the assessment could be intended to restore the CEA's capital to a level of $350 million. There is no provision that allows insurers to recover assessments through a premium surcharge or other mechanism. The CEA's projected aggregate claim paying capacity is $19.10 billion as of September 30, 2022 and if an event were to result in claims greater than its capacity, affected policyholders may be paid a prorated portion of their covered losses, paid on an installment basis, or no payments may be made if the claim paying capacity of the CEA is insufficient.

All future assessments on participating CEA insurers are based on their CEA insurance market share as of December 31 of the preceding year. As of December 31, 2022, the Company's market share was 8.3%. The Company does not expect its market share to materially change. At this level, the Company's maximum possible CEA assessment was $138 million during 2022. These amounts are re-evaluated by the board of directors of the CEA on an annual basis. Accordingly, assessments from the CEA for a particular quarter or annual period may be material to the results of operations and cash flows, but not the financial position of the Company. Management believes the Company's exposure to earthquake losses in California has been significantly reduced as a result of its participation in the CEA.

Texas Windstorm Insurance Association The Company participates as a member of the Texas Windstorm Insurance Association ("TWIA"), which provides wind and hail property coverage to coastal risks unable to procure coverage in the voluntary market. Wind and hail coverage is written on a TWIA-issued policy. TWIA follows a funding structure first utilizing currently available funds set aside from current and prior years. Under the current law, to the extent losses exceed premiums received from policyholders, TWIA utilizes a combination of reinsurance, TWIA issued securities, as well as member and policyholder assessments to fund loss payments.

Any assessments from TWIA for a particular quarter or annual period may be material to the results of operations and cash flows, but not to the financial position of the Company.

Texas Fair Plan Association The Company participates as a member of the Texas Fair Plan Association ("FAIR Plan"), which provides residential property insurance to inland areas designated as underserved by the Commissioner of Insurance and the applicant(s) are unable to procure coverage in the private market. The FAIR Plan issues insurance policies, like an insurance company, and it also functions as a pooling mechanism that allocates premiums, claims and expenses back to the insurance industry. Insurers are permitted to recover the assessment through either a premium surcharge applied to existing customers over a three-year period or increased rates, but the ability to fully recover the assessment may be impacted by market conditions or other factors.

North Carolina Joint Underwriters Association The North Carolina Joint Underwriters Association ("NCJUA") was created to provide property insurance for properties (other than the state's beach and coastal areas) that private insurers are not otherwise willing to insure. All insurers licensed to write property insurance in North Carolina are members of the NCJUA. Premiums, losses and expenses of the NCJUA are shared by the member companies in proportion to their respective North Carolina property insurance writings. Member companies participate in plan deficits or surpluses based on their participation ratios, which are determined annually. The Company had a $5 million receivable from the NCJUA at December 31, 2022 representing its participation in the NCJUA's surplus of $18 million for all open years.

North Carolina Insurance Underwriting Association The North Carolina Insurance Underwriting Association ("NCIUA") provides property insurance, including windstorm and hail coverage, for properties located in the state's beach and coastal areas that private insurers are not otherwise willing to insure. All insurers licensed to write residential and commercial property insurance in North Carolina are members of the NCIUA. Members are assessed in proportion to their North Carolina residential and commercial property insurance writings, which is determined annually and varies by coverage, for plan deficits. As of December 31, 2022, the NCIUA had a surplus of $853 million. No member company is entitled to the distribution of any portion of the NCIUA's surplus. The Company does not recognize any interest related to this surplus. Legislation in 2009 capped insurers' assessments for losses incurred in any calendar year at $1.00 billion. Subsequent to an industry assessment of $1.00 billion, if the plan continues to require funding, it may authorize insurers to assess a 10% catastrophe recovery charge on each property insurance policy statewide to be remitted to the plan.

Other programs The Company is also subject to assessments by the NCRF and the FHCF, which are described in Note 11.

Guaranty funds

Under state insurance guaranty fund laws, insurers doing business in a state can be assessed, up to prescribed limits, for certain obligations of insolvent insurance companies to policyholders and claimants. Amounts assessed to each company are typically related to its proportion of business written in each state. The Company's policy is to accrue assessments when the entity for which the insolvency relates has met its state of domicile's statutory definition of insolvency, the amount of the loss is reasonably estimable and the related premium upon which the assessment is based is written. In most states, the definition is met with a declaration of financial insolvency by a court of competent jurisdiction. In certain states there must also be a final order of liquidation. Since most states allow a credit against premium or other state related taxes for assessments, an asset is recorded based on paid and accrued assessments for the amount the Company expects to recover on the respective state's tax return and is realized over the period allowed by each state. As of December 31, 2022 and 2021, the liability balance included in other liabilities and accrued expenses was $29 million and $17 million, respectively. The related premium tax offsets included in other assets were $6 million and $7 million as of December 31, 2022 and 2021, respectively.

Guarantees

In the normal course of business, the Company provides standard indemnifications to contractual counterparties in connection with numerous transactions, including acquisitions and divestitures. The types of indemnifications typically provided include indemnifications for breaches of representations and warranties, taxes and certain other liabilities, such as third-party lawsuits. The indemnification clauses are often standard contractual terms and are entered into in the normal course of business based on an assessment that the risk of loss would be remote. The terms of the indemnifications vary in duration and nature. In many cases, the maximum obligation is not explicitly stated and the contingencies triggering the obligation to indemnify have not occurred and are not expected to occur. Consequently, the maximum amount of the obligation under such indemnifications is not determinable. Historically, the Company has not made any material payments pursuant to these obligations.

Related to the sale of ALNY on October 1, 2021, AIC agreed to indemnify Wilton Reassurance Company in connection with certain representations, warranties and covenants of AIC, and certain liabilities specifically excluded from the transaction, subject to specific contractual limitations regarding AIC's maximum obligation. Management does not believe these indemnifications will have a material effect on results of operations, cash flows or financial position of the Company.

Related to the sale of ALIC and Allstate Assurance Company on November 1, 2021, AIC and Allstate Financial Insurance Holdings Corporation (collectively, the "Sellers") agreed to indemnify Everlake US Holdings Company in connection with certain representations, warranties and covenants of the Sellers, and certain liabilities specifically excluded from the transaction, subject to specific contractual limitations regarding the Sellers' maximum obligation. Management does not believe these indemnifications will have a material effect on results of operations, cash flows or financial position of the Company.

The aggregate liability balance related to all guarantees was not material as of December 31, 2022.

Regulation and compliance

The Company is subject to extensive laws, regulations, administrative directives, and regulatory actions. From time to time, regulatory authorities or legislative bodies seek to influence and restrict premium rates, require premium refunds to policyholders, require reinstatement of terminated policies, prescribe rules or guidelines on how affiliates compete in the marketplace, restrict the ability of insurers to cancel or non-renew policies, require insurers to continue to write new policies or limit their ability to write new policies, limit insurers' ability to change coverage terms or to impose underwriting standards, impose additional regulations regarding agency and broker compensation, regulate the nature of and amount of investments, impose fines and penalties for unintended errors or mistakes, impose additional regulations regarding cybersecurity and privacy, and otherwise expand overall regulation of insurance products and the insurance industry. In addition, the Company is subject to laws and regulations administered and enforced by federal agencies, international agencies, and other organizations, including but not limited to the Securities and Exchange Commission ("SEC"), the Financial Industry Regulatory Authority, the U.S. Equal Employment Opportunity Commission, and the U.S. Department of Justice. The Company has established procedures and policies to facilitate compliance with laws and regulations, to foster prudent business operations, and to support financial reporting. The Company routinely reviews its practices to validate compliance with laws and regulations and with internal procedures and policies. As a result of these reviews, from time to time the Company may decide to modify some of its procedures and policies. Such modifications, and the reviews that led to them, may be accompanied by payments being made and costs being incurred. The ultimate changes and eventual effects of these actions on the Company's business, if any, are uncertain.

Legal and regulatory proceedings and inquiries

The Company and certain subsidiaries are involved in a number of lawsuits, regulatory inquiries, and other legal proceedings arising out of various aspects of its business.

Background These matters raise difficult and complicated factual and legal issues and are subject to many uncertainties and complexities, including the underlying facts of each matter; novel legal issues; variations between jurisdictions in which matters are being litigated, heard, or investigated; changes in assigned judges; differences or developments in applicable laws and judicial interpretations; judges reconsidering prior rulings; the length of time before many of these matters might be resolved by settlement, through litigation, or otherwise; adjustments with respect to anticipated trial schedules and other proceedings; developments in similar actions against other companies; the fact that some of the lawsuits are putative class actions in which a class has not been certified and in which the purported class may not be clearly defined; the fact that some of the lawsuits involve multi-state class actions in which the applicable law(s) for the claims at issue is in dispute and therefore unclear; and the challenging legal environment faced by corporations and insurance companies.

The outcome of these matters may be affected by decisions, verdicts, and settlements, and the timing of such decisions, verdicts, and settlements, in other individual and class action lawsuits that involve the Company, other insurers, or other entities and by other legal, governmental, and regulatory actions that involve the Company, other insurers, or other entities.

The outcome may also be affected by future state or federal legislation, the timing or substance of which cannot be predicted.

In the lawsuits, plaintiffs seek a variety of remedies which may include equitable relief in the form of injunctive and other remedies and monetary relief in the form of contractual and extra-contractual damages. In some cases, the monetary damages sought may include punitive or treble damages. Often specific information about the relief sought, such as the amount of damages, is not available because plaintiffs have not requested specific relief in their pleadings. When specific monetary demands are made, they are often set just below a state court jurisdictional limit in order to seek the maximum amount available in state court, regardless of the specifics of the case, while still avoiding the risk of removal to federal court. In Allstate's experience, monetary demands in pleadings bear little relation to the ultimate loss, if any, to the Company.

In connection with regulatory examinations and proceedings, government authorities may seek various forms of relief, including penalties, restitution, and changes in business practices. The Company may not be advised of the nature and extent of relief sought until the final stages of the examination or proceeding.

Accrual and disclosure policy The Company reviews its lawsuits, regulatory inquiries, and other legal proceedings on an ongoing basis and follows appropriate accounting guidance when making accrual and disclosure decisions. The Company establishes accruals for such matters at management's best estimate when the Company assesses that it is probable that a loss has been incurred and the amount of the loss can be reasonably estimated. The Company does not establish accruals for such matters when the Company does not believe both that it is probable that a loss has been incurred and the amount of the loss can be reasonably estimated. The Company's assessment of whether a loss is reasonably possible or probable is based on its assessment of the ultimate outcome of the matter following all appeals. The Company does not include potential recoveries in its estimates of reasonably possible or probable losses. Legal fees are expensed as incurred.

The Company continues to monitor its lawsuits, regulatory inquiries, and other legal proceedings for further developments that would make the loss contingency both probable and estimable, and accordingly accruable, or that could affect the amount of accruals that have been previously established. There may continue to be exposure to loss in excess of any amount accrued. Disclosure of the nature and amount of an accrual is made when there have been sufficient legal and factual developments such that the Company's ability to resolve the matter would not be impaired by the disclosure of the amount of accrual.

When the Company assesses it is reasonably possible or probable that a loss has been incurred, it discloses the matter. When it is possible to estimate the reasonably possible loss or range of loss above the amount accrued, if any, for the matters disclosed, that estimate is aggregated and disclosed. Disclosure is not required when an estimate of the reasonably possible loss or range of loss cannot be made.

For certain of the matters described below in the "Claims related proceedings" and "Other proceedings" subsections, the Company is able to estimate the reasonably possible loss or range of loss above the amount accrued, if any. In determining whether it is possible to estimate the reasonably possible loss or range of loss, the Company reviews and evaluates the disclosed matters, in conjunction with counsel, in light of potentially relevant factual and legal developments.

These developments may include information learned through the discovery process, rulings on dispositive motions, settlement discussions, information obtained from other sources, experience from managing these and other matters, and other rulings by courts, arbitrators or others. When the Company possesses sufficient appropriate information to develop an estimate of the reasonably possible loss or range of loss above the amount accrued, if any, that estimate is aggregated and disclosed below. There may be other disclosed matters for which a loss is probable or reasonably possible, but such an estimate is not possible. Disclosure of the estimate of the reasonably possible loss or range of loss above the amount accrued, if any, for any individual matter would only be considered when there have been sufficient legal and factual developments such that the Company's ability to resolve the matter would not be impaired by the disclosure of the individual estimate.

The Company currently estimates that the aggregate range of reasonably possible loss in excess of the amount accrued, if any, for the disclosed matters where such an estimate is possible is zero to $135 million, pre-tax. This disclosure is not an indication of expected loss, if any. Under accounting guidance, an event is "reasonably possible" if "the chance of the future event or events occurring is more than remote but less than likely" and an event is "remote" if "the chance of the future event or events occurring is slight." This estimate is based upon currently available information and is subject to significant judgment and a variety of assumptions and known and unknown uncertainties. The matters underlying the estimate will change from time to time, and actual results may vary significantly from the current estimate. The estimate does not include matters or losses for which an estimate is not possible. Therefore, this estimate represents an estimate of possible loss only for certain matters meeting these criteria. It does not represent the Company's maximum possible loss exposure. Information is provided below regarding the nature of all of the disclosed matters and, where specified, the amount, if any, of plaintiff claims associated with these loss contingencies.

Due to the complexity and scope of the matters disclosed in the "Claims related proceedings" and "Other proceedings" subsections below and the many uncertainties that exist, the ultimate outcome of these matters cannot be predicted and in the Company's judgment, a loss, in excess of amounts accrued, if any, is not probable. In the event of an unfavorable outcome in one or more of these matters, the ultimate liability may be in excess of amounts currently accrued, if any, and may be material to the Company's operating results or cash flows for a particular quarterly or annual period. However, based on information currently known to it, management believes that the ultimate outcome of all matters described below, as they are resolved over time, is not likely to have a material effect on the financial position of the Company.

Claims related proceedings The Company is managing various disputes in Florida that raise challenges to the Company's practices, processes, and procedures relating to claims for personal injury protection benefits under Florida auto policies. Medical providers continue to pursue litigation under various theories that challenge the amounts that the Company pays under the personal injury protection coverage, seeking additional benefit payments, as well as applicable interest, penalties and fees. There is a pending lawsuit, *Revival Chiropractic v. Allstate Insurance Company, et al.* (M.D. Fla., filed January 2019; appeal pending, 11th Circuit Court of Appeals), where the federal district court denied class certification and plaintiff's request to file a renewed motion for class certification. In *Revival*, on June 2, 2022, the 11th Circuit certified to the Florida Supreme Court Allstate's appeal of the federal district court's interpretation of the state personal injury protection statute. The 11th Circuit is holding determination on plaintiff's class certification appeal pending the outcome of the Florida Supreme Court certification. The oral argument before the Florida Supreme Court is scheduled for March 8, 2023. The Company is also defending litigation involving individual plaintiffs.

The Company is defending putative class actions in various courts that raise challenges to the Company's depreciation practices in homeowner property claims. In these lawsuits, plaintiffs generally allege that, when calculating actual cash value, the costs of "non-materials" such as labor, general contractor's overhead and profit, and sales tax should not be subject to depreciation. The Company is currently defending the following lawsuits on this issue: *Clark v. Allstate Vehicle and Property Insurance Company* (Circuit Court of Independence Co., Ark., filed February 2016); *Sims, et al. v. Allstate Fire and Casualty Insurance Company, et al.* (W.D. Tex. filed June 2022); *Thompson, et al. v. Allstate Insurance Company* (Circuit Court of Cole Co., Mo. filed June 2022); and *Hill v. Allstate Vehicle and Property Insurance Company* (Circuit Court of Cole Co., Mo. filed October 2022). No classes have been certified in any of these matters. A settlement-in-principle has been reached in the following cases: *Perry v. Allstate Indemnity Company, et al*. (N.D. Ohio filed May 2016); *Lado v. Allstate Vehicle and Property Insurance Company* (S.D. Ohio filed March 2020); *Maniaci v. Allstate Insurance Company* (N.D. Ohio filed March 2020); and *Ferguson-Luke, et al. v. Allstate Property and Casualty Insurance Company* (N.D. Ohio filed April 2020). The court granted preliminary approval of a class-wide settlement in *Hester, et al. v. Allstate Vehicle and Property Insurance Company, et al*. (St. Clair Co., Ill. filed June 2020) (as part of the proposed class-wide settlement, the plaintiff and defendant in *Thaxton v. Allstate Indemnity Company* were added to the *Hester* complaint). A motion for preliminary approval of a class-wide settlement is pending in *Mitchell, et al. v. Allstate Vehicle and Property Insurance Company, et al*. (S.D. Ala. filed August 2021).

The Company is defending putative class actions pending in multiple states alleging that the Company underpays total loss vehicle physical damage claims on auto policies. The allegedly systematic underpayments result from one or more of the following theories: (a) the third party valuation tool used by the Company as part of a comprehensive adjustment process is allegedly flawed, biased, or contrary to applicable law; (b) the Company allegedly does not pay sales tax, title fees, registration fees, and/or other specified fees that are allegedly mandatory under policy language or state legal authority; or (c) after paying for the value of the loss vehicle, then the Company allegedly is not entitled to retain the residual salvage value, and the Company allegedly must pay salvage value to the owner (or if the loss vehicle is retained by the owner, then the Company allegedly may not apply any offset for the salvage value).

The following cases are currently pending against the Company: *Olberg v. Allstate Insurance Company, Allstate Fire and Casualty Insurance Company, and CCC Information Services, Inc*. (W.D. Wash., filed April 2018); *Kronenberg v. Allstate Insurance Company and Allstate Fire and Casualty Insurance Company* (E.D.N.Y., filed December 2018); *Durgin v. Allstate Property and Casualty Insurance Company* (W.D. La., filed June 2019); *Williams v. Esurance Property and Casualty Insurance Company* (C.D. Cal., filed September 2020); *Cotton v. Allstate Fire and Casualty Insurance Company* (Cir. Ct. of Cook Co. Ill., Chancery Div., filed October 2020); *Romaniak v. Esurance Property and Casualty Insurance Company* (N.D. Ohio, filed December 2020); *Bass v. Imperial Fire and Casualty Insurance Company* (W.D. La., filed February 2022); *Cummings v. Allstate Property and Casualty Insurance Company* (M.D. La., filed April 2022); *Slaughter v. Esurance Property and Casualty Insurance Company* (Cir. Ct. of Cook Co, Ill., Chancery Div., filed September 2022); *Kanak v. Allstate Fire and Casualty Insurance Company* (Cir. Ct. of Cook Co., Ill., Chancery Div., filed September 2022).

None of the courts in any of the pending matters has ruled on class certification.

Other proceedings The Company is defending against an investigatory hearing before the California Insurance Commissioner concerning the private passenger automobile insurance rating practices of Allstate Insurance Company and Allstate Indemnity Company in California. The investigatory hearing is captioned: *In the Matter of the Rating Practices of Allstate Insurance Company and Allstate Indemnity Company.* Pursuant to the Notice of Hearing issued by the California Insurance Commissioner, the California Insurance Commissioner is investigating: (1) whether Allstate has potentially violated California insurance law by using illegal price optimization; (2) how Allstate implemented any such potentially illegal price optimization in its private passenger auto insurance rates and/or class plans; and (3) how such potentially illegal price optimization impacted Allstate's private passenger auto insurance policyholders. Fact discovery has been completed in the investigatory hearing. The hearing is scheduled for May 22, 2023.

In re The Allstate Corp. Securities Litigation is a certified class action filed on November 11, 2016 in the United States District Court for the Northern District of Illinois against the Company and two of its officers asserting claims under the federal securities laws. Plaintiffs allege that they purchased Allstate common stock during the class period and suffered damages as the result of the conduct alleged. Plaintiffs seek an unspecified amount of damages, costs, attorney's fees, and other relief as the court deems appropriate. Plaintiffs allege that the Company and certain senior officers made allegedly material misstatements or omissions concerning claim frequency statistics and the reasons for a claim frequency increase for Allstate brand auto insurance between October 2014 and August 3, 2015.

Plaintiffs further allege that a senior officer engaged in stock option exercises during that time allegedly while in possession of material nonpublic information about Allstate brand auto insurance claim frequency. The Company, its chairman, president and chief executive officer, and its former president are the named defendants. After the court denied their motion to dismiss on February 27, 2018, defendants answered the complaint, denying plaintiffs' allegations that there was any misstatement or omission or other misconduct. On June 22, 2018, plaintiffs filed their motion for class certification. The court allowed the lead plaintiffs to amend their complaint to add the City of Providence Employee Retirement System as a proposed class representative and on September 12, 2018, the amended complaint was filed. A class was certified on March 26, 2019, vacated by the U.S. Court of Appeals for the Seventh Circuit on July 16, 2020 and remanded for further consideration by the district court. On December 21, 2020, the district court again granted plaintiffs' motion for class certification and certified a class consisting of all persons who purchased Allstate common stock between October 29, 2014 and August 3, 2015. Defendants' petition for permission to appeal this ruling was denied on January 28, 2021. Following the close of discovery defendants moved for summary judgment on March 23, 2022. On July 26, 2022 the court entered its order granting summary judgment in part (as to plaintiffs' claims relating to certain statements made in October 2014) and denying it as to the remainder of plaintiffs' claims. On January 10, 2023, the parties filed a joint pre-trial order. A pre-trial conference is scheduled for March 2, 2023.

The Company is continuing to defend two putative class actions in California federal court, *Holland Hewitt v. Allstate Life Insurance Company* (E.D. Cal., filed May 2020) and *Farley v. Lincoln Benefit Life Company* (E.D. Cal., filed Dec. 2020), following the sale of ALIC. No classes have been certified in these matters. In these cases, plaintiffs generally allege that the defendants failed to comply with certain California statutes which address contractual grace periods and lapse notice requirements for certain life insurance policies. Plaintiffs claim that these statutes apply to life insurance policies that existed before the statutes' effective date. The plaintiffs seek damages and injunctive relief. Similar litigation is pending against other insurance carriers. In August 2021, the California Supreme Court in *McHugh v. Protective Life*, a matter involving another insurer, determined that the statutory notice requirements apply to life insurance policies issued before the statutes' effective date. The Company asserts various defenses to plaintiffs' claims and to class certification.

Note 16 Income Taxes

The Company and its eligible domestic subsidiaries file a U.S. consolidated federal income tax return. The Company also files tax returns in various states and foreign jurisdictions. Tax liabilities and benefits realized by the consolidated group are allocated as generated by the respective entities.

Deferred income taxes result from temporary differences between the tax basis of assets and liabilities and their reported amounts in the financial statements that will result in taxable or deductible amounts in future years. Deferred tax assets and liabilities are measured using enacted tax rates expected to apply to taxable income in years in which those temporary differences are expected to be recovered or settled. Deferred tax assets and liabilities are adjusted through income tax expense as changes in tax laws or rates are enacted.

Inflation Reduction Act of 2022 The Inflation Reduction Act of 2022 ("Act"), which contains several tax-related provisions, was signed into law in August 2022. The Act creates a 15% corporate alternative minimum tax ("CAMT") on certain large corporations and an excise tax of 1% on stock repurchases by publicly traded U.S. corporations, both effective after December 31, 2022. The excise tax on common stock repurchases will be classified as an additional cost of the stock acquired included in treasury stock in shareholders' equity. The Company has determined that it is considered an "applicable corporation" under the rules of CAMT, and as such, it is expected to perform the CAMT computation starting January 1, 2023; however, a reasonable estimate cannot be made as of the filing date.

Coronavirus Aid, Relief and Economic Security Act The Company qualified and claimed certain employer payroll tax credits that are allowed under the Coronavirus Aid, Relief and Economic Security Act. For the year ended December 31, 2022 and 2021, the Company recorded $3 million and $21 million of refundable employee retention tax credits reported in property and casualty claims and claims expense in the Consolidated Statements of Operations, respectively.

Regulatory tax examinations On January 4, 2021 and October 1, 2021, the Company acquired National General and SafeAuto, respectively. For tax years prior to the acquisition, National General is subject to separate Internal Revenue Service ("IRS") audits. The IRS has completed its exam of Allstate's tax years prior to 2017 and National General tax years prior to 2015. Currently, the Company is under exam for the 2017 and 2018 tax years and National General is under exam for the 2015 through 2019 tax years. The Company believes that adequate provision has been made in the Consolidated Financial Statements for any potential adjustments that may result from IRS examinations or any other tax authorities related to all open tax years.

Unrecognized tax benefits The Company recognizes tax positions in the consolidated financial statements only when it is more likely than not that the position will be sustained on examination by the relevant taxing authority based on the technical merits of the position. A position that meets this standard is measured at the largest amount of benefit that will more likely than not be realized on settlement. A liability is established for differences between positions taken in a tax return and amounts recognized in the consolidated financial statements.

Reconciliation of the change in the amount of unrecognized tax benefits

	For the years ended December 31,		
($ in millions)	**2022**	**2021**	**2020**
Balance – beginning of year	$ 17	$ 12	$ 70
Acquisitions	—	5	—
Decrease for settlements	—	—	(58)
Balance – end of year	**$ 17**	**$ 17**	**$ 12**

The Company believes that it is reasonably possible that a portion of the unrecognized tax benefits could decrease within the next twelve months as a result of the lapse of the applicable statute of limitations.

Components of the deferred income tax assets and liabilities

	As of December 31,	
($ in millions)	**2022**	**2021**
Deferred tax assets		
Unearned premium reserves	$ 815	$ 742
Unrealized net capital losses	608	—
Discount on loss reserves	228	169
Research & development capitalization	219	—
Accrued compensation	128	151
Net operating loss carryover	97	88
Other postretirement benefits	15	31
Pension	10	—
Other assets	95	90
Total deferred tax assets before valuation allowance	**2,215**	**1,271**
Valuation allowance	(34)	(24)
Total deferred tax assets after valuation allowance	**2,181**	**1,247**
Deferred tax liabilities		
DAC	(1,013)	(924)
Investments	(431)	(666)
Intangible assets	(147)	(219)
Unrealized net capital gains	—	(163)
Pension	—	(9)
Other liabilities	(204)	(99)
Total deferred tax liabilities	**(1,795)**	**(2,080)**
Net deferred tax assets (liabilities)	**$ 386**	**$ (833)**

As of December 31, 2022, the Company has U.S. federal and foreign net operating loss ("NOL") carryforwards, some of which will expire on various dates from 2025 through 2037 as indicated in the table below. In assessing the realizability of gross deferred tax assets, management considers whether it is more likely than not that some portion or all of the gross deferred tax assets will not be realized. Management considers the scheduled reversal of deferred tax liabilities, projected future taxable income and tax planning strategies in making this assessment, as well as limitations on use in future periods. Accordingly, management believes that it is more likely than not that the benefit from certain NOL carryforwards from recent acquisitions will not be realized. The Company has a valuation allowance of $34 million on the deferred tax assets related to these NOL carryforwards.

The provisions of the Tax Cuts and Jobs Act of 2017 eliminated the 20-year carryforward period and made it indefinite for federal net operating losses generated in tax years after December 31, 2017. For such amounts generated prior to 2018, the 20-year carryforward period continues to apply.

Components of the net operating loss carryforwards as of December 31, 2022

($ in millions)	20-Year Carryforward Expires in 2025-2037	Indefinite Carryforward Period	Total
US Federal	$ 221	$ 9	$ 230
Foreign	—	219	219
Total	**$ 221**	**$ 228**	**$ 449**

Components of income tax expense

($ in millions)	For the years ended December 31, 2022	2021	2020
Current	$ (36)	$ 841	$ 1,480
Deferred	(458)	448	(107)
Total income tax (benefit) expense	**$ (494)**	**$ 1,289**	**$ 1,373**

The Company paid income taxes of $95 million, $1.05 billion and $1.48 billion in 2022, 2021 and 2020, respectively.

The Company had current income tax receivable of $677 million and $370 million as of December 31, 2022 and 2021, respectively.

Reconciliation of the statutory federal income tax rate to the effective income tax rate

($ in millions)	For the years ended December 31, 2022		2021		2020	
(Loss) income before income taxes	$ (1,858)		$ 6,448		$ 6,802	
Statutory federal income tax rate on income from operations	(390)	21.0 %	1,354	21.0 %	1,428	21.0 %
State income taxes	—	—	13	0.2	31	0.4
Tax credits	(55)	3.0	(42)	(0.6)	(24)	(0.4)
Tax-exempt income	(17)	0.9	(18)	(0.3)	(23)	(0.3)
Share-based payments	(22)	1.2	(18)	(0.3)	(30)	(0.4)
Other	(10)	0.5	—	—	(9)	(0.1)
Effective income tax rate on income from operations	**$ (494)**	**26.6 %**	**$ 1,289**	**20.0 %**	**$ 1,373**	**20.2 %**

Note 17 Statutory Financial Information and Dividend Limitations

Allstate's domestic property and casualty and life, accident and health insurance subsidiaries prepare their statutory-basis financial statements in conformity with accounting practices prescribed or permitted by the insurance department of the applicable state of domicile. Prescribed statutory accounting practices include a variety of publications of the NAIC, as well as state laws, regulations and general administrative rules. Permitted statutory accounting practices encompass all accounting practices not so prescribed.

All states require domiciled insurance companies to prepare statutory-basis financial statements in conformity with the NAIC Accounting Practices and Procedures Manual, subject to any deviations prescribed or permitted by the applicable insurance commissioner or director. Statutory accounting practices differ from GAAP primarily since they require charging policy acquisition costs to expense as incurred, establishing life insurance reserves based on different actuarial assumptions, and valuing certain investments and establishing deferred taxes on a different basis.

Statutory net income (loss) and capital and surplus of Allstate's domestic insurance subsidiaries

	Net income (loss)			Capital and surplus	
($ in millions)	**2022**	**2021**	**2020**	**2022**	**2021**
Amounts by major business type:					
Property and casualty insurance	$ (1,653)	$ 5,975	$ 6,232	$ 14,997	$ 21,186
Life, accident and health insurance	70	96	95	279	322
Life and annuity business sold	—	1,642	(81)	—	—
Amount per statutory accounting practices	**$ (1,583)**	**$ 7,713**	**$ 6,246**	**$ 15,276**	**$ 21,508**

Dividend Limitations

There are no regulatory restrictions that limit the payment of dividends by the Corporation, except those generally applicable to corporations incorporated in Delaware. Dividends are payable only out of certain components of shareholders' equity as permitted by Delaware law. However, the ability of the Corporation to pay dividends is dependent on business conditions, income, cash requirements of the Company, receipt of dividends from AIC and other relevant factors.

The payment of shareholder dividends by AIC without the prior approval of the Illinois Department of Insurance ("IL DOI") is limited to formula amounts based on net income and capital and surplus, determined in conformity with statutory accounting practices, as well as the timing and amount of dividends paid in the preceding twelve months. AIC paid dividends of $4.20 billion in 2022. The maximum amount of dividends AIC will be able to pay without prior IL DOI approval at a given point in time during 2023 is $1.22 billion, less dividends paid during the preceding twelve months measured at that point in time. The payment of a dividend in excess of this amount requires 30 days advance written notice to the IL DOI. The dividend is deemed approved, unless the IL DOI disapproves it within the 30-day notice period. Additionally, any dividend must be paid out of unassigned surplus excluding unrealized appreciation from investments, which for AIC totaled $7.45 billion as of December 31, 2022, and cannot result in capital and surplus being less than the minimum amount required by law.

Under state insurance laws, insurance companies are required to maintain paid up capital of not less than the minimum capital requirement applicable to the types of insurance they are authorized to write. Insurance companies are also subject to risk-based capital ("RBC") requirements adopted by state insurance regulators. A company's "authorized control level RBC" is calculated using various factors applied to certain financial balances and activity. Companies that do not maintain adjusted statutory capital and surplus at a level in excess of the company action level RBC, which is two times authorized control level RBC, are required to notify and file a RBC remediation plan to the domiciliary regulator and provide a copy of the remediation plan to state insurance regulators in which the insurer is authorized to do business. Company action level RBC is significantly in excess of the minimum capital requirements. Total adjusted statutory capital and surplus and authorized control level RBC of AIC were $12.24 billion and $2.96 billion, respectively, as of December 31, 2022. Most of the Corporation's insurance subsidiaries are subsidiaries of or reinsure all of their business to AIC. AIC's subsidiaries are included as a component of AIC's total statutory capital and surplus.

The amount of restricted net assets, as represented by the Corporation's investment in its insurance subsidiaries, was $19.61 billion as of December 31, 2022.

Intercompany transactions

Notification and approval of intercompany lending activities is also required by the IL DOI for transactions that exceed a level that is based on a formula using statutory admitted assets and statutory surplus.

Note 18 Benefit Plans

Pension and other postretirement plans

Defined benefit pension plans cover most full-time employees, certain part-time employees and employee-agents. Benefits under the pension plans are based upon the employee's length of service, eligible annual compensation and, prior to January 1, 2014, either a cash balance or final average pay formula. A cash balance formula applies to all eligible employees hired after August 1, 2002. Eligible employees hired before August 1, 2002 chose between the cash balance formula and the final average pay formula. In July 2013, the Company amended its primary plans effective January 1, 2014 to introduce a new cash balance formula to replace the previous formulas (including the final average pay formula and the previous cash balance formula) under which eligible employees accrue benefits.

The Company also provides a medical coverage subsidy for eligible employees hired before January 1, 2003, including their eligible dependents, when they retire and certain life insurance benefits for eligible retirees ("postretirement benefits"). Effective January 1, 2021, the Company eliminated the medical coverage subsidy for employees who were not eligible to retire as of December 31, 2020.

Qualified employees may become eligible for a medical subsidy if they retire in accordance with the terms of the applicable plans and are insured under the Company's group plans or other approved plans in accordance with the plan's participation requirements. The Company shares the cost of retiree medical benefits with non Medicare-eligible retirees based on years of service, with the Company's share being subject to a 5% limit on future annual medical cost inflation after retirement. For Medicare-eligible retirees, the Company provides a fixed Company contribution based on years of service and other factors, which is not subject to adjustments for inflation.

In July 2013, the Company amended the plan to eliminate the life insurance benefits effective January 1, 2014 for current eligible employees and effective January 1, 2016 for eligible retirees who retired after 1989. Subject to a court order, the Company paid life insurance premiums for certain retiree plaintiffs until their lawsuit seeking to keep their life insurance benefits intact was resolved. In September 2020, the court entered summary judgment in favor of the Company and dismissed the action, releasing the Company from the order requiring the continued payment of premiums for certain retirees. In December 2021, the Court of Appeals affirmed summary judgment in favor of the Company. In October 2022, the U.S. Supreme Court denied the plaintiffs' petition for appeal. On December 13, 2022, the trial court denied the plaintiffs' motions to vacate the summary judgment decision and seek further discovery. On January 12, 2023, the plaintiffs filed a notice of appeal with respect to the December rulings.

The Company has reserved the right to modify or terminate its benefit plans at any time and for any reason.

Obligations and funded status

The Company calculates benefit obligations based upon generally accepted actuarial methodologies using the projected benefit obligation ("PBO") for pension plans and the accumulated postretirement benefit obligation ("APBO") for other postretirement plans. Pension costs and other postretirement obligations are determined using a December 31 measurement date. The benefit obligations represent the actuarial present value of all benefits attributed to employee service rendered as of the measurement date. The PBO is measured using the pension benefit formulas and assumptions. A plan's funded status is calculated as the difference between the benefit obligation and the fair value of plan assets. The Company's funding policy for the pension plans is to make contributions at a level in accordance with regulations under the Internal Revenue Code ("IRC") and generally accepted actuarial principles. The Company's other postretirement benefit plans are not funded.

Change in projected benefit obligation, plan assets and funded status

	As of December 31,			
	Pension benefits		**Postretirement benefits**	
($ in millions)	**2022**	**2021**	**2022**	**2021**
Change in projected benefit obligation				
Benefit obligation, beginning of year	$ 6,500	$ 7,763	$ 284	$ 318
Service cost	101	103	1	1
Interest cost	219	191	10	8
Participant contributions	—	—	16	16
Remeasurement of projected benefit obligation (gains) losses	(1,382)	(309)	(62)	(16)
Benefits paid	(894)	(1,242)	(42)	(43)
Translation adjustment and other	(33)	(6)	(4)	—
Benefit obligation, end of year	**$ 4,511**	**$ 6,500**	**$ 203**	**$ 284**
Change in plan assets				
Fair value of plan assets, beginning of year	$ 6,525	$ 6,987		
Actual return on plan assets	(1,189)	764		
Employer contribution	24	22		
Benefits paid	(894)	(1,242)		
Translation adjustment and other	(36)	(6)		
Fair value of plan assets, end of year	**$ 4,430**	**$ 6,525**		
Funded status [(1)]	**$ (81)**	**$ 25**	**$ (203)**	**$ (284)**
Amounts recognized in AOCI				
Unamortized pension and other postretirement prior service credit	**$ —**	**$ (28)**	**$ (39)**	**$ (65)**

(1) The funded status is recorded within other assets or other liabilities and accrued expenses on the Consolidated Statements of Financial Position.

Changes in items not yet recognized as a component of net cost for pension and other postretirement plans

($ in millions)	Pension benefits	Postretirement benefits
Items not yet recognized as a component of net cost – December 31, 2021	$ (28)	$ (65)
Prior service credit amortized to net cost	28	25
Translation adjustment and other	—	1
Items not yet recognized as a component of net cost – December 31, 2022	**$ —**	**$ (39)**

The prior service credit is recognized as a component of net cost for pension and other postretirement plans amortized over the average remaining service period of active employees expected to receive benefits.

The accumulated benefit obligation ("ABO") for all defined benefit pension plans was $4.42 billion and $6.36 billion as of December 31, 2022 and 2021, respectively. The ABO is the actuarial present value of all benefits attributed by the pension benefit formula to employee service rendered at the measurement date. However, it differs from the PBO due to the exclusion of an assumption as to future compensation levels.

The PBO, ABO and fair value of plan assets for the Company's pension plans with an ABO in excess of plan assets were $84 million, $83 million and zero million, respectively, as of December 31, 2022 and $123 million, $121 million and zero , respectively, as of December 31, 2021. Included in the accrued benefit cost of the pension benefits are certain unfunded non-qualified plans with accrued benefit costs of $84 million and $123 million for 2022 and 2021, respectively.

Components of net cost (benefit) for pension and other postretirement plans

	For the years ended December 31,								
	Pension benefits			Postretirement benefits			Total pension and postretirement benefits		
($ in millions)	2022	2021	2020	2022	2021	2020	2022	2021	2020
Service cost	$ 101	$ 103	$ 104	$ 1	$ 1	$ 4	$ 102	$ 104	$ 108
Interest cost	219	191	210	10	8	11	229	199	221
Expected return on plan assets	(371)	(445)	(414)	—	—	—	(371)	(445)	(414)
Amortization of prior service credit	(27)	(50)	(54)	(25)	(25)	(10)	(52)	(75)	(64)
Curtailment losses (gains)	—	—	10	—	—	(8)	—	—	2
Costs and expenses	**(78)**	**(201)**	**(144)**	**(14)**	**(16)**	**(3)**	**(92)**	**(217)**	**(147)**
Remeasurement of projected benefit obligation	(1,382)	(309)	813	(62)	(16)	22	(1,444)	(325)	835
Remeasurement of plan assets	1,560	(319)	(886)	—	—	—	1,560	(319)	(886)
Remeasurement (gains) losses	**178**	**(628)**	**(73)**	**(62)**	**(16)**	**22**	**116**	**(644)**	**(51)**
Total net (benefit) cost	**$ 100**	**$ (829)**	**$ (217)**	**$ (76)**	**$ (32)**	**$ 19**	**$ 24**	**$ (861)**	**$ (198)**

The service cost component is the actuarial present value of the benefits attributed by the plans' benefit formula to services rendered by the employees during the period.

Interest cost is the increase in the PBO in the period due to the passage of time at the discount rate.

Interest cost fluctuates as the discount rate changes and is also impacted by the related change in the size of the PBO.

The expected return on plan assets is determined as the product of the expected long-term rate of return on plan assets and the fair value of plan assets.

Pension and other postretirement service cost, interest cost, expected return on plan assets, amortization of prior service credit and curtailment gains and losses are reported in property and casualty insurance claims and claims expense, operating costs and expenses, net investment income and (if applicable) restructuring and related charges on the Consolidated Statements of Operations.

Remeasurement gains and losses relate to changes in discount rates, the differences between actual return on plan assets and the expected long-term rate of return on plan assets, and differences between actual plan experience and actuarial assumptions.

Weighted average assumptions used to determine net pension cost and net postretirement benefit cost

	For the years ended December 31,					
	Pension benefits			Postretirement benefits		
	2022	2021	2020	2022	2021	2020
Discount rate	4.27 %	2.84 %	3.00 %	4.24 %	2.75 %	2.99 %
Expected long-term rate of return on plan assets	7.06	7.06	7.08	n/a	n/a	n/a
Cash balance interest credit rate	2.74	2.04	1.65	n/a	n/a	n/a

Weighted average assumptions used to determine benefit obligations

	For the years ended December 31,			
	Pension benefits		Postretirement benefits	
	2022	2021	2022	2021
Discount rate	5.64 %	2.93 %	5.58 %	2.86 %
Cash balance interest credit rate	3.97	1.90	n/a	n/a

The weighted average health care cost trend rate used in measuring the accumulated postretirement benefit cost is 6.8% for 2023, gradually declining to 4.5% in 2035 and remaining at that level thereafter.

Pension plan assets In general, the Company's pension plan assets are managed in accordance with investment policies approved by pension investment committees. The purpose of the policies is to ensure the plans' long-term ability to meet benefit obligations by prudently investing plan assets and Company contributions, while taking into consideration regulatory and legal requirements and current market conditions. The investment policies are reviewed periodically and specify target plan asset allocation by asset category. In addition, the policies specify various asset allocation and other risk limits. The target asset allocation takes the plans' funding status into consideration, among other factors, including anticipated demographic changes or liquidity requirements that may affect the funding status such as the potential impact of lump sum settlements as well as existing or expected market conditions. In general, the allocation has a lower overall investment risk when a plan is in a stronger funded status position since there is less economic incentive to take risk to increase the expected returns on the plan assets. The pension plans' asset exposure within each asset category is tracked against widely accepted established benchmarks for each asset class with limits on variation from the benchmark established in the investment policy. Pension plan assets are regularly monitored for compliance with these limits and other risk limits specified in the investment policies.

Weighted average target asset allocation and actual percentage of plan assets by asset category

	As of December 31, 2022		
	Target asset allocation [1]	Actual percentage of plan assets	
Pension plan's asset category	2022	2022	2021
Equity securities [2]	22 - 36%	27 %	55 %
Fixed income securities	43 - 54	49	30
Limited partnership interests	1 - 24	21	14
Short-term investments and other	—	3	1
Total without securities lending [3]		**100 %**	**100 %**

[1] The target asset allocation considers risk-based exposure while the actual percentage of plan assets utilizes a financial reporting view excluding exposure provided through derivatives.

[2] The actual percentage of plan assets for equity securities includes 0% and 3% of fixed income mutual funds in 2022 and 2021, respectively, that are subject to the fixed income securities target allocation.

[3] Securities lending collateral reinvestment of $297 million and $121 million is excluded from the table above in 2022 and 2021, respectively.

The target asset allocation for an asset category may be achieved either through direct investment holdings, through replication using derivative instruments (e.g., futures or swaps) or net of hedges using derivative instruments to reduce exposure to an asset category. The net notional amount of derivatives used for replication and non-hedging strategies is limited to 115% of total plan assets. Market performance of the different asset categories may, from time to time, cause deviation from the target asset allocation. The asset allocation mix is reviewed on a periodic basis and rebalanced to bring the allocation within the target ranges.

Outside the target asset allocation, the pension plans participate in a securities lending program to enhance returns. As of December 31, 2022, fixed income securities are lent out and cash collateral is invested in short-term investments.

Fair values of pension plan assets as of December 31, 2022

($ in millions)	Quoted prices in active markets for identical assets (Level 1)	Significant other observable inputs (Level 2)	Significant unobservable inputs (Level 3)	Balance as of December 31, 2022
Equity securities	$ 120	$ 25	$ —	$ 145
Fixed income securities:				
Government bonds [1]	496	896	—	1,392
Corporate bonds [2]	—	757	—	757
Short-term investments	163	279	—	442
Free-standing derivatives:				
Assets	—	1	—	1
Liabilities	(1)	(5)	—	(6)
Other assets	1	—	—	1
Total plan assets at fair value	**$ 779**	**$ 1,953**	**$ —**	**2,732**
% of total plan assets at fair value	28.5 %	71.5 %	— %	100.0 %
Investments measured using the net asset value practical expedient				1,975
Securities lending obligation [3]				(296)
Derivatives counterparty and cash collateral netting				2
Other net plan assets [4]				17
Total reported plan assets				**$ 4,430**

[1] Includes U.S. government and agencies and foreign government bonds.

[2] Includes ABS securities.

[3] The securities lending obligation represents the plan's obligation to return securities lending collateral received under a securities lending program. The terms of the program allow both the plan and the counterparty the right and ability to redeem/return the securities loaned on short notice. Due to its relatively short-term nature, the outstanding balance of the obligation approximates fair value.

[4] Other net plan assets represent cash and cash equivalents, interest and dividends receivable and net receivables related to settlements of investment transactions, such as purchases and sales.

Fair values of pension plan assets as of December 31, 2021

($ in millions)	Quoted prices in active markets for identical assets (Level 1)	Significant other observable inputs (Level 2)	Significant unobservable inputs (Level 3)	Balance as of December 31, 2021
Equity securities	$ 311	$ 44	$ 2	$ 357
Fixed income securities:				
Government bonds	58	1,206	—	1,264
Corporate bonds	—	696	—	696
Short-term investments	135	65	—	200
Free-standing derivatives:				
Assets	—	4	—	4
Liabilities	—	(3)	—	(3)
Other assets	2	—	—	2
Total plan assets at fair value	**$ 506**	**$ 2,012**	**$ 2**	**2,520**
% of total plan assets at fair value	20.1 %	79.8 %	0.1 %	100.0 %
Investments measured using the net asset value practical expedient				4,109
Securities lending obligation				(121)
Derivatives counterparty and cash collateral netting				(3)
Other net plan assets				20
Total reported plan assets				**$ 6,525**

The fair values of pension plan assets are estimated using the same methodologies and inputs as those used to determine the fair values for the respective asset category of the Company. These methodologies and inputs are disclosed in Note 6.

Rollforward of Level 3 plan assets during December 31, 2022

		Actual return on plan assets:				
($ in millions)	**Balance as of December 31, 2021**	**Relating to assets sold during the period**	**Relating to assets still held at the reporting date**	**Purchases, sales and settlements, net**	**Net transfers in (out) of Level 3**	**Balance as of December 31, 2022**
Equity securities	$ 2	$ —	$ —	$ —	$ (2)	$ —
Total Level 3 plan assets	**$ 2**	**$ —**	**$ —**	**$ —**	**$ (2)**	**$ —**

Rollforward of Level 3 plan assets during December 31, 2021

		Actual return on plan assets:				
($ in millions)	**Balance as of December 31, 2020**	**Relating to assets sold during the period**	**Relating to assets still held at the reporting date**	**Purchases, sales and settlements, net**	**Net transfers in (out) of Level 3**	**Balance as of December 31, 2021**
Equity securities	$ —	$ —	$ —	$ 2	$ —	$ 2
Fixed income securities:						
Corporate	$ 2	$ —	$ —	$ (2)	$ —	$ —
Total Level 3 plan assets	**$ 2**	**$ —**	**$ —**	**$ —**	**$ —**	**$ 2**

Rollforward of Level 3 plan assets during December 31, 2020

		Actual return on plan assets:				
($ in millions)	**Balance as of December 31, 2019**	**Relating to assets sold during the period**	**Relating to assets still held at the reporting date**	**Purchases, sales and settlements, net**	**Net transfers in (out) of Level 3**	**Balance as of December 31, 2020**
Fixed income securities:						
Corporate	$ —	$ —	$ —	$ 2	$ —	$ 2
Total Level 3 plan assets	**$ —**	**$ —**	**$ —**	**$ 2**	**$ —**	**$ 2**

The expected long-term rate of return on plan assets reflects the average rate of earnings expected on plan assets. The Company's assumption for the expected long-term rate of return on plan assets is evaluated annually giving consideration to appropriate data including, but not limited to, the plan asset allocation, forward-looking expected returns for the period over which benefits will be paid, historical returns on plan assets and other relevant market data. Given the long-term forward-looking nature of this assumption, the actual returns in any one year do not immediately result in a change to the expected long-term rate of return on plan assets. In consideration of the targeted plan asset allocation, the Company evaluated expected returns using sources including historical average asset class returns from independent nationally recognized providers of this type of data blended together using the asset allocation policy weights for the Company's pension plans; asset class return forecasts developed by employees with relevant expertise in such forecasts and who are independent from those charged with managing the pension plan assets; and expected portfolio returns from a proprietary simulation methodology of a widely recognized external investment consulting firm that performs asset allocation and actuarial services for corporate pension plan sponsors. The above sources support the Company's weighted average long-term rate of return on plan assets assumption of 7.06% used for 2022 and an estimate of 7.35% that will be used for 2023. As of the 2022 measurement date, the arithmetic average of the annual actual return on plan assets for the most recent 10 and 5 years was 8.4% and 6.9%, respectively.

Cash flows There was no required cash contribution necessary to satisfy the minimum funding requirement under the IRC for the tax qualified pension plan for the year ended December 31, 2022.

The Company currently plans to contribute $19 million to its unfunded non-qualified plans and zero to both its primary and other qualified funded pension plans in 2023.

The Company contributed $26 million and $27 million to the postretirement benefit plans in 2022 and 2021, respectively. Contributions by participants were $16 million and $16 million in 2022 and 2021, respectively.

Estimated future benefit payments expected to be paid in the next 10 years

	As of December 31, 2022	
($ in millions)	Pension benefits	Postretirement benefits
2023	$ 505	$ 25
2024	485	26
2025	470	25
2026	468	23
2027	463	21
2028-2032	1,778	69
Total benefit payments	**$ 4,169**	**$ 189**

Allstate 401(k) Savings Plan

Employees of the Company, with the exception of those employed by the Company's international, SquareTrade and InfoArmor subsidiaries, are eligible to become members of the Allstate 401(k) Savings Plan ("Allstate Plan"). The Company's contributions are based on the Company's matching obligation. The Company is responsible for funding its contribution to the Allstate Plan.

The Company's contribution to the Allstate Plan was $131 million, $110 million and $103 million in 2022, 2021 and 2020, respectively.

Allstate's Canadian, SquareTrade and InfoArmor subsidiaries sponsor defined contribution plans for their eligible employees. Expense for subsidiary sponsored defined contribution plans was $9 million, $9 million and $13 million in 2022, 2021 and 2020, respectively.

Note 19 Equity Incentive Plans

The Company currently has equity incentive plans under which it grants nonqualified stock options, restricted stock units and performance stock awards to certain employees and directors of the Company.

Equity awards

($ in millions)	2022	2021	2020
Compensation expense	$ 93	$ 120	$ 124
Income tax benefits	16	18	18
Cash received from exercise of options	130	151	111
Tax benefit realized on options exercised and release of stock restrictions	44	37	53

The Company records compensation expense related to awards under these plans over the shorter of the period in which the requisite service is rendered or retirement eligibility is attained. Compensation expense for performance stock awards with no market condition is based on the probable number of awards expected to vest using the performance level most likely to be achieved at the end of the performance period. Compensation expense for performance stock awards with a market condition is based on the number of awards expected to vest as estimated at the grant date and does not change if the market condition is not met.

Nonvested awards as of December 31, 2022

($ in millions)	Unrecognized compensation	Weighted average vesting period
Nonqualified stock options	$ 16	1.66
Restricted stock units	47	1.9
Performance stock awards	20	1.55
Total	**$ 83**	

Options are granted to employees with exercise prices equal to the closing share price of the Company's common stock on the applicable grant date. Options granted to employees vest ratably over a three-year period. Vesting is subject to continued service, except for employees who are retirement eligible and in certain other limited circumstances. Options may be exercised once vested and will expire no later than ten years after the date of grant.

Restricted stock units for directors vest immediately and convert into shares of stock on the earlier of the day of the third anniversary of the grant date or the date the director's service terminates, unless a deferred period of restriction is elected. Restricted stock units granted to directors prior to June 1, 2016 convert upon leaving the board. Restricted stock units granted to employees prior to February 19, 2020 vest on the day prior to the third anniversary of the grant date. Restricted stock units granted to employees on or after February 19, 2020 vest ratably over a three-year period. Restricted stock units granted to employees subsequently convert into shares of stock on the day of the respective anniversary of the grant date. Vesting is subject to continued service, except for employees who are retirement eligible and in certain other limited circumstances.

Performance stock awards vest into shares of stock based on achieving established company-specific performance goals. Performance stock awards granted prior to February 19, 2020 vest into shares of stock on the day prior to the third anniversary of the grant date. Performance stock awards granted on or after February 19, 2020 vest into shares of stock on the third anniversary of the grant date.

The numbers of shares earned upon vesting of the performance stock awards is based on the attainment of performance goals for each of the performance periods, subject to continued service, except for employees who are retirement eligible and in certain other limited circumstances.

Since 2001, a total of 110.8 million shares of common stock were authorized to be used for awards under the plans, subject to adjustment in accordance with the plans' terms. As of December 31, 2022, 14.2 million shares were reserved and remained available for future issuance under these plans. The Company uses its treasury shares for these issuances.

The fair value of each option grant is estimated on the date of grant using a binomial lattice model. The Company uses historical data to estimate option exercise and employee termination within the valuation model. In addition, separate groups of employees that have similar historical exercise behavior are considered separately for valuation purposes. The expected term of options granted is derived from the output of the binomial lattice model and represents the period of time that options granted are expected to be outstanding. The expected volatility of the price of the underlying shares is implied based on traded options and historical volatility of the Company's common stock. The expected dividends were based on the current dividend yield of the Company's stock as of the date of the grant. The risk-free rate for periods within the contractual life of the option is based on the U.S. Treasury yield curve in effect at the time of grant.

Option grant assumptions

	2022	2021	2020
Weighted average expected term	5.9 years	7.5 years	6.1 years
Expected volatility	19.8% - 29.9%	16.5% - 28.8%	16.3% - 37.1%
Weighted average volatility	23.2 %	23.0 %	17.6 %
Expected dividends	2.5% - 3.0%	2.0% - 3.0%	1.6% - 2.4%
Weighted average expected dividends	2.8 %	3.1 %	1.8 %
Risk-free rate	0% - 4.8%	0% - 1.7%	0.1% - 1.8%

Summary of option activity

	For the year ended December 31, 2022			
	Number (in 000s)	Weighted average exercise price	Aggregate intrinsic value (in 000s)	Weighted average remaining contractual term (years)
Outstanding as of January 1, 2022	9,854	$ 88.84		
Granted	1,343	123.04		
Exercised	(1,927)	76.28		
Forfeited	(303)	116.09		
Expired	(14)	109.26		
Outstanding as of December 31, 2022	**8,953**	95.72	$ 357,082	5.5
Outstanding, net of expected forfeitures	8,906	95.60	356,277	5.4
Outstanding, exercisable ("vested")	6,472	87.73	309,840	4.5

The weighted average grant date fair value of options granted was $21.16, $15.61 and $18.17 during 2022, 2021 and 2020, respectively. The intrinsic value, which is the difference between the fair value and the exercise price, of options exercised was $107 million, $112 million and $119 million during 2022, 2021 and 2020, respectively.

Changes in restricted stock units

	For the year ended December 31, 2022	
	Number (in 000s)	Weighted average grant date fair value
Nonvested as of January 1, 2022	1,038	$ 101.98
Granted	447	123.98
Vested	(465)	103.53
Forfeited	(91)	112.74
Nonvested as of December 31, 2022	**929**	110.75

The fair value of restricted stock units is based on the market value of the Company's stock as of the date of the grant. The market value in part reflects the payment of future dividends expected. The weighted average grant date fair value of restricted stock units granted was $123.98, $108.99 and $118.61 during 2022, 2021 and 2020, respectively. The total fair value of restricted stock units vested was $59 million, $35 million and $32 million during 2022, 2021 and 2020, respectively.

Changes in performance stock awards

	For the year ended December 31, 2022	
	Number (in 000s)	**Weighted average grant date fair value**
Nonvested as of January 1, 2022	974	$ 105.92
Granted	270	123.08
Adjustment for performance achievement	336	92.46
Vested	(694)	93.04
Forfeited	(90)	114.02
Nonvested as of December 31, 2022	**796**	116.36

The change in performance stock awards primarily comprises awards vested in 2022 and the adjustment to previously granted performance stock awards for performance achievement.

The fair value of performance stock awards that do not include a market condition is based on the market value of the Company's stock as of the date of the grant.

Starting with the February 2020 award, the fair value of performance stock awards includes a component with market-based condition measured on the grant date using a Monte Carlo simulation model. Market-based condition measures the Company's total shareholder return ("TSR") relative to the TSR of peer companies, expressed in terms of the Company's TSR percentile rank among the peer companies, over a three-calendar-year performance period. The Monte Carlo simulation model uses a risk-neutral framework to model future stock price movements based upon the risk-free rate of return at the time of grant, volatilities of the Company and the peer companies, and expected term assumed to be equal to the remaining measurement period. The market value in part reflects the payment of future dividends expected.

For the year ended December 31, 2022, the 2022 performance stock awards with market-based condition assumes a risk-free rate of 1.7%, volatility of 30.4%, average peer volatility of 34.2% and an expected term of 2.9 years.

The weighted average grant date fair value of performance stock awards granted was $123.08, $107.14 and $123.48 during 2022, 2021 and 2020, respectively. The total fair value of performance stock awards vested was $87 million, $70 million and $101 million during 2022, 2021 and 2020, respectively.

The Company recognizes all tax effects related to share-based payments at settlement or expiration through the income statement.

Note 20 Supplemental Cash Flow Information

Non-cash investing activities include $185 million, $51 million and $55 million related to mergers and exchanges completed with equity and fixed income securities, bank loans, real estate and limited partnerships in 2022, 2021 and 2020, respectively. Non-cash investing activities include $37 million related to right-of-use assets obtained in exchange for lease obligations for the year ended December 31, 2022.

Non-cash financing activities include $65 million, $53 million and $56 million related to the issuance of Allstate common shares for vested equity awards in 2022, 2021 and 2020, respectively.

Cash flows used in operating activities in the Consolidated Statements of Cash Flows include cash paid for operating leases related to amounts included in the measurement of lease liabilities of $163 million, $181 million and $156 million for the year ended December 31, 2022, 2021 and 2020, respectively. Non-cash operating activities include $26 million, $98 million and $51 million related to right-of-use assets obtained in exchange for lease obligations for the year ended December 31, 2022, 2021 and 2020, respectively.

Liabilities for collateral received in conjunction with the Company's securities lending program and OTC and cleared derivatives are reported in other liabilities and accrued expenses or other investments. The accompanying cash flows are included in cash flows from operating activities in the Consolidated Statements of Cash Flows along with the activities resulting from management of the proceeds, as follows:

($ in millions)	For the years ended December 31, 2022	2021	2020
Net change in proceeds managed			
Net change in fixed income securities	$ (521)	$ —	$ —
Net change in short-term investments	(49)	(539)	396
Operating cash flow (used) provided	**(570)**	**(539)**	**396**
Net change in cash	3	9	(12)
Net change in proceeds managed	**$ (567)**	**$ (530)**	**$ 384**
Cash flows from operating activities			
Net change in liabilities			
Liabilities for collateral, beginning of year	$ (1,444)	$ (914)	$ (1,298)
Liabilities for collateral, end of year	(2,011)	(1,444)	(914)
Operating cash flow provided (used)	**$ 567**	**$ 530**	**$ (384)**

Note 21 Other Comprehensive Income (Loss)

Components of other comprehensive income (loss) on a pre-tax and after-tax basis

	For the years ended December 31, 2022			2021			2020		
($ in millions)	Pre-tax	Tax	After-tax	Pre-tax	Tax	After-tax	Pre-tax	Tax	After-tax
Unrealized net holding gains and losses arising during the period, net of related offsets [(1)]	$ (4,470)	$ 949	$ (3,521)	$ (2,839)	$ 601	$ (2,238)	$ 2,512	$ (532)	$ 1,980
Less: reclassification adjustment of net gains and losses on investments and derivatives	(848)	178	(670)	436	(92)	344	870	(183)	687
Unrealized net capital gains and losses	**(3,622)**	**771**	**(2,851)**	**(3,275)**	**693**	**(2,582)**	**1,642**	**(349)**	**1,293**
Unrealized foreign currency translation adjustments	**(190)**	**40**	**(150)**	**(10)**	**2**	**(8)**	**66**	**(14)**	**52**
Unamortized pension and other postretirement prior service credit [(2)]	**(54)**	**11**	**(43)**	**(75)**	**16**	**(59)**	**12**	**(3)**	**9**
Other comprehensive (loss) income	**$ (3,866)**	**$ 822**	**$ (3,044)**	**$ (3,360)**	**$ 711**	**$ (2,649)**	**$ 1,720**	**$ (366)**	**$ 1,354**

(1) 2021 includes $2.4 billion of losses related to held for sale investments in connection with the sale of the life and annuity business.

(2) Represents prior service credits reclassified out of other comprehensive income and amortized into operating costs and expenses.

Note 22 Quarterly Results (unaudited)

($ in millions, except per share data)	First Quarter 2022	First Quarter 2021	Second Quarter 2022	Second Quarter 2021	Third Quarter 2022	Third Quarter 2021	Fourth Quarter 2022	Fourth Quarter 2021
Revenues	$ 12,337	$ 12,451	$ 12,220	$ 12,646	$ 13,208	$ 12,480	$ 13,647	$ 13,011
Net income (loss) from continuing operations applicable to common shareholders	630	2,385	(1,042)	1,399	(694)	183	(310)	1,111
Income (loss) from discontinued operations, net of tax	—	(3,793)	—	196	—	325	—	(321)
Net income (loss) applicable to common shareholders	**$ 630**	**$ (1,408)**	**$ (1,042)**	**$ 1,595**	**$ (694)**	**$ 508**	**$ (310)**	**$ 790**
Earnings per common share applicable to common shareholders								
Basic								
Continuing operations	$ 2.27	$ 7.88	$ (3.81)	$ 4.68	$ (2.58)	$ 0.62	$ (1.17)	$ 3.90
Discontinued operations	—	(12.53)	—	0.66	—	1.11	—	(1.13)
Total	**$ 2.27**	**$ (4.65)**	**$ (3.81)**	**$ 5.34**	**$ (2.58)**	**$ 1.73**	**$ (1.17)**	**$ 2.77**
Diluted [1]								
Continuing operations	$ 2.24	$ 7.78	$ (3.81)	$ 4.61	$ (2.58)	$ 0.62	$ (1.17)	$ 3.84
Discontinued operations	—	(12.38)	—	0.65	—	1.09	—	(1.11)
Total	**$ 2.24**	**$ (4.60)**	**$ (3.81)**	**$ 5.26**	**$ (2.58)**	**$ 1.71**	**$ (1.17)**	**$ 2.73**

[1] For periods presented with a net loss from continuing operations applicable to common shareholders, weighted average shares for basic earnings per share is also used for calculating diluted earnings per share because all dilutive potential common shares are anti-dilutive and are therefore excluded from the calculation.

Report of Independent Registered Public Accounting Firm

To the Shareholders and the Board of Directors of
The Allstate Corporation
3100 Sanders Road
Northbrook, Illinois 60062

Opinions on the Financial Statements and Internal Control over Financial Reporting

We have audited the accompanying Consolidated Statements of Financial Position of The Allstate Corporation and subsidiaries (the “Company”) as of December 31, 2022 and 2021, the related Consolidated Statements of Operations, Comprehensive Income (Loss), Shareholders’ Equity, and Cash Flows for each of the three years in the period ended December 31, 2022, and the related notes and the schedules listed in the Index at Item 15 (collectively referred to as the "financial statements"). We also have audited the Company’s internal control over financial reporting as of December 31, 2022, based on criteria established in *Internal Control – Integrated Framework (2013)* issued by the Committee of Sponsoring Organizations of the Treadway Commission (COSO).

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of the Company as of December 31, 2022 and 2021, and the results of its operations and its cash flows for each of the three years in the period ended December 31, 2022, in conformity with accounting principles generally accepted in the United States of America. Also, in our opinion, the Company maintained, in all material respects, effective internal control over financial reporting as of December 31, 2022, based on criteria established in *Internal Control - Integrated Framework (2013)* issued by COSO.

Basis for Opinions

The Company’s management is responsible for these financial statements, for maintaining effective internal control over financial reporting, and for its assessment of the effectiveness of internal control over financial reporting, included in the accompanying Item 9A. Controls and Procedures. Our responsibility is to express an opinion on these financial statements and an opinion on the Company’s internal control over financial reporting based on our audits. We are a public accounting firm registered with the Public Company Accounting Oversight Board (United States) (PCAOB) and are required to be independent with respect to the Company in accordance with the U.S. federal securities laws and the applicable rules and regulations of the Securities and Exchange Commission and the PCAOB.

We conducted our audits in accordance with the standards of the PCAOB. Those standards require that we plan and perform the audits to obtain reasonable assurance about whether the financial statements are free of material misstatement, whether due to error or fraud, and whether effective internal control over financial reporting was maintained in all material respects.

Our audits of the financial statements included performing procedures to assess the risks of material misstatement of the financial statements, whether due to error or fraud, and performing procedures to respond to those risks. Such procedures included examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements. Our audits also included evaluating the accounting principles used and significant estimates made by management, as well as evaluating the overall presentation of the financial statements. Our audit of internal control over financial reporting included obtaining an understanding of internal control over financial reporting, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. Our audits also included performing such other procedures as we considered necessary in the circumstances. We believe that our audits provide a reasonable basis for our opinions.

Definition and Limitations of Internal Control over Financial Reporting

A company’s internal control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company’s internal control over financial reporting includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorizations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use, or disposition of the company’s assets that could have a material effect on the financial statements.

Because of its inherent limitations, internal control over financial reporting may not prevent or detect misstatements. Also, projections of any evaluation of effectiveness to future periods are subject to the risk that controls may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

Critical Audit Matter

The critical audit matter communicated below is a matter arising from the current-period audit of the financial statements that was communicated or required to be communicated to the audit committee and that (1) relates to accounts or disclosures that are material to the financial statements and (2) involves our especially challenging, subjective, or complex judgments. The communication of a critical audit matter does not alter in any way our opinion on the financial statements, taken as a whole, and we are not, by communicating the critical audit matter below, providing a separate opinion on the critical audit matter or on the accounts or disclosures to which it relates.

Reserve for Property and Casualty Insurance Claims and Claims Expense - Refer to Notes 2 and 9 to the Financial Statements

Critical Audit Matter Description

As of December 31, 2022, the reserve for property and casualty insurance claims and claims expense was $37.5 billion. The Company establishes reserves for property and casualty insurance claims and claims expense on reported and unreported claims of insured losses. Using established industry and actuarial best practices as well as the Company's historical claims experience, the reserve for property and casualty insurance claims and claims expense is estimated based on (i) claims reported, (ii) claims incurred but not reported, and (iii) projections of claim payments to be made in the future.

Given the subjectivity of estimating claims incurred but not reported and projections of claim payments to be made in the future, particularly those with payout requirements over a longer period of time, the related audit effort in evaluating the reserve for property and casualty insurance claims and claims expense required a high degree of auditor judgment and an increased extent of effort, including involvement of our actuarial specialists.

How the Critical Audit Matter Was Addressed in the Audit

Our principal audit procedures related to the reserve for property and casualty insurance claims and claims expense included the following:

- We tested the effectiveness of controls related to the reserve for property and casualty insurance claims and claims expense, including those over the Company's estimates and projections.
- We evaluated the methods and assumptions used by the Company to estimate the reserve for property and casualty insurance claims and claims expense by:
  - Testing the underlying data that served as the basis for the actuarial analysis, including historical claims, to test that the inputs to the actuarial estimate were complete and accurate.
  - Comparing prior year estimates of expected incurred losses to actual experience during the current year to identify potential bias in the determination of the reserve for property and casualty insurance claims and claims expense.
- With the assistance of our actuarial specialists, we developed independent estimates for the reserve for property and casualty insurance claims and claims expense, particularly related to those with payout requirements over a longer period of time, utilizing loss data and industry claim development factors, and compared our estimates to management's estimates and assessed the consistency of management's approach.

/s/ Deloitte & Touche LLP
Chicago, Illinois

February 16, 2023

We have served as the Company's auditor since 1992.

Item 9. Changes in and Disagreements with Accountants on Accounting and Financial Disclosure

None.

Item 9A. Controls and Procedures

Evaluation of Disclosure Controls and Procedures We maintain disclosure controls and procedures as defined in Rule 13a-15(e) under the Securities Exchange Act of 1934. Under the supervision and with the participation of our management, including our principal executive officer and principal financial officer, we conducted an evaluation of the effectiveness of our disclosure controls and procedures as of the end of the period covered by this report. Based upon this evaluation, the principal executive officer and the principal financial officer concluded that our disclosure controls and procedures are effective in providing reasonable assurance that material information required to be disclosed in our reports filed with or submitted to the Securities and Exchange Commission under the Securities Exchange Act is recorded, processed, summarized and reported within the time periods specified by the Securities Exchange Act and made known to management, including the principal executive officer and the principal financial officer, as appropriate to allow timely decisions regarding required disclosure.

Management's Report on Internal Control over Financial Reporting Management is responsible for establishing and maintaining adequate internal control over financial reporting as defined in Rule 13a-15(f) under the Securities Exchange Act of 1934.

Under the supervision and with the participation of our management, including our principal executive officer and principal financial officer, we conducted an evaluation of the effectiveness of our internal control over financial reporting as of December 31, 2022 based on the criteria related to internal control over financial reporting described in "Internal Control – Integrated Framework (2013)" issued by the Committee of Sponsoring Organizations of the Treadway Commission. Based on our evaluation, management concluded that our internal control over financial reporting was effective as of December 31, 2022.

Deloitte & Touche LLP, the independent registered public accounting firm that audited the consolidated financial statements included in this Form 10-K, has issued their attestation report on the Company's internal control over financial reporting, which is included herein.

Changes in Internal Control over Financial Reporting There have been no changes in our internal control over financial reporting that have materially affected, or are reasonably likely to materially affect, our internal control over financial reporting during the fiscal year ended December 31, 2022.

Item 9B. Other Information

None.

Item 9C. Disclosure Regarding Foreign Jurisdictions that Prevent Inspections

Not applicable.

Part III

Item 10. Directors, Executive Officers and Corporate Governance

Information regarding directors of The Allstate Corporation standing for election at the 2023 annual stockholders meeting is incorporated in this Item 10 by reference to the descriptions in the Proxy Statement under the caption “Corporate Governance – Director Nominees.”

Information regarding our audit committee and audit committee financial experts is incorporated in this Item 10 by reference to the information under the caption “Corporate Governance – Board Meetings and Committees” in the Proxy Statement.

Information regarding executive officers of The Allstate Corporation is incorporated in this Item 10 by reference to Part I, Item 1 of this report under the caption “Information about our Executive Officers.”

We have adopted a Global Code of Business Conduct that applies to all of our directors and employees, including our principal executive officer, principal financial officer and controller and principal accounting officer. The text of our Global Code of Business Conduct is posted on our website, www.allstateinvestors.com. We intend to satisfy the disclosure requirements, regarding amendments to, and waiver from, the provisions of our Global Code of Business Conduct by posting such information on the same website pursuant to applicable NYSE and SEC rules.

Item 11. Executive Compensation

Information required for Item 11 is incorporated by reference to the sections of the Proxy Statement with the following captions:

- Corporate Governance – Director Compensation
- Executive Compensation

Item 12. Security Ownership of Certain Beneficial Owners and Management and Related Stockholder Matters

Information regarding security ownership of certain beneficial owners and management is incorporated in this Item 12 by reference to the sections of the Proxy Statement with the following captions:

- Stock Ownership Information – Security Ownership of Directors and Executive Officers
- Stock Ownership Information – Security Ownership of Certain Beneficial Owners

Equity compensation plan information

The following table includes information as of December 31, 2022, with respect to The Allstate Corporation's equity compensation plans:

Plan Category	Number of Securities to be Issued upon Exercise of Outstanding Options, Warrants and Rights (a)	Weighted-Average Exercise Price of Outstanding Options, Warrants and Rights (b)	Number of Securities Remaining Available for Future Issuance under Equity Compensation Plans (Excluding Securities Reflected in Column (a)) (c)
Equity Compensation Plans Approved by Security Holders [(1)]	11,426,705 [(2)]	$ 95.72 [(3)]	12,563,008 [(4)]
Total	11,426,705 [(2)]	$ 95.72 [(3)]	12,563,008 [(4)]

(1) Consists of the 2019 Equity Incentive Plan, which amended and restated the 2013 Equity Incentive Plan; the 2017 Equity Compensation Plan for Non-Employee Directors; the 2006 Equity Compensation Plan for Non-Employee Directors; and the Equity Incentive Plan for Non-Employee Directors (the equity plan for non-employee directors prior to 2006). The Corporation does not maintain any equity compensation plans not approved by stockholders.

(2) As of December 31, 2022, 928,978 restricted stock units ("RSUs") and 1,544,109 performance stock awards ("PSAs") were outstanding. PSAs are reported at the maximum potential amount awarded for incomplete performance periods and the amount earned for the 2020 PSA grant, reduced for forfeitures. For incomplete performance periods, the actual number of shares earned may be less and are based upon measures achieved at the end of the three-year performance period for those PSAs granted in 2021 and 2022.

(3) The weighted-average exercise price of outstanding options, warrants, and rights does not take into account RSUs and PSAs, which have no exercise price.

(4) Includes 12,259,668 shares that may be issued in the form of stock options, unrestricted stock, restricted stock, restricted stock units, stock appreciation rights, performance units, performance stock, and stock in lieu of cash under the 2019 Equity Incentive Plan; and 303,340 shares that may be issued in the form of stock options, unrestricted stock, restricted stock, restricted stock units, and stock in lieu of cash compensation under the 2017 Equity Compensation Plan for Non-Employee Directors.

Asset managers, such as those that manage mutual funds and exchange traded funds, principally on behalf of third-party investors, at times acquire sufficient voting ownership interests in Allstate to require disclosure. State Street Corp. manages an investment portfolio of $4.52 billion on behalf of participants in Allstate's 401(k) Savings Plan and $745 million on behalf of the Allstate domestic qualified pension plan. The terms of these arrangements are customary, and the aggregate related fees are not material.

Item 13. Certain Relationships and Related Transactions, and Director Independence

Information required for Item 13 is incorporated by reference to the material in the Proxy Statement under the captions "Corporate Governance – Board and Nominee Independence Determinations" and "Other Information - Appendix B – Categorical Standards of Independence."

Item 14. Principal Accounting Fees and Services

Information required for Item 14 is incorporated by reference to the material in the Proxy Statement under the caption "Audit Committee Matters – Proposal 3 Ratification of Deloitte & Touche LLP (PCAOB ID No. 34) as the Independent Registered Public Accountant for 2023."

Part IV

Item 15. (a) (1) Exhibits and Financial Statement Schedules.

The following consolidated financial statements, notes thereto and related information of The Allstate Corporation (the “Company”) are included in Item 8.

- Consolidated Statements of Operations
- Consolidated Statements of Comprehensive Income (Loss)
- Consolidated Statements of Financial Position
- Consolidated Statements of Shareholders’ Equity
- Consolidated Statements of Cash Flows
- Notes to the Consolidated Financial Statements
- Report of Independent Registered Public Accounting Firm

Item 15. (a) (2)

The following additional financial statement schedules are furnished herewith pursuant to the requirements of Form 10-K.

The Allstate Corporation		Page
Schedules required to be filed under the provisions of Regulation S-X Article 7:		
Schedule I	Summary of Investments – Other than Investments in Related Parties	S-1
Schedule II	Condensed Financial Information of Registrant (The Allstate Corporation)	S-2
Schedule III	Supplementary Insurance Information	S-6
Schedule IV	Reinsurance	S-7
Schedule V	Valuation Allowances and Qualifying Accounts	S-8

All other schedules are omitted because they are not applicable, or not required, or because the required information is included in the Consolidated Financial Statements or notes thereto.

Item 15. (a) (3)

The following is a list of the exhibits filed as part of this Form 10-K. The exhibit numbers followed by an asterisk (*) indicate exhibits that are management contracts or compensatory plans or arrangements.

		Incorporated by Reference				
Exhibit Number	Exhibit Description	Form	File Number	Exhibit	Filing Date	Filed or Furnished Herewith
2.1	Stock Purchase Agreement, dated as of January 26, 2021, by and among Allstate Insurance Company, Allstate Financial Insurance Holdings Corporation, and Antelope US Holdings Company (certain schedules and exhibits to the Stock Purchase Agreement are omitted pursuant to Item 601(b)(2) of Regulation S-K. The Registrant agrees to furnish to the Securities and Exchange Commission, upon request, a copy of any omitted schedule or exhibit).	8-K	1-11840	2.1	January 27, 2021	
2.2	Stock Purchase Agreement, dated as of March 29, 2021, by and between Allstate Life Insurance Company, Allstate Insurance Company, Allstate Financial Insurance Holdings Corporation, Allstate Insurance Holdings, LLC and Wilton Reassurance Company (certain schedules and exhibits to the Stock Purchase Agreement are omitted pursuant to Item 601(b)(2) of Regulation S-K. The Registrant agrees to furnish to the Securities and Exchange Commission, upon request, a copy of any omitted schedule or exhibit).	8-K	1-11840	2.1	March 29, 2021	
3.1	Restated Certificate of Incorporation filed with the Secretary of State of Delaware on May 23, 2012	8-K	1-11840	3(i)	May 23, 2012	
3.2	Amended and Restated Bylaws of The Allstate Corporation as amended July 16, 2021	8-K	1-11840	3.1	July 16, 2021	
3.3	Certificate of Designations with respect to the Preferred Stock, Series G of the Registrant, dated March 27, 2018	8-K	1-11840	3.1	March 29, 2018	
3.4	Certificate of Designations with respect to the Preferred Stock, Series H of the Registrant, date August 5, 2019	8-K	1-11840	3.1	August 5, 2019	

Exhibit Number	Exhibit Description	Incorporated by Reference				Filed or Furnished Herewith
		Form	File Number	Exhibit	Filing Date	
3.5	Certificate of Designations with respect to the Preferred Stock, Series I of the Registrant, dated November 8, 2019	8-K	1-11840	3.1	November 8, 2019	
4.1	The Allstate Corporation hereby agrees to furnish to the Commission, upon request, the instruments defining the rights of holders of each issue of its long-term debt and that of its consolidated subsidiaries					
4.2	Description of Registrant's Securities					X
4.3	Deposit Agreement, dated March 29, 2018, among the Registrant, Equiniti Trust Company, as depositary, and the holders from time to time of the depositary receipts described therein (Series G)	8-K	1-11840	4.1	March 29, 2018	
4.4	Form of Preferred Stock Certificate, Series G (included as Exhibit A to Exhibit 3.3 above)	8-K	1-11840	4.2	March 29, 2018	
4.5	Form of Depositary Receipt, Series G (included as Exhibit A to Exhibit 4.3 above)	8-K	1-11840	4.3	March 29, 2018	
4.6	Deposit Agreement, dated August 8, 2019, among the Registrant, Equiniti Trust Company, as depositary, and the holders from time to time of the depositary receipts described therein (Series H)	8-K	1-11840	4.1	August 8, 2019	
4.7	Form of Preferred Stock Certificate, Series H (included as Exhibit A to Exhibit 3.4 above)	8-K	1-11840	4.2	August 8, 2019	
4.8	Form of Depositary Receipt, Series H (included as Exhibit A to Exhibit 4.6 above)	8-K	1-11840	4.3	August 8, 2019	
4.9	Deposit Agreement, dated November 8, 2019, among the Registrant, Equiniti Trust Company, as depositary, and the holders from time to time of the depositary receipts described therein (Series I)	8-K	1-11840	4.1	November 8, 2019	
4.10	Form of Preferred Stock Certificate, Series I (included as Exhibit A to Exhibit 3.5 above)	8-K	1-11840	4.2	November 8, 2019	
4.11	Form of Depositary Receipt, Series I (included as Exhibit A to Exhibit 4.9 above)	8-K	1-11840	4.3	November 8, 2019	
10.1	Credit Agreement dated November 16, 2020, among The Allstate Corporation, Allstate Insurance Company, and Allstate Life Insurance Company, as Borrowers; the lenders party thereto, Wells Fargo Bank, National Association, as Syndication Agent; Bank of America, N.A., Barclays Bank PLC, Credit Suisse AG, New York Branch, Goldman Sachs Bank USA, Morgan Stanley MUFG Loan Partners, LLC, and U.S. Bank National Association, as Documentation Agents; and JPMorgan Chase Bank, N.A., as Administrative Agent.	8-K	1-11840	10.1	November 17, 2020	
10.2	Amendment No. 1 to Credit Agreement dated as of May 4, 2021	10-Q	1-11840	10.1	May 5, 2021	
10.3	Amendment No. 2 to Credit Agreement dated as of November 16, 2022					X
10.4*	The Allstate Corporation Annual Executive Incentive Plan, as amended and restated effective November 17, 2020	10-K	1-11840	10.2	February 22, 2021	
10.5*	The Allstate Corporation Deferred Compensation Plan, as amended and restated effective January 1, 2019	S-8	1-11840	4	November 20, 2018	
10.6*	The Allstate Corporation 2019 Equity Incentive Plan, as amended and restated effective February 19, 2020	10-Q	1-11840	10.1	May 5, 2020	
10.7	The Allstate Corporation Clawback Policy, effective February 19, 2020	10-Q	1-11840	10.6	May 5, 2020	
10.8*	Form of Performance Stock Award Agreement for awards granted on or after February 19, 2020, under The Allstate Corporation 2019 Equity Incentive Plan to officers subject to reporting obligations under Section 16 of the Securities Exchange Act of 1934 or an executive vice president	10-Q	1-11840	10.5	May 5, 2020	

Exhibit Number	Exhibit Description	Incorporated by Reference				Filed or Furnished Herewith
		Form	File Number	Exhibit	Filing Date	
10.9*	Form of Performance Stock Award Agreement for awards granted on or after April 13, 2018, under The Allstate Corporation 2013 Equity Incentive Plan	10-Q	1-11840	10.2	May 1, 2018	
10.10*	Form of Performance Stock Award Agreement for awards granted on or after March 6, 2012 and prior to April 13, 2018 under The Allstate Corporation 2009 Equity Incentive Plan	10-Q	1-11840	10.4	May 2, 2012	
10.11*	Form of Option Award Agreement for awards granted on or after February 19, 2020, under The Allstate Corporation 2019 Equity Incentive Plan to officers subject to reporting obligations under Section 16 of the Securities Exchange Act of 1934 or an executive vice president	10-Q	1-11840	10.3	May 5, 2020	
10.12*	Form of Option Award Agreement for awards granted on or after April 13, 2018, under The Allstate Corporation 2013 Equity Incentive Plan	10-Q	1-11840	10.3	May 1, 2018	
10.13*	Form of Option Award Agreement for awards granted on or after February 21, 2012 and prior to April 13, 2018 under The Allstate Corporation 2009 Equity Incentive Plan	10-Q	1-11840	10.3	May 2, 2012	
10.14*	Form of Option Award Agreement for awards granted on or after December 30, 2011 and prior to February 21, 2012 under The Allstate Corporation 2009 Equity Incentive Plan	8-K	1-11840	10.2	December 28, 2011	
10.15*	Form of Restricted Stock Unit Award Agreement for awards granted on or after February 19, 2020, under The Allstate Corporation 2019 Equity Incentive Plan to officers subject to reporting obligations under Section 16 of the Securities Exchange Act of 1934 or an executive vice president	10-Q	1-11840	10.4	May 5, 2020	
10.16*	Form of Restricted Stock Unit Award Agreement for awards granted on or after April 13, 2018, under The Allstate Corporation 2013 Equity Incentive Plan	10-Q	1-11840	10.4	May 1, 2018	
10.17*	Form of Restricted Stock Unit Award Agreement for awards granted on or after February 21, 2012 and prior to April 13, 2018 under The Allstate Corporation 2009 Equity Incentive Plan	10-Q	1-11840	10.2	May 2, 2012	
10.18*	Supplemental Retirement Income Plan, as amended and restated effective October 19, 2018	10-K	1-11840	10.16	February 15, 2019	
10.19*	The Allstate Corporation Change in Control Severance Plan effective December 30, 2011	8-K	1-11840	10.1	December 28, 2011	
10.20*	Amendment to The Allstate Corporation Change in Control Severance Plan effective March 1, 2021	8-K	1-11840	10.1	March 1, 2021	
10.21*	The Allstate Corporation Deferred Compensation Plan for Non-Employee Directors, as amended and restated effective September 15, 2008	8-K	1-11840	10.7	September 19, 2008	
10.22*	The Allstate Corporation Equity Incentive Plan for Non-Employee Directors, as amended and restated effective September 15, 2008	8-K	1-11840	10.5	September 19, 2008	
10.23*	The Allstate Corporation 2006 Equity Compensation Plan for Non-Employee Directors, as amended and restated effective September 15, 2008	8-K	1-11840	10.6	September 19, 2008	
10.24*	The Allstate Corporation 2017 Equity Compensation Plan for Non-Employee Directors	Proxy	1-11840	App. D	April 12, 2017	
10.25*	Form of amended and restated Restricted Stock Unit Award Agreement with regards to awards outstanding on September 15, 2008 under The Allstate Corporation 2006 Equity Compensation Plan for Non-Employee Directors	8-K	1-11840	10.8	September 19, 2008	
10.26*	Form of Restricted Stock Unit Award Agreement for awards granted on or after September 15, 2008, and prior to June 1, 2016, under The Allstate Corporation 2006 Equity Compensation Plan for Non-Employee Directors	8-K	1-11840	10.9	September 19, 2008	

Exhibit Number	Exhibit Description	Incorporated by Reference Form	File Number	Exhibit	Filing Date	Filed or Furnished Herewith
10.27*	Form of Restricted Stock Unit Award Agreement for awards granted on or after June 1, 2016, and prior to June 1, 2017, under The Allstate Corporation 2006 Equity Compensation Plan for Non-Employee Directors	10-Q	1-11840	10.2	August 3, 2016	
10.28*	Form of Restricted Stock Unit Award Agreement for awards granted on or after June 1, 2017, under The Allstate Corporation 2017 Equity Compensation Plan for Non-Employee Directors	10-Q	1-11840	10.2	August 1, 2017	
10.29*	Form of Indemnification Agreement between the Registrant and Director	10-Q	1-11840	10.2	August 1, 2007	
10.30*	Resolutions regarding Non-Employee Director Compensation adopted November 18, 2016	10-K	1-11840	10.24	February 17, 2017	
10.31*	Resolutions regarding Non-Employee Director Compensation adopted November 16, 2018	10-K	1-11840	10.29	February 15, 2019	
10.32*	Resolutions regarding Non-Employee Director Compensation adopted November 19, 2021	10-K	1-11840	10.31	February 18, 2022	
10.33*	Resolutions regarding Non-Employee Director Compensation adopted November 18, 2022					X
10.34	Purchase and Sale Agreement, dated November 26, 2021, by and between Allstate Insurance Company and DPIF3 Acquisition Co LLC	8-K	1-11840	10.1	November 29, 2021	
10.35	Voluntary Retirement Agreement, dated August 18, 2022, between Glenn T. Shapiro and Allstate Insurance Company	8-K	1-11840	10	August 18, 2022	
21	Subsidiaries of The Allstate Corporation					X
23	Consent of Independent Registered Public Accounting Firm					X
31(i)	Rule 13a-14(a) Certification of Principal Executive Officer					X
31(i)	Rule 13a-14(a) Certification of Principal Financial Officer					X
32	Section 1350 Certifications					X
101.INS	Inline XBRL Instance Document (the instance document does not appear in the Interactive Data File because its XBRL tags are embedded within the Inline XBRL document					X
101.SCH	Inline XBRL Taxonomy Extension Schema					X
101.CAL	Inline XBRL Taxonomy Extension Calculation Linkbase					X
101.DEF	Inline XBRL Taxonomy Extension Definition Linkbase					X
101.LAB	Inline XBRL Taxonomy Extension Label Linkbase					X
101.PRE	Inline XBRL Taxonomy Extension Presentation Linkbase					X
104	Cover Page Interactive Data File (formatted as inline XBRL and contained in Exhibit 101)					X

Item 15. (b)

The exhibits are listed in Item 15. (a)(3) above.

Item 15. (c)

The financial statement schedules are listed in Item 15. (a)(2) above.

Item 16.

None.

Signatures

Pursuant to the requirements of Section 13 or 15(d) of the Securities Exchange Act of 1934, the registrant has duly caused this report to be signed on its behalf by the undersigned, thereunto duly authorized.

The Allstate Corporation
(Registrant)

/s/ John C. Pintozzi

By: John C. Pintozzi
Senior Vice President, Controller and Chief Accounting Officer
(Principal Accounting Officer)
February 16, 2023

Pursuant to the requirements of the Securities Exchange Act of 1934, this report has been signed below by the following persons on behalf of the registrant and in the capacities and on the dates indicated.

Signature	Title	Date
/s/ Thomas J. Wilson Thomas J. Wilson	Chairman of the Board, President, Chief Executive Officer and a Director (Principal Executive Officer)	February 16, 2023
/s/ Jesse E. Merten Jesse E. Merten	Executive Vice President and Chief Financial Officer (Principal Financial Officer)	February 16, 2023
/s/ John C. Pintozzi John C. Pintozzi	Senior Vice President, Controller and Chief Accounting Officer (Principal Accounting Officer)	February 16, 2023
/s/ Donald E. Brown Donald E. Brown	Director	February 16, 2023
/s/ Kermit R. Crawford Kermit R. Crawford	Director	February 16, 2023
/s/ Richard T. Hume Richard T. Hume	Director	February 16, 2023
/s/ Margaret M. Keane Margaret M. Keane	Director	February 16, 2023
/s/ Siddharth N. Mehta Siddharth N. Mehta	Director	February 16, 2023
/s/ Jacques P. Perold Jacques P. Perold	Director	February 16, 2023
/s/ Andrea Redmond Andrea Redmond	Director	February 16, 2023
/s/ Gregg M. Sherrill Gregg M. Sherrill	Lead Director	February 16, 2023
/s/ Judith A. Sprieser Judith A. Sprieser	Director	February 16, 2023
/s/ Perry M. Traquina Perry M. Traquina	Director	February 16, 2023
Monica Turner	Director	

The Allstate Corporation and Subsidiaries

Schedule I — Summary of Investments Other than Investments in Related Parties

	As of December 31, 2022		
($ in millions)	**Cost/amortized cost, net**	**Fair value (if applicable)**	**Amount shown in the Balance Sheet**
Type of investment			
Fixed maturities:			
Bonds:			
United States government, government agencies and authorities	$ 8,123	$ 7,898	$ 7,898
States, municipalities and political subdivisions	6,500	6,210	6,210
Foreign governments	997	957	957
Public utilities	2,633	2,437	2,437
All other corporate bonds	25,929	23,826	23,826
Asset-backed securities	1,188	1,157	1,157
Total fixed maturities	**45,370**	**42,485**	**42,485**
Equity securities:			
Common stocks:			
Public utilities	48	60	60
Banks, trusts and insurance companies	260	340	340
Industrial, miscellaneous and all other	3,753	3,938	3,938
Nonredeemable preferred stocks	192	229	229
Total equity securities	**4,253**	**4,567**	**4,567**
Mortgage loans on real estate	762	700	762
Real estate (none acquired in satisfaction of debt)	813		813
Policy loans	120		120
Derivative instruments	1	1	1
Limited partnership interests	8,114		8,114
Other long-term investments	794		794
Short-term investments	4,174	4,173	4,173
Total investments	**$ 64,401**		**$ 61,829**

The Allstate Corporation and Subsidiaries

Schedule II — Condensed Financial Information of Registrant Statement of Operations

($ in millions)	Year Ended December 31, 2022	2021	2020
Revenues			
Investment income, less investment expense	$ 59	$ 13	$ 12
Net gains (losses) on investments and derivatives	(34)	12	33
Total revenues	**25**	**25**	**45**
Expenses			
Interest expense	351	328	328
Pension and other postretirement remeasurement (gains) losses	179	(611)	(73)
Pension and other postretirement (benefit) expense	(98)	(218)	(168)
Other operating expenses	56	71	73
Total expenses	**488**	**(430)**	**160**
(Loss) gain from operations before income tax benefit and equity in net income of subsidiaries	**(463)**	**455**	**(115)**
Income tax (benefit) expense	(103)	93	(26)
(Loss) gain before equity in net income of subsidiaries	**(360)**	**362**	**(89)**
Equity in net income of subsidiaries [(1)]	(951)	1,237	5,665
Net (loss) income	**(1,311)**	**1,599**	**5,576**
Preferred stock dividends	105	114	115
Net (loss) income applicable to common shareholders	**(1,416)**	**1,485**	**5,461**
Other comprehensive income (loss), after-tax			
Changes in:			
Unrealized net capital gains and losses	(2,851)	(2,582)	1,293
Unrealized foreign currency translation adjustments	(150)	(8)	52
Unamortized pension and other postretirement prior service credit	(43)	(59)	9
Other comprehensive (loss) income, after-tax	**(3,044)**	**(2,649)**	**1,354**
Comprehensive (loss) income	**$ (4,355)**	**$ (1,050)**	**$ 6,930**

[(1)] 2021 and 2020 include results of operations for the life and annuity business held for sale reported as discontinued operations in the Consolidated Statements of Operations.

See accompanying notes to condensed financial information and notes to consolidated financial statements.

The Allstate Corporation and Subsidiaries

Schedule II (Continued) — Condensed Financial Information of Registrant Statement of Financial Position

($ in millions, except par value data)	December 31, 2022	December 31, 2021
Assets		
Investments in subsidiaries	$ 23,698	$ 32,058
Fixed income securities, at fair value (amortized cost, net $2,513 and $1,708)	2,422	1,718
Short-term investments, at fair value (amortized cost, net $291 and $297)	291	297
Cash	—	1
Receivable from subsidiaries	341	504
Deferred income taxes	59	22
Other assets	108	222
Total assets	**26,919**	**34,822**
Liabilities		
Debt	7,588	7,581
Pension and other postretirement benefit obligations	180	211
Deferred compensation	320	383
Notes due to subsidiaries	1,000	1,000
Dividends payable to shareholders	260	269
Other liabilities	96	199
Total liabilities	**9,444**	**9,643**
Shareholders' equity		
Preferred stock and additional capital paid-in, $1 par value, 25 million shares authorized, 81.0 thousand shares issued and outstanding, $2,025 aggregate liquidation preference	1,970	1,970
Common stock, $.01 par value, 2.0 billion shares authorized and 900 million issued, 263 million and 281 million shares outstanding	9	9
Additional capital paid-in	3,788	3,722
Retained income	50,954	53,294
Treasury stock, at cost (637 million and 619 million shares)	(36,857)	(34,471)
Accumulated other comprehensive income:		
Unrealized net capital gains and losses	(2,253)	598
Unrealized foreign currency translation adjustments	(165)	(15)
Unamortized pension and other postretirement prior service credit	29	72
Total accumulated other comprehensive (loss) income	**(2,389)**	**655**
Total Allstate shareholders' equity	**17,475**	**25,179**
Total liabilities and equity	**$ 26,919**	**$ 34,822**

See accompanying notes to condensed financial information and notes to consolidated financial statements.

The Allstate Corporation and Subsidiaries

Schedule II (Continued) — Condensed Financial Information of Registrant Statement of Cash Flows

($ in millions)	Years Ended December 31, 2022	2021	2020
Cash flows from operating activities			
Net (loss) income	$ (1,311)	$ 1,599	$ 5,576
Adjustments to reconcile net income to net cash provided by operating activities:			
Equity in net income of subsidiaries [1]	951	(1,237)	(5,665)
Dividends received from subsidiaries	3,396	5,112	4,157
Net (gains) losses on investments and derivatives	34	(12)	(33)
Pension and other postretirement remeasurement (gains) losses	179	(611)	(73)
Changes in:			
Pension and other postretirement benefits	(98)	(218)	(168)
Income taxes	(14)	177	54
Operating assets and liabilities	76	158	110
Net cash provided by operating activities	**3,213**	**4,968**	**3,958**
Cash flows from investing activities			
Proceeds from sales of investments	2,572	1,743	1,251
Investment purchases	(2,507)	(2,673)	(402)
Investment collections	39	38	16
Capital contribution or return of capital from subsidiaries	145	383	251
Change in short-term investments, net	6	4,182	(3,777)
Acquisition of subsidiaries	—	(4,144)	—
Net cash provided by (used in) investing activities	**255**	**(471)**	**(2,661)**
Cash flows from financing activities			
Proceeds from borrowings from subsidiaries	1,000	2,200	1,250
Repayment of notes due to subsidiaries	(1,000)	(2,450)	(1,000)
Proceeds from issuance of debt	—	—	1,189
Redemption of preferred stock	—	—	(288)
Redemption and repayment of debt	—	(250)	—
Dividends paid on common stock	(926)	(885)	(668)
Dividends paid on preferred stock	(105)	(105)	(108)
Treasury stock purchases	(2,520)	(3,120)	(1,737)
Shares reissued under equity incentive plans, net	82	114	63
Net cash used in financing activities	**(3,469)**	**(4,496)**	**(1,299)**
Net (decrease) increase in cash	**(1)**	**1**	**(2)**
Cash at beginning of year	1	—	2
Cash at end of year	**$ —**	**$ 1**	**$ —**

[1] 2021 and 2020 results include operations for the life and annuity business held for sale reported as discontinued operations in the Consolidated Statements of Operations.

See accompanying notes to condensed financial information and notes to consolidated financial statements.

The Allstate Corporation and Subsidiaries
Schedule II (Continued) — Condensed Financial Information of Registrant
Notes to Condensed Financial Information

1. General

Pursuant to rules and regulations of the SEC, the unconsolidated condensed financial statements of the Parent Company do not reflect all of the information and notes normally included with financial statements prepared in accordance with GAAP. Therefore, these condensed financial statements of the Registrant should be read in conjunction with the consolidated financial statements and notes thereto included in Item 8.

The debt presented in Note 13 “Capital Structure” are direct obligations of or guaranteed by the Registrant. A majority of the pension and other postretirement benefits plans presented in Note 18 “Benefit Plans” are direct obligations of the Registrant.

Participating subsidiaries fund the pension plans contributions under a master services cost sharing agreement. In addition, as a result of joint and several pension liability rules under the Internal Revenue Code and the Employee Retirement Income Security Act of 1974, as amended, many liabilities that arise in connection with pension plans are joint and several across all members of a controlled group of entities.

2. Notes due to subsidiaries

On June 17, 2022, the Registrant issued $1.00 billion notes, with a rate of 1.63% due on June 17, 2023, to Kennett Capital Inc. The proceeds of this issuance were used for cash management purposes.

On March 1, 2021 and June 18, 2021, the Registrant issued $200 million and $1.00 billion notes, with rates of 0.21% and 0.20%, due on March 1, 2022 and June 18, 2022, respectively, to Kennett Capital Inc. The proceeds of these issuances were used for cash management purposes. On April 5, 2021, the Registrant repaid $200 million to Kennett Capital Inc. On June 17, 2022, the Registrant repaid $1.00 billion to Kennett Capital Inc.

On June 18, 2020 and December 29, 2020, the Registrant issued $1.00 billion and $250 million notes, with rates of 0.43% and 0.33%, due on June 18, 2021 and December 29, 2021, respectively, to Kennett Capital Inc. The proceeds of these issuances were used for cash management purposes. On April 5, 2021 and June 18, 2021, the Registrant repaid $250 million and $1.00 billion, respectively, to Kennett Capital Inc.

3. Supplemental Disclosures of Cash Flow Information

The Registrant paid $323 million, $321 million and $311 million of interest on debt in 2022, 2021 and 2020, respectively.

The Allstate Corporation and Subsidiaries
Schedule III — Supplementary Insurance Information

($ in millions)	As of December 31,			For the years ended December 31,					
Segment	Deferred policy acquisition costs	Reserves for claims and claims expense, contract benefits and contractholder funds	Unearned premiums	Premium revenue and contract charges	Net investment income [1]	Claims and claims expense, contract benefits and interest credited to contractholders	Amortization of deferred policy acquisition costs	Other operating costs and expenses	Premiums written (excluding life)
2022									
Property-Liability									
Allstate Protection	$ 2,146	$ 35,537	$ 17,538	$ 43,909		$ 36,607	$ 5,570	$ 5,930	$ 45,787
Run-off Property-Liability	—	1,955	—	—		125	—	4	—
Total Property-Liability	2,146	37,492	17,538	43,909	$ 2,190	36,732	5,570	5,934	45,787
Protection Services [2]	2,768	49	4,745	2,144	48	532	928	952	2,699
Allstate Health and Benefits	504	2,170	28	1,833	69	1,061	146	852	1,594
Corporate and Other	—	—	—	—	96	—	—	712	—
Intersegment Eliminations [2]	—	—	—	(149)	—	—	—	(149)	—
Total	**$ 5,418**	**$ 39,711**	**$ 22,311**	**$ 47,737**	**$ 2,403**	**$ 38,325**	**$ 6,644**	**$ 8,301**	**$ 50,080**
2021									
Property-Liability									
Allstate Protection	$ 1,951	$ 31,099	$ 15,763	$ 40,454		$ 28,760	$ 5,313	$ 6,033	$ 41,358
Run-off Property-Liability	—	1,916	—	—		116	—	4	—
Total Property-Liability	1,951	33,015	15,763	40,454	$ 3,118	28,876	5,313	6,037	41,358
Protection Services [2]	2,294	45	4,054	1,939	43	458	795	938	2,642
Allstate Health and Benefits	477	2,181	27	1,821	74	1,049	144	838	1,630
Corporate and Other	—	—	—	—	58	—	—	(133)	—
Intersegment Eliminations [2]	—	—	—	(175)	—	(16)	—	(159)	—
Total	**$ 4,722**	**$ 35,241**	**$ 19,844**	**$ 44,039**	**$ 3,293**	**$ 30,367**	**$ 6,252**	**$ 7,521**	**$ 45,630**
2020									
Property-Liability									
Allstate Protection	$ 1,608	$ 25,679	$ 12,772	$ 35,580		$ 21,485	$ 4,642	$ 5,741	$ 35,768
Run-off Property-Liability	—	1,888	—	—		141	—	3	—
Total Property-Liability	1,608	27,567	12,772	35,580	$ 1,421	21,626	4,642	5,744	35,768
Protection Services [2]	1,696	43	3,167	1,640	44	386	658	760	1,890
Allstate Health and Benefits	470	1,885	7	1,094	78	549	177	323	839
Corporate and Other	—	—	—	—	47	—	—	389	—
Intersegment Eliminations [2]	—	—	—	(147)	—	(11)	—	(136)	—
Total	**$ 3,774**	**$ 29,495**	**$ 15,946**	**$ 38,167**	**$ 1,590**	**$ 22,550**	**$ 5,477**	**$ 7,080**	**$ 38,497**

(1) A single investment portfolio supports both Allstate Protection and Run-off Property-Liability segments.

(2) Includes intersegment premiums and service fees and the related incurred losses and expenses that are eliminated in the consolidated financial statements.

The Allstate Corporation and Subsidiaries
Schedule IV — Reinsurance

($ in millions)	Gross amount	Ceded to other companies [1]	Assumed from other companies	Net amount	Percentage of amount assumed to net
Year ended December 31, 2022					
Life insurance in force	**$ 21,271**	**$ 614**	**$ 1,401**	**$ 22,058**	6.4 %
Premiums and contract charges:					
Life insurance	$ 218	$ 7	$ 17	$ 228	7.5 %
Accident and health insurance	1,622	31	14	1,605	0.9
Property and casualty insurance	47,552	1,869	221	45,904	0.5
Total premiums and contract charges	**$ 49,392**	**$ 1,907**	**$ 252**	**$ 47,737**	**0.5**
Year ended December 31, 2021					
Life insurance in force	**$ 20,535**	**$ 640**	**$ 1,528**	**$ 21,423**	**7.1 %**
Premiums and contract charges:					
Life insurance	$ 156	$ 6	$ 15	$ 165	9.1 %
Accident and health insurance	1,722	72	6	1,656	0.4
Property and casualty insurance	43,944	1,904	178	42,218	0.4
Total premiums and contract charges	**$ 45,822**	**$ 1,982**	**$ 199**	**$ 44,039**	**0.5**
Year ended December 31, 2020					
Life insurance in force	**$ 17,124**	**$ 16,528**	**$ 1,003**	**$ 1,599**	**62.7 %**
Premiums and contract charges:					
Life insurance	$ 162	$ 8	$ 14	$ 168	8.3 %
Accident and health insurance	931	5	—	926	—
Property and casualty insurance	38,115	1,141	99	37,073	0.3
Total premiums and contract charges	**$ 39,208**	**$ 1,154**	**$ 113**	**$ 38,167**	**0.3**

[1] No reinsurance or coinsurance income was netted against premium ceded in 2022, 2021 or 2020.

The Allstate Corporation and Subsidiaries
Schedule V — Valuation Allowances and Qualifying Accounts

($ in millions) Description	Balance as of beginning of period	Additions: Charged to costs and expenses	Additions: Other additions	Deductions	Balance as of end of period
Year ended December 31, 2022					
Fixed income securities	$ 6	$ 7	$ —	$ —	$ 13
Mortgage loans	6	1	—	—	7
Bank loans	61	26	—	30	57
Investments	**73**	**34**	**—**	**30**	**77**
Premium installment receivable	107	313	—	288	132
Reinsurance recoverables	74	—	—	9	65
Other assets	26	—	—	7	19
Assets	**280**	**347**	**—**	**334**	**293**
Commitments to fund mortgage loans and bank loans	—	—	—	—	—
Liabilities	—	—	—	—	—
Total	**$ 280**	**$ 347**	**$ —**	**$ 334**	**$ 293**
Valuation allowance for deferred tax assets	$ 24	$ —	$ 10	$ —	$ 34
Year ended December 31, 2021					
Fixed income securities	$ 2	$ 4	$ —	$ —	$ 6
Mortgage loans	67	(61)	—	—	6
Bank loans	67	(6)	—	—	61
Investments	**136**	**(63)**	**—**	**—**	**73**
Premium installment receivable	153	274	19	339	107
Reinsurance recoverables	60	15	—	1	74
Other assets	17	9	—	—	26
Assets	**366**	**235**	**19**	**340**	**280**
Commitments to fund mortgage loans and bank loans	1	—	—	1	—
Liabilities	1	—	—	1	—
Total	**$ 367**	**$ 235**	**$ 19**	**$ 341**	**$ 280**
Valuation allowance for deferred tax assets	$ —	$ —	$ 38	$ 14	$ 24
Year ended December 31, 2020					
Fixed income securities	$ —	$ 2	$ —	$ —	$ 2
Mortgage loans [(1)]	45	39	—	17	67
Bank loans [(1)]	53	28	—	14	$ 67
Investments	**98**	**69**	**—**	**31**	**136**
Premium installment receivable	91	223	—	161	153
Reinsurance recoverables	$ 61	$ (1)	$ —	$ —	$ 60
Other assets	15	2	—	—	17
Assets	**265**	**293**	**—**	**192**	**366**
Commitments to fund mortgage loans and bank loans	3	—	—	2	1
Liabilities	3	—	—	2	1
Total	**$ 268**	**$ 293**	**$ —**	**$ 194**	**$ 367**

[(1)] Includes credit loss allowance for investments that were classified as held for sale as of December 31, 2020.

DESCRIPTION OF THE ALLSTATE CORPORATION'S SECURITIES REGISTERED PURSUANT TO SECTION 12 OF THE SECURITIES EXCHANGE ACT OF 1934

References herein to "we," "us," "our" and "Allstate" are references to The Allstate Corporation, and not to any of our subsidiaries, unless we state otherwise or the context otherwise requires.

DESCRIPTION OF CAPITAL STOCK

The following summary of the terms of our capital stock is based upon our Restated Certificate of Incorporation and our Amended and Restated Bylaws and the Delaware General Corporation Law. The summary is not complete, and is qualified by reference to our Restated Certificate of Incorporation and our Amended and Restated Bylaws, which are filed as exhibits to this Annual Report on Form 10-K and are incorporated by reference herein.

Our Restated Certificate of Incorporation authorizes us to issue up to 2,000,000,000 shares of common stock, par value of $0.01 per share, and up to 25,000,000 shares of preferred stock, par value $1.00 per share.

Common Stock

Outstanding shares of our common stock are listed on the New York Stock Exchange and the Chicago Stock Exchange under the symbol "ALL." All outstanding shares of common stock are fully paid and non-assessable.

Dividends. Subject to the prior rights of the holders of shares of preferred stock that may be issued and outstanding, the holders of common stock are entitled to receive dividends as and when declared by our Board of Directors. The issuance of dividends will depend upon, among other factors deemed relevant by our Board of Directors, our financial condition, results of operations, cash requirements, future prospects, changes in tax or other applicable laws relating to the treatment of dividends and regulatory restrictions on the payment of dividends that apply under applicable insurance laws. Dividends may be paid in cash, stock or other form. Each such dividend shall be payable to holders of record as they appear on our stock books on such record dates as shall be fixed by the Board of Directors.

Subject to certain limited exceptions, unless the full dividends on each of our (i) 5.625% Fixed Rate Noncumulative Perpetual Preferred Stock, Series G ("*Series G Preferred Stock*"), (ii) 5.10% Fixed Rate Noncumulative Perpetual Preferred Stock, Series H ("*Series H Preferred Stock*"), and (iii) our 4.750% Fixed Rate Noncumulative Perpetual Preferred Stock, Series I (the "*Series I Preferred Stock*", and together with the Series G Preferred Stock and the Series H Preferred Stock, our "*Preferred Stock*"), for the preceding dividend period have been declared and paid or declared and a sum sufficient for the payment thereof has been set aside and any declared but unpaid dividends on such Preferred Stock for any prior period have been paid, we may not pay dividends on our common stock. If and when dividends on our Preferred Stock have not been declared and paid in full for at least six quarterly dividend periods, the authorized number of directors then constituting our Board of Directors will be increased by two additional directors, to be elected by the holders of our Preferred Stock together with the holders of all other affected classes and series of voting parity stock, voting as a single class, subject to certain conditions.

We are prohibited from declaring or paying dividends on the Series G Preferred Stock if we fail to meet specified capital adequacy, net income or stockholders' equity levels. The prohibition is subject to an exception permitting us to declare dividends out of the net proceeds of common stock issued by us during the 90 days prior to the date of declaration even if we fail to meet such levels.

The terms of our outstanding Series A 6.50% Fixed-to-Floating Rate Junior Subordinated Debentures due 2067, 5.100% Fixed-To-Floating Rate Subordinated Debentures due 2053 and Series B 5.750% Fixed-to-Floating Rate Subordinated Debentures due 2053 (collectively, the "*Outstanding Subordinated Debentures*") also prohibit us from declaring or paying any dividends or distributions on our common or preferred stock if we have elected to defer interest payments on the Outstanding Subordinated Debentures, subject to certain limited exceptions.

Voting Rights. Each holder of common stock is entitled to one vote for each share held of record on all matters presented to a vote at a stockholders meeting, including the election of directors. The holders of common stock are not entitled to cumulative voting rights. Directors are elected if they receive the vote of the majority of the votes cast at any meeting for the election of directors at which a quorum is present. A majority of votes cast means the number of shares voted "for" a director exceeds 50% of the votes cast with respect to that director's election. Votes cast shall include votes to withhold authority in each case and exclude abstentions. Except as otherwise provided in our Restated Certificate of Incorporation or Amended and Restated Bylaws or as required by law, all other matters can be approved by the affirmative vote of a majority of the common shares represented at a meeting and entitled to vote on the matter.

Liquidation Rights. In the event of any liquidation, dissolution or winding-up of Allstate, the holders of common stock will share equally in the assets remaining after creditors and preferred stockholders are paid.

Other Rights. The holders of common stock have no preemptive rights to purchase or subscribe for any additional shares of common stock or other securities and there are no conversion rights or redemption or sinking fund provisions with respect to the common stock.

Preferred Stock

Each series of the Preferred Stock is perpetual and has no maturity date.

Liquidation Rights. The Preferred Stock has preference over our common stock with respect to the payment of dividends and the distribution of assets in the event of our liquidation, winding-up or dissolution. Each series of Preferred Stock ranks on a parity with each other series of Preferred Stock. In the event of our liquidation, dissolution or winding-up, the holders of the Preferred Stock will be entitled to receive out of our assets, before any distribution of assets is made to holders of common stock, liquidating distributions in the amount of $25,000 per share, plus all accrued and unpaid dividends. If, upon any liquidation, dissolution or winding-up of Allstate, the amounts payable with respect to the Preferred Stock and any other shares of our stock ranking as to any such distribution on a parity with the Preferred Stock are not paid in full, the holders of the Preferred Stock and of such other shares will share ratably in any such distribution of our assets in proportion to the full respective preferential amounts to which they are entitled. After payment of the full amount of the liquidating distribution the holders of Preferred Stock will not be entitled to any further participation in any distribution of our assets. Our consolidation or merger with or into any other corporation or corporations or a sale of all or substantially all of our assets shall not be deemed to be our liquidation, dissolution or winding-up.

Other Rights. The holders of our Preferred Stock do not have preemptive or subscription rights to acquire more of our stock. The Preferred Stock is not convertible or exchangeable into our common stock or other securities. Neither holders of our Preferred Stock nor holders of the Depositary Shares representing the Preferred Stock will have the right to require the redemption or repurchase of the Preferred Stock.

Transfer Agent, Registrar & Dividend Disbursement Agent. Equiniti Trust Company, located at 1110 Centre Pointe Curve, Suite 101, Mendota Heights, MN 55120, is the transfer agent, registrar and dividend disbursement agent for our Preferred Stock. We may terminate such appointment and may appoint a successor transfer agent, registrar and/or dividend disbursement agent at any time and from time to time, *provided* that we will use our best efforts to ensure that there is, at all relevant times when the Preferred Stock is outstanding, a person or entity appointed and serving as transfer agent, registrar and/or dividend disbursement agent.

Dividends

The Preferred Stock, in preference to the holders of our common stock and of any other junior stock, are entitled to receive, only when, as and if declared by our Board of Directors (or a duly authorized committee thereof), out of funds legally available for payment, noncumulative cash dividends on each dividend payment date applied to the liquidation amount of $25,000 per share at the annual rate of (i) 5.625%, with respect to the Series G Preferred Stock, (ii) 5.100%, with respect to the Series H Preferred Stock and (iii) 4.750%, with respect to the Series I Preferred Stock.

A "*business day*" means any day other than (i) a Saturday or Sunday or (ii) a day on which banking institutions in The City of New York are authorized or required by law or executive order to remain closed.

A "*dividend payment date*" means each January 15, April 15, July 15 and October 15; *provided* that if any such date is not a business day, then such date will nevertheless be a dividend payment date but dividends on the Preferred Stock, when, as and if declared, will be paid on the next succeeding business day (without adjustment in the amount of the dividend per share of such Preferred Stock).

A "*dividend period*" means each period from and including a dividend payment date (except that the initial dividend period will commence on the original issue date of the applicable series of the Preferred Stock, as applicable) and continuing to but not including the next succeeding dividend payment date. As that term is used herein, each dividend payment date "relates" to the dividend period most recently ending before such dividend payment date.

Dividends will be paid to holders of record of Preferred Stock as they appear on our books on the applicable record date, which will be the 15th calendar day before such dividend payment date, or such other record date fixed for that purpose by our Board of Directors (or a duly authorized committee thereof) that is not more than 60 nor less than 10 days prior to such dividend payment date, in advance of payment of each particular dividend.

The amount of dividends payable per share of the Preferred Stock will be computed by Equiniti Trust Company as the dividend disbursement agent (as defined below) on the basis of a 360-day year consisting of twelve 30-day months.

Dividends on shares of the Preferred Stock will not be cumulative and will not be mandatory. If our Board of Directors (or a duly authorized committee of the board) does not declare a dividend on any series of the Preferred Stock in respect of a dividend period, then no dividend will be deemed to have accrued for such dividend period for such series, be payable on the related dividend payment date, or accumulate, and we will have no obligation to pay any dividend accrued for such dividend period for such series, whether or not our Board of Directors (or a duly authorized committee of the board) declares a dividend on the Preferred Stock or any other series of our preferred stock or on our common stock for any future dividend period. References to the "accrual" (or similar terms) of dividends herein refer only to the determination of the amount of such dividend and do not imply that any right to a dividend arises prior to the date on which a dividend is declared.

During any dividend period while any series of the Preferred Stock is outstanding, unless the full dividends for the preceding dividend period on all such outstanding shares of each series have been declared and paid or declared and a sum sufficient for the payment thereof has been set aside and any declared but unpaid dividends for any prior period have been paid:

(1) no dividend shall be declared or paid or set aside for payment and no distribution shall be declared or made or set aside for payment on any junior stock (other than (1) a dividend payable solely in junior stock or (2) any dividend in connection with the implementation of a shareholders' rights plan or the redemption or repurchase of any rights under such plan),

(2) no shares of junior stock shall be repurchased, redeemed or otherwise acquired for consideration by us, directly or indirectly (other than (1) as a result of a reclassification of junior stock for or into other junior stock, (2) the exchange or conversion of one share of junior stock for or into another share of junior stock, (3) purchases, redemptions or other acquisitions of shares of junior stock in connection with any employment contract, benefit plan or other similar arrangement with or for the benefit of employees, officers, directors or consultants, (4) the purchase of fractional interests in shares of junior stock pursuant to the conversion or exchange provisions of such securities or the security being converted or exchanged and (5) through the use of the proceeds of a substantially contemporaneous sale of other shares of junior stock) nor shall any monies be paid to or made available for a sinking fund for the redemption of any such securities by us and

(3) no shares of stock designated as ranking on a parity with the Preferred Stock, as to payments of dividends and the distribution of assets on our liquidation, dissolution or winding-up ("*dividend parity stock*"), shall be repurchased, redeemed or otherwise acquired for consideration by us other than pursuant to *pro rata* offers to purchase all, or a *pro rata* portion, of the Preferred Stock and such dividend parity stock (other than the exchange or conversion of such dividend parity stock for or into shares of junior stock).

When dividends are not paid in full upon the shares of the Preferred Stock (except with respect to the Series G Preferred Stock for the reasons described below) and any dividend parity stock, all dividends declared upon shares of the Preferred Stock and any dividend parity stock will be declared on a proportional basis so that the amount of dividends declared per share will bear to each other the same ratio that accrued dividends for the then-current dividend period, and any prior dividend periods for which dividends were declared but not paid, per share on the Preferred Stock, and accrued dividends, including any accumulations, on any dividend parity stock, bear to each other.

We may pay dividends on the Series H Preferred Stock and the Series I Preferred Stock, neither of which include the dividend restrictions described below, for periods during which we may not be able to pay dividends on the Series G Preferred Stock as a result of such dividend restrictions in such series of the Preferred Stock.

Restrictions on Declaration and Payment of Dividends – Series G Preferred Stock. We are prohibited from declaring dividends for payment on the Series G Preferred Stock on any dividend payment date in an aggregate amount exceeding the New Common Equity Amount, if on that declaration date, either:

- our Covered Insurance Subsidiaries' Most Recent Weighted Average RBC Ratio was less than 175%; or

- (x) our Trailing Four Quarters Net Income Amount for the period ending on the quarter that is two quarters prior to the most recently completed quarter is less than or equal to zero and (y) our Adjusted Shareholders' Equity Amount as of the most recently completed quarter and as of the end of the quarter that is two quarters before the most recently completed quarter has declined by 20% or more as compared to our Adjusted Shareholders' Equity Amount at the date that is ten quarters prior to the most recently completed quarter (the "*Benchmark Quarter End Test Date*").

The limitation on dividends provided for in the first bullet point above will be of no force and effect if, as of a dividend declaration date, the combined total assets of our Insurance Subsidiaries do not account for 25% or more of our consolidated total assets as reflected on our most recent consolidated financial statements.

If we fail to satisfy either of the above tests for any dividend payment date, the restrictions on dividends will continue until we satisfy both tests for a dividend payment date. In addition, in the case of a restriction arising under the second bullet point above, the restriction on payment of dividends on the Series G Preferred Stock in an aggregate amount exceeding the New Common Equity Amount will continue until we satisfy the two tests set forth above for a dividend payment date and our Adjusted Shareholders' Equity Amount has increased, or has declined by less than 20%, in either case as compared to our Adjusted Shareholders' Equity Amount at the end of the Benchmark Quarter End Test Date for each dividend payment date as to which dividend restrictions were imposed under the second test above. For example, if we failed to satisfy the second test above for three consecutive dividend payment dates, we would be able to declare dividends on the Series G Preferred Stock on the fourth dividend payment date only if, as of the related declaration date:

- we satisfied both of the tests set forth above for that fourth dividend payment date; and

- our Adjusted Shareholders' Equity Amount as of the last completed quarter for that dividend payment date had increased from, or was less than 20% below, its level as of the end of each of the eleventh, twelfth and thirteenth quarters, preceding the most recently completed quarter.

The information required to calculate the Covered Insurance Subsidiaries' Most Recent Weighted Average RBC Ratio for a year will be set forth in the Annual Statements of the Covered Insurance Subsidiaries, which are typically filed on or before March 1 of the following year.

There can be no assurance that future financial results will not result in these tests restricting the declaration of dividends.

The term "Covered Insurance Subsidiaries' Most Recent Weighted Average RBC Ratio" is defined below and is based upon the "RBC" or "risk-based capital" ratios that insurance companies are required to calculate and report to their regulators as of the end of each year in accordance with prescribed procedures. The ratio measures the relationship of an insurance company's "total adjusted capital", calculated in accordance with those prescribed procedures, relative to a standard that is determined based on the magnitude of various risks present in an insurance company's operations. The prescribed procedures set forth the RBC levels, ranging from the "company action level" to the "mandatory control level", at which certain corrective actions are required and at which a state insurance regulator is required, or authorized and expected, to take regulatory action.

The highest RBC level is known as the "company action level". If an insurance company's "total adjusted capital" is greater than the "company action level", no corrective action is required to be taken. At progressively lower levels of "total adjusted capital", an insurance company faces increasingly rigorous levels of corrective action, including the submission of a comprehensive financial plan to the insurance regulator in its state of domicile, a mandatory examination or analysis of the insurance company's business and operations by the regulator and the issuance of appropriate corrective orders to address the insurance company's financial problems, and, at the lowest levels, either voluntary or mandatory action by the regulator to place the insurer under regulatory control. The "company action level" is twice the level (known as the "authorized control level") below which the regulator is authorized (but not yet required) to place the insurance company under regulatory control. The Covered Insurance Subsidiaries' Most Recent Weighted Average RBC Ratio is based upon the "company action level".

If because of a change or cumulative effect of changes in insurance company statutory accounting or in the determination of Company Action Level RBC, our Covered Insurance Subsidiaries' Most Recent Weighted Average RBC Ratio is higher or lower than it would have been absent such change or cumulative effect of changes, then, for purposes of the calculations in the first test set forth above, and for so long as such calculations are required to be performed, our Covered Insurance Subsidiaries' Most Recent Weighted Average RBC Ratio may, in our discretion, be calculated on a best efforts *pro forma* basis as if such change or cumulative effect of changes had not occurred.

With the exception of terms that have specific insurance regulatory meanings such as "risk-based capital", all financial terms used herein will be determined in accordance with U.S. GAAP as applied and reflected in our related financial statements as of the relevant dates, except as provided in the next sentence. If because of a change or cumulative effect of changes in U.S. GAAP, either:

- our net income for the quarter in which such change or cumulative effect of changes take effect is higher or lower than it would have been absent such change or cumulative effect of changes and our Trailing Four Quarters Net Income Amount is higher or lower than it would have been absent such change or cumulative effect of changes, then, for purposes of the calculations described in the second test set forth above, commencing with the fiscal quarter for which such changes in U.S. GAAP becomes effective, and for so long as such calculations are required to be performed, such Trailing Four Quarters Net Income Amount may, in our discretion, be calculated on a best efforts *pro forma* basis as if such change or cumulative effect of changes had not occurred; or

- our Adjusted Shareholders' Equity Amount as of the end of the quarter in which such change or cumulative effect of changes take effect is higher or lower than it would have been absent such change or cumulative effect of changes then, for purposes of the calculations described in the second test set forth above, commencing with the fiscal quarter for which such changes in U.S. GAAP becomes effective, and for so long as such calculations are required to be performed, our Adjusted Shareholders' Equity Amount may, in our discretion, be calculated on a best efforts *pro forma* basis as if such change or cumulative effect of changes had not occurred.

If at any relevant time or for any relevant period, we are not a reporting company under the Exchange Act, then for any such relevant dates and periods we will prepare and post on our web site, or otherwise make publicly available, the financial statements that we would have been required to file with the SEC had we continued to be a reporting company under the Exchange Act, in each case on or before the dates that we would have been required to file such financial statements had we continued to be a "large accelerated filer" within the meaning of Rule 12b-2 under the Exchange Act.

As used in this section:

"*Adjusted Shareholders' Equity Amount*" means, as of any quarter end, our shareholders' equity, as reflected on our consolidated statement of financial position as of such quarter end, excluding (i) accumulated other comprehensive income and loss and (ii) any increase in our shareholders' equity resulting from the issuance of preferred stock during the period from and including the first dividend payment date on which we were restricted in our ability to pay dividends on the Series G Preferred Stock as a result of our Trailing Four Quarters Net Income Amount having been less than zero and our Adjusted Shareholders' Equity Amount having declined by 20% or more as compared to the Benchmark Quarter End Test Date, through to the first quarter end thereafter as of which our Adjusted Shareholders' Equity Amount has declined by less than 20% or increased as compared to the Benchmark Quarter End Test Date, in each case, as reflected on such consolidated statement of financial position.

"*Annual Statement*" means, as to an Insurance Subsidiary, the annual statement of such Insurance Subsidiary containing its statutory balance sheet and income statement as required to be filed by it with one or more state insurance commissioners or other state insurance regulatory authorities.

"*Company Action Level RBC*" has the meaning specified in Section 35A-15 (or the relevant successor section, if any) of the Illinois Insurance Code or similar provision of the laws governing property-casualty insurance companies for the state in which a Covered Insurance Subsidiary is domiciled.

"*Covered Insurance Subsidiaries*" means, for any year, Insurance Subsidiaries that account for 80% or more of the Net Written Premiums of our property liability Insurance Subsidiaries for such year. Our Insurance Subsidiaries for any year will be identified by first ranking the Insurance Subsidiaries from largest to smallest based upon the amount of each Insurance Subsidiary's Net Written Premiums during such year and then, beginning with the Insurance Subsidiary that has the greatest amount of Net Written Premiums during such year, identifying such Insurance Subsidiaries as Covered Insurance Subsidiaries until the ratio of the combined Net Written Premiums of the Insurance Subsidiaries so identified to the combined Net Written Premiums of all of the Insurance Subsidiaries during such year equals or exceeds 80%.

"*Covered Insurance Subsidiaries' Most Recent Weighted Average RBC Ratio*" means, as of any date, an amount (expressed as a percentage) calculated as (i) the sum of the Total Adjusted Capital of each of our Covered Insurance Subsidiaries as shown on such Covered Insurance Subsidiary's most recently filed Annual Statement, divided by (ii) the sum of the Company Action Level RBC of each of our Covered Insurance Subsidiaries, which is determined as two times the authorized control level RBC, as shown on such Covered Subsidiary's most recently filed Annual Statement. The computation will be done in a manner that does not double count subsidiary RBC.

"*Insurance Subsidiary*" means any of our subsidiaries that is organized under the laws of any state in the United States and is licensed as a property-casualty insurance company in any state in the United States.

"*Net Written Premiums*" means, as to an Insurance Subsidiary for any full fiscal year, the total net written premiums by such Insurance Subsidiary for such year as shown on such Insurance Subsidiary's most recently filed Annual Statement including any affiliate assumed or ceded premiums.

"*New Common Equity Amount*" means, at any date, the net proceeds (after underwriters' or placement agents' fees, commissions or discounts and other expenses relating to the issuances) received by us from new issuances of our common stock (whether in one or more public offerings registered under the Securities Act of 1933, as amended (the "*Securities Act*"), or private placements or other transactions exempt from registration under the Securities Act) during the period commencing on the 90th day prior to such date, and which are designated by our Board of Directors (or a duly authorized committee of the board) at or before the time of issuance as available to pay dividends on the Series G Preferred Stock.

"*Total Adjusted Capital*" has the meaning specified in Section 35A-5 (or the relevant successor section, if any) of the Illinois Insurance Code or similar provision of the laws governing property-casualty insurance companies for the state in which a Covered Insurance Subsidiary is domiciled.

"*Trailing Four Quarters Net Income Amount*" means, for any period ending on the last day of a fiscal quarter, the sum of our U.S. GAAP net income for the four fiscal quarters ending on the last day of such fiscal quarter, with losses being treated as negative numbers for such purpose.

"*U.S. GAAP*" means, at any date or for any period, U.S. generally accepted accounting principles as in effect on such date or for such period.

Notices Related to Potential or Actual Restrictions on Declaration and Payment of Dividends – Series G Preferred Stock. We are required to give notice to holders of the Series G Preferred Stock of a potential restriction on the declaration and payment of dividends that could take effect for a subsequent dividend payment date two quarters in the future if:

- our Trailing Four Quarters Net Income Amount for the most recently completed quarter is less than or equal to zero; and
- our Adjusted Shareholders' Equity Amount as of the most recently completed quarter has declined by 20% or more as compared to our Adjusted Shareholders' Equity Amount as of the date that is eight quarters prior to the most recently completed quarter.

We will send such a notice no later than the first dividend payment date following the end of the most recently completed quarter as of which the above tests indicate that a potential restriction on declaration and payment of dividends could occur. Such notice will be sent by first class mail, postage prepaid, addressed to the holders of record of the Series G Preferred Stock at their respective last addresses appearing on our books, and we will file a copy of such notice on Form 8-K with the SEC. Such notice will (i) set forth the results of our Trailing Four Quarters Net Income Amount and our Adjusted Shareholders' Equity Amounts for the relevant period and dates, and (ii) state that we may be limited by the terms of the Series G Preferred Stock from declaring and paying dividends on such future dividend payment date unless we, through the generation of earnings or new issuances of our common stock, increase our Adjusted Shareholders' Equity Amount by an amount specified in such notice by the second dividend payment date after the date of such notice.

By not later than the 15th day prior to each dividend payment date for which dividends are being suspended because we have failed either of the two tests set forth above and we are not otherwise able to pay dividends out of New Common Equity Amount, we will give notice of such suspension by first class mail, postage prepaid, addressed to the holders of record of the Series G Preferred Stock, and we will file a copy of such notice on Form 8-K with the SEC. Such notice, in addition to stating that dividends will be suspended, will set forth the fact that the Covered Insurance Subsidiaries' risk based capital ratio is less than 175% of such subsidiaries' company action level if dividends are suspended by reason of failing to satisfy the first test above and the applicable Adjusted Shareholders' Equity Amount (and the amount by which our Adjusted Shareholders' Equity Amount must increase in order for declaration and payment of dividends to be resumed) if dividends are suspended by reason of failing to satisfy the second test above.

Interpretive Provisions and Qualifications – Series G Preferred Stock. In order to give effect to the foregoing, the terms of the Series G Preferred Stock prohibit our Board of Directors (or duly authorized committee of the board) from declaring dividends on such series of Preferred Stock on a declaration date (i) that is more than 60 days prior to the related dividend payment date or (ii) that is earlier than the date on which our financial statements for the most recently completed quarter prior to the related dividend payment date have been filed with or furnished to the SEC (*e.g*., on a Form 10-K, 10-Q or 8-K) or have otherwise been made publicly available. The limitation in clause (ii) of the preceding sentence is subject to the exception that, if the Board of Directors determines to delay filing our financial statements with the SEC to a date later than the date on which "large accelerated filers" under the SEC's rules would normally be required to file such financial statements (without giving effect to any permitted extensions), for example because of concerns over the accuracy of such financial statements or their compliance with U.S. GAAP, then the Board of Directors (or any duly authorized committee of the board) will be permitted to determine the ability of the Board of Directors (or any duly authorized committee of the board) to declare dividends under the financial test outlined above based upon our financial statements as most recently filed with the SEC or otherwise made publicly available.

Any other class or series of our preferred stock will not be deemed to rank senior to (or other than on a parity with) the Series G Preferred Stock in the payment of dividends solely because such other class or series of our stock does not include the limitation on payment of dividends (and the related exceptions) described herein. Therefore, we may pay dividends on the shares of any such other class or series of our stock that is otherwise on a parity with the Series G Preferred Stock for periods during which we may not pay dividends on such series of Preferred Stock because of such limitation.

Redemption

Redemption – Series G Preferred Stock. We may, at our option, redeem the shares of the Series G Preferred Stock (i) in whole but not in part at any time prior to April 15, 2023, within 90 days after the occurrence of a "rating agency event" at a redemption price equal to $25,000 per share, or if greater, a "make-whole redemption price" calculated as described below, in each case, plus any declared and unpaid dividends, without regard to any undeclared dividends, to, but excluding, the redemption date, or (ii) in whole or in part, from time to time, on any dividend payment date on or after April 15, 2023, at a redemption price equal to $25,000 per share, plus any declared and unpaid dividends, without regard to any undeclared dividends, to, but excluding, the redemption date. Dividends will cease to accrue on the shares of the Series G Preferred Stock called for redemption from, and including, the redemption date.

For the purposes of the preceding paragraph:

- "*make-whole redemption price*" means, with respect to a redemption of the Series G Preferred Stock in whole prior to April 15, 2023, the present values of (i) $25,000 per share of Series G Preferred Stock and (ii) all undeclared dividends for the dividend periods from the date of redemption to and including

April 15, 2023, discounted to the date of redemption on a quarterly basis (assuming a 360-day year consisting of twelve 30-day months) at the treasury rate, as calculated by the treasury dealer plus 0.40%;

- "*rating agency event*" means that any nationally recognized statistical rating organization as defined in Section 3(a)(62) of the Exchange Act, that then publishes a rating for us (a "*rating agency*") amends, clarifies or changes the criteria it uses to assign equity credit to securities such as the Series G Preferred Stock, which amendment, clarification or change results in:
  - the shortening of the length of time the Series G Preferred Stock is assigned a particular level of equity credit by that rating agency as compared to the length of time it would have been assigned that level of equity credit by that rating agency or its predecessor on the initial issuance of the Series G Preferred Stock; or
  - the lowering of the equity credit (including up to a lesser amount) assigned to the Series G Preferred Stock by that rating agency as compared to the equity credit assigned by that rating agency or its predecessor on the initial issuance of the Series G Preferred Stock;
- "*treasury dealer*" means Morgan Stanley & Co. LLC, BofA Securities, Inc., UBS Securities LLC, Wells Fargo Securities, LLC or their respective successors, as selected by us, or if any of the foregoing refuse to act as treasury dealer for this purpose or cease to be primary U.S. Government securities dealers in the United States (a *"Primary Treasury Dealer"*). another Primary Treasury Dealer specified by us for these purposes;
- "*treasury price*" means the bid-side price for the treasury security as of the third trading day preceding the redemption date, as set forth in the Wall Street Journal in the table entitled "Treasury Bonds, Notes and Bills", except that: (i) if that table (or any successor table) is not published or does not contain that price information on that trading day, or (ii) if the treasury dealer determines that the price information is not reasonably reflective of the actual bid-side price of the treasury security prevailing at 3:30 p.m., New York City time, on that trading day, then treasury price will instead mean the bid-side price for the treasury security at or around 3:30 p.m., New York City time, on that trading day (expressed on a next trading day settlement basis) as determined by the treasury dealer through such alternative means as are commercially reasonable under the circumstances;
- "*treasury rate*" means the quarterly equivalent yield to maturity of the treasury security that corresponds to the treasury price (calculated in accordance with standard market practice and computed by the treasury dealer as of the second trading day preceding the redemption date); and
- "*treasury security*" means the United States Treasury security that the treasury dealer determines would be appropriate to use, at the time of determination and in accordance with standard market practice, in pricing the Series G Preferred Stock being redeemed in a tender offer based on a spread to United States Treasury yields.

Redemption – Series H Preferred Stock and Series I Preferred Stock. We may, at our option, redeem the shares of the Series H Preferred Stock or the Series I Preferred Stock (i) in whole but not in part at any time prior to (x) October 15, 2024, with respect to the Series H Preferred Stock or (y) January 15, 2025, with respect to the Series I Preferred Stock, in each case, within 90 days after the occurrence of a "rating agency event" at a redemption price equal to $25,500 per share, plus any declared and unpaid dividends, without regard to any undeclared dividends, to, but excluding, the redemption date, or (ii) (a) in whole but not in part at any time prior to (x) October 15, 2024, with respect to the Series H Preferred Stock or (y) January 15, 2025, with respect to the Series I Preferred Stock, in each case, within 90 days after the occurrence of a "regulatory capital event," or (b) in whole or in part, from time to time, on any dividend payment date on or after (x) October 15, 2024, with respect to the Series H Preferred Stock or (y) January 15, 2025, with respect to the Series I Preferred Stock, in each case, at a redemption price equal to $25,000 per share, plus any declared and unpaid dividends, without regard to any undeclared dividends, to, but excluding, the redemption date. Dividends will cease to accrue on the shares of the Series H Preferred Stock or the Series I Preferred Stock called for redemption from, and including, the redemption date.

For the purposes of the preceding paragraph:

- "*rating agency event*" means that any rating agency that then publishes a rating for us amends, clarifies or changes the criteria it uses to assign equity credit to securities such as the Series H Preferred Stock or the Series I Preferred Stock, as applicable, which amendment, clarification or change results in:
  - o the shortening of the length of time the Series H Preferred Stock or the Series I Preferred Stock, as applicable, is assigned a particular level of equity credit by that rating agency as compared to the length of time it would have been assigned that level of equity credit by that rating agency or its predecessor on the initial issuance of the Series H Preferred Stock or the Series I Preferred Stock, as applicable; or
  - o the lowering of the equity credit (including up to a lesser amount) assigned to the Series H Preferred Stock or the Series I Preferred Stock, as applicable, by that rating agency as compared to the equity credit assigned by that rating agency or its predecessor on the initial issuance of the Series H Preferred Stock or the Series I Preferred Stock, as applicable.
- "*regulatory capital event*" means our good faith determination that, as a result of:
  - o any amendment to, or change in, the laws, rules or regulations of the United States or any political subdivision of or in the United States or any other governmental agency or instrumentality as may then have group-wide oversight of our regulatory capital that is enacted or becomes effective after the initial issuance of the Series H Preferred Stock or the Series I Preferred Stock, as applicable,
  - o any proposed amendment to, or change in, those laws, rules or regulations that is announced or becomes effective after the initial issuance of the Series H Preferred Stock or the Series I Preferred Stock, as applicable, or

- any official administrative decision or judicial decision or administrative action or other official pronouncement interpreting or applying those laws, rules or regulations that is announced after the initial issuance of the Series H Preferred Stock or the Series I Preferred Stock, as applicable.

Provisions of Our Restated Certificate of Incorporation and Amended and Restated Bylaws that May Delay or Make More Difficult Unsolicited Acquisitions or Changes of Our Control

Some provisions of our Restated Certificate of Incorporation and Amended and Restated Bylaws may delay or make more difficult unsolicited acquisitions or changes of our control. We believe that these provisions will enable us to develop our business in a manner that will foster long-term growth without disruption caused by the threat of a takeover not thought by our Board of Directors to be in the best interests of Allstate and its stockholders.

Those provisions could have the effect of discouraging third parties from making proposals involving an unsolicited acquisition or change of control of our company, although the proposals, if made, might be considered desirable by a majority of our stockholders. Those provisions may also have the effect of making it more difficult for third parties to cause the replacement of our current management without the concurrence of our Board of Directors.

These provisions include:

- our Amended and Restated Bylaws establish advance notice procedures with regard to stockholder proposals relating to the nomination of candidates for election as directors or new business to be brought before annual or special stockholders meetings;

- special meetings of the stockholders may be called only by (i) the Secretary upon the written request of stockholders owning not less than 10% of all outstanding common stock, in accordance with the applicable requirements and procedures of the Amended and Restated Bylaws or (ii) the chairman of the Board of Directors; and

- stockholders may act by written consent only if such action is taken in accordance with the applicable requirements of the Restated Certificate of Incorporation or by holders of a class or series of preferred stock, if the terms of such class or series of preferred stock expressly provide for such action by written consent.

In addition, we are subject to the provisions of Section 203 of the Delaware General Corporation Law. Generally, Section 203 prohibits a publicly held Delaware corporation from engaging in a "business combination" with an "interested stockholder" during the three years after the date the person became an interested stockholder, unless the business combination is approved in a prescribed manner. A "business combination" includes a merger, asset sale or a transaction resulting in a financial benefit to the interested stockholder. An "interested stockholder" is a person, who together with affiliates and associates, owns (or, in certain cases, within the preceding three years, did own) 15% or more of the corporation's outstanding voting stock. Under Section 203, a business combination between us and an interested stockholder is prohibited unless it satisfies one of the following conditions:

- before the stockholder became an interested stockholder, our Board of Directors approved either the business combination or the transaction which resulted in the stockholder becoming an interested stockholder;

- upon the completion of the transaction that resulted in the stockholder becoming an interested stockholder, the interested stockholder owned at least 85% of the voting stock outstanding at the time the transaction commenced, excluding, for purposes of determining the number of shares outstanding, shares owned by persons who are directors and officers; or

- the business combination is approved by our Board of Directors and authorized at an annual or special meeting of stockholders, and not by written consent, by at least 66 2/3% of the outstanding voting stock that is not owned by the interested stockholder.

Limitations on Liability

Our Restated Certificate of Incorporation limits our directors' liability to the fullest extent permitted by law. Generally, our directors will not be held liable for their actions. However, they will be held liable for:

- a breach of their duty of loyalty to us or our stockholders;

- acts or omissions not in good faith or in a way which involves intentional misconduct or a knowing violation of law;

- payment of an improper dividend or improper repurchase of our stock; or

- acting or not acting for improper personal benefit.

Because of these limitations on liability, our stockholders may not sue one of our directors for money unless the stockholder can show the director committed one of the offenses listed above. These provisions do not affect our directors' liability under federal securities laws. Also, our directors still have a duty of care. The limitation of our directors' liability may discourage or deter stockholders or management from suing directors for a breach of their duties, even though such an action, if successful, might otherwise have benefited us or our stockholders. This limitation on our directors' liability should not affect the availability of equitable remedies such as injunctions or rescissions based upon a director's breach of his or her duty of care.

DESCRIPTION OF DEPOSITARY SHARES

The following description of the depositary shares representing each series of the Preferred Stock and the terms of the applicable deposit agreements is a summary. It is the deposit agreement, and not this summary, which defines the rights of the holder of depositary shares representing each series of the Preferred Stock. Please read the deposit agreement for a full description of the terms of the depositary shares representing each series of the Preferred Stock.

As described above under "Description of the Preferred Stock", we issued fractional interests in shares of the Preferred Stock in the form of the Depositary Shares. Each Depositary Share represents a 1/1,000th interest in a share of the Preferred Stock and is evidenced by a depositary receipt. The shares of the applicable series of the Preferred Stock represented by the Depositary Shares were each deposited under a separate deposit agreement among us, Equiniti Trust Company, as the Depositary, and the holders from time to time of the depositary receipts evidencing the applicable Depositary Shares. Subject to the terms of the applicable deposit agreement, each holder of Depositary Shares is entitled, through the Depositary, in proportion to the applicable fraction of a share of the applicable series of the Preferred Stock represented by such Depositary Shares, to all the rights and preferences of the applicable series of the Preferred Stock represented thereby (including dividend, voting, redemption and liquidation rights).

Dividends and Other Distributions

The Depositary will distribute any cash dividends or other cash distributions received in respect of each series of the deposited Preferred Stock to the record holders of the applicable Depositary Shares relating to the underlying series of the Preferred Stock in proportion to the number of the applicable Depositary Shares held by the holders. The Depositary will distribute any property received by it other than cash to the record holders of the applicable Depositary Shares entitled to those distributions, unless it determines that the distribution cannot be made proportionally among those holders or that it is not feasible to make a distribution. In that event, the Depositary may, with our approval, sell the property and distribute the net proceeds from the sale to the holders of the applicable Depositary Shares in proportion to the number of such Depositary Shares they hold.

Record dates for the payment of dividends and other matters relating to the Depositary Shares will be the same as the corresponding record dates for the applicable series of the Preferred Stock.

The amounts distributed to holders of the Depositary Shares will be reduced by any amounts required to be withheld by the Depositary or by us on account of taxes or other governmental charges.

Redemption of the Depositary Shares

If we redeem any series of the Preferred Stock represented by Depositary Shares, the applicable Depositary Shares will be redeemed from the proceeds received by the Depositary resulting from the redemption of such series of the Preferred Stock held by the Depositary. The redemption price per applicable Depositary Share will be equal to 1/1,000th of the redemption price per share payable with respect to the applicable series of the Preferred Stock (equivalent to $25 per Depositary Share), plus any declared and unpaid dividends, without accumulation of any undeclared dividends, on the shares of such Preferred Stock. Whenever we redeem shares of the applicable series of the Preferred Stock held by the Depositary, the Depositary will redeem, as of the same redemption date, the number of the applicable Depositary Shares representing shares of the applicable series of the Preferred Stock so redeemed.

In case of any redemption of less than all of the outstanding Depositary Shares representing shares of a series of the Preferred Stock, the applicable Depositary Shares to be redeemed will be selected by us *pro rata*, by lot or in such other manner we determine to be equitable. In any such case, we will redeem the applicable Depositary Shares only in increments of 1,000 shares and any integral multiple thereof.

Voting of the Preferred Stock

When the Depositary receives notice of any meeting at which the holders of the applicable series of the Preferred Stock are entitled to vote, the Depositary will mail (or otherwise transmit by an authorized method) the information contained in the notice to the record holders of the applicable Depositary Shares relating to the such series of the Preferred Stock. Each record holder of Depositary Shares on the record date, which will be the same date as the record date for the applicable series of the Preferred Stock, may instruct the Depositary to vote the amount of the applicable series of the Preferred Stock represented by the holder’s Depositary Shares. To the extent possible, the Depositary will vote the amount of the applicable series of the Preferred Stock represented by the Depositary Shares in accordance with the instructions it receives. We will agree to take all reasonable actions that the Depositary determines are necessary to enable the Depositary to vote as instructed. If the Depositary does not receive specific instructions from the holders of any Depositary Shares, it will not vote the amount of the applicable series of the Preferred Stock represented by such Depositary Shares.

Amendment and Termination of each Deposit Agreement

We and the Depositary may amend the form of each depositary receipt evidencing the applicable Depositary Shares and any provision of the applicable Deposit Agreement at any time. However, any amendment which materially and adversely alters the rights of the holders of the applicable Depositary Shares will not be effective unless the amendment has been approved by the holders of at least a majority of such series of Depositary Shares then outstanding.

Each Deposit Agreement will terminate if:

- all outstanding Depositary Shares with respect thereto have been redeemed; or
- there has been a final distribution in respect of the applicable Preferred Stock, including in connection with our liquidation, dissolution or winding-up, and the repayment, redemption or distribution proceeds, as the case may be, has been distributed the holders of the applicable series of Depositary Shares.

Listing

The Series G Depositary Shares are listed on the New York Stock Exchange under the symbol “ALL PR G”.

The Series H Depositary Shares are listed on the New York Stock Exchange under the symbol “ALL PR H”.

The Series I Depositary Shares are listed on the New York Stock Exchange under the symbol “ALL PR I”.

Form of the Depositary Shares

Each series of the Depositary Shares representing the Preferred Stock was issued in book-entry form through DTC. Each series of the Preferred Stock was issued in registered form to the Depositary.

Depositary

Equiniti Trust Company is the Depositary for each series of the Depositary Shares. We may terminate any such appointment and may appoint a successor Depositary at any time and from time to time, *provided* that we will use our best efforts to ensure that there is, at all relevant times when any series of the Preferred Stock is outstanding, a person or entity appointed and serving as such Depositary with respect to such series.

Resignation and Removal of Depositary

The Depositary may resign at any time by delivering to us notice of its election to do so. We also may, at any time, remove the Depositary. Any resignation or removal will take effect upon the appointment of a successor Depositary and its acceptance of such appointment. We must appoint the successor Depositary within 60 days after delivery of the notice of resignation or removal. The successor Depositary must be a bank or trust company having its principal office in the United States and having a combined capital and surplus of at least $50,000,000.

Charges of Depositary

We will pay all transfer and other taxes and governmental charges arising solely from the existence of the depositary arrangements. We will pay charges of the Depositary in connection with the initial deposit of the Preferred Stock and the issuance of depositary receipts, all withdrawals of Depositary Shares representing the applicable series of Preferred Stock and any repayment or redemption of such Preferred Stock, as the case may be. The holders of the Depositary Shares will pay other transfer and other taxes and governmental charges, as well as the other charges that are expressly provided in the applicable Deposit Agreement to be for the account of the holders.

Miscellaneous

The Depositary will forward all reports and communications from us which are delivered to the Depositary and which we are required or otherwise determine to furnish to holders of the Preferred Stock.

Neither we nor the Depositary will be liable under any Deposit Agreement other than for gross negligence, willful misconduct or bad faith. Neither we nor the Depositary will be obligated to prosecute or defend any legal proceedings relating to any Depositary Shares or Preferred Stock unless satisfactory indemnity is furnished. We and the Depositary may rely upon written advice of counsel or accountants, or upon information provided by persons presenting the Preferred Stock for deposit, believed to be competent and on documents which we and the Depositary believe to be genuine.

Exhibit 10.3

EXECUTION COPY

AMENDMENT NO. 2

Dated as of November 16, 2022

to

CREDIT AGREEMENT

Dated as of November 16, 2020

THIS AMENDMENT NO. 2 (this "Amendment") is made as of November 16, 2022 by and among The Allstate Corporation, a Delaware corporation (the "Company") and Allstate Insurance Company, an Illinois insurance company ("Allstate Insurance" and, together with the Company, the "Borrowers"), the Lenders listed on the signature pages hereof and JPMorgan Chase Bank, N.A., as administrative agent for the Lenders (in such capacity, the "Administrative Agent'), under that certain Credit Agreement, dated as of November 16, 2020, by and among the Company, Allstate Insurance, the Lenders from time to time party thereto and the Administrative Agent (as amended, restated, supplemented or otherwise modified from time to time, the "Credit Agreement"). Capitalized terms used herein and not otherwise defined herein shall have the respective meanings given to them in the Credit Agreement.

WHEREAS, the Borrowers have requested that the Lenders and the Administrative Agent agree to make certain amendments to the Credit Agreement; and

WHEREAS, the Borrowers, the Lenders party hereto and the Administrative Agent have so agreed on the terms and conditions set forth herein;

NOW, THEREFORE, in consideration of the premises set forth above, the terms and conditions contained herein, and other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the Borrowers, the Lenders party hereto and the Administrative Agent hereby agree to enter into this Amendment.

1. Amendments to the Credit Agreement. Effective as of the date of satisfaction of the conditions precedent set forth in Section 2 below the parties hereto agree that the Credit Agreement (including the Exhibits thereto) shall be amended to delete the stricken text (indicated textually in the same manner as the following example: ~~stricken text~~) and to add the double-underlined text (indicated textually in the same manner as the following example: double-underlined text) as set forth in the pages of the Credit Agreement (including the Exhibits thereto) attached as Annex A hereto.

2. Conditions of Effectiveness. The effectiveness of this Amendment is subject to the satisfaction of each of the following conditions precedent:

(a) The Administrative Agent shall have received counterparts to this Amendment duly executed by the Borrowers, each of the Lenders and the Administrative Agent.

(b) The Administrative Agent shall have received payment of the Administrative Agent's and its Affiliates' expenses (including reasonable fees and expenses of counsel for the Administrative Agent) in connection with this Amendment and the other Loan Documents.

3. Representations and Warranties of the Borrowers. Each of the Borrowers hereby represents and warrants as follows:

(a) This Amendment and the Credit Agreement as modified hereby are within such Borrower's corporate powers and have been duly authorized by all necessary corporate or similar proceedings of such Borrower.

(b) This Amendment and the Credit Agreement as modified hereby constitute legal, valid and binding obligations of such Borrower, enforceable against such Borrower in accordance with their respective terms, subject to applicable bankruptcy, insolvency, reorganization, rehabilitation, moratorium or other laws affecting creditors' rights and rights of creditors of insurers generally and subject to general principles of equity, regardless of whether considered in a proceeding in equity or at law.

(c) As of the date hereof and immediately after giving effect to the terms of this Amendment, (i) no Default has occurred and is continuing and (ii) the representations and warranties of the Borrowers set forth in Article 4 of the Credit Agreement (other than those contained in Section 4.4(c) and Section 4.5 of the Credit Agreement) are true and correct in all material respects (provided that any representation or warranty qualified by materiality or Material Adverse Effect are true and correct in all respects) except to the extent that any such representations and warranties expressly relate to an earlier date (including those contained in Sections 4.4(a), 4.4(b) and 4.8 of the Credit Agreement), in which case such representations and warranties are true and correct in all material respects (provided that any representation or warranty qualified by materiality or Material Adverse Effect are true and correct in all respects) on and as of such earlier date.

4. Reference to and Effect on the Credit Agreement.

(a) Upon the effectiveness hereof, each reference to the Credit Agreement in the Credit Agreement or any other Loan Document shall mean and be a reference to the Credit Agreement as amended hereby.

(b) The Credit Agreement and all other Loan Documents shall remain in full force and effect and are hereby ratified and confirmed.

(c) Except with respect to the subject matter hereof, the execution, delivery and effectiveness of this Amendment shall not operate as a waiver of any right, power or remedy of the Administrative Agent or the Lenders, nor constitute a waiver of any provision of the Credit Agreement or any other Loan Documents.

(d) This Amendment is a Loan Document.

5. Governing Law. This Amendment shall be governed by, and construed in accordance with, the laws of the State of New York.

6. Headings. Section headings in this Amendment are included herein for convenience of reference only and shall not constitute a part of this Amendment for any other purpose.

7. Counterparts. This Amendment may be executed by one or more of the parties hereto on any number of separate counterparts, and all of said counterparts taken together shall be deemed to constitute one and the same instrument. The words "execution," "signed," "signature," "delivery," and words of like import in or relating to this Amendment and/or any document to be signed in connection with this Amendment and the transactions contemplated hereby shall be deemed to include Electronic Signatures

(as defined below), deliveries or the keeping of records in electronic form, each of which shall be of the same legal effect, validity or enforceability as a manually executed signature, physical delivery thereof or the use of a paper-based recordkeeping system, as the case may be. As used herein, "Electronic Signatures" means any electronic symbol or process attached to, or associated with, any contract or other record and adopted by a person with the intent to sign, authenticate or accept such contract or record.

[Signature Pages Follow]

IN WITNESS WHEREOF, this Amendment has been duly executed as of the day and year first above written.

THE ALLSTATE CORPORATION

By: /s/ Jesse E. Merten
Name: Jesse E. Merten
Title: Executive Vice President and Chief Financial Officer

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

ALLSTATE INSURANCE COMPANY

By: /s/ Jesse E. Merten
Name: Jesse E. Merten
Title: Executive Vice President and Chief Financial Officer

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

JPMORGAN CHASE BANK, N.A.,
individually as a Lender and as Administrative Agent

By: /s/ James S. Mintzer
Name: James S. Mintzer
Title: Executive Director

WELLS FARGO BANK, NATIONAL ASSOCIATION,
as a Lender

By: /s/ Hanh Huynh
Name: Hanh Huynh
Title: Director

BANK OF AMERICA, N.A.,
as a Lender

By: /s/ Chris Choi
Name: Chris Choi
Title: Managing Director

BARCLAYS BANK PLC,
as a Lender

By: /s/ Evan Moriarty
Name: Evan Moriarty
Title: Vice President

CREDIT SUISSE AG, NEW YORK BRANCH,
as a Lender

By: /s/ Doreen Barr
Name: Doreen Barr
Title: Authorized Signatory

By: /s/ Michael Dieffenbacher
Name: Michael Dieffenbacher
Title: Authorized Signatory

GOLDMAN SACHS BANK USA,
as a Lender

By: /s/ Ananda DeRoche
Name: Ananda DeRoche
Title: Authorized Signatory

MORGAN STANLEY BANK, N.A.,
as a Lender

By: /s/ Michael King
Name: Michael King
Title: Authorized Signatory

MUFG BANK, LTD.,
as a Lender

By: /s/ Rajiv Ranjan
Name: Rajiv Ranjan
Title: Director

U.S. BANK NATIONAL ASSOCIATION,
as a Lender

By: <u>/s/ Callen M. Strunk</u>
Name: Callen M. Strunk
Title: Vice President

THE BANK OF NEW YORK MELLON,
as a Lender

By: /s/ Kenneth P. Sneider, Jr.
Name: Kenneth P. Sneider, Jr.
Title: Director

THE NORTHERN TRUST COMPANY,
as a Lender

By: /s/ Edward C. Jones
Name: Edward C. Jones
Title: Second Vice President

ANNEX A

Attached

CREDIT AGREEMENT

dated as of November 16, 2020

among

THE ALLSTATE CORPORATION
~~ALLSTATE INSURANCE COMPANY~~
ALLSTATE ~~LIFE~~ INSURANCE COMPANY,
as Borrowers

The Lenders Party Hereto

WELLS FARGO BANK, NATIONAL ASSOCIATION,
as Syndication Agent

BANK OF AMERICA, N.A.
BARCLAYS BANK PLC
CREDIT SUISSE AG, NEW YORK BRANCH
GOLDMAN SACHS BANK USA
MORGAN STANLEY MUFG LOAN PARTNERS, LLC and
U.S. BANK NATIONAL ASSOCIATION,
as Documentation Agents

and

JPMORGAN CHASE BANK, N.A.,
as Administrative Agent

JPMORGAN CHASE BANK, N.A. and WELLS FARGO SECURITIES, LLC,
as Joint Lead Arrangers and Joint Bookrunners

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SCHEDULES:

Schedule 2.1 List of Commitments
Schedule 4.1 List of Listed Insurance Subsidiaries

EXHIBITS:

CREDIT AGREEMENT (this "Credit Agreement"), dated as of November 16, 2020, among THE ALLSTATE CORPORATION, ALLSTATE INSURANCE COMPANY, ~~ALLSTATE LIFE INSURANCE COMPANY,~~ the LENDERS party hereto, and JPMORGAN CHASE BANK, N.A., as Administrative Agent.

The parties hereto agree as follows:

ARTICLE 1.

DEFINITIONS

Section 1.1 Defined Terms. As used in this Credit Agreement, the following terms have the meanings specified below:

"ABR", when used in reference to any Loan or Borrowing, refers to whether such Loan, or the Loans comprising such Borrowing, are bearing interest at a rate determined by reference to the Alternate Base Rate.

"Additional Commitment Lender" has the meaning assigned to such term in Section 2.8(b).

"Adjusted Daily Simple SOFR" means an interest rate per annum equal to (a) the Daily Simple SOFR, plus (b) 0.10%; provided that if the Adjusted Daily Simple SOFR as so determined would be less than the Floor, such rate shall be deemed to be **equal to the Floor** for the purposes of this Credit Agreement.

"Adjusted ~~LIBO~~**Term SOFR** Rate" means, ~~**with respect to any Eurodollar Borrowing**~~ for any Interest Period, an interest rate per annum ~~**(rounded upwards to the next 1/16 of 1%)**~~ equal to (a) the ~~**LIBO**~~**Term SOFR** Rate for such Interest Period ~~**multiplied by (b) the Statutory Reserve Rate.**~~**, plus (b) 0.10%; provided that if the Adjusted Term SOFR** Rate as so determined would be less than **the Floor**, such rate shall be deemed to be **equal to the Floor** for the purposes of this Credit Agreement.

"Administrative Agent" means JPMorgan Chase Bank, N.A., in its capacity as administrative agent for the Lenders hereunder.

"Administrative Questionnaire" means an Administrative Questionnaire in a form supplied by the Administrative Agent.

"Affected Financial Institution" means (a) any EEA Financial Institution or (b) any UK Financial Institution.

"Affiliate" means, with respect to a specified Person, another Person that directly, or indirectly through one or more intermediaries, Controls or is Controlled by or is under common Control with the Person specified.

"Agents" means, collectively, the Administrative Agent, the Syndication Agent and the Documentation Agents.

"Aggregate Commitment" means the aggregate of the Commitments of all of the Lenders, as reduced or increased from time to time pursuant to the terms and conditions hereof. As of the Effective Date, the Aggregate Commitment is $750,000,000.

"Agreement Date" means November 16, 2020.

"Allstate Insurance" means Allstate Insurance Company, an Illinois insurance company.

~~"Allstate Life" means Allstate Life Insurance Company, an Illinois insurance company.~~

"Alternate Base Rate" means, for any day, a rate per annum equal to the greatest of (a) the Prime Rate in effect on such day, (b) the NYFRB Rate in effect on such day plus ½ of 1% and (c) the Adjusted ~~LIBO~~**Term SOFR** Rate for a one month Interest Period ~~in Dollars on~~**as published two U.S. Government Securities Business Days prior to** such day (or if such day is not a **U.S. Government Securities** Business Day, the immediately preceding **U.S. Government Securities** Business Day) plus 1%~~,~~**;** provided that for the purpose of this definition, the Adjusted ~~LIBO~~**Term SOFR** Rate for any day shall be based on the ~~LIBO Screen Rate (or if the LIBO Screen Rate is not available for such one month Interest Period, the Interpolated Rate)~~**Term SOFR Reference Rate** at approximately ~~11:00~~**5:00** a.m. ~~London time on such day~~**, Chicago time, on such day (or any amended publication time for the Term SOFR Reference Rate, as specified by the CME Term SOFR Administrator in the Term SOFR Reference Rate methodology)**. Any change in the Alternate Base Rate due to a change in the Prime Rate, the NYFRB Rate or the Adjusted ~~LIBO~~**Term SOFR** Rate shall be effective from and including the effective date of such change in the Prime Rate, the NYFRB Rate or the Adjusted ~~LIBO~~**Term SOFR** Rate, respectively. If the Alternate Base Rate is being used as an alternate rate of interest pursuant to Section 3.4 (for the avoidance of doubt, only until the Benchmark Replacement has been determined pursuant to Section 3.4(b)), then the Alternate Base Rate shall be the greater of clauses (a) and (b) above and shall be determined without reference to clause (c) above. For the avoidance of doubt, if the Alternate Base Rate as determined pursuant to the foregoing would be less than 1.00%, such rate shall be deemed to be 1.00% for purposes of this Credit Agreement.

"Ancillary Document" has the meaning assigned to such term in Section 10.6.

"Anti-Corruption Laws" means all laws, rules, and regulations of any jurisdiction applicable to the Company or any of its Subsidiaries from time to time concerning or relating to bribery or corruption.

"Applicable Facility Fee Percentage" means at all times during which the applicable Pricing Level set forth below is in effect, the percentage set forth in the following table under the heading "Facility Fee Percentage" next to such Pricing Level, in each case subject to the provisos set forth in the following table:

Pricing Level	Facility Fee Percentage
Pricing Level I	0.100%
Pricing Level II	0.125%
Pricing Level III	0.150%
Pricing Level IV	0.175%
Pricing Level V	0.225%

Changes in the Applicable Facility Fee Percentage resulting from a change in the Pricing Level shall become effective on the effective date of any change in the S&P Rating or Moody's Rating, as the case may be. Notwithstanding anything herein to the contrary, in the event of a split in the S&P Rating and Moody's Rating that would otherwise result in the application of more than one Pricing Level (had the provisions regarding the applicability of other Pricing Levels contained in the definitions thereof not been given effect), then the Applicable Facility Fee Percentage shall be determined using, in the case of a split by one rating category, the higher Pricing Level, and in the case of a split by more than one rating category, the Pricing Level that is one level lower than the Pricing Level within which the higher of the two rating categories falls.

"Applicable Margin" means at all times during which the applicable Pricing Level set forth below is in effect: (i) with respect to ~~Eurodollar~~**Term Benchmark** Borrowings, the percentage set forth in the following table under the heading "~~Eurodollar~~**Term Benchmark Margin" next to such Pricing Level, (ii) with respect to RFR Borrowings, the percentage set forth in the following table under the heading "RFR** Margin" next to such Pricing Level, and (~~ii~~**iii**) with respect to ABR Borrowings, the percentage set forth in the following table under the heading "ABR Margin" next to such Pricing Level, in each case subject to the provisos set forth in the following table:

Pricing Level	**Term Benchmark Margin**	~~Eurodollar~~**RFR** Margin	ABR Margin
Pricing Level I	**0.900%**	0.900%	0.000%
Pricing Level II	**1.000%**	1.000%	0.000%
Pricing Level III	**1.100%**	1.100%	0.100%
Pricing Level IV	**1.200%**	1.200%	0.200%
Pricing Level V	**1.275%**	1.275%	0.275%

Changes in the Applicable Margin resulting from a change in the Pricing Level shall become effective on the effective date of any change in the S&P Rating or Moody's Rating, as the case may be. Notwithstanding anything herein to the contrary, in the event of a split in the S&P Rating and Moody's Rating that would otherwise result in the application of more than one Pricing Level (had the provisions regarding the applicability of other Pricing Levels contained in the definitions thereof not been given effect), then the Applicable Margin shall be determined using, in the case of a split by one rating category, the higher Pricing Level, and in the case of a split by more than one rating category, the Pricing Level that is one level lower than the Pricing Level within which the higher of the two rating categories would otherwise fall.

"Applicable Party" has the meaning assigned to such term in Section 9.2(c).

"Applicable Percentage" means, with respect to any Lender, the percentage of the Aggregate Commitment represented by such Lender's Commitment; provided that, in the case of Section 2.10 when a Defaulting Lender shall exist, "Applicable Percentage" shall mean the percentage of the Aggregate Commitment (disregarding any Defaulting Lender's Commitment) represented by such Lender's Commitment. If the Commitments have terminated or expired, the Applicable Percentages shall be determined based upon the Commitments most recently in effect, giving effect to any assignments and to any Lender's status as a Defaulting Lender at the time of determination.

"Approved Electronic Platform" has the meaning assigned to such term in Section 9.2(a).

"Approved Fund" means any Person (other than a natural person) that is engaged in making, purchasing, holding or investing in bank loans and similar extensions of credit in the ordinary course of its business and that is administered or managed by (a) a Lender, (b) an Affiliate of a Lender or (c) an entity or an Affiliate of an entity that administers or manages a Lender.

"Arranger" means each of JPMorgan Chase Bank, N.A. and Wells Fargo Securities, LLC in its capacity as a joint lead arranger and joint bookrunner hereunder

"Assignment and Assumption" means an assignment and assumption entered into by a Lender and an assignee (with the consent of any party whose consent is required by Section 10.4), and accepted by the Administrative Agent, substantially in the form of Exhibit A or any other form (including electronic records generated by the use of an electronic platform) approved by the Administrative Agent.

"Availability Period" means the period from and including the Effective Date to but excluding the earlier of the Maturity Date and the date of termination of the Commitments.

"Available Tenor" means, as of any date of determination and with respect to the then-current Benchmark, as applicable, any tenor for such Benchmark or payment period for interest calculated with reference to such Benchmark, as applicable, that is or may be used for determining the length of an Interest Period pursuant to this Credit Agreement as of such date and not including, for the avoidance of doubt, any tenor for such Benchmark that is then-removed from the definition of "Interest Period" pursuant to clause (~~f~~**e**) of Section 3.4.

"Bail-In Action" means the exercise of any Write-Down and Conversion Powers by the applicable Resolution Authority in respect of any liability of an Affected Financial Institution.

"Bail-In Legislation" means, (a) with respect to any EEA Member Country implementing Article 55 of Directive 2014/59/EU of the European Parliament and of the Council of the European Union, the implementing law, regulation, rule or requirement for such EEA Member Country from time to time which is described in the EU Bail-In Legislation Schedule and (b) with respect to the United Kingdom, Part I of the United Kingdom Banking Act 2009 (as amended from time to time) and any other law, regulation or rule applicable in the United Kingdom relating to the resolution of unsound or failing banks, investment firms or other financial institutions or their affiliates (other than through liquidation, administration or other insolvency proceedings).

"Bankruptcy Event" means, with respect to any Person, such Person's becoming the subject of a voluntary or involuntary bankruptcy or insolvency proceeding, or having had a receiver, conservator, trustee, administrator, custodian, assignee for the benefit of creditors or similar Person charged with the reorganization or liquidation of its business appointed for it, or, in the good faith determination of the Administrative Agent, having taken any action in furtherance of, or indicating its consent to, approval of, or acquiescence in, any such proceeding or appointment or has had any order for relief in such proceeding entered in respect thereof, provided that a Bankruptcy Event shall not result solely by virtue of any ownership interest, or the acquisition of any ownership interest, in such Person by a Governmental Authority or instrumentality thereof, unless such ownership interest results in or provides such Person with immunity from the jurisdiction of courts within the United States or from the enforcement of judgments or writs of attachment on its assets or permits such Person (or such Governmental Authority or instrumentality) to reject, repudiate, disavow or disaffirm any contracts or agreements made by such Person.

"Benchmark" means, initially, ~~the LIBO~~**with respect to any (i) RFR Loan, the Daily Simple SOFR or (ii) Term Benchmark Loan, the Term SOFR** Rate; provided that if a Benchmark Transition Event~~, a Term SOFR Transition Event or an Early Opt-in Election, as applicable, and its~~

and the related Benchmark Replacement Date have occurred with respect to the ~~**LIBO**~~**Daily Simple SOFR or Term SOFR** Rate**, as applicable,** or the then-current Benchmark, then "Benchmark" means the applicable Benchmark Replacement to the extent that such Benchmark Replacement has replaced such prior benchmark rate pursuant to clause (b) ~~**or clause (c)**~~ of Section 3.4.

"Benchmark Replacement" means, for any Available Tenor, the first alternative set forth in the order below that can be determined by the Administrative Agent for the applicable Benchmark Replacement Date:

~~**(1) the sum of: (a) Term SOFR and (b) the related Benchmark Replacement Adjustment;**~~

(~~2~~**1**) the ~~**sum of: (a)**~~**Adjusted** Daily Simple SOFR ~~**and (b) the related Benchmark Replacement Adjustment**~~;

(~~3~~**2**) the sum of: (a) the alternate benchmark rate that has been selected by the Administrative Agent and the Company as the replacement for the then-current Benchmark for the applicable Corresponding Tenor giving due consideration to (i) any selection or recommendation of a replacement benchmark rate or the mechanism for determining such a rate by the Relevant Governmental Body or (ii) any evolving or then-prevailing market convention for determining a benchmark rate as a replacement for the then-current Benchmark for ~~**Dollar-denominated**~~ syndicated credit facilities **denominated in Dollars** at such time **in the United States** and (b) the related Benchmark Replacement Adjustment;

~~**provided that, in the case of clause (1), such Unadjusted Benchmark Replacement is displayed on a screen or other information service that publishes such rate from time to time as selected by the Administrative Agent in its reasonable discretion; provided further that, notwithstanding anything to the contrary** in this Credit Agreement or **in any other Loan Document, upon the occurrence of a Term SOFR Transition Event, and the delivery of a Term SOFR Notice, on the applicable Benchmark Replacement Date the "Benchmark Replacement" shall revert to and shall be deemed to be the sum of (a) Term SOFR and (b) the related Benchmark Replacement Adjustment, as set forth in clause (1) of this definition (subject to the first proviso above).**~~

~~**If**~~**provided that if** the Benchmark Replacement as determined pursuant to clause (1)~~,~~ **or clause** (2~~) or (3~~) above would be less than the Floor, the Benchmark Replacement will be deemed to be the Floor for the purposes of this Credit Agreement and the other Loan Documents.

"Benchmark Replacement Adjustment" means, with respect to any replacement of the then-current Benchmark with an Unadjusted Benchmark Replacement for any applicable Interest Period and Available Tenor for any setting of such Unadjusted Benchmark Replacement~~:~~

, the spread adjustment, or method for calculating or determining such spread adjustment (which may be a positive or negative value or zero)~~**(1) for purposes of clauses (1) and (2) of the definition of "Benchmark Replacement," the first alternative set forth in the order below that can be determined by the Administrative Agent:**~~

~~**(a)** the spread adjustment, or method for calculating or determining such spread adjustment, (which may be a positive or negative value or zero) **as of the Reference Time such Benchmark Replacement is first set for such Interest Period that has been selected or recommended by the Relevant Governmental Body for the replacement of such Benchmark with the applicable Unadjusted Benchmark Replacement for the applicable Corresponding Tenor;**~~

~~(b) the spread adjustment (which may be a positive or negative value or zero) as of the Reference Time such Benchmark Replacement is first set for such Interest Period that would apply to the fallback rate for a derivative transaction referencing the ISDA Definitions to be effective upon an index cessation event with respect to such Benchmark for the applicable Corresponding Tenor; and~~

~~(2) for purposes of clause (3) of the definition of "Benchmark Replacement," the spread adjustment, or method for calculating or determining such spread adjustment, (which may be a positive or negative value or zero)~~**,** that has been selected by the Administrative Agent and the Company for the applicable Corresponding Tenor giving due consideration to (i) any selection or recommendation of a spread adjustment, or method for calculating or determining such spread adjustment, for the replacement of such Benchmark with the applicable Unadjusted Benchmark Replacement by the Relevant Governmental Body on the applicable Benchmark Replacement Date **and/**or (ii) any evolving or then-prevailing market convention for determining a spread adjustment, or method for calculating or determining such spread adjustment, for the replacement of such Benchmark with the applicable Unadjusted Benchmark Replacement for ~~Dollar-denominated~~ syndicated credit facilities~~;~~ **denominated in Dollars at such time.**

~~provided that, in the case of clause (1) above, such adjustment is displayed on a screen or other information service that publishes such Benchmark Replacement Adjustment from time to time as selected by the Administrative Agent in its reasonable discretion.~~

"Benchmark Replacement Conforming Changes" means, with respect to any Benchmark Replacement **and/or any Term Benchmark Revolving Loan**, any technical, administrative or operational changes (including changes to the definition of "Alternate Base Rate," the definition of "**Business Day," the definition of "U.S. Government Securities** Business Day," the definition of "Interest Period," timing and frequency of determining rates and making payments of interest, timing of borrowing requests or prepayment, conversion or continuation notices, length of lookback periods, the applicability of breakage provisions, and other technical, administrative or operational matters) that the Administrative Agent decides ~~in its reasonable discretion~~ may be appropriate to reflect the adoption and implementation of such Benchmark ~~Replacement~~ and to permit the administration thereof by the Administrative Agent in a manner substantially consistent with market practice (or, if the Administrative Agent decides that adoption of any portion of such market practice is not administratively feasible or if the Administrative Agent determines that no market practice for the administration of such Benchmark ~~Replacement~~ exists, in such other manner of administration as the Administrative Agent decides is reasonably necessary in connection with the administration of this Credit Agreement and the other Loan Documents).

"Benchmark Replacement Date" means**, with respect to any Benchmark,** the earliest to occur of the following events with respect to ~~the~~**such** then-current Benchmark:

(1) in the case of clause (1) or (2) of the definition of "Benchmark Transition Event," the later of (a) the date of the public statement or publication of information referenced therein and (b) the date on which the administrator of such Benchmark (or the published component used in the calculation thereof) permanently or indefinitely ceases to provide all Available Tenors of such Benchmark (or such component thereof); **or**

(2) in the case of clause (3) of the definition of "Benchmark Transition Event," the **first** date ~~of the public~~**on which such Benchmark (or the published component used in the calculation thereof) has been determined and announced by the regulatory supervisor for the administrator of such Benchmark (or such component thereof) to be no longer representative; provided that such non-representativeness will be determined by reference to**

the most recent statement or publication ~~of information~~ referenced ~~therein;~~**in such clause (3) and even if any Available Tenor of such Benchmark (or such component thereof) continues to be provided on such date.**

~~(3) in the case of a Term SOFR Transition Event, the date that is thirty (30) days after the date a Term SOFR Notice is provided to the Lenders and the Company pursuant to Section 3.4(c); or~~

~~(4) in the case of an Early Opt-in Election, the sixth (6th) Business Day after the date notice of such Early Opt-in Election is provided to the Lenders, so long as the Administrative Agent has not received, by 5:00 p.m., New York City time, on the fifth (5th) Business Day after the date notice of such Early Opt-in Election is provided to the Lenders, written notice of objection to such Early Opt-in Election from Lenders comprising the Required Lenders.~~

For the avoidance of doubt, (i) if the event giving rise to the Benchmark Replacement Date occurs on the same day as, but earlier than, the Reference Time in respect of any determination, the Benchmark Replacement Date will be deemed to have occurred prior to the Reference Time for such determination and (ii) the "Benchmark Replacement Date" will be deemed to have occurred in the case of clause (1) or (2) with respect to any Benchmark upon the occurrence of the applicable event or events set forth therein with respect to all then-current Available Tenors of such Benchmark (or the published component used in the calculation thereof).

"Benchmark Transition Event" means**, with respect to any Benchmark,** the occurrence of one or more of the following events with respect to ~~the~~**such** then-current Benchmark:

(1) a public statement or publication of information by or on behalf of the administrator of such Benchmark (or the published component used in the calculation thereof) announcing that such administrator has ceased or will cease to provide all Available Tenors of such Benchmark (or such component thereof), permanently or indefinitely~~,~~**;** provided that, at the time of such statement or publication, there is no successor administrator that will continue to provide any Available Tenor of such Benchmark (or such component thereof);

(2) a public statement or publication of information by the regulatory supervisor for the administrator of such Benchmark (or the published component used in the calculation thereof), the Federal Reserve Board, the NYFRB, **the CME Term SOFR Administrator,** an insolvency official with jurisdiction over the administrator for such Benchmark (or such component), a resolution authority with jurisdiction over the administrator for such Benchmark (or such component) or a court or an entity with similar insolvency or resolution authority over the administrator for such Benchmark (or such component), **in each case** which states that the administrator of such Benchmark (or such component) has ceased or will cease to provide all Available Tenors of such Benchmark (or such component thereof) permanently or indefinitely; provided that, at the time of such statement or publication, there is no successor administrator that will continue to provide any Available Tenor of such Benchmark (or such component thereof); or

(3) a public statement or publication of information by the regulatory supervisor for the administrator of such Benchmark (or the published component used in the calculation thereof) announcing that all Available Tenors of such Benchmark (or such component thereof) are no longer**, or as of a specified future date will no longer be,** representative.

For the avoidance of doubt, a "Benchmark Transition Event" will be deemed to have occurred with respect to any Benchmark if a public statement or publication of information set forth above has occurred with respect to each then-current Available Tenor of such Benchmark (or the published component used in the calculation thereof).

"Benchmark Unavailability Period" means**, with respect to any Benchmark,** the period (if any) (x) beginning at the time that a Benchmark Replacement Date pursuant to clauses (1) or (2) of that definition has occurred if, at such time, no Benchmark Replacement has replaced ~~the~~**such** then-current Benchmark for all purposes hereunder and under any Loan Document in accordance with Section 3.4 and (y) ending at the time that a Benchmark Replacement has replaced ~~the~~**such** then-current Benchmark for all purposes hereunder and under any Loan Document in accordance with Section 3.4.

"Beneficial Ownership Certification" means a certification regarding beneficial ownership or control as required by the Beneficial Ownership Regulation.

"Beneficial Ownership Regulation" means 31 C.F.R. § 1010.230.

"Benefit Arrangement" means an employee benefit plan within the meaning of Section 3(3) of ERISA which is not a Plan or a Multiemployer Plan and which is maintained or otherwise contributed to by any member of the ERISA Group.

"Benefit Plan" means any of (a) an "employee benefit plan" (as defined in Section 3(3) of ERISA) that is subject to Title I of ERISA, (b) a "plan" as defined in Section 4975 of the Code to which Section 4975 of the Code applies, and (c) any Person whose assets include (for purposes of the Plan Asset Regulations or otherwise for purposes of Title I of ERISA or Section 4975 of the Code) the assets of any such "employee benefit plan" or "plan".

"BHC Act Affiliate" of a party means an "affiliate' (as such term is defined under, and interpreted in accordance with, 12 U.S.C. 1841(k)) of such party.

"Board" means the Board of Governors of the Federal Reserve System of the United States of America.

"Borrowers" means, collectively, the Company and the Subsidiary ~~Borrowers~~**Borrower**.

"Borrowing" means Loans to the same Borrower of the same Type made, converted or continued on the same date and, in the case of ~~Eurodollar~~**Term Benchmark** Loans, as to which a single Interest Period is in effect.

"Borrowing Request" means a request by the Company (on its own behalf or on behalf of ~~a~~**the** Subsidiary Borrower) for a Borrowing in accordance with Section 2.3.

"Business Day" means**,** any day ~~that is not~~**(other than** a Saturday~~,~~ **or a** Sunday ~~or other day~~**)** on which ~~commercial~~ banks **are open for business** in New York City ~~are authorized or required by law to remain closed, provided that, when used in connection with a Eurodollar Loan, the term "Business Day" shall also exclude any day on which banks are not open for dealings in dollar deposits in the London interbank market.~~**; provided that, in addition to the foregoing, a Business Day shall be (a) in relation to RFR Loans and any interest rate settings, fundings, disbursements, settlements or payments of any such RFR Loan, or any other dealings of such RFR Loan and (b) in relation to Loans referencing the Adjusted Term SOFR Rate and any interest rate settings, fundings, disbursements, settlements or payments of any such Loans referencing the Adjusted Term SOFR Rate or any other dealings of such Loans referencing the Adjusted Term SOFR Rate, any such day that is only a U.S. Government Securities Business Day.**

"Change in Control" means that (i) any "person" (as such term is used in Sections 13(d) and 14(d) the Exchange Act but excluding any profit sharing or pension plan operated for the benefit of employees of the Company or its Affiliates), is or becomes the "beneficial owner" (as defined in Rules 13d 3 and 13d 5 under the Exchange Act, except that a person shall be deemed to have "beneficial ownership" of all shares that such person has the right to acquire without condition (other than the passage of time) whether such rights are exercisable immediately or only after the passage of time), directly or indirectly, of 35% or more of the common stock of the Company on a fully diluted basis, (ii) Persons ("Existing Directors") who are directors of the Company on the Agreement Date plus Persons ("Nominated Directors") nominated or approved by Persons who constitute at least a majority of the board of directors of the Company on the Agreement Date (or any combination of Existing Directors, Nominated Directors and Persons nominated or approved by a majority of Existing Directors and Nominated Directors) shall cease to constitute at least a majority of the members of the board of directors of the Company or (iii) the failure of the Company to own, directly or indirectly, beneficially and of record, 100% of the aggregate ordinary voting power and economic interests represented by the issued and outstanding equity securities of ~~each~~**the** Subsidiary Borrower on a fully diluted basis.

"CME Term SOFR Administrator" means CME Group Benchmark Administration Limited as administrator of the forward-looking term Secured Overnight Financing Rate (SOFR) (or a successor administrator).

"Code" means the Internal Revenue Code of 1986, as amended.

"Commitment" means, with respect to each Lender, the commitment of such Lender to make Loans hereunder in an aggregate outstanding amount not exceeding the amount of such Lender's Commitment as set forth on Schedule 2.1, or in the Assignment and Assumption or Increase Supplement or any agreement executed in accordance with Section 2.8(b) pursuant to which such Lender shall have assumed its Commitment, as applicable, as such commitment may be reduced or increased from time to time pursuant to Section 2.5 or pursuant to assignments by or to such Lender pursuant to Section 10.4.

"Communications" means, collectively, any notice, demand, communication, information, document or other material provided by or on behalf of any Borrower pursuant to any Loan Document or the transactions contemplated therein which is distributed by the Administrative Agent or any Lender by means of electronic communications pursuant to Section 9.2(c), including through an Approved Electronic Platform.

"Company" means The Allstate Corporation, a Delaware corporation.

"Confidential Information" has the meaning assigned to such term in Section 10.13.

"Consolidated Subsidiary" means, at any date, any Subsidiary or other Person, the accounts of which are consolidated with those of the Company in its consolidated financial statements as of such date.

"Consolidated Total Assets" means, at any date, the total assets of the Company and its Consolidated Subsidiaries at such date determined on a consolidated basis in accordance with GAAP, excluding assets of Variable Interest Entities to the extent that any Debt thereof is excluded pursuant to clause (d) of the proviso in the definition of Debt.

"Consolidated Total Capital" means, at any date, without duplication, the sum of (i) the aggregate shareholders' equity, plus (ii) the amounts recorded on the Company's financial statements related to Hybrid Securities to the extent given equity treatment by Standard & Poor's at the time of the issuance thereof, plus (iii) the amounts recorded on the Company's financial statements related to Surplus Notes to the extent treated as equity under Statutory Accounting Principles, plus (iv) Consolidated Total Debt at such date, all as determined on a consolidated basis for the Company and its Consolidated Subsidiaries in accordance with GAAP as in effect on the Agreement Date or as otherwise applicable pursuant to Section 1.4. For purposes of the foregoing, in determining such aggregate shareholders' equity, any "Accumulated Other Comprehensive Income (Loss)" shown on a consolidated balance sheet of the Company and its Consolidated Subsidiaries prepared in accordance with GAAP shall be excluded.

"Consolidated Total Debt" means, at any date, all Debt of the Company and its Consolidated Subsidiaries at such date determined on a consolidated basis in accordance with GAAP as in effect on the Agreement Date or as otherwise applicable pursuant to Section 1.4.

"Control" means the possession, directly or indirectly, of the power to direct or cause the direction of the management or policies of a Person, whether through the ability to exercise voting power, by contract or otherwise. The terms "Controlling" and "Controlled" have meanings correlative thereto.

"Corresponding Tenor" with respect to any Available Tenor means, as applicable, either a tenor (including overnight) or an interest payment period having approximately the same length (disregarding business day adjustment) as such Available Tenor.

"Covered Entity" means any of the following:

(i) a "covered entity" as that term is defined in, and interpreted in accordance with, 12 C.F.R. § 252.82(b);

(ii) a "covered bank" as that term is defined in, and interpreted in accordance with, 12 C.F.R. § 47.3(b); or

(iii) a "covered FSI" as that term is defined in, and interpreted in accordance with, 12 C.F.R. § 382.2(b).

"Covered Party" has the meaning assigned to it in Section 10.17.

"Credit Agreement" has the meaning assigned to such term in the introductory paragraph.

"Credit Parties" means the Agents and the Lenders.

"Daily Simple SOFR" means, for any day~~,~~ **(a "**SOFR~~**, with the conventions for this rate (which may include a lookback) being established by the Administrative Agent in accordance with the conventions for this rate selected or recommended by the Relevant Governmental Body for determining "Daily Simple SOFR" for business loans; provided that, if the Administrative Agent decides that any such convention is not administratively feasible for the Administrative Agent, then the Administrative Agent may establish another convention in its reasonable discretion.**~~ **Rate Day"), a rate per annum equal to SOFR for the day that is five (5) U.S. Government Securities Business Days prior to (i) if such SOFR Rate Day is a U.S. Government Securities Business Day, such SOFR Rate Day or (ii) if such SOFR Rate Day is not a U.S. Government Securities Business Day, the U.S. Government Securities Business Day immediately preceding such SOFR Rate Day, in each case, as such SOFR is published by the SOFR Administrator** on the SOFR Administrator's Website**. Any change in Daily Simple SOFR due to a change in SOFR shall be effective from and including the effective date of such change in SOFR without notice to the Company.**

"Debt" of any Person means, at any date, without duplication:

(i) all obligations of such Person for borrowed money properly recordable as a liability on the financial statements of such Person,

(ii) all obligations of such Person, properly recordable as a liability on the financial statements of such Person, evidenced by bonds, debentures, notes, or other similar instruments,

(iii) all obligations of such Person to pay the deferred purchase price of property except trade accounts payable arising in the ordinary course of business,

(iv) the net present value of future minimum lease payments under capital leases,

(v) all direct recourse payment obligations of such Person in respect of any accounts receivable sold by such Person,

(vi) the aggregate liquidation preference of all preferred securities that are mandatorily redeemable, exchangeable or convertible into debt at the option of the holder or redeemable at the option of the holder,

(vii) all Debt (as defined in clauses (i) through (vi) above) of others to the extent secured by a Lien on any asset of such Person, whether or not such Debt is assumed by such Person, and

(viii) all Debt (as defined in clauses (i) through (vii) above) of others to the extent Guaranteed by such Person; provided, that Debt guaranteed pursuant to Article 7 shall be treated only as Debt of the Borrower whose Debt is guaranteed;

provided that Debt shall not include:

(a) insurance or reinsurance policies, synthetic reinsurance, including but not limited to notes some or all of whose principal is accorded equity treatment under Statutory Accounting Principles and that are issued by a captive reinsurer, trust (including a Delaware statutory trust) or other special purpose vehicle, or other instruments, including funding agreements and guaranteed investment contracts, sold in the ordinary course of such Person's insurance business,

(b) liabilities in respect of Securities Transactions that are permissible for such Person effectuating the transaction,

(c) Debt (as defined in clauses (i) through (vi) above) of others to the extent secured by a Lien incurred pursuant to an investment undertaking of such Person that meets the following criteria: (x) the investment is in a limited partnership, limited liability company or other investment entity pursuant to which such Person's capital commitment or limited partnership, membership or other ownership interest may be pledged to support obligations of the investment entity, and (y) the Lien is limited to such Person's limited partnership, membership, or other ownership interest in such entity,

(d) liabilities recorded on the financial statements of such Person in connection with the consolidation of a Variable Interest Entity under Financial Accounting Standards Board ASC 810 if the satisfaction of such liabilities is limited to the assets of the Variable Interest Entity,

(e) liabilities recorded on the financial statements of such Person for non-recourse debt secured solely by an investment asset or other asset held in connection with an investment transaction in an aggregate outstanding principal amount not in excess of 10% of Consolidated Total Capital,

(f) liabilities in respect of Medium Term Notes,

(g) any amounts recorded on such Person's financial statements related to Hybrid Securities to the extent given equity treatment by Standard & Poor's at the time of the issuance thereof and Surplus Notes to the extent treated as equity under Statutory Accounting Principles,

(h) surety bonds, fidelity bonds and other similar insurance products, and

(i) the first $500,000,000 of liabilities that would otherwise constitute "Debt" under clauses (vii) and (viii) above.

"Default" means any event or condition which constitutes an Event of Default or that upon notice, lapse of time or both would, unless cured or waived, become an Event of Default.

"Default Right" has the meaning assigned to that term in, and shall be interpreted in accordance with, 12 C.F.R. §§ 252.81, 47.2 or 382.1, as applicable.

"Defaulting Lender" means any Lender that (a) has failed, within two (2) Business Days of the date required to be funded or paid, to (i) fund any portion of its Loans or (ii) pay over to any Credit Party any other amount required to be paid by it hereunder, unless, in the case of clause (i) above, such Lender notifies the Administrative Agent in writing that such failure is the result of such Lender's good faith determination that a condition precedent to funding (specifically identified and including the particular default, if any) has not been satisfied, (b) has notified the Company or any Credit Party in writing, or has made a public statement to the effect, that it does not intend or expect to comply with any of its funding obligations under this Credit Agreement (unless such writing or public statement indicates that such position is based on such Lender's good faith determination that a condition precedent (specifically identified and including the particular default, if any) to funding a Loan cannot be satisfied) or generally under other agreements in which it commits to extend credit, (c) has failed, within three (3) Business Days after request by a Credit Party, acting in good faith, to provide a certification in writing from an authorized officer of such Lender that it will comply with its obligations (and is financially able to meet such obligations) to fund prospective Loans, provided that such Lender shall cease to be a Defaulting Lender pursuant to this clause (c) upon such Credit Party's receipt of such certification in form and substance satisfactory to it and the Administrative Agent, or (d) has become the subject of (i) a Bankruptcy Event or (ii) a Bail-In Action.

"Documentation Agents" means each of Bank of America, N.A., Barclays Bank PLC, Credit Suisse AG, New York Branch, Goldman Sachs Bank USA, Morgan Stanley MUFG Loan Partners, LLC and U.S. Bank National Association, in their capacity as documentation agents for the Lenders hereunder.

"Dodd-Frank Act" means the Dodd-Frank Wall Street Reform and Consumer Protection Act.

"dollars" or "$" refers to lawful money of the United States of America.

~~"Early Opt-in Election" means, if the then-current Benchmark is the LIBO Rate, the occurrence of:~~

~~(1) a notification~~ by the Administrative Agent to ~~(or the request by the Company to the Administrative Agent to notify) each of the other parties hereto that at least five currently outstanding Dollar-denominated syndicated credit facilities at such time contain (as a result of amendment or as originally executed) a SOFR-based rate (including SOFR, a term SOFR or any other rate based upon SOFR) as a benchmark rate (and such syndicated credit facilities are identified in such notice and are publicly available for review), and~~

~~(2) the joint election by the Administrative Agent and the Company to trigger a fallback from the LIBO Rate and the provision by the Administrative Agent of written notice of such election to the Lenders.~~

"EDGAR" means the Electronic Data Gathering, Analysis, and Retrieval system maintained by the Securities and Exchange Commission.

"EEA Financial Institution" means (a) any credit institution or investment firm established in any EEA Member Country which is subject to the supervision of an EEA Resolution Authority, (b) any entity established in an EEA Member Country which is a parent of an institution described in clause (a) of this definition, or (c) any financial institution established in an EEA Member Country which is a subsidiary of an institution described in clauses (a) or (b) of this definition and is subject to consolidated supervision with its parent.

"EEA Member Country" means any of the member states of the European Union, Iceland, Liechtenstein, and Norway.

"EEA Resolution Authority" means any public administrative authority or any Person entrusted with public administrative authority of any EEA Member Country (including any delegee) having responsibility for the resolution of any EEA Financial Institution.

"Effective Date" means the date on which the conditions specified in Section 5.1 are satisfied (or waived in accordance with Section 10.2).

"Electronic Signature" means an electronic sound, symbol, or process attached to, or associated with, a contract or other record and adopted by a Person with the intent to sign, authenticate or accept such contract or record.

"Eligible Institution" means (i) any commercial bank, investment bank, trust company, banking association, financial institution, mutual fund, pension fund or any Approved Fund or (ii) any Lender or any Affiliate or any Approved Fund of such Lender, provided that an insurance company shall not, under any circumstance, constitute an Eligible Institution.

"Environmental Laws" means any and all federal, state and local statutes, laws, regulations, ordinances, rules, judgments, orders, decrees, permits, licenses, agreements or other governmental restrictions relating to the protection of the environment or to emissions, discharges or releases of pollutants, contaminants, petroleum or petroleum products, chemical or industrial, toxic or hazardous substances or wastes into the environment or otherwise relating to the generation, processing, use, treatment, storage, disposal, transport or handling of pollutants, contaminants, petroleum or petroleum products, chemicals or industrial, toxic or hazardous substances or wastes, or the clean up or other remediation thereof, and when such term is used in reference to the Company and its Subsidiaries, it shall apply to their direct activities and not activities covered under insurance policies or other instruments sold, underwritten or reinsured by them.

"Equity Interests" means shares of capital stock, partnership interests, membership interests in a limited liability company, beneficial interests in a trust or other equity ownership interests in a Person, and any warrants, options or other rights entitling the holder thereof to purchase or acquire any such equity interest, but excluding any debt securities convertible into any of the foregoing.

"ERISA" means the Employee Retirement Income Security Act of 1974.

"ERISA Group" means the Company and all members of a controlled group of corporations and all trades or businesses (whether or not incorporated) under common control which, together with the Company, are treated as a single employer under Section 414 of the Code.

"EU Bail-In Legislation Schedule" means the EU Bail-In Legislation Schedule published by the Loan Market Association (or any successor Person), as in effect from time to time.

~~**"Eurodollar"**, when used in reference to any Loan or Borrowing, **refers to whether** such Loan, or the Loans comprising such Borrowing, **are bearing interest at the Adjusted LIBO Rate plus any Applicable Margin.**~~

"Event of Default" has the meaning assigned to such term in Article 8.

"Exchange Act" means the Securities Exchange Act of 1934.

"Existing Credit Agreement" means, the Credit Agreement, dated as of April 27, 2012, among the Company, Allstate Insurance, Allstate Life **Insurance Company**, the lenders party thereto and JPMorgan Chase Bank, N.A., as administrative agent.

"Existing Maturity Date" has the meaning assigned to such term in Section 2.8(a).

"Extension Date" has the meaning assigned to such term in Section 2.8(a).

"Extension Request" has the meaning assigned to such term in Section 2.8(a).

"Facility Fee" has the meaning assigned to such term in Section 3.3(a).

"FATCA" means Sections 1471 through 1474 of the Code, as of the date of this Credit Agreement (or any amended or successor version that is substantively comparable and not materially more onerous to comply with), any current or future regulations or official interpretations thereof, any agreement entered into pursuant to Section 1471(b)(1) of the Code and any fiscal or regulatory legislation, rules or practices adopted pursuant to any intergovernmental agreement, treaty or convention among Governmental Authorities and implementing such Sections of the Code.

~~**"FCA" has the meaning assigned to such term in Section 1.5.**~~

"Federal Funds Effective Rate" means, for any day, the rate calculated by the NYFRB based on such day's federal funds transactions by depositary institutions, as determined in such manner as shall be set forth on the NYFRB's Website from time to time, and published on the next succeeding Business Day by the NYFRB as the effective federal funds rate; provided that if the Federal Funds Effective

Rate as so determined would be less than zero, such rate shall be deemed to be zero for the purposes of this Credit Agreement.

"Floor" means the benchmark rate floor, if any, provided in this Credit Agreement initially (as of the execution of this Credit Agreement, the modification, amendment or renewal of this Credit Agreement or otherwise) with respect to the ~~LIBO Rate.~~**Adjusted Term SOFR Rate or the Adjusted Daily Simple SOFR, as applicable**. For the avoidance of doubt **the initial Floor for each of Adjusted Term SOFR Rate or the Adjusted Daily Simple SOFR shall be 0%.**

"Foreign Lender" means any Lender that is organized under the laws of a jurisdiction other than the United States of America, any State thereof or the District of Columbia.

"GAAP" means generally accepted accounting principles in effect from time to time in the United States of America.

"Governmental Authority" means the government of the United States of America, any other nation or any political subdivision thereof, whether state or local, and any agency, authority, instrumentality, regulatory body, court, central bank or other entity exercising executive, legislative, judicial, taxing, regulatory or administrative powers or functions of or pertaining to government.

"Guarantee" by any Person means any obligation, primary or secondary, contingent or otherwise, of such Person guaranteeing any Debt (as defined in clauses (i) through (viii) of the definition of Debt) of any other Person or in any manner providing for the payment of any such Debt of any other Person or otherwise protecting the holder of such Debt against loss (whether by agreement to keep well, to purchase assets, goods, securities or services, or to take or pay or otherwise), provided that the term Guarantee shall not include endorsements for collection or deposit in the ordinary course of business. The term "Guarantee" used as a verb has a correlative meaning.

"Guaranteed Obligations" has the meaning assigned to such term in Section 7.1.

"Hybrid Securities" means long-term securities that (i) are contractually subordinated to senior indebtedness, (ii) allow the issuer to temporarily defer the payment of interest, and (iii) receive a certain degree of equity classification by Standard & Poor's as of the date of issuance thereof.

~~"Impacted Interest Period" has the meaning assigned to such term in the definition of "LIBO Rate".~~

"Increase Supplement" means an increase supplement in the form of Exhibit D.

"Indemnitee" has the meaning assigned to such term in Section 10.3(b).

"Insurance Company" means Allstate Insurance~~, solely prior to the consummation of the Specified Allstate Life Sale, Allstate Life,~~ and any other Subsidiary that is an insurance company.

"Interest Election Request" means a request by the Company (on behalf of the applicable Borrower) to convert or continue a Borrowing in accordance with Section 3.2.

"Interest Payment Date" means (i) with respect to any ABR Loan, the last day of each March, June, September and December, (ii) with respect to any ~~Eurodollar~~**RFR Loan, each date that is on the numerically corresponding day in each calendar month that is one month after the Borrowing of such RFR Loan (or, if there is no such numerically corresponding day in such month, then the last** day of such month), (iii) with respect to any Term Benchmark Loan, the last day of the Interest Period applicable to the Borrowing of which such ~~Eurodollar~~Term Benchmark Loan is a part and, in the case of a ~~Eurodollar~~Term Benchmark Loan with an Interest Period of more than three months' duration, each day prior to the last day of such Interest Period that occurs at intervals of three months' duration after the first day of such Interest Period, and (~~iii~~iv) as to all Loans, the Maturity Date.

"Interest Period" means the period commencing on the date of such Borrowing and ending on the numerically corresponding day in the calendar month that is one, three, six or if made available by all of the Lenders, nine or twelve months thereafter (in each case, subject to the availability for the Benchmark applicable to the relevant Loan or Commitment), as the Company (on behalf of the applicable Borrower) may elect, provided that (i) if any Interest Period would end on a day other than a Business Day, such Interest Period shall be extended to the next succeeding Business Day, unless such next succeeding Business Day would fall in the next calendar month, in which case such Interest Period shall end on the next preceding Business Day, ~~and~~ (ii) any Interest Period that commences on the last Business Day of a calendar month (or on a day for which there is no numerically corresponding day in the last calendar month of such Interest Period) shall end on the last Business Day of the last calendar month of such Interest Period, and (iii) no tenor that has been removed from this definition pursuant to Section 3.4(e) shall be available for specification in such Borrowing Request or Interest Election Request. For purposes hereof, the date of a Borrowing initially shall be the date on which such Borrowing is made and thereafter shall be the effective date of the most recent conversion or continuation of such Borrowing.

~~"Interpolated Rate" means, at any time, for any Interest Period, the rate *per annum* (rounded to the same number of decimal places as the LIBO Screen Rate) determined by the Administrative Agent (which determination shall be conclusive and binding absent manifest error) to be equal to the rate that results from interpolating on a linear basis between: (a) the LIBO Screen Rate for the longest period (for which the LIBO Screen Rate is available for the applicable currency) that is shorter than the Impacted Interest Period; and (b) the LIBO Screen Rate for the shortest period (for which the LIBO Screen Rate is available for the applicable currency) that exceeds the Impacted Interest Period, in each case, at such time; provided that if any Interpolated Rate shall be less than zero, such rate shall be deemed to be zero for the purposes of this Credit Agreement.~~

~~"ISDA Definitions" means the 2006 ISDA Definitions published by the International Swaps and Derivatives Association, Inc. or any successor thereto, as amended or supplemented from time to time, or any successor definitional booklet for interest rate derivatives published from time to time by the International Swaps and Derivatives Association, Inc. or such successor thereto.~~

"Lender Parent" means, with respect to any Lender, any Person as to which such Lender is, directly or indirectly, a subsidiary.

"Lender-Related Person" has the meaning assigned to such term in Section 10.3(d).

"Lenders" means the Persons listed on Schedule 2.1 and any other Person that shall have become a party hereto pursuant to an Assignment and Assumption, an Increase Supplement or Section 2.8 or otherwise, other than any such Person that ceases to be a party hereto pursuant to an Assignment and Assumption or otherwise.

"Liabilities" means any losses, claims (including intraparty claims), demands, damages or liabilities of any kind.

~~"LIBO Rate" means, with respect to any Eurodollar Borrowing for any Interest Period, the LIBO Screen Rate at approximately 11:00 a.m., London time, two (2) Business Days prior to the~~

~~commencement of such **Interest Period; provided that if the LIBO Screen Rate shall not be available at such time for such Interest Period (an "Impacted Interest Period") then the LIBO Rate shall be the Interpolated Rate.**~~

~~**"LIBO Screen** Rate" means, for any day and time**, with respect to any Eurodollar Borrowing for any Interest Period, the London interbank offered rate as administered by ICE Benchmark Administration (or any other Person that takes over the administration of such rate) for Dollars for a period equal in length to such Interest Period as displayed on such day and time on pages LIBOR01 or LIBOR02 of the Reuters screen that displays such rate (or, in the event such rate does not appear on a Reuters page or screen, on any successor or substitute page on such screen that displays such rate, or on the appropriate page of such other information service that publishes such rate from time to time as selected by the Administrative Agent in its reasonable discretion); provided that if the LIBO Screen** Rate as so determined would be less than **zero**, such rate shall be deemed to be **zero** for the purposes of this Credit Agreement.~~

~~**"LIBOR" has the meaning assigned to such term in Section 1.5.**~~

"Lien" of any Person means (i) any mortgage, lien, pledge, charge, security interest or encumbrance of any kind in respect of any asset recorded as such on the financial statements of such Person or (ii) the interest of a vendor or lessor under any conditional sales agreement, capital lease or other title retention agreement relating to any asset recorded as such on the financial statements of such Person.

"Listed Insurance Subsidiary" means any company identified on Schedule 4.1 as an insurance company and any Subsidiary into which such company shall merge or consolidate or to which such company shall sell or transfer all or any substantial portion of its property and assets, in a transaction described in Section 6.7(b).

"Loan" means a Loan referred to in Section 2.1 and made pursuant to Section 2.4.

"Loan Documents" means this Credit Agreement and the Notes.

"Margin Stock" has the meaning assigned to such term in Regulation U.

"Material Adverse Effect" means a material adverse effect on (i) the business, financial position or results of operations of the Company and its Consolidated Subsidiaries, (ii) the ability of any Borrower to perform any of its obligations under any Loan Document or (iii) the rights of or benefits available to any Credit Party under any Loan Document.

"Material Debt" means, as of any date, Debt (determined without regard to the clauses (d) through and including (h) of the proviso of the definition of the term "Debt" but excluding the Debt under the Loan Documents) of any one or more of the Company or any Material Subsidiary in an aggregate principal amount exceeding $200,000,000 (or its equivalent in any other currency). For purposes of determining Material Debt, the "principal amount" of any Debt referred to in the previous sentence at any time shall be the maximum aggregate amount (giving effect to any netting agreements) exclusive of interest and fees that the Company or any Material Subsidiary, as applicable, would be required to pay if such Debt became due and payable on such day.

"Material Subsidiary" means, collectively, (i) the Subsidiary ~~**Borrowers**~~**Borrower** and (ii) any other Subsidiary which, as of the last day of the most recently completed fiscal year, satisfies any one or more of the following three tests determined on a consolidated basis in accordance with GAAP (after intercompany eliminations and net of the effect of intercompany reinsurance): (a) the Company and the other Subsidiaries' investments in and advances to such Subsidiary exceed 10% of Consolidated Total Assets, (b) the Subsidiary's proportionate share of Consolidated Total Assets consisting of the property of such Subsidiary exceeds 10% of Consolidated Total Assets or (c) the Company and the other Subsidiaries' equity in the income (not to include losses) from continuing operations before income taxes (adjusted to exclude catastrophe losses in excess of 10% of earned premiums, other than temporary impairments in excess of $500,000,000, extraordinary items, the cumulative effect of a change in accounting principle, and any non-recurring event that impacts a single fiscal year) of such Subsidiary exceeds 10% of the income (to include losses) from continuing operations before income taxes (adjusted to exclude catastrophe losses in excess of 10% of earned premiums, other than temporary impairments in excess of $500,000,000, extraordinary items, the cumulative effect of a change in accounting principle, and any non-recurring event that impacts a single fiscal year) of the Company and the Subsidiaries.

"Maturity Date" means November 16, 2025, as the same may be extended pursuant to Section 2.8; provided, however, if such date is not a Business Day, the Maturity Date shall be the next preceding Business Day.

"Medium Term Notes" means fixed, floating and index notes which are either unsecured or are secured by one or more funding agreements and are issued by the Company, a Subsidiary or a trust (including a statutory Delaware trust) or other special purpose vehicle to retail or institutional investors the net proceeds of which are utilized to purchase a like amount of assets to be held by the Company or one or more of its Subsidiaries and whereby the instrument to be issued is a privately placed note or registered security, not an insurance contract or funding agreement of any type.

"Moody's Rating" means at any time, the then current rating (including the failure to rate) by Moody's Investors Service, Inc. (or any successor thereto) of the Company's senior unsecured, unguaranteed long term debt.

"Multiemployer Plan" means at any time an employee pension benefit plan within the meaning of Section 4001(a)(3) of ERISA to which any member of the ERISA Group is then making or accruing an obligation to make contributions or has within the preceding five plan years made contributions, including for these purposes any Person which ceased to be a member of the ERISA Group during such five year period.

"Non-Consenting Lender" has the meaning assigned to such term in Section 10.2(d).

"Non-Extending Lender" has the meaning assigned to such term in Section 2.8(b).

"Non-Material Subsidiary Plan" means at any time any Plan or Plans established or maintained by a Subsidiary (other than athe Subsidiary Borrower) having aggregate Unfunded Liabilities less than $25,000,000.

"Note" means, with respect to each Lender, a promissory note evidencing such Lender's Loans to a Borrower payable to such Lender and its registered assigns substantially in the form of Exhibit C.

"NYFRB" means the Federal Reserve Bank of New York.

"NYFRB's Website" means the website of the NYFRB at http://www.newyorkfed.org, or any successor source.

"NYFRB Rate" means, for any day, the greater of (a) the Federal Funds Effective Rate in effect on such day and (b) the Overnight Bank Funding Rate in effect on such day (or for any day that is not a Business Day, for the immediately preceding Business Day); provided that if none of such rates are published for any day that is a Business Day, the term "NYFRB Rate" means the rate for a federal funds transaction quoted at 11:00 a.m., New York City time, on such day received by the Administrative Agent from a federal funds broker of recognized standing selected by it; provided, further, that if any of the aforesaid rates as so determined would be less than zero, such rate shall be deemed to be zero for purposes of this Credit Agreement.

"Obligations" means (i) the due and punctual payment of (a) principal of and premium, if any, and interest (including interest and fees accruing during the pendency of any bankruptcy, insolvency, receivership or other similar proceeding, regardless of whether allowed or allowable in such proceeding) on the Loans, when and as due, whether at maturity, by acceleration, upon one or more dates set for prepayment or otherwise, and (b) all other monetary obligations, including fees, commissions, costs, expenses and indemnities, whether primary, secondary, direct, contingent, fixed or otherwise (including monetary obligations incurred during the pendency of any bankruptcy, insolvency, receivership or other similar proceeding, regardless of whether allowed or allowable in such proceeding), of the Company and the Subsidiary ~~Borrowers~~**Borrower** to the Credit Parties, or that are otherwise payable to any Credit Party, under the Loan Documents and (ii) the due and punctual performance of all covenants, agreements, obligations and liabilities of the Company and the Subsidiary ~~Borrowers~~**Borrower** under or pursuant to the Loan Documents.

"OFAC" means the Office of Foreign Assets Control of the U.S. Department of Treasury.

"Overnight Bank Funding Rate" means, for any day, the rate comprised of both overnight federal funds and overnight eurodollar ~~borrowings~~**transactions denominated in Dollars** by U.S.-managed banking offices of depository institutions, as such composite rate shall be determined by the NYFRB as set forth on the NYFRB's Website from time to time, and published on the next succeeding Business Day by the NYFRB as an overnight bank funding rate.

"Participant" has the meaning assigned to such term in Section 10.4(d).

"Participant Register" has the meaning assigned to such term in Section 10.4(d).

"Payment" has the meaning assigned to such term in Section 9.1(j).

"Payment Notice" has the meaning assigned to such term in Section 9.1(j).

"PBGC" means the Pension Benefit Guaranty Corporation referred to and defined in ERISA and any successor entity performing similar functions.

"Person" means any natural person, corporation, limited liability company, trust, joint venture, association, company, partnership, Governmental Authority or other entity.

"Plan" means at any time an employee pension benefit plan (other than a Multiemployer Plan) which is covered by Title IV of ERISA or subject to the minimum funding standards under Section 412 of the Code and either (i) is maintained, or contributed to, by any member of the ERISA Group for employees of any member of the ERISA Group or (ii) has at any time within the preceding five years been maintained, or contributed to, by any Person which was at such time a member of the ERISA Group for employees of any Person which was at such time a member of the ERISA Group.

"Plan Asset Regulations" means 29 CFR § 2510.3-101 *et seq.*, as modified by Section 3(42) of ERISA, as amended from time to time.

"Pricing Level" means Pricing Level I, Pricing Level II, Pricing Level III, Pricing Level IV or Pricing Level V, as the context may require.

"Pricing Level I" means, any time when (i) no Event of Default has occurred and is continuing, and (ii) the S&P Rating is A+ (or any successor rating) or higher or the Moody's Rating is A1 (or any successor rating) or higher.

"Pricing Level II" means, any time when (i) no Event of Default has occurred and is continuing, (ii) the S&P Rating is A (or any successor rating) or higher, or the Moody's Rating is A2 (or any successor rating) or higher and (iii) Pricing Level I does not apply.

"Pricing Level III" means, any time when (i) no Event of Default has occurred and is continuing, (ii) the S&P Rating is A- (or any successor rating) or higher, or the Moody's Rating is A3 (or any successor rating) or higher and (iii) and neither Pricing Level I nor II is applicable.

"Pricing Level IV" means, any time (i) no Event of Default has occurred and is continuing, (ii) the S&P Rating is BBB+ (or any successor rating) or higher, or the Moody's Rating is Baa1 (or any successor rating) or higher and (iii) and Pricing Levels I, II, and III are not applicable.

"Pricing Level V" means, any time when none of Pricing Levels I, II, III and IV are applicable.

"Prime Rate" means the rate of interest last quoted by The Wall Street Journal as the "Prime Rate" in the U.S. or, if The Wall Street Journal ceases to quote such rate, the highest per annum interest rate published by the Board in Federal Reserve Statistical Release H.15 (519) (Selected Interest Rates) as the "bank prime loan" rate or, if such rate is no longer quoted therein, any similar rate quoted therein (as determined by the Administrative Agent) or any similar release by the Board (as determined by the Administrative Agent). Each change in the Prime Rate shall be effective from and including the date such change is publicly announced or quoted as being effective.

"Proceedings" has the meaning assigned to such term in Section 4.5.

"PTE" means a prohibited transaction class exemption issued by the U.S. Department of Labor, as any such exemption may be amended from time to time.

"QFC" has the meaning assigned to the term "qualified financial contract" in, and shall be interpreted in accordance with, 12 U.S.C. 5390(c)(8)(D).

"QFC Credit Support" has the meaning assigned to it in Section 10.17.

"Reference Time" with respect to any setting of the then-current Benchmark means (~~1~~**i**) if such Benchmark is the ~~LIBO~~**Term SOFR** Rate, ~~11:00~~**5:00** a.m., ~~London~~**Chicago** time, on the day that is two ~~London banking days~~**(2) U.S. Government Securities Business Days** preceding the date of such setting, ~~and~~ (~~2~~**ii) if the RFR for such Benchmark is Daily Simple SOFR, then four (4) RFR Business Days prior to such setting or (iii**) if such Benchmark is ~~not~~**none of** the ~~LIBO~~**Term SOFR** Rate **or Daily Simple SOFR**, the time determined by the Administrative Agent in its reasonable discretion.

"Register" has the meaning assigned to such term in Section 10.4(c).

"Regulation D" means Regulation D of the Board as from time to time in effect and all official rulings and interpretations thereunder or thereof.

"Regulation U" means Regulation U of the Board as from time to time in effect and all official rulings and interpretations thereunder or thereof.

"Regulation X" means Regulation X of the Board as from time to time in effect and all official rulings and interpretations thereunder or thereof.

"Regulatory Change" means the occurrence after the date of this Credit Agreement of (a) the adoption of or taking effect of any law, rule, regulation or treaty, (b) any change in any law, rule, regulation or treaty or in the administration, interpretation, implementation or application thereof by any Governmental Authority or (c) compliance by any Lender (or, for purposes of Section 3.5(b), by any lending office of such Lender or by such Lender's holding company, if any) with any request, rule, guideline or directive (whether or not having the force of law) of any Governmental Authority made or issued after the date of this Credit Agreement; provided that, notwithstanding anything herein to the contrary, (x) the Dodd-Frank Act and all requests, rules, guidelines or directives thereunder or issued in connection therewith or in the implementation thereof and (y) all requests, rules, guidelines or directives promulgated by the Bank for International Settlements, the Basel Committee on Banking Supervision (or any successor or similar authority) or the United States or foreign regulatory authorities, in each case pursuant to Basel III, shall, in each case, be deemed to be a "Regulatory Change," regardless of the date enacted, adopted, issued or implemented unless such request, rule, guideline, requirement or directive was enforceable with respect to the applicable Lender by the applicable regulatory authority on the Effective Date (which for the avoidance of doubt assumes that final implementing regulations and rules are in full force and effect and such request, rule, guideline or directive is applicable only to the extent rolled out at such time).

"Related Parties" means, with respect to any specified Person, such Person's Affiliates and the respective directors, officers, employees, agents and advisors of such Person and such Person's Affiliates.

"Relevant Governmental Body" means the Federal Reserve Board or the NYFRB, or a committee officially endorsed or convened by the Federal Reserve Board or the NYFRB, or any successor thereto.

"Relevant Rate" means (i) with respect to any Term Benchmark Borrowing, the Adjusted Term SOFR Rate or (ii) with respect to any RFR Borrowing, the Adjusted Daily Simple SOFR, as applicable.

"Required Lenders" means, at any time but subject to Section 2.10, Lenders having Commitments representing more than 50% of the total Commitments or, if the Commitments shall have terminated, Lenders having outstanding Loans representing more than 50% of the aggregate outstanding principal balance of the Loans of all Lenders.

"Resolution Authority" means an EEA Resolution Authority or, with respect to any UK Financial Institution, a UK Resolution Authority.

"Reuters" means Thomson Reuters Corp., Refinitiv or any successor thereto.

"RFR" when used in reference to any Loan or Borrowing, means that such Loan, or the Loans comprising such Borrowing, bears interest at a rate determined by reference to the Adjusted Daily Simple SOFR.

"RFR Borrowing" means, as to any Borrowing, the RFR Loans comprising such Borrowing.

"RFR Loan" means a Loan that bears interest at a rate based on the Adjusted Daily Simple SOFR.

"S&P Rating" means at any time, the then current rating (including the failure to rate) by Standard & Poor's of the Company's senior unsecured, unguaranteed long term debt.

"Sanctioned Country" means, at any time, a country, region or territory which is itself the subject or target of any Sanctions that broadly restrict dealings with that country or territory (~~currently, as of the Effective Date, Crimea~~**at the time of Amendment No. 2, dated November 16, 2022, to this Agreement, the so-called Donetsk People's Republic, the so-called Luhansk People's Republic, the Crimea Region of Ukraine, the Russian-controlled Kherson and Zaporizhzhia regions of Ukraine**, Cuba, Iran, North Korea and Syria).

"Sanctioned Person" means, at any time, (a) any Person listed in any Sanctions-related list of designated Persons maintained by OFAC, the U.S. Department of State, the United Nations Security Council, the European Union, any EU member state, ~~Her~~**His** Majesty's Treasury of the United Kingdom or other relevant sanctions authority, (b) any Person operating, organized or resident in a Sanctioned Country, (c) any Person more than 50% owned or controlled by any such Person or Persons described in the foregoing clauses (a) or (b), or (d) any Person otherwise the subject of any Sanctions.

"Sanctions" means all economic or financial sanctions or trade embargoes imposed, administered or enforced from time to time by (a) the U.S. government, including those administered by OFAC or the U.S. Department of State or (b) the United Nations Security Council, the European Union, any European Union member state, ~~Her~~**His** Majesty's Treasury of the United Kingdom or other relevant sanctions authority.

"Securities Transaction" means any securities lending transaction, repurchase transaction, reverse repurchase transaction or dollar roll transaction or any liability to return collateral in connection with a derivatives transaction or any similar transaction that would be accounted for as a secured borrowing or as a liability to return collateral in accordance with Statement of Financial Accounting Standards No. 140, "Accounting for Transfers and Servicing of Financial Assets and Extinguishments of Liabilities" and related official interpretations thereof by the Financial Accounting Standards Board or any successor thereto.

"SOFR" means~~, with respect to any Business Day,~~ a rate ~~per annum~~ equal to the secured overnight financing rate ~~for such Business Day published~~**as administered** by the SOFR Administrator ~~on the SOFR Administrator's Website on the immediately succeeding Business Day~~.

"SOFR Administrator" means the NYFRB (or a successor administrator of the secured overnight financing rate).

"SOFR Administrator's Website" means the NYFRB's Website, currently at http://www.newyorkfed.org, or any successor source for the secured overnight financing rate identified as such by the SOFR Administrator from time to time.

~~"Specified Allstate Life Sale" means the sale by Allstate Insurance, pursuant to the terms of that certain Stock Purchase Agreement, dated January 26, 2021, by and among Allstate Insurance, Allstate Financial Insurance Holdings Corporation and Everlake US Holdings Company,~~

~~formerly Antelope US Holdings Company (an affiliate of an investment fund associated with The Blackstone Group Inc.) (the "Buyer"), of all of the shares of the capital stock of Allstate Life to the Buyer.~~

"SOFR Rate Day" has the meaning specified in the definition of "Daily Simple SOFR".

"Standard & Poor's" means Standard & Poor's Ratings Services, a Standard & Poor's Financial Services LLC business (or any successor thereto).

"Statutory Accounting Principles" means the rules and procedures prescribed or permitted by the relevant state of domicile for determining an insurer's financial condition or results of operation for statutory purposes.

~~"Statutory Reserve Rate" means a fraction (expressed as a decimal), the numerator of which is the number one and the denominator of which is the number one minus the aggregate of the maximum reserve percentages (including any marginal, special, emergency or supplemental reserves) expressed as a decimal established by the Board to which the Administrative Agent is subject for eurocurrency funding (currently referred to as "Eurocurrency Liabilities" in Regulation D). Such reserve percentages shall include those imposed pursuant to such Regulation D. Eurodollar Loans shall be deemed to constitute eurocurrency funding and to be subject to such reserve requirements without benefit of or credit for proration, exemptions or offsets that may be available from time to time to any Lender under such Regulation D or any comparable regulation. The Statutory Reserve Rate shall be adjusted automatically on and as of the effective date of any change in any reserve percentage.~~

"Statutory Statement" means, for any Insurance Company, for each fiscal year of such Insurance Company, the most recent annual statement, prepared in accordance with Statutory Accounting Principles, required to be filed with the appropriate regulatory authority and, for each fiscal quarter of such Insurance Company, each quarterly statement referenced in Section 4.4(b) and each quarterly statement required by Section 6.1(d), which quarterly statement shall be prepared in accordance with Statutory Accounting Principles.

"Subsidiary" means, at any date, any corporation, limited liability company, partnership, association or other entity of which securities or other ownership interests having ordinary voting power to elect a majority of the board of directors or other persons performing similar functions are at the time directly or indirectly owned by the Company.

"Subsidiary ~~Borrowers~~Borrower" means Allstate Insurance~~ and, solely prior to the consummation of the Specified Allstate Life Sale, Allstate Life~~.

"Supported QFC" has the meaning assigned to it in Section 10.17.

"Surplus Notes" means unsecured notes or debentures or contribution certificates issued by an insurance company that (i) are subordinated to policyholders and senior indebtedness (including the indebtedness under this Credit Agreement and the Notes), (ii) require the prior approval of the insurance department of the issuer's state of domicile for the payment of principal or interest, and (iii) receive equity treatment for all or a portion of the principal amount under Statutory Accounting Principles.

"Swap Agreement" means any agreement with respect to any swap, forward, future or derivative transaction or option or similar agreement involving, or settled by reference to, one or more rates, currencies, commodities, equity or debt instruments or securities, or economic, financial or pricing indices or measures of economic, financial or pricing risk or value or any similar transaction or any combination of these transactions; provided that no phantom stock or similar plan providing for payments only on account of services provided by current or former directors, officers, employees or consultants of the Company or the Subsidiaries shall be a Swap Agreement.

“Syndication Agent” means Wells Fargo Bank, National Association, in its capacity as syndication agent for the Lenders hereunder.

“Taxes” means any present or future tax, assessment, fee or other charge or levy imposed by any Governmental Authority.

“Term Benchmark”, when used in reference to any Loan or Borrowing, **means that** such Loan, or the Loans comprising such Borrowing, **bears interest at a rate** determined by reference to the **Adjusted Term SOFR Rate.**

“Term SOFR~~” means, for the applicable Corresponding Tenor as of the applicable Reference Time, the forward-looking term rate based on SOFR that has been selected or recommended by the Relevant Governmental Body.~~ **Determination Day” has the meaning assigned to it under the definition of Term SOFR Reference Rate.**

“Term SOFR ~~Notice” means a notification by the Administrative Agent to the Lenders and the Company of the occurrence of a Term SOFR Transition Event.~~ Rate” means, with respect to any **Term Benchmark Borrowing and for any tenor comparable to the applicable Interest Period, the Term SOFR Reference Rate at approximately 5:00 a.m., Chicago time, two U.S. Government Securities** Business Days prior to the commencement of such **tenor comparable to the applicable Interest Period, as such rate is published by the CME Term SOFR Administrator.**

~~“Term SOFR Transition Event” means the determination by the Administrative Agent that (a) Term SOFR has been recommended for use by the Relevant Governmental Body, (b) the administration of Term SOFR is administratively feasible for the Administrative Agent and (c) a Benchmark Transition Event or an Early Opt-in Election, as applicable, has previously occurred resulting in a Benchmark Replacement in accordance with Section 3.4 that is not Term SOFR.~~

“Term SOFR Reference Rate” means, for any day and time **(such day, the “Term SOFR Determination Day”), with respect to any Term Benchmark Borrowing denominated in Dollars and for any tenor comparable to the applicable** Interest Period, the rate per annum **published by the CME Term SOFR Administrator and identified by the Administrative Agent as the forward-looking term rate based on SOFR. If by 5:00 p.m. (New York City time) on such Term SOFR Determination Day, the “Term SOFR Reference Rate” for the applicable tenor has not been published by the CME Term SOFR Administrator and a Benchmark Replacement Date with respect to the Term SOFR Rate has not occurred, then, so long as such day is otherwise a U.S. Government Securities Business Day, the Term SOFR Reference Rate for such Term SOFR Determination Day will be the Term SOFR Reference Rate as published in respect of the first preceding U.S. Government Securities Business Day for which such Term SOFR Reference Rate was published by the CME Term SOFR Administrator, so long as such first preceding U.S. Government Securities Business Day is not more than five (5) U.S. Government Securities Business Days prior to such Term SOFR Determination Day.**

“Total Credit Exposure” means, with respect to any Lender at any time, the outstanding principal balance of such Lender’s Loans at such time.

"Transactions" means (i) the execution, delivery and performance by each Borrower of each Loan Document to which it is a party, (ii) the borrowing of the Loans and (iii) the use of the proceeds of the Loans.

"Type", when used in reference to any Loan or Borrowing, refers to whether the rate of interest on such Loan, or on the Loans comprising such Borrowing, is determined by reference to the Adjusted ~~LIBO~~**Term SOFR** Rate~~ (without consideration of~~**,** the Alternate Base Rate~~)~~ or the ~~Alternate Base Rate~~**Adjusted Daily Simple SOFR**.

"UK Financial Institution" means any BRRD Undertaking (as such term is defined under the PRA Rulebook (as amended from time to time) promulgated by the United Kingdom Prudential Regulation Authority) or any person falling within IFPRU 11.6 of the FCA Handbook (as amended from time to time) promulgated by the United Kingdom Financial Conduct Authority, which includes certain credit institutions and investment firms, and certain affiliates of such credit institutions or investment firms.

"UK Resolution Authority" means the Bank of England or any other public administrative authority having responsibility for the resolution of any UK Financial Institution.

"Unadjusted Benchmark Replacement" means the applicable Benchmark Replacement excluding the related Benchmark Replacement Adjustment.

"Unfunded Liabilities" means, with respect to any Plan at any time, the amount (if any) by which (i) the present value of all benefits under such Plan exceeds (ii) the fair market value of all Plan assets allocable to such benefits (excluding any accrued but unpaid contributions), all determined as of the then most recent valuation date for such Plan, but only to the extent that such excess represents a potential liability of a member of the ERISA Group to the PBGC or any other Person under Title IV of ERISA.

"USA PATRIOT Act" has the meaning assigned to such term in Section 10.14.

"U.S. Government Securities Business Day" means any day except for (i) a Saturday, (ii) a Sunday or (iii) a day on which the Securities Industry and Financial Markets Association recommends that the fixed income departments of its members be closed for the entire day for purposes of trading in United States government securities.

"U.S. Person" means any Person that is a "United States Person" as defined in Section 7701(a)(30) of the Code.

"U.S. Special Resolution Regime" has the meaning assigned to it in Section 10.17.

"U.S. Taxes" means any present or future tax, assessment, fee or other charge or levy imposed by or on behalf of the United States of America or any taxing authority thereof or therein.

"U.S. Tax Compliance Certificate" has the meaning assigned to it in Section 3.7(c)(ii).

"Variable Interest Entity" means an entity defined as a Variable Interest Entity under Financial Accounting Standards Board Interpretation No. 46R.

"Wholly-Owned Subsidiary" of a given Person means any Person, all of the shares of capital stock or other ownership interests of which (except directors' qualifying shares) are at the time directly or indirectly owned by the given Person or one or more other Wholly-Owned Subsidiaries or by the given Person and one or more other Wholly-Owned Subsidiaries.

"Write-Down and Conversion Powers" means, (a) with respect to any EEA Resolution Authority, the write-down and conversion powers of such EEA Resolution Authority from time to time under the Bail-In Legislation for the applicable EEA Member Country, which write-down and conversion powers are described in the EU Bail-In Legislation Schedule, and (b) with respect to the United Kingdom, any powers of the applicable Resolution Authority under the Bail-In Legislation to cancel, reduce, modify or change the form of a liability of any UK Financial Institution or any contract or instrument under which that liability arises, to convert all or part of that liability into shares, securities or obligations of that person or any other person, to provide that any such contract or instrument is to have effect as if a right had been exercised under it or to suspend any obligation in respect of that liability or any of the powers under that Bail-In Legislation that are related to or ancillary to any of those powers.

Section 1.2 Classification of Loans and Borrowings. For purposes of this Credit Agreement, Loans may be classified and referred to by ~~Type~~**Class** (e.g., a "~~Eurodollar Loan"). Borrowings may also be classified and referred to~~ **Revolving Loan") or** by Type (e.g., a "~~Eurodollar~~ **Term Benchmark Loan" or an "RFR Loan") or by Class and Type (e.g., a "Term Benchmark Revolving Loan" or an "RFR Revolving Loan"). Borrowings also may** be classified and referred to **by Class (e.g., a "Revolving Borrowing") or by Type (e.g., a "Term Benchmark Borrowing" or an "RFR Borrowing") or by Class and Type (e.g., a "Term Benchmark Revolving Borrowing" or an "RFR Revolving** Borrowing").

Section 1.3 Terms Generally. The definitions of terms herein shall apply equally to the singular and plural forms of the terms defined. Whenever the context may require, any pronoun shall include the corresponding masculine, feminine and neuter forms. The words "include", "includes" and "including" shall be deemed to be followed by the phrase "without limitation". The word "will" shall be construed to have the same meaning and effect as the word "shall". Unless the context requires otherwise, (i) any definition of or reference to any agreement, instrument or other document herein shall be construed as referring to such agreement, instrument or other document as from time to time amended, supplemented or otherwise modified, (ii) any definition of or reference to any law shall be construed as referring to such law as from time to time amended and any successor thereto and the rules and regulations promulgated from time to time thereunder, (iii) any reference herein to any Person shall be construed to include such Person's successors and assigns, (iv) the words "herein", "hereof" and "hereunder", and words of similar import, shall be construed to refer to this Credit Agreement in its entirety and not to any particular provision hereof, (v) all references herein to Articles, Sections, Exhibits and Schedules shall be construed to refer to Articles and Sections of, and Exhibits and Schedules to, this Credit Agreement, (vi) any reference herein to a fiscal year or fiscal quarter shall be construed to refer to a fiscal year or fiscal quarter of the Company, and (vii) the words "asset" and "property" shall be construed to have the same meaning and effect and to refer to any and all tangible and intangible assets and properties, including cash, securities, accounts and contract rights.

Section 1.4 Accounting Terms; GAAP and Statutory Accounting Principles. Except as otherwise expressly provided herein, all terms of an accounting or financial nature shall be construed in accordance with GAAP or Statutory Accounting Principles, as applicable, as in effect on the Agreement Date. If at any time any change in GAAP would affect the computation of any financial ratio or requirement set forth in this Credit Agreement, the Company may elect to (i) compute any such ratio or requirement in accordance with GAAP as amended or (ii) continue to compute any such ratio or requirement in accordance with GAAP prior to such change therein, provided that, if the Company elects to continue to compute any such ratio or requirement in accordance with GAAP prior to such change therein, the Company shall provide the Administrative Agent and the Lenders financial statements and other documents required under this Credit Agreement or as reasonably requested hereunder setting forth a reconciliation between calculations of such ratio or requirement made before and after giving effect to such change in GAAP. Notwithstanding any other provision contained herein, all terms of an accounting or financial nature used herein shall be construed, and all computations of amounts and ratios referred to herein shall be made (i) without giving effect to any election under Accounting Standards Codification 825-10-25 (or any other Accounting Standards Codification or Financial Accounting Standard having a similar result or effect) to value any Debt or other liabilities of the Company or any Subsidiary at "fair value", as defined therein, (ii) without giving effect to any treatment of Debt under Accounting Standards Codification 470-20 or 2015-03 (or any other Accounting Standards Codification or Financial Accounting Standard having a similar result or effect) to value any such Debt in a reduced or bifurcated manner as described therein, and such Debt shall on each date of calculation be valued at the full stated principal amount thereof, (iii) without giving effect to Accounting Standards Update 2018-12 (or any other Accounting Standards Codification or Financial Accounting Standard having a similar result or effect) as it relates to adjusting reserve balances to an amount based on an "upper medium grade fixed income investment yield" with the off-setting adjustment recorded in Accumulated Other Comprehensive Income and (iv) without giving effect to Accounting Standards Codification 810 (or any other Accounting Standards Codification or Financial Accounting Standard having a similar result or effect) as it relates to the potential consolidation of any entities where related debt has recourse only to the assets underlying entity does not involve any claim on the Company's cash resources as a source of payment.

Section 1.5 Interest Rates; ~~**LIBOR**~~**Benchmark** Notification. The interest rate on ~~**Eurodollar Loans is** determined by reference to the **LIBO Rate, which is derived from the London interbank offered rate ("LIBOR"). LIBOR is intended to represent the rate at which contributing banks may obtain short-term borrowings from each other in the London interbank market. On March 5, 2021, the U.K. Financial Conduct Authority (the "FCA") publicly announced that: (a) immediately after December 31, 2021, publication of the 1-week and 2-month U.S. Dollar LIBOR settings will permanently cease; (b) immediately after June 30, 2023, publication of the overnight and 12-month U.S. Dollar LIBOR settings will permanently cease; and (c) immediately after June 30, 2023, the 1-month, 3-month and 6-month U.S. Dollar LIBOR settings will cease to be provided or, subject to the FCA's consideration of the case, be provided on a changed methodology (or "synthetic") basis and no longer be representative of the underlying market and economic reality they are intended to measure and that representativeness will not be restored. There is no assurance that dates announced by the FCA will not change or that the administrator of LIBOR and/or regulators will not take further action that could impact the availability, composition, or characteristics of LIBOR or the currencies and/or tenors for which LIBOR is published. Each party to this agreement should consult its own advisors to stay informed of any such developments. Public and private sector industry initiatives are currently underway to identify new or alternative reference rates to be used in place of LIBOR**~~**a Loan denominated in Dollars may be derived from an interest rate benchmark that may be discontinued or is, or may in the future become, the subject of regulatory reform**. Upon the occurrence of a Benchmark Transition Event, ~~**a Term SOFR Transition Event or an Early Opt-in Election,**~~ Section 3.4(b) ~~**and Section 3.4(c) provide the**~~**provides a** mechanism for determining an alternative rate of interest. The ~~**Administrative Agent will promptly notify the Borrower, pursuant to Section 3.4(e), of any change to the reference rate upon which the interest rate on Eurodollar Loans is based. However, the**~~ Administrative Agent does not warrant or accept any responsibility for, and shall not have any liability with respect to, the administration, submission**, performance** or any other matter related to ~~**LIBOR or other rates in the definition of "LIBO Rate"**~~**any interest rate used in this Credit Agreement,** or with respect to any alternative or successor rate thereto, or replacement rate thereof ~~**(including, without limitation, (i) any such alternative, successor or replacement rate implemented pursuant to Section 3.4(b) or Section 3.4(c), whether upon the occurrence** of a Benchmark Transition Event, **a Term SOFR Transition Event or an Early Opt-in Election, and (ii) the implementation of any Benchmark Replacement Conforming Changes pursuant to Section 3.4(d)),**~~**,** including without limitation, whether the composition or characteristics of any such alternative, successor or replacement reference rate will be similar to, or produce the same value or economic equivalence of, the ~~**LIBO Rate**~~**existing interest rate being replaced** or have the same volume or liquidity as did ~~**the London interbank offered**~~**any existing interest** rate prior to its discontinuance or unavailability. **The**

Administrative Agent and its affiliates and/or other related entities may engage in transactions that affect the calculation of any interest rate used in this Credit Agreement or **any alternative, successor or alternative rate (including any Benchmark Replacement) and/or any relevant adjustments thereto, in each case, in a manner adverse to the Borrowers. The Administrative Agent may select information sources or services in its reasonable discretion to ascertain any interest rate used in this Credit Agreement, any component thereof, or rates referenced in the definition thereof, in each case** pursuant to the terms of **this Credit Agreement, and shall have no liability to the Borrowers, any Lender or any other person or entity for damages of any kind, including direct or indirect, special, punitive, incidental or consequential damages, costs, losses or expenses (whether in tort, contract or otherwise and whether at law or in equity), for any error or calculation of any such rate (or component thereof) provided by any such information source or service.**

Section 1.6 Divisions. For all purposes under the Loan Documents, in connection with any division or plan of division under Delaware law (or any comparable event under a different jurisdiction's laws): (a) if any asset, right, obligation or liability of any Person becomes the asset, right, obligation or liability of a different Person, then it shall be deemed to have been transferred from the original Person to the subsequent Person, and (b) if any new Person comes into existence, such new Person shall be deemed to have been organized and acquired on the first date of its existence by the holders of its Equity Interests at such time.

ARTICLE 2.

THE CREDITS

Section 2.1 Commitments. Subject to the terms and conditions set forth herein, each Lender agrees to make Loans to any Borrower in dollars from time to time during the Availability Period in an aggregate principal amount as to all Borrowers that will not result in (a) such Lender's Total Credit Exposure exceeding such Lender's Commitment or (b) the sum of the Total Credit Exposures exceeding the Aggregate Commitment. Within the foregoing limits and subject to the terms and conditions set forth herein, the Borrowers may borrow, prepay and reborrow Loans.

Section 2.2 Loans and Borrowings.

(a) Each Loan made to a Borrower shall be made as part of a Borrowing consisting of Loans made by the Lenders to such Borrower ratably in accordance with their respective Commitments. The failure of any Lender to make any Loan required to be made by it shall not relieve any other Lender of its obligations hereunder, provided that the Commitments of the Lenders are several, and no Lender shall be responsible for any other Lender's failure to make Loans as required.

(b) Subject to Section 3.4, each Borrowing shall be comprised entirely of ABR Loans or ~~**Eurodollar**~~**Term Benchmark** Loans, in each case as the Company (on behalf of the applicable Borrower) may request in accordance herewith. Each Lender at its option may make any ~~**Eurodollar**~~ Loan by causing any domestic or foreign branch or Affiliate of such Lender to make such Loan, provided that any exercise of such option shall not affect the obligation of such Borrower to repay such Loan in accordance with the terms of this Credit Agreement.

(c) At the commencement of each Interest Period for any ~~**Eurodollar**~~**Term Benchmark** Borrowing made to a Borrower, such Borrowing shall be in an aggregate amount that is an integral multiple of $1,000,000 and not less than $5,000,000. At the time that each ABR Borrowing is made, such Borrowing shall be in an aggregate amount that integral multiple of $1,000,000 and not less than $5,000,000, provided that an ABR Borrowing may be in an aggregate amount that is equal to the entire unused balance of the total Commitments. Borrowings of more than one Type may be outstanding at the same time, provided that there shall not at any time be more than a total of ten ~~Eurodollar~~**Term Benchmark** Borrowings outstanding to all Borrowers.

(d) Notwithstanding any other provision of this Credit Agreement, the Company (on behalf of the applicable Borrower) shall not be entitled to request, or to elect to convert or continue, any Borrowing if the Interest Period requested with respect thereto would end after the Maturity Date.

Section 2.3 Requests for Borrowings.

(a) To request a Borrowing, the Company (on behalf of the applicable Borrower) shall notify the Administrative Agent of such request by irrevocable written notice (via a written Borrowing Request in a form approved by the Administrative Agent signed by the Company (on behalf of the applicable Borrower)) (i) in the case of a ~~Eurodollar~~**Term Benchmark** Borrowing, not later than 10:00 a.m., New York City time, three **U.S. Government Securities** Business Days before the date of the proposed Borrowing or (ii) in the case of an ABR Borrowing, not later than 10:00 a.m., New York City time, on the date of the proposed Borrowing. Each such Borrowing Request shall specify the following information in compliance with Section 2.2:

(i) the identity of the Borrower;

(ii) the aggregate amount of the requested Borrowing;

(iii) the date of such Borrowing, which shall be a Business Day;

(iv) whether such Borrowing is to be an ABR Borrowing or a ~~Eurodollar~~**Term Benchmark** Borrowing;

(v) in the case of a ~~Eurodollar~~**Term Benchmark** Borrowing, the initial Interest Period to be applicable thereto, which shall be a period contemplated by the definition of the term "Interest Period"; and

(vi) the location and number of the applicable Borrower's account to which funds are to be disbursed.

(b) If no election as to the Type of Borrowing is specified, then the requested Borrowing shall be an ABR Borrowing. If no Interest Period is specified with respect to any requested ~~Eurodollar~~**Term Benchmark** Borrowing, then the Company (on behalf of the applicable Borrower) shall be deemed to have selected an Interest Period of one month's duration. Promptly following receipt of a Borrowing Request in accordance with this Section, the Administrative Agent shall advise each Lender of the details thereof and of the amount of such Lender's Loan to be made as part of the requested Borrowing.

Section 2.4 Funding of Borrowings.

(a) Each Lender shall make each Loan to be made by it hereunder on the proposed date thereof solely by wire transfer of immediately available funds by 1:00 p.m., New York City time, to the account of the Administrative Agent most recently designated by it for such purpose by notice to the Lenders. Subject to Section 5.2, the Administrative Agent will make such Loans available to the applicable Borrower by promptly crediting or otherwise transferring the funds so received in the aforesaid account of the Administrative Agent to an account of such Borrower as specified in the Borrowing Request pursuant to Section 2.3(a)(vi) and designated by the Company (on behalf of such Borrower) in the applicable Borrowing Request.

(b) Unless the Administrative Agent shall have received notice from a Lender prior to the proposed date of any Borrowing (or in the case of an ABR Borrowing, prior to 1:00 p.m., New York City time, on the date of such Borrowing) that such Lender will not make available to the Administrative Agent such Lender's share of such Borrowing, the Administrative Agent may assume that such Lender has made such share available on such date in accordance with paragraph (a) of this Section, and may, in reliance upon such assumption, make available to the applicable Borrower a corresponding amount. In such event, if a Lender has not in fact made its share of the applicable Borrowing available to the Administrative Agent, then the Lender and the applicable Borrower severally agree to pay to the Administrative Agent forthwith on demand such corresponding amount with interest thereon, for each day from and including the date such amount is made available to such Borrower to but excluding the date of payment to the Administrative Agent, at (i) in the case of such Lender, the greater of the NYFRB Rate and a rate determined by the Administrative Agent in accordance with banking industry rules on interbank compensation or (ii) in the case of such Borrower, the interest rate that would be otherwise applicable to such Borrowing. If such Lender pays such amount to the Administrative Agent, then such amount shall constitute such Lender's Loan included in such Borrowing.

Section 2.5 Termination, Reduction and Increase of Commitments.

(a) Unless previously terminated, the Commitments shall terminate on the Maturity Date.

(b) The Company may at any time terminate, or from time to time reduce, the Commitments, provided that (i) the Company shall not terminate or reduce the Commitments if, after giving effect to any concurrent prepayment of the Loans in accordance with Section 2.7, (A) any Lender's Total Credit Exposure exceeding such Lender's Commitment or (B) the sum of the Total Credit Exposures would exceed the Aggregate Commitment and (ii) each such reduction shall be in an amount that is an integral multiple of $1,000,000 and not less than $5,000,000.

(c) [Intentionally Omitted].

(d) Provided that at the time of and immediately after giving effect thereto, no Default shall exist and be continuing, the Company may at any time and from time to time, at its sole cost, expense and effort, request any one or more of the Lenders to increase its Commitment (the decision to increase the Commitment of a Lender to be within the sole and absolute discretion of such Lender), or any other Person reasonably satisfactory to the Administrative Agent to provide a new Commitment, by submitting to the Administrative Agent an Increase Supplement duly executed by each Borrower and each such Lender or other Person, as the case may be. If such Increase Supplement is in all respects reasonably satisfactory to the Administrative Agent, it shall execute such Increase Supplement and deliver a copy thereof to the Company and each such Lender or other Person, as the case may be. Upon execution and delivery of such Increase Supplement by the Administrative Agent, (i) in the case of each such Lender, its Commitment shall be increased to the amount set forth in such Increase Supplement and (ii) in the case of each such other Person, such other Person shall become a party hereto and have the rights and obligations of a Lender under the Loan Documents and its Commitment shall be as set forth in such Increase Supplement; provided, however, that on the effective date of any increase in the Commitments:

(A) immediately after giving effect thereto, the sum of all increases in the aggregate Commitments made pursuant to this Section 2.5(d) shall not exceed $500,000,000;

(B) each such increase shall be in an amount not less than $50,000,000 or such amount plus an integral multiple of $10,000,000;

(C) (i) each such increasing Lender and each such other Person shall make available to the Administrative Agent such amounts in immediately available funds as the Administrative Agent shall determine, for the benefit of the other Lenders, as being required in order to cause, after giving effect to such increase and the use of such amounts to make payments to such other Lenders, each Lender's portion of the outstanding Loans of all the Lenders to equal its Applicable Percentage of such outstanding Loans, and (ii) each Borrower shall be deemed to have repaid and reborrowed all of its outstanding Loans as of the date of any increase in the Commitments (with such reborrowing to consist of the Types of Loans, with related Interest Periods if applicable, specified in a notice delivered by the Company on behalf of such Borrower, in accordance with the requirements of Section 2.3). The deemed payments made pursuant to clause (ii) of the immediately preceding sentence shall be accompanied by payment of all accrued interest on the amount prepaid and, in respect of each ~~Eurodollar~~**Term Benchmark** Loan, shall be subject to indemnification by such Borrower pursuant to the provisions of Section 3.6 if the deemed payment occurs other than on the last day of the related Interest Periods;

(D) each such other Person shall have delivered to the Administrative Agent and the Company all forms, if any, that are required to be delivered by such other Person pursuant to Section 3.7(c); and

(E) the representations and warranties of the Borrowers set forth in Article 4 shall be true and correct in all material respects (provided that any representation or warranty qualified by materiality or Material Adverse Effect shall be true and correct in all respects) on and as of the effective date of any increase in the Commitments except to the extent that any such representations and warranties expressly relate to an earlier date (including those contained in Sections 4.4(a), 4.4(b) and 4.8), in which case such representations and warranties shall have been true and correct in all material respects (provided that any representation or warranty qualified by materiality or Material Adverse Effect shall have been true and correct in all respects) on and as of such earlier date (and the Administrative Agent shall have received such evidence and other related documents as the Administrative Agent may reasonably request with respect to the Borrowers' authorization of the increase and their respective obligations hereunder).

(e) The Company shall notify the Administrative Agent of any election to terminate or reduce the Commitments under paragraph (b) of this Section at least three Business Days prior to the effective date of such termination or reduction, specifying such election and the effective date thereof. Promptly following receipt of any notice, the Administrative Agent shall advise the Lenders of the contents thereof. Each notice delivered by the Company pursuant to this Section shall be irrevocable, provided that a notice of termination of the Commitments delivered by the Company may state that such notice is conditioned upon the effectiveness of other credit facilities or other transactions specified therein, in which case such notice may be revoked by the Company (by notice to the Administrative Agent on or prior to the specified effective date) if such condition is not satisfied. Each reduction, and any termination, of the Commitments shall be permanent and, except as provided in Section 2.8, each reduction of the Commitments shall be made ratably among the Lenders in accordance with their respective Commitments.

Section 2.6 Repayment of Loans; Evidence of Debt.

(a) Each Borrower hereby unconditionally promises to pay to the Administrative Agent for the account of each Lender the then unpaid principal amount of each Loan made to such Borrower on the Maturity Date. The amounts payable by each Borrower at any time hereunder and under the Notes to each Lender shall be a separate and independent debt; provided that no Borrower shall be obligated to pay or repay any amounts owed or borrowed by any other Borrower, except as set forth in Article 7.

(b) Each Lender shall maintain in accordance with its usual practice an account or accounts evidencing the debt of each Borrower to such Lender resulting from each Loan made by such Lender to such Borrower, including the amounts of principal and interest payable and paid to such Lender from time to time hereunder.

(c) The Administrative Agent shall maintain accounts in which it shall record (i) the amount of each Loan made hereunder, the Borrower thereof, the Type thereof and the Interest Period applicable thereto, (ii) the amount of any principal or interest due and payable or to become due and payable from each Borrower to each Lender hereunder and (iii) the amount of any sum received by the Administrative Agent hereunder from each Borrower for the account of the Lenders and each Lender's share thereof.

(d) The entries made in the accounts maintained pursuant to paragraphs (b) or (c) of this Section shall, to the extent not inconsistent with any entries made in the Notes, be prima facie evidence of the existence and amounts of the obligations recorded therein, provided that the failure of any Lender or the Administrative Agent to maintain such accounts or any error therein shall not in any manner affect the obligation of any Borrower to repay the Loans made to it by any Lender in accordance with the terms of this Credit Agreement.

(e) At any time after the initial borrowing under this Credit Agreement, any Lender may request that the Loans made by it to a Borrower be evidenced by a single Note of such Borrower. In such event, such Borrower shall prepare, execute and deliver to such Lender, a Note payable to such Lender substantially in the form of Exhibit C. In addition, if requested by a Lender, its Note may be made payable to such Lender and its registered assigns in which case all Loans evidenced by such Note and interest thereon shall at all times (including after assignment pursuant to Section 10.4) be represented by one or more Notes in like form.

(f) In the event that a Lender has requested a Note under this Credit Agreement and thereafter requests a replacement thereof, upon receipt of (i) either the Note to be replaced or (ii) an affidavit of such Lender as to the circumstances under which such Note was destroyed or lost together with such indemnification of the applicable Borrower as shall be reasonably satisfactory to it, such Borrower shall execute and deliver to such Lender a replacement Note.

Section 2.7 Prepayment of Loans.

(a) Each Borrower shall have the right at any time and from time to time to prepay any Borrowing in whole or in part, subject to the requirements of this Section.

(b) In the event of any partial reduction or termination of the Commitments, then (i) at or prior to the date of such reduction or termination, the Administrative Agent shall notify the Company and the Lenders of the aggregate outstanding principal amount of all Lenders' Loans after giving effect thereto and (ii) if such sum would exceed the Aggregate Commitment after giving effect to such reduction or termination, then the Borrowers shall, on the date of such reduction or termination, prepay Borrowings in an aggregate amount sufficient to eliminate such excess.

(c) The Company, on behalf of the applicable Borrower, shall notify the Administrative Agent in writing of any prepayment hereunder (i) in the case of a prepayment of a ~~Eurodollar~~**Term Benchmark** Borrowing, not later than 10:00 a.m., New York City time, three Business

Days before the date of prepayment ~~or~~, (ii) in the case of **a prepayment of a RFR Borrowing, not later than 10:00 a**.m., New York City time, **five Business Days before the date of prepayment or (iii) in the case of** prepayment of an ABR Borrowing, not later than 10:00 a.m., New York City time, on the date of the prepayment. Each such notice shall be irrevocable and shall specify the prepayment date and the principal amount of each Borrowing or portion thereof to be prepaid by the applicable Borrower, provided that, if a notice of prepayment is given in connection with a conditional notice of termination of the Commitments as contemplated by Section 2.5, then such notice of prepayment may be revoked if such notice of termination is revoked in accordance with Section 2.5. Promptly following receipt of any such notice relating to a Borrowing, the Administrative Agent shall advise the Lenders of the contents thereof. Each partial prepayment under Section 2.7(a) of a Borrowing shall, when added to the amount of each concurrent reduction of the Commitments and prepayment of Borrowings under such Section, be in an integral multiple of $1,000,000 and not less than $5,000,000.

(d) Each prepayment of a Borrowing shall be applied ratably to the Loans included in the prepaid Borrowing. Prepayments shall be accompanied by (i) accrued interest to the extent required by Section 3.1 and (ii) any break funding payments required by Section 3.6.

Section 2.8 Extension of Maturity Date.

(a) Request for Extension. The Company may (not more than twice following the Effective Date), by notice to the Administrative Agent (which shall promptly notify the Lenders) not more than 90 days and not less than 30 days prior to each of any anniversary of the Effective Date (each such anniversary date, an "Extension Date"), request (each, an "Extension Request") that the Lenders extend the Maturity Date then in effect (the "Existing Maturity Date") for an additional one year. Each Lender, acting in its sole discretion, shall, by notice to the Company and the Administrative Agent given not later than the 20th day (or such later day as shall be acceptable to the Company) following the date of the Company's notice, advise the Company and the Administrative Agent whether or not such Lender agrees to such extension; provided that any Lender that does not so advise the Company and the Administrative Agent shall be deemed to have rejected such Extension Request. The election of any Lender to agree to such extension shall not obligate any other Lender to so agree.

(b) Replacement of Non-Extending Lenders. Provided that no Default shall have occurred and be continuing, the Company shall have the right at any time on or prior to the relevant Extension Date to replace any Lender which has not consented to the Extension Request (each, a "Non-Extending Lender") with, and otherwise add to this Credit Agreement, one or more other Eligible Institutions (which may include any Lender) (each an "Additional Commitment Lender") in each case with the consent of the Administrative Agent (such consent in each case not to be unreasonably withheld). If some or all of the Commitment of a Non-Extending Lender is being assumed by one or more Additional Commitment Lenders, such Non-Extending Lender shall enter into an Assignment and Assumption with such Additional Commitment Lender(s) pursuant to which such Additional Commitment Lender(s) shall, effective as of the Extension Date, (i) assume all or a portion of such Non-Extending Lender's Commitment and (ii) purchase at par (or such other amount as may be agreed to by such Non-Extending Lender and the respective Additional Commitment Lender) for cash all or a portion of the Loans made by such Non-Extending Lender, in each case as may be specified in such Assignment and Assumption.

(c) Effectiveness of Extension. Effective as of the Extension Date, the Maturity Date, with respect to the Commitment of each Lender that has agreed to so extend its Commitment and of each Additional Commitment Lender shall be extended to the date falling one year after the Existing Maturity Date (or, if such date is not a Business day, such Maturity Date as so extended shall be the preceding Business Day) and each Additional Commitment Lender shall thereupon become a "Lender" for all purposes of this Credit Agreement.

Notwithstanding the foregoing, the extension of the Existing Maturity Date shall not be effective with respect to any Lender unless as of the relevant Extension Date (i) no Default shall have occurred and be continuing and (ii) the representations and warranties of the Borrowers set forth in Article 4 shall be true and correct in all material respects (provided that any representation or warranty qualified by materiality or Material Adverse Effect shall be true and correct in all respects) on and as of the Extension Date except to the extent that any such representations and warranties expressly relate to an earlier date (including those contained in Sections 4.4(a), 4.4(b) and 4.8), in which case such representations and warranties shall have been true and correct in all material respects (provided that any representation or warranty qualified by materiality or Material Adverse Effect shall have been true and correct in all respects) on and as of such earlier date (and the Administrative Agent shall have received a certificate, in form and substance satisfactory to the Administrative Agent, to such effect from the chief financial officer, the controller or any other senior financial officer of the Company, together with such evidence and other related documents as the Administrative Agent may reasonably request with respect to the Borrowers' authorization of the extension and their respective obligations hereunder).

Notwithstanding anything herein to the contrary, with respect to the Commitment of any Non-Extending Lender whose Commitment has not been fully assumed by one or more Additional Commitment Lenders, the Maturity Date for such Lender shall remain unchanged and, notwithstanding anything in Section 2.9 to the contrary, the Loans made by such Lender and not purchased by one or more Additional Commitment Lenders shall be repayable on such date by the applicable Borrower without (i) there being any requirement that any such repayment be shared with other Lenders or (ii) the repayment of any Loans made by Lenders that approved the Extension Request. In addition, on the Extension Date, each Borrower agrees to pay all accrued and unpaid interest, fees and other amounts (other than principal to the extent covered by the first sentence of the paragraph) then due under this Credit Agreement from such Borrower to each Lender consenting to the Extension Request, each Non-Extending Lender and each Additional Commitment Lender. In connection with the payments referred to in the first sentence of this paragraph, each Borrower shall be deemed to have repaid and re-borrowed all of the Loans remaining outstanding after such payments as of the Extension Date (with such re-borrowing to consist of the Types of Loans, with related Interest Periods, if applicable, specified in a notice delivered by the Company on behalf of such Borrower in accordance with the requirements of Section 2.3). Solely for the purpose of calculating break funding payments under Section 3.6, the assignment by any Non-Extending Lender of any ~~**Eurodollar**~~**Term Benchmark** Loan prior to the last day of the Interest Period applicable thereto in accordance with this Section 2.8 shall be deemed to constitute a prepayment by a Borrower of such ~~**Eurodollar**~~**Term Benchmark** Loan.

The parties hereto acknowledge and agree that, as of November 16, 2022, (i) two extensions of the Maturity Date have occurred under this Credit Agreement pursuant to this Section 2.8 and (ii) from and after November 17, 2022, no further extensions of the Maturity Date pursuant to this Section 2.8 shall be permitted.

Section 2.9 Payments Generally; Pro Rata Treatment; Sharing of Setoffs.

(a) Each Borrower shall make each payment or prepayment required to be made by it hereunder or under the Note made by it (whether of principal of Loans, interest or fees, or of amounts payable under Sections 2.5(d)(C), 2.8, 3.5, 3.6, 3.7 or 10.3, or otherwise) prior to 12:00 noon, New York City time, on the date when due or the date fixed for any prepayment hereunder, in immediately available funds, without setoff, recoupment or counterclaim, and shall not be refundable under any circumstances. Any amounts received after such time on any date may, in the discretion of the Administrative Agent, be deemed to have been received on the next succeeding Business Day for purposes of calculating interest thereon. All such payments shall be made to the Administrative Agent at its office at 383 Madison Avenue, New York, New York, or such other office as to which the Administrative Agent may notify the other parties hereto, and except that payments pursuant to Sections 3.5, 3.6, 3.7 or 10.3 shall be made directly to the Persons entitled thereto. The Administrative Agent shall distribute any such payments received by it for the account of any other Person to the appropriate recipient promptly following receipt thereof. If any payment hereunder shall be due on a day that is not a Business Day, the date for payment shall be extended to the next succeeding Business Day, and, in the case of any payment accruing interest, interest thereon shall be payable for the period of such extension. All payments hereunder shall be made in dollars.

(b) If at any time insufficient funds are received by and available to the Administrative Agent to pay fully all amounts of principal of Loans, interest, fees and commissions then due hereunder, such funds shall be applied (i) first, towards payment of interest, fees and commissions then due hereunder, ratably among the parties entitled thereto in accordance with the amounts of interest, fees and commissions then due to such parties and (ii) second, towards payment of principal of Loans then due hereunder, ratably among the parties entitled thereto in accordance with the amounts of principal of Loans then due to such parties.

(c) If any Lender shall, by exercising any right of setoff or counterclaim or otherwise, obtain payment in respect of any principal of, or interest on, any of its Loans made to a Borrower resulting in such Lender receiving payment of a greater proportion of the aggregate amount of its Loans made to such Borrower and accrued interest thereon than the proportion received by any other Lender with respect to the Loans made by such other Lender to such Borrower, then the Lender receiving such greater proportion shall purchase (for cash at face value) participations in the Loans made to such Borrower of other Lenders to the extent necessary so that the benefit of all such payments shall be shared by the Lenders ratably in accordance with the aggregate amount of principal of, and accrued interest on, their respective Loans, provided that (i) if any such participations are purchased and all or any portion of the payment giving rise thereto is recovered, such participations shall be rescinded and the purchase price restored to the extent of such recovery, without interest, and (ii) the provisions of this paragraph shall not be construed to apply to any payment made by a Borrower pursuant to and in accordance with the express terms of this Credit Agreement or any payment obtained by a Lender as consideration for the assignment of or sale of a participation in any of its Loans to any assignee or participant, other than to the Company or any Subsidiary or Affiliate thereof (as to which the provisions of this paragraph shall apply). Each Borrower consents to the foregoing and agrees, to the extent it may effectively do so under applicable law, that any Lender acquiring a participation pursuant to the foregoing arrangements may exercise against such Borrower rights of setoff and counterclaim with respect to such participation as fully as if such Lender were a direct creditor of such Borrower in the amount of such participation.

(d) Unless the Administrative Agent shall have received notice from the Company prior to the date on which any payment is due from a Borrower to the Administrative Agent for the account of the applicable Credit Parties hereunder that such Borrower will not make such payment, the Administrative Agent may assume that such Borrower has made such payment on such date in accordance herewith and may, in reliance upon such assumption, distribute to such Credit Parties the amount due. In such event, if such Borrower has not in fact made such payment, then each such Credit Party severally agrees to repay to the Administrative Agent forthwith on demand the amount so distributed to such Credit Party with interest thereon, for each day from and including the date such amount is distributed to it to but excluding the date of payment to the Administrative Agent, at the greater of the NYFRB Rate and a rate determined by the Administrative Agent in accordance with generally recognized banking industry practices on interbank compensation.

(e) If any Credit Party shall fail to make any payment required to be made by it pursuant to Section 2.4(b), 2.9(d) or 10.3(c), then the Administrative Agent may, in its discretion (notwithstanding any contrary provision hereof), apply any amounts thereafter received by the

Administrative Agent for the account of such Credit Party to satisfy such Credit Party's obligations under such Sections until all such unsatisfied obligations are fully paid.

Section 2.10 Defaulting Lenders. Notwithstanding any provision of this Credit Agreement to the contrary, if any Lender becomes a Defaulting Lender, then the following provisions shall apply for so long as such Lender is a Defaulting Lender:

(a) fees payable pursuant to Section 3.3(a) shall continue to accrue on the Commitment of such Defaulting Lender only to the extent of the Total Credit Exposure of such Defaulting Lender; and

(b) the Commitment and Total Credit Exposure of such Defaulting Lender shall not be included in determining whether the Required Lenders have taken or may take any action hereunder (including any consent to any amendment, waiver or other modification pursuant to Section 10.2); provided, that this clause (b) shall not apply to the vote of a Defaulting Lender in the case of an amendment, waiver or other modification requiring the consent of such Lender or each Lender affected thereby.

In the event that the Administrative Agent and the Company each agree in writing that a Defaulting Lender has adequately remedied all matters that caused such Lender to be a Defaulting Lender, then such Lender shall no longer be a Defaulting Lender under this Credit Agreement at such time.

~~**Section 2.11 Termination of Allstate Life as a Borrower. The parties hereto agree that, effective upon the consummation of the Specified Allstate Life Sale, Allstate Life will be terminated as a "Subsidiary Borrower" and a "Borrower" under this Agreement. The Company will provide prompt notice to the Administrative Agent of the proposed date of the consummation of the Specified Allstate Life Sale as well as prompt notice of the actual consummation of the Specified Allstate Life Sale. The Company represents and warrants**~~ on the date of the ~~**consummation of the Specified Allstate Life Sale that no Loans made to Allstate Life are outstanding as of the date of the consummation of the Specified Allstate Life Sale and that all amounts payable by Allstate Life in respect of interest, fees and/or any other amounts payable under this Agreement have been paid in full on or prior to the date of the Specified Allstate Life Sale, and Allstate Life covenants and agrees to repay all Loans made to it and to pay all amounts payable by it in respect of interest, fees and/or any other amounts payable under this Agreement in full, in each case on or prior to the date of the Specified Allstate Life Sale.**~~

ARTICLE 3.

INTEREST, FEES, YIELD PROTECTION, ETC.

Section 3.1 Interest.

(a) The Loans comprising each ABR Borrowing shall bear interest at the Alternate Base Rate plus the Applicable Margin and the Loans comprising each ~~**Eurodollar**~~**Term Benchmark** Borrowing shall bear interest at the Adjusted ~~**LIBO**~~**Term SOFR** Rate for the Interest Period in effect for such Borrowing plus the Applicable Margin **and the Loans comprising each RFR Borrowing shall bear interest at the Adjusted Daily Simple SOFR for the Interest Period in effect for such Borrowing plus the Applicable Margin**.

(b) Notwithstanding the foregoing, if any principal of or interest on any Loan or any fee or other amount payable by any Borrower hereunder is not paid when due, whether at stated maturity, upon acceleration or otherwise, such overdue amount shall bear interest, after as well as before judgment, at a rate per annum equal to (i) in the case of overdue principal of any Loan, 2% plus the rate otherwise applicable to such Loan as provided in the preceding paragraph of this Section or (ii) in the case of any other amount, 2% plus the Alternate Base Rate.

(c) Accrued interest on each Loan shall be payable in arrears on each Interest Payment Date for such Loan, provided that (i) interest accrued pursuant to paragraph (b) of this Section shall be payable on demand, (ii) in the event of any repayment or prepayment of any ~~Eurodollar~~**Term Benchmark** Loan, accrued interest on the principal amount repaid or prepaid shall be payable on the date of such repayment or prepayment, and (iii) in the event of any conversion of any ~~Eurodollar~~**Term Benchmark** Loan prior to the end of the current Interest Period therefor, accrued interest on such Loan shall be payable on the effective date of such conversion.

(d) All interest hereunder shall be computed on the basis of a year of 360 days, except that interest computed by reference to the Alternate Base Rate at times when the Alternate Base Rate is based on the Prime Rate shall be computed on the basis of a year of 365 days (or 366 days in a leap year), and in each case shall be payable for the actual number of days elapsed (including the first day but excluding the last day). The applicable Alternate Base Rate, Adjusted ~~LIBO~~**Term SOFR** Rate ~~or LIBO Rate~~**, Term SOFR Rate, Adjusted Daily Simple SOFR or Daily Simple SOFR** shall be determined by the Administrative Agent, and such determination shall be conclusive absent clearly demonstrable error.

Section 3.2 Interest Elections Relating to Borrowings.

(a) Each Borrowing initially shall be of the Type specified in the applicable Borrowing Request and, in the case of a ~~Eurodollar~~**Term Benchmark** Borrowing, shall have an initial Interest Period as specified in such Borrowing Request or pursuant to Section 2.3(b). Thereafter, the Company (on behalf of the applicable Borrower) may elect to convert such Borrowing to a different Type or to continue such Borrowing and, in the case of a ~~Eurodollar~~**Term Benchmark** Borrowing, may elect an Interest Period therefor, all as provided in this Section.

(b) To make an election pursuant to this Section, the Company (on behalf of the applicable Borrower) shall notify the Administrative Agent of such election (via irrevocable written notice via an Interest Election Request in a form approved by the Administrative Agent and signed by the Company (on behalf of the applicable Borrower)) by the time that a Borrowing Request would be required under Section 2.3 if the Company (on behalf of the applicable Borrower) were requesting a Borrowing of the Type resulting from such election to be made on the effective date of such election. **Notwithstanding any contrary provision herein, this Section shall not be construed to permit any Borrower to (i) elect an Interest Period for Term Benchmark Loans that does not comply with Section 2.2(d) or (ii) convert any Borrowing to a Borrowing of a Type not available under such Borrowing.**

(c) Each Interest Election Request shall specify the following information:

(i) the identity of the Borrower;

(ii) the Borrowing to which such Interest Election Request applies and, if different options are being elected with respect to different portions thereof, the portions thereof to be allocated to each resulting Borrowing (in which case the information to be specified pursuant to clauses (iv) and (v) of this paragraph shall be specified for each resulting Borrowing);

(iii) the effective date of the election made pursuant to such Interest Election Request, which shall be a Business Day;

(iv) whether the resulting Borrowing is to be an ABR Borrowing or a ~~Eurodollar~~**Term Benchmark** Borrowing; and

(v) if the resulting Borrowing is a ~~Eurodollar~~**Term Benchmark** Borrowing, the Interest Period to be applicable thereto after giving effect to such election, which shall be a period contemplated by the definition of the term "Interest Period".

If any such Interest Election Request requests a ~~Eurodollar~~**Term Benchmark** Borrowing but does not specify an Interest Period, then the Company (on behalf of the applicable Borrower) shall be deemed to have selected an Interest Period of one month's duration.

(d) Promptly following receipt of an Interest Election Request, the Administrative Agent shall advise each Lender of the details thereof and of such Lender's portion of each resulting Borrowing.

(e) If the Company (on behalf of the applicable Borrower) fails to deliver a timely Interest Election Request **with respect to a Term Benchmark Borrowing** prior to the end of the Interest Period applicable thereto, then, unless such Borrowing is repaid as provided herein, at the end of such Interest Period~~,~~ such Borrowing shall be ~~converted to an ABR Borrowing~~**deemed to have an Interest Period that is one (1) month**. Notwithstanding any contrary provision hereof, if an Event of Default has occurred and is continuing and the Administrative Agent, at the request of the Required Lenders, so notifies the ~~Company (on behalf of the applicable~~ Borrower~~)~~, then, so long as an Event of Default is continuing~~,~~ (i) no outstanding Borrowing ~~of any Borrower~~ may be converted to or continued as a ~~Eurodollar~~**Term Benchmark** Borrowing and (ii) unless repaid, **(A)** each ~~Eurodollar~~**Term Benchmark** Borrowing ~~of~~**and (B)** each ~~Borrower~~**RFR Borrowing** shall be converted to an ABR Borrowing (in the case of a **Term Benchmark Borrowing)** at the end of the Interest Period applicable thereto **or (in the case of an RFR Borrowing) on the next Interest Payment Date in respect thereof**.

Section 3.3 Fees.

(a) The Company agrees to pay to the Administrative Agent for the account of each Lender, a facility fee ("Facility Fee"), which shall accrue at a rate per annum equal to the Applicable Facility Fee Percentage on the daily amount of the Commitment of such Lender (regardless of usage) during the period from and including the Agreement Date to but excluding the date on which such Commitment terminates; provided that, if such Lender continues to have any Loans outstanding after its Commitment terminates, then such Facility Fee shall continue to accrue on the daily outstanding principal amount of such Lender's Loans from and including the date on which such Lender's Commitment terminates to but excluding the date on which all Loans of such Lender have been paid in full. Accrued Facility Fees shall be payable in arrears on the fifteenth (15th) day following the last day of March, June, September and December of each year, and on each date on which the Commitments are permanently reduced, commencing on the first such date to occur after the Agreement Date, provided that all unpaid Facility Fees shall be payable on the date on which the Commitments terminate. All Facility Fees shall be computed on the basis of a year of 360 days and shall be payable for the actual number of days elapsed (including the first day but excluding the last day).

(b) The Company agrees to pay to each Credit Party, for its own account, fees and other amounts (other than principal or interest) payable in the amounts and at the times separately agreed upon between the Company and such Credit Party.

(c) All fees and other amounts (other than principal or interest) payable hereunder shall be paid on the dates due, in dollars in immediately available funds. Fees and other amounts (other than principal or interest) paid shall not be refundable under any circumstances.

Section 3.4 Alternate Rate of Interest.

(a) Subject to clauses (b), (c), (d), (e)~~,~~ and (f) ~~and (g)~~ of this Section 3.4, if ~~prior to the commencement of any Interest Period for a Eurodollar Borrowing~~:

(i) the Administrative Agent determines~~,~~ (which determination ~~(if made on a reasonable basis)~~ shall be conclusive ~~and binding~~absent manifest error) (A) prior to the commencement of any Interest Period for a Term Benchmark Borrowing, that adequate and reasonable means do not exist for ascertaining the Adjusted ~~LIBO~~Term SOFR Rate ~~or the LIBO Rate, as applicable~~ (including because the ~~LIBO Screen~~Term SOFR Reference Rate is not available or published on a current basis)~~,~~ for such Interest Period~~; provided that no Benchmark Transition Event shall have occurred at such time~~ or (B) at any time, that adequate and reasonable means do not exist for ascertaining the applicable Adjusted Daily Simple SOFR; or

(ii) the Administrative Agent is advised by the Required Lenders that (A) prior to the commencement of any Interest Period for a Term Benchmark Borrowing, the Adjusted ~~LIBO~~Term SOFR Rate ~~or the LIBO Rate, as applicable,~~ for such Interest Period will not adequately and fairly reflect the cost to ~~the~~such Lenders of making or maintaining their Loans included in such Borrowing for such Interest Period or (B) at any time, Adjusted Daily Simple SOFR will not adequately and fairly reflect the cost to such Lenders of making or maintaining their Loans included in such Borrowing;

then the Administrative Agent shall give notice thereof to the Company and the Lenders by telephone ~~or facsimile~~, telecopy or electronic mail as promptly as practicable thereafter and, until (x) the Administrative Agent notifies the Company and the Lenders that the circumstances giving rise to such notice no longer exist~~, (i)~~ with respect to the relevant Benchmark and (y) the applicable Borrower delivers a new Interest Election Request in accordance with the terms of Section 3.2 or a new Borrowing Request in accordance with the terms of Section 2.3, any Interest Election Request that requests the conversion of any Revolving Borrowing to, or continuation of any Revolving Borrowing as, a ~~Eurodollar~~Term Benchmark Borrowing ~~shall be ineffective,~~ and ~~(ii) if~~ any Borrowing Request that requests a ~~Eurodollar Borrowing, such Borrowing shall be made as an ABR Borrowing.~~Term Benchmark Revolving Borrowing shall instead be deemed to be an Interest Election Request or a Borrowing Request, as applicable, for (x) an RFR Borrowing so long as the Adjusted Daily Simple SOFR is not also the subject of Section 3.4(a)(i) or (ii) above or (y) an ABR Borrowing if the Adjusted Daily Simple SOFR also is the subject of Section 3.4(a)(i) or (ii) above; provided that if the circumstances giving rise to such notice affect only one Type of Borrowing, then all other Types of Borrowings shall be permitted. Furthermore, if any Term Benchmark Loan or RFR Loan is outstanding on the date of the Company's receipt of the notice from the Administrative Agent referred to in this Section 3.4(a) with respect to a Relevant Rate applicable to such Term Benchmark Loan or RFR Loan, then until (x) the Administrative Agent notifies the Company and the Lenders that the circumstances giving rise to such notice no longer exist with respect to the relevant Benchmark and (y) the applicable Borrower delivers a new Interest Election Request in accordance with the terms of Section 3.2 or a new Borrowing Request in accordance with the terms of Section 2.3, (A) any Term Benchmark Loan shall on the last day of the Interest Period applicable to such Loan, be converted by the Administrative Agent to, and shall constitute, (x) an RFR Borrowing so long as the Adjusted Daily Simple SOFR is not also the subject of Section 3.4(a)(i) or (ii) above or (y) an ABR Loan if the Adjusted Daily Simple SOFR also is the subject of Section 3.4(a)(i) or (ii) above, on such day, and (B)

any RFR Loan shall on and from such day be converted by the Administrative Agent to, and shall constitute an ABR Loan.

(b) Notwithstanding anything to the contrary herein or in any other Loan Document, if a Benchmark Transition Event ~~**or an Early Opt-in Election, as applicable,**~~ and its related Benchmark Replacement Date have occurred prior to the Reference Time in respect of any setting of the then-current Benchmark, then (x) if a Benchmark Replacement is determined in accordance with clause (1) ~~**or (2)**~~ of the definition of "Benchmark Replacement" for such Benchmark Replacement Date, such Benchmark Replacement will replace such Benchmark for all purposes hereunder and under any Loan Document in respect of such Benchmark setting and subsequent Benchmark settings without any amendment to, or further action or consent of any other party to, this Credit Agreement or any other Loan Document and (y) if a Benchmark Replacement is determined in accordance with clause (~~**3**~~**2**) of the definition of "Benchmark Replacement" for such Benchmark Replacement Date, such Benchmark Replacement will replace such Benchmark for all purposes hereunder and under any Loan Document in respect of any Benchmark setting at or after 5:00 p.m., New York City time, on the fifth (5th) Business Day after the date notice of such Benchmark Replacement is provided to the Lenders without any amendment to, or further action or consent of any other party to, this Credit Agreement or any other Loan Document so long as the Administrative Agent has not received, by such time, written notice of objection to such Benchmark Replacement from Lenders comprising the Required Lenders.

~~**(c) Notwithstanding anything to the contrary herein or in any other Loan Document and subject to the proviso below in this paragraph, if a Term SOFR Transition Event and its related Benchmark Replacement Date have occurred prior to the Reference Time in respect of any setting of the then-current Benchmark, then the applicable Benchmark Replacement will replace the then-current Benchmark for all purposes hereunder or under any Loan Document in respect of such Benchmark setting and subsequent Benchmark settings, without any amendment to, or further action or consent of any other party to, this Credit Agreement or any other Loan Document; provided that, this clause (c) shall not be effective unless the Administrative Agent has delivered to the Lenders and the Company a Term SOFR Notice.**~~ ~~For the avoidance of doubt~~~~**, the Administrative Agent shall not be required to deliver a Term SOFR Notice after a Term SOFR Transition Event and may do so in its sole discretion..**~~

(c) ~~**(d)**~~ In connection with the implementation of a Benchmark Replacement, the Administrative Agent will have the right to make Benchmark Replacement Conforming Changes from time to time and, notwithstanding anything to the contrary herein or in any other Loan Document, any amendments implementing such Benchmark Replacement Conforming Changes will become effective without any further action or consent of any other party to this Credit Agreement or any other Loan Document.

(d) ~~**(e)**~~ The Administrative Agent will promptly notify the Company and the Lenders of (i) any occurrence of a Benchmark Transition Event, ~~**a Term SOFR Transition Event or an Early Opt-in Election, as applicable,**~~ (ii) the implementation of any Benchmark Replacement, (iii) the effectiveness of any Benchmark Replacement Conforming Changes, (iv) the removal or reinstatement of any tenor of a Benchmark pursuant to clause (~~**f**~~**e**) below and (v) the commencement or conclusion of any Benchmark Unavailability Period. Any determination, decision or election that may be made by the Administrative Agent or, if applicable, any Lender (or group of Lenders) pursuant to this Section 3.4, including any determination with respect to a tenor, rate or adjustment or of the occurrence or non-occurrence of an event, circumstance or date and any decision to take or refrain from taking any action or any selection, will be conclusive and binding absent manifest error and may be made in its or their sole discretion and without consent from any other party to this Credit Agreement or any other Loan Document, except, in each case, as expressly required pursuant to this Section 3.4.

(e) ~~(f)~~ Notwithstanding anything to the contrary herein or in any other Loan Document, at any time (including in connection with the implementation of a Benchmark Replacement), (i) if the then-current Benchmark is a term rate (including **the** Term SOFR ~~or the LIBO~~ Rate) and either (A) any tenor for such Benchmark is not displayed on a screen or other information service that publishes such rate from time to time as selected by the Administrative Agent in its reasonable discretion or (B) the regulatory supervisor for the administrator of such Benchmark has provided a public statement or publication of information announcing that any tenor for such Benchmark is or will be no longer representative, then the Administrative Agent may modify the definition of "Interest Period" for any Benchmark settings at or after such time to remove such unavailable or non-representative tenor and (ii) if a tenor that was removed pursuant to clause (i) above either (A) is subsequently displayed on a screen or information service for a Benchmark (including a Benchmark Replacement) or (B) is not, or is no longer, subject to an announcement that it is or will no longer be representative for a Benchmark (including a Benchmark Replacement), then the Administrative Agent may modify the definition of "Interest Period" for all Benchmark settings at or after such time to reinstate such previously removed tenor.

(f) ~~(g)~~ Upon the Company's receipt of notice of the commencement of a Benchmark Unavailability Period, ~~any~~**the applicable** Borrower may revoke any request for a ~~Eurodollar~~**Term Benchmark** Borrowing ~~of,~~**or a** conversion to or continuation of ~~Eurodollar~~**Term Benchmark** Loans to be made, converted or continued during any Benchmark Unavailability Period and, failing that, ~~the~~**such** Borrower will be deemed to have converted any ~~such~~ request **for a Term Benchmark Borrowing** into a request for a Borrowing of or conversion to ~~ABR Loans~~**(A) an RFR Borrowing so long as the Adjusted Daily Simple SOFR is not the subject of a Benchmark Transition Event or (B) an ABR Borrowing if the Adjusted Daily Simple SOFR is the subject of a Benchmark Transition Event**. During any Benchmark Unavailability Period or at any time that a tenor for the then-current Benchmark is not an Available Tenor, the component of ABR based upon the then-current Benchmark or such tenor for such Benchmark, as applicable, will not be used in any determination of ABR. **Furthermore, if any Term Benchmark Loan or RFR Loan is outstanding on the date of the Company's receipt of notice of the commencement of a Benchmark Unavailability Period with respect to a Relevant Rate applicable to such Term Benchmark Loan or RFR Loan, then until such time as a Benchmark Replacement is implemented pursuant to this Section 3.4, (1) any Term Benchmark Loan shall on the last day of the Interest Period applicable to such Loan, be converted** by the Administrative Agent to**, and shall constitute, (x) an RFR Borrowing so long as the Adjusted Daily Simple SOFR is not the subject of a Benchmark Transition Event or (y) an ABR Loan if the Adjusted Daily Simple SOFR is the subject** of a Benchmark Transition Event, **on such day and (2) any RFR Loan shall on and from such day be converted by the Administrative Agent to, and shall constitute an ABR Loan.**

Section 3.5 Increased Costs; Illegality.

(a) If any Regulatory Change shall:

(i) impose, modify or deem applicable any reserve, special deposit, liquidity or similar requirement (including any compulsory loan requirement, insurance charge or other assessment) against assets of, deposits with or for the account of, or credit extended by, any Credit Party ~~(except any such reserve requirement reflected in the Adjusted LIBO Rate)~~;

(ii) impose on any Credit Party or the ~~London~~**applicable** interbank market any other condition, cost or expense affecting this Credit Agreement, any ~~Eurodollar~~ Loans made by such Credit Party or any participation therein, or

(iii) subject any Credit Party to any Taxes (other than (A) Taxes in respect of which payments of additional amounts are required under Section 3.7(a), (B) Taxes described in Section

3.7(a)(i)-(iii), (C) Taxes imposed on or measured by net income (however denominated), franchise Taxes, and branch profits Taxes, in each case, (i) imposed as a result of such Credit Party being organized under the laws of, or having its principal office in or, in the case of any Lender, its applicable lending office located in, the jurisdiction imposing such Tax (or any political subdivision thereof) or (ii) imposed as a result of a present or former connection between such Credit Party and the jurisdiction imposing such Tax (other than connections arising from such Credit Party having executed, delivered, become a party to, performed its obligations under, received payments under, received or perfected a security interest under, engaged in any other transaction pursuant to or enforced any Loan Document, or sold or assigned an interest in any Loan or Loan Document), and (D) any Taxes attributable to such Credit Party's failure to comply with Section 3.7(c)) on any of its obligations under the Loan Documents, or its deposits, reserves, other liabilities or capital attributable thereto, and the result of any of the foregoing shall be to increase the cost to such Credit Party of making, continuing, converting or maintaining any Loan hereunder or to increase the cost to such Credit Party or to reduce the amount of any sum received or receivable by such Credit Party hereunder (whether of principal, interest or otherwise), then the Company will pay to such Credit Party such additional amount or amounts as will compensate such Credit Party for such additional costs incurred or reduction suffered as reasonably determined by such Credit Party (which determination shall be made in good faith (and not on an arbitrary or capricious basis) and consistent with the manner in which such Credit Party treats similarly situated customers of the applicable Credit Party under agreements having provisions similar to this Section 3.5 after consideration of such factors as such Credit Party then reasonably determines to be relevant).

(b) If any Credit Party determines that any Regulatory Change regarding capital or liquidity requirements has or would have the effect of reducing the rate of return on such Credit Party's capital or on the capital of such Credit Party's holding company, if any, as a consequence of this Credit Agreement or the Loans made, by such Credit Party to a level below that which such Credit Party or such Credit Party's holding company could have achieved but for such Regulatory Change (taking into consideration such Credit Party's policies and the policies of such Credit Party's holding company with respect to capital adequacy and liquidity), then from time to time the Company will pay to such Credit Party such additional amount or amounts as will compensate such Credit Party or such Credit Party's holding company for any such reduction suffered as reasonably determined by such Credit Party (which determination shall be made in good faith (and not on an arbitrary or capricious basis) and consistent with the manner in which such Credit Party treats similarly situated customers of the applicable Credit Party under agreements having provisions similar to this Section 3.5 after consideration of such factors as such Credit Party then reasonably determines to be relevant).

(c) A certificate of a Credit Party setting forth the amount or amounts necessary to compensate such Credit Party or its holding company, as applicable, as specified in paragraph (a) or (b) of this Section shall be delivered to the Company and shall be conclusive absent manifest error. The Company shall pay such Credit Party the amount shown as due on any such certificate within ten days after receipt thereof.

(d) Failure or delay on the part of any Credit Party to demand compensation pursuant to this Section shall not constitute a waiver of such Credit Party's right to demand such compensation, provided that the Borrowers shall not be required to compensate a Credit Party pursuant to this Section for any increased costs or reductions incurred more than 90 days prior to the date that such Credit Party notifies the Borrowers of the Regulatory Change giving rise to such increased costs or reductions and of such Credit Party's intention to claim compensation therefor.

(e) Notwithstanding any other provision of this Credit Agreement, if, after the Agreement Date, any Regulatory Change shall make it unlawful for any Lender to make or maintain any

~~Eurodollar~~ Loan or to give effect to its obligations as contemplated hereby with respect to any ~~Eurodollar~~ Loan, then, by written notice to the Company and to the Administrative Agent:

(i) such Lender may declare that ~~Eurodollar~~**Term Benchmark** Loans will not thereafter (for the duration of such unlawfulness) be made by such Lender hereunder (or be continued for additional Interest Periods) and ABR Loans will not thereafter (for such duration) be converted into ~~Eurodollar~~**Term Benchmark** Loans, whereupon any request for a ~~Eurodollar~~**Term Benchmark** Borrowing or to convert an ABR Borrowing to a ~~Eurodollar~~**Term Benchmark** Borrowing or to continue a ~~Eurodollar~~**Term Benchmark** Borrowing, as applicable, for an additional Interest Period shall, as to such Lender only, be deemed a request for an ABR Loan (or a request to continue an ABR Loan as such for an additional Interest Period or to convert a ~~Eurodollar~~**Term Benchmark** Loan into an ABR Loan, as applicable), unless such declaration shall be subsequently withdrawn; and

(ii) such Lender may require that all outstanding ~~Eurodollar~~**Term Benchmark** Loans made by it be converted to ABR Loans, in which event all such ~~Eurodollar~~**Term Benchmark** Loans shall be automatically converted to ABR Loans, as of the effective date of such notice as provided in the last sentence of this paragraph.

In the event any Lender shall exercise its rights under clause (i) or (ii) of this paragraph, all payments and prepayments of principal that would otherwise have been applied to repay the ~~Eurodollar~~**Term Benchmark** Loans that would have been made by such Lender or the converted ~~Eurodollar~~**Term Benchmark** Loans of such Lender shall instead be applied to repay the ABR Loans made by such Lender in lieu of, or resulting from the conversion of, such ~~Eurodollar~~**Term Benchmark** Loans, as applicable. For purposes of this paragraph, a notice to the Company by any Lender shall be effective as to each ~~Eurodollar~~**Term Benchmark** Loan made by such Lender, if lawful, on the last day of the Interest Period currently applicable to such ~~Eurodollar~~**Term Benchmark** Loan; in all other cases such notice shall be effective on the date of receipt by the Company.

Section 3.6 Break Funding Payments. In the event of (a) the payment, prepayment or deemed prepayment (voluntary or otherwise) of any principal of any ~~Eurodollar~~**Term Benchmark** Loan other than on the last day of an Interest Period applicable thereto (including as a result of an Event of Default), (b) the conversion of any ~~Eurodollar~~**Term Benchmark** Loan other than on the last day of the Interest Period applicable thereto, (c) the failure to borrow, convert, continue or prepay any ~~Eurodollar~~**Term Benchmark** Loan on the date specified in any notice delivered pursuant hereto (regardless of whether such notice may be revoked under Section 2.7(c) and is revoked in accordance therewith), or (d) the assignment of any ~~Eurodollar~~**Term Benchmark** Loan other than on the last day of the Interest Period or maturity date applicable thereto as a result of a request by the Company pursuant to Section 3.8(b), then, in any such event, the relevant Borrower or the Company, as applicable, shall compensate each Lender for the loss, cost and expense attributable to such event~~. In the case of a Eurodollar Loan, such loss, cost or expense to any Lender shall be deemed to include an amount determined by such Lender to be the excess, if any, of (i) the amount of interest that would have accrued on the principal amount of such Loan had such event not occurred, at the Adjusted LIBO Rate that would have been applicable to such Loan, for the period from the date of such event to the last day of the then current Interest Period therefor (or, in the case of a failure to borrow, convert or continue, for the period that would have been the Interest Period for such Loan), over (ii) the amount of interest that would accrue on such principal amount for such period at the interest rate that such Lender would bid were it to bid, at the commencement of such period, for dollar deposits of a comparable amount and period from other banks in the eurodollar market~~ **(other than loss of anticipated profits)**. A certificate of any Lender setting forth any amount or amounts that such Lender is entitled to receive pursuant to this Section shall be delivered to the Company (on behalf of the relevant Borrower) and shall be conclusive absent manifest error. The relevant

Borrower shall pay such Lender the amount shown as due on any such certificate within ten days after receipt thereof.

Section 3.7 Taxes.

(a) If any applicable law (as determined in good faith by the Borrower) requires the deduction or withholding of any Tax from a payment of the Borrower, the Borrower shall be entitled to make such deduction or withholding and shall timely pay the full amount deducted or withheld to the relevant Governmental Authority in accordance with applicable law.

Without limiting the foregoing, each Borrower agrees to pay to each Foreign Lender such additional amounts as are necessary in order that the net payment of any amount due to such Foreign Lender under the Loan Documents after deduction for or withholding in respect of any U.S. Taxes collectible by withholding and imposed with respect to such payment, will not be less than the amount such Foreign Lender would have received had no such withholdings or deductions for U.S. Taxes been made, provided that the foregoing obligation to pay such additional amounts shall not apply:

(i) with respect to any U.S. Taxes collectible by withholding or deduction that are imposed on payments to or for the account of such Foreign Lender with respect to any applicable interest in a Loan or Commitment pursuant to any law in effect on the Agreement Date (or on the date such Foreign Lender becomes a Lender as provided in Section 10.4, except for assignments made at the request of the Company pursuant to Section 3.8(b)) or on the date of any change in the applicable lending office of such Foreign Lender, in each case, except to the extent that pursuant to this Section 3.7(a), amounts with respect to such U.S. Taxes were payable either to such Foreign Lender's assignor immediately before such Lender became a party hereto or such Foreign Lender immediately before it changed its lending office;

(ii) to any Foreign Lender if such Foreign Lender fails to comply with applicable certification, information, documentation or other reporting requirements that it was legally able to comply with concerning the nationality, residence, identity or connections with the United States of America of such Lender if such compliance is required by statute or regulation of the United States of America as a precondition to relief or exemption from such U.S. Taxes, including its obligations pursuant to Section 3.7(c);

(iii) with respect to any U.S. Taxes imposed under FATCA; or

(iv) with respect to U.S. Taxes imposed on or measured by net income (however denominated), franchise Taxes, and branch profits U.S. Taxes, in each case, (i) imposed as a result of such Foreign Lender being organized under the laws of, or having its principal office in or, in the case of any Lender, its applicable lending office located in, the jurisdiction imposing such U.S. Tax (or any political subdivision thereof) or (ii) imposed as a result of a present or former connection between such Foreign Lender and the jurisdiction imposing such U.S. Tax (other than connections arising from such Foreign Lender having executed, delivered, become a party to, performed its obligations under, received payments under, received or perfected a security interest under, engaged in any other transaction pursuant to or enforced any Loan Document, or sold or assigned an interest in any Loan or Loan Document).

Each Borrower shall indemnify each Foreign Lender for any Taxes that are imposed on any such Foreign Lender, with respect to which Borrower was required to pay additional amounts under this Section 3.7(a).

Each Borrower shall pay to the relevant Governmental Authority (or, at the option of a Lender or Administrative Agent, reimburse it for payments to the relevant Governmental Authority of) stamp, court or documentary, intangible, recording, filing or similar Taxes that arise from any payment made under, from the execution, delivery, performance, enforcement or registration of, from the receipt or perfection of a security interest under, or otherwise with respect to, any Loan Document.

(b) As soon as reasonably practicable after paying any amount to the Administrative Agent or any Foreign Lender from which it is required by law to make any deduction or withholding, and as soon as reasonably practicable after it is required by law to remit such deduction or withholding to any relevant taxing or other authority, the Company (on behalf of the relevant Borrower) shall deliver to the Administrative Agent for delivery to such Foreign Lender evidence satisfactory to such Person of such deduction, withholding or payment (as the case may be).

(c) (i) (A) Not later than the Effective Date or, in the case of any Person that becomes a Lender pursuant to Section 10.4, the date of the execution and delivery of the Assignment and Assumption pursuant to which such Person becomes a Lender, (B) before any form provided under this Section 3.7(c) becomes obsolete, incorrect or expired and (C) at such other times as the Company may reasonably request or as required under applicable law, each Lender (to the extent that such Lender, in its sole discretion, believes that it is so entitled), shall provide the Company and the Administrative Agent with two duly completed copies of the relevant Internal Revenue Service forms (with any applicable attachments) certifying its entitlement to a complete exemption from or any reduction of withholding on any interest to be received by it under the Loan Documents in respect of the Loans. In addition, any Lender, if reasonably requested by the Company, shall deliver such other documentation prescribed by applicable law or reasonably requested by the Borrower as will enable the Borrower to determine whether or not such Lender is subject to backup withholding or information reporting requirements. The completion, execution and submission of such documentation described in the prior sentence shall not be required if in the Lender's reasonable judgment such completion, execution or submission would subject such Lender to any material unreimbursed cost or expense or would materially prejudice the legal or commercial position of such Lender.

(ii) Without limiting the generality of the foregoing:

(A) any Lender that is a U.S. Person shall deliver to the Borrower and the Administrative Agent on or about the date on which such Lender becomes a Lender under this Credit Agreement (and from time to time thereafter upon the reasonable request of the Borrower or the Administrative Agent), executed copies of IRS Form W-9 certifying that such Lender is exempt from U.S. federal backup withholding tax;

(B) any Foreign Lender shall, to the extent it is legally entitled to do so, deliver to the Borrower and the Administrative Agent (in such number of copies as shall be requested by the recipient) on or about the date on which such Foreign Lender becomes a Lender under this Credit Agreement (and from time to time thereafter upon the reasonable request of the Borrower or the Administrative Agent), whichever of the following is applicable:

(1) in the case of a Foreign Lender claiming the benefits of an income tax treaty to which the United States is a party (x) with respect to payments of interest under any Loan Document, executed copies of IRS Form W-8BEN or IRS Form W-8BEN-E establishing an exemption from, or reduction of, U.S. federal withholding Tax pursuant to the "interest" article of such tax treaty and (y) with respect to any other applicable payments under any Loan Document, IRS Form W-8BEN or IRS Form W-8BEN-E establishing an exemption from, or reduction of, U.S. federal withholding Tax pursuant to the "business profits" or "other income" article of such tax treaty;

(2) executed copies of IRS Form W-8ECI;

(3) in the case of a Foreign Lender claiming the benefits of the exemption for portfolio interest under Section 881(c) of the Code, (x) a certificate substantially in the form of Exhibit E-1 to the effect that such Foreign Lender is not a "bank" within the meaning of Section 881(c)(3)(A) of the Code, a "10 percent shareholder" of the Borrower within the meaning of Section 871(h)(3)(B) of the Code, or a "controlled foreign corporation" related to the Borrower as described in Section 881(c)(3)(C) of the Code (a "U.S. Tax Compliance Certificate") and (y) executed copies of IRS Form W-8BEN or IRS Form W-8BEN-E; or

(4) to the extent a Foreign Lender is not the beneficial owner, executed copies of IRS Form W-8IMY, accompanied by IRS Form W-8ECI, IRS Form W-8BEN, IRS Form W-8BEN-E, a U.S. Tax Compliance Certificate substantially in the form of Exhibit E-2 or Exhibit E-3, IRS Form W-9, and/or other certification documents from each beneficial owner, as applicable; provided that if the Foreign Lender is a partnership and one or more direct or indirect partners of such Foreign Lender are claiming the portfolio interest exemption, such Foreign Lender may provide a U.S. Tax Compliance Certificate substantially in the form of Exhibit E-4 on behalf of each such direct and indirect partner;

(C) any Foreign Lender shall, to the extent it is legally entitled to do so, deliver to the Borrower and the Administrative Agent (in such number of copies as shall be requested by the recipient) on or about the date on which such Foreign Lender becomes a Lender under this Credit Agreement (and from time to time thereafter upon the reasonable request of the Borrower or the Administrative Agent), executed copies of any other form prescribed by applicable law as a basis for claiming exemption from or a reduction in U.S. federal withholding Tax, duly completed, together with such supplementary documentation as may be prescribed by applicable law to permit the Borrower or the Administrative Agent to determine the withholding or deduction required to be made.

(iii) Each Lender agrees that if any form or certification it previously delivered expires or becomes obsolete or inaccurate in any respect, it shall update such form or certification or promptly notify the Borrower and the Administrative Agent in writing of its legal inability to do so.

(d) Each Lender shall severally indemnify the Administrative Agent, within 10 days after demand therefor, for (i) any Taxes described in Section 3.7(a) for which a Borrower is required to pay additional amounts attributable to such Lender (but only to the extent that the Borrowers have not already indemnified the Administrative Agent for such Taxes and without limiting the obligation of the Borrowers to do so), (ii) any Taxes attributable to such Lender's failure to comply with the provisions of Section 10.4(d)(ii) relating to the maintenance of a Participant Register and (iii) any Taxes other than U.S. Taxes for which a Borrower is required to pay additional amounts attributable to such Lender, in each case, that are payable or paid by the Administrative Agent in connection with the Loan Documents, and any reasonable expenses arising therefrom or with respect thereto, whether or not such amounts were correctly or legally imposed or asserted by the relevant Governmental Authority. A certificate as to the amount of such payment or liability delivered to any Lender by the Administrative Agent shall be conclusive absent manifest error. Each Lender hereby authorizes the Administrative Agent to set off and apply any and all amounts at any time owing to such Lender under any Loan Document or otherwise payable by the Administrative Agent to such Lender from any other source against any amount due to the Administrative Agent under this Section 3.7(d).

(e) If a payment made to or for the account of a Lender hereunder would be subject to U.S. Taxes collectible by withholding imposed by FATCA if such Lender were to fail to comply with the applicable reporting requirements of FATCA (including those contained in Section 1471(b) or 1472(b) of the Code, as applicable), such Lender shall deliver to the Company and the Administrative Agent at the time or times prescribed by law and at such time or times reasonably requested by the Company or the Administrative Agent such documentation prescribed by applicable law (including as prescribed by Section 1471(b)(3)(C)(i) of the Code) and such additional documentation reasonably requested by the Company or the Administrative Agent as may be necessary for the Company and the Administrative Agent to comply with their obligations under FATCA and to determine that such Lender has complied with such Lender's obligations under FATCA or to determine the amount to deduct and withhold from such payment. Solely for purposes of this Section 3.7(e), "FATCA" shall include any amendments made to FATCA after the date of this Credit Agreement.

(f) If any party determines, in its sole discretion exercised in good faith, that it has received a refund of any Taxes as to which it has been indemnified pursuant to this Section 3.7 (including by the payment of additional amounts pursuant to Section 3.7(a)), it shall pay to the indemnifying party an amount equal to such refund (but only to the extent of indemnity payments made under this Section 3.7 with respect to the Taxes giving rise to such refund), net of all out-of-pocket expenses (including Taxes) of such indemnified party and without interest (other than any interest paid by the relevant Governmental Authority with respect to such refund). Such indemnifying party, upon the request of such indemnified party, shall repay to such indemnified party the amount paid over pursuant to this Section 3.7(f) (plus any penalties, interest or other charges imposed by the relevant Governmental Authority) in the event that such indemnified party is required to repay such refund to such Governmental Authority. Notwithstanding anything to the contrary in this paragraph (f), in no event will the indemnified party be required to pay any amount to an indemnifying party pursuant to this paragraph (f) the payment of which would place the indemnified party in a less favorable net after-Tax position than the indemnified party would have been in if the Tax subject to indemnification and giving rise to such refund had not been deducted, withheld or otherwise imposed and the indemnification payments or additional amounts with respect to such Tax had never been paid. This Section 3.7(f) shall not be construed to require any indemnified party to make available its Tax returns (or any other information relating to its Taxes that it deems confidential) to the indemnifying party or any other Person.

Section 3.8 Mitigation Obligations.

(a) If any Lender requests compensation under Section 3.5, or if any Borrower is required to pay any additional amount to any Lender or any Governmental Authority for the account of any Lender pursuant to Section 3.7, then such Lender shall use reasonable efforts to designate a different lending office for funding or booking its Loans (or any participation therein) hereunder or to assign its rights and obligations hereunder to another of its offices, branches or affiliates, if, in the judgment of such Lender, such designation or assignment (i) would eliminate or reduce amounts payable pursuant to Section 3.5 or 3.7, as applicable, in the future and (ii) would not subject such Lender to any unreimbursed cost or expense and would not otherwise be disadvantageous to such Lender. The Company hereby agrees to pay all reasonable costs and expenses incurred by any Lender in connection with any such designation or assignment.

(b) If (i) any Lender requests compensation under Section 3.5, (ii) any Borrower is required to pay any additional amount to any Lender or any Governmental Authority for the account of any Lender pursuant to Section 3.7 or (iii) any Lender becomes a Defaulting Lender, then the Company may, at its sole expense (including the fees referred to in Section 10.4(b)) and effort, upon notice to such Lender and the Administrative Agent, require such Lender to assign and delegate, without recourse (in accordance with and subject to the restrictions contained in Section 10.4), all its interests, rights (other than its existing rights to payments pursuant to Section 3.5 or 3.7) and obligations under the Loan Documents to an Eligible Institution that shall assume such obligations (which Eligible Institution may be another Lender, if a Lender accepts such assignment); provided that (i) the Company shall have received the prior written consent of the Administrative Agent, which consent shall not unreasonably be withheld, (ii) such Lender shall have received payment of an amount equal to the outstanding principal of its Loans, accrued interest thereon, accrued fees and all other amounts payable to it hereunder, from the assignee (to the extent of such outstanding principal and accrued interest and fees) or the relevant Borrowers (in the case of all other amounts) and (iii) in the case of any such assignment resulting from a claim for compensation under Section 3.5 or payments required to be made pursuant to Section 3.7, such assignment will result in a reduction in such compensation or payments. A Lender shall not be required to make any such assignment and delegation if, prior thereto, as a result of a waiver by such Lender or otherwise, the circumstances entitling the Company to require such assignment and delegation cease to apply. Each party hereto agrees that (i) an assignment required pursuant to this paragraph may be effected pursuant to an Assignment and Assumption executed by the Borrower, the Administrative Agent and the assignee (or, to the extent applicable, an agreement incorporating an Assignment and Assumption by reference pursuant to an Approved Electronic Platform as to which the Administrative Agent and such parties are participants), and (ii) the Lender required to make such assignment need not be a party thereto in order for such assignment to be effective and shall be deemed to have consented to and be bound by the terms thereof; provided that, following the effectiveness of any such assignment, the other parties to such assignment agree to execute and deliver such documents necessary to evidence such assignment as reasonably requested by the applicable Lender, provided that any such documents shall be without recourse to or warranty by the parties thereto.

ARTICLE 4.

REPRESENTATIONS AND WARRANTIES

The Company represents and warrants to the Credit Parties (and ~~each~~the Subsidiary Borrower, as to itself, represents and warrants to the Credit Parties) that:

Section 4.1 Corporate Existence; Subsidiaries.

(a) The Company has been duly incorporated and is validly existing as a corporation in good standing under the laws of the State of Delaware, with full corporate power to conduct its business as presently conducted and, except where the failure to do so, individually or in the aggregate, could not reasonably be expected to result in a Material Adverse Effect, is qualified to do business in, and is in good standing in, every jurisdiction where such qualification is required.

(b) Each Material Subsidiary has been duly organized and is validly existing in good standing under the laws of the jurisdiction of its organization, with full corporate or analogous powers to conduct its business as presently conducted and, except where the failure to do so, individually or in the aggregate, could not reasonably be expected to result in a Material Adverse Effect, is qualified to do business in, and is in good standing in, every jurisdiction where such qualification is required.

Section 4.2 Corporate and Governmental Authorization; No Contravention.

(a) Each Borrower has full corporate power and authority to execute, deliver and perform its obligations under this Credit Agreement and the Notes executed by it and to comply with all of the provisions of this Credit Agreement and the Notes executed by it, and all necessary corporate or similar proceedings of such Borrower have been duly taken to authorize the execution, delivery and performance by such Borrower of this Credit Agreement and the Notes executed by it.

(b) No authorizations, approvals or consents of, and no filings or registrations with, any Governmental Authority or any securities exchange, are necessary for the execution, delivery or performance by any Borrower of this Credit Agreement or the Notes executed by it, or for the legality, validity or enforceability hereof or thereof.

(c) None of the execution and delivery of this Credit Agreement and the Notes, the consummation of the transactions herein contemplated or compliance by any Borrower with all of the terms and provisions of this Credit Agreement or the Notes executed by such Borrower will conflict with or result in a breach which would constitute a material default under, or result in the creation or imposition of any Lien, charge or encumbrance upon any of the property or assets of such Borrower, material to such Borrower, pursuant to the terms of any indenture, loan agreement, or other agreement or instrument for borrowed money to which such Borrower is a party or by which such Borrower may be bound or to which any of the property or assets of such Borrower, material to such Borrower, is subject, nor will such action result in any material violation of the provisions of the charter or by laws of such Borrower or any statute or any order, rule or regulation applicable to such Borrower or any of its Material Subsidiaries of any Governmental Authority having jurisdiction over such Borrower or such Subsidiary, and no consent, approval, authorization or other order of, or filing with, any Governmental Authority is required for the execution and delivery of this Credit Agreement and the Notes, the consummation of the transactions herein contemplated or compliance by the Company with all of the terms and provisions of this Credit Agreement, provided that (i) the Borrowers make no representations or warranties with respect to any securities or blue sky laws of political subdivisions of the United States of America or any laws or treaties of any country (or political subdivision thereof) other than the United States of America and (ii) the effect of the laws of any jurisdiction (other than the States of New York or Illinois) that limit the interest, fees or other charges any Lender may impose.

Section 4.3 Binding Effect. (i) This Credit Agreement constitutes a legal, valid and binding agreement of each Borrower, (ii) the Guarantee in Article 7 of this Credit Agreement constitutes a legal, valid and binding agreement of the Company and (iii) the Notes, when executed and delivered in accordance with this Credit Agreement, will constitute valid and binding obligations of the respective Borrower executing and delivering such Notes, in the case of each of the foregoing clauses (i) through (iii), enforceable in accordance with their respective terms, subject to applicable bankruptcy, insolvency, reorganization, rehabilitation, moratorium or other laws affecting creditors' rights and rights of creditors of insurers generally and subject to general principles of equity, regardless of whether considered in a proceeding in equity or at law.

Section 4.4 Financial Information.

(a) (i) The audited consolidated statement of financial position of the Company and its Consolidated Subsidiaries as of the fiscal year ended December 31, 2019 and the related statements of operations, comprehensive income, shareholders' equity and cash flows for the fiscal year then ended, reported on by Deloitte & Touche, LLP, and heretofore furnished to the Administrative Agent and each of the Lenders, present fairly in all material respects, in conformity with GAAP, the financial position of the Company and its Consolidated Subsidiaries as of such date and their results of operations and cash flows for such fiscal year. (ii) The unaudited condensed consolidated statement of financial position of the Company and its Consolidated Subsidiaries as of and for the fiscal quarters and the portions of the fiscal year ended each of March 31, 2020, June 30, 2020 and September 30, 2020 and the related unaudited condensed consolidated statements of operations, comprehensive income, shareholders' equity and cash flows for the period then ended, certified by the Company's chief financial officer, and heretofore furnished to the Administrative Agent and each of the Lenders, present fairly in all material respects, in conformity with GAAP, the financial position of the Company and its Consolidated Subsidiaries as of such date and their results of operations and cash flows as of such dates and for such periods, subject to year-end audit adjustments and the absence of footnotes.

(b) (i) The respective Statutory Statements for Allstate Insurance and Allstate Life **Insurance Company** for the year ended at December 31, 2019 present fairly in all material respects, in conformity with Statutory Accounting Principles, the respective financial conditions of said companies as at said date and their respective results of operations for the fiscal year ended on said date. (ii) The respective Statutory Statements for Allstate Insurance and Allstate Life **Insurance Company** for the portions of the fiscal year ended each of March 31, 2020, June 30, 2020 and September 30, 2020 each present fairly in all material respects, in conformity with Statutory Accounting Principles, the respective financial conditions of said companies as at said date and their respective results of operations for such periods.

(c) Except as disclosed in the public filings of the Borrowers prior to the Effective Date, since December 31, 2019, there has been no material adverse change in the business, financial position or results of operations of the Company and its Consolidated Subsidiaries, taken as a whole.

Section 4.5 Litigation. Except as disclosed to the Lenders in writing (which shall include the Company's Form 10-K and Allstate Life Insurance Company's Form 10-K for the fiscal year ending December 31, 2018) prior to the date hereof, there are no legal, arbitral or governmental proceedings (including any proceeding instituted by any state insurance commission or similar regulatory body), pending to which the Company or any of its Material Subsidiaries is a party or to which any property of the Company or any of its Material Subsidiaries is the subject (collectively, "Proceedings") which, if determined adversely to the Company or any of its Material Subsidiaries (and there exists a reasonable possibility of such adverse determination), individually or in the aggregate, could reasonably be expected to have a Material Adverse Effect and, to the best of the Company's knowledge, no such proceedings are threatened.

Section 4.6 Compliance with ERISA. Each member of the ERISA Group has fulfilled its obligations under the minimum funding standards of ERISA and the Code with respect to each Plan (other than any Non-Material Subsidiary Plan) and is in compliance with the presently applicable provisions of ERISA and the Code with respect to each Plan (other than any Non-Material Subsidiary Plan) except where the failure to do so could reasonably be expected to have a Material Adverse Effect. No member of the ERISA Group has (i) sought a waiver of the minimum funding standard under Section 412 of the Code in respect of any Plan (other than any Non-Material Subsidiary Plan), (ii) failed to make any contribution or payment to any Plan (other than any Non-Material Subsidiary Plan) or Multiemployer Plan or in respect of any Benefit Arrangement, or made any amendment to any Plan (other than any Non-Material Subsidiary Plan) or Benefit Arrangement, which has resulted or could reasonably be expected to result in a Material Adverse Effect, or (iii) incurred any liability under Title IV of ERISA other than a liability to the PBGC for premiums under Section 4007 of ERISA which could reasonably be expected to result in a Material Adverse Effect.

Section 4.7 Environmental Matters. The Company has concluded reasonably that all Environmental Laws applicable to the Company and its Material Subsidiaries are unlikely to have a Material Adverse Effect.

Section 4.8 Taxes. United States Federal income tax returns of the Company and its Material Subsidiaries have been closed through the fiscal year ended December 31, 2014. All United States Federal income tax returns and all other material tax returns which are required to be filed have been filed by or on behalf of the Company and its Material Subsidiaries and all material taxes due with respect to the Company and its Material Subsidiaries pursuant to such returns and all material taxes due pursuant to any assessment received by the Company or any of its Material Subsidiaries have been paid, except those assessments being contested in good faith by appropriate proceedings and where (in the opinion of the Company) adequate charges, accruals or reserves have been established on the books of the Company and its Subsidiaries, as applicable.

Section 4.9 Full Disclosure. All written factual information heretofore furnished by the Company to the Administrative Agent or any Lender for purposes of or in connection with this Credit Agreement was true and accurate in all material respects on the date as of which such information was stated or certified. As of the Effective Date, to the best knowledge of the Company, the information included in the Beneficial Ownership Certification provided on or prior to the Effective Date to any Lender in connection with this Credit Agreement is true and correct in all respects.

Section 4.10 Investment Company Act. None of the Borrowers is required to be registered as an "investment company" within the meaning of the Investment Company Act of 1940.

Section 4.11 Federal Reserve Regulations.

(a) Not more than 25% of the value (as determined by any reasonable method) of the assets subject to any restriction on (i) Liens set forth in Section 6.6 or (ii) sale or other disposition set forth in Section 6.7 is represented by Margin Stock.

(b) No part of the proceeds of any Loan will be used, whether immediately, incidentally or ultimately, (i) to directly or indirectly purchase, acquire or carry any Margin Stock, (ii) directly or indirectly for any purpose that entails a violation of, or that is inconsistent with Regulations U or X, or (iii) to make a personal loan to any director or executive officer of any Borrower or any Subsidiary in violation of Section 402 of the Sarbanes Oxley Act of 2002.

Section 4.12 Anti-Corruption Laws and Sanctions. The Company has implemented and maintains in effect policies and procedures designed to ensure compliance by the Company, its Subsidiaries and their respective directors, officers, employees and agents when acting on the Company's or any Subsidiary's behalf with Anti-Corruption Laws and applicable Sanctions, and the Company, its Subsidiaries and their respective officers and directors when acting on the Company's or any Subsidiary's behalf and to the knowledge of the Company its employees and agents when acting on the Company's or any Subsidiary's behalf, are in compliance with Anti-Corruption Laws and applicable Sanctions in all material respects. None of (a) the Company, any Subsidiary, any of their respective directors or officers or, to the knowledge of the Company or such Subsidiary, any of their respective employees, or (b) to the knowledge of the Company, any agent of the Company or any Subsidiary that will act in any capacity in connection with or benefit from the credit facility established hereby, is a Sanctioned Person. No Borrowing or use of proceeds by the Company and its Subsidiaries will violate any Anti-Corruption Law or applicable Sanctions.

Section 4.13 Affected Financial Institutions. No Borrower is an Affected Financial Institution.

ARTICLE 5.

CONDITIONS

Section 5.1 Effective Date. The obligations of the Lenders to make Loans hereunder shall not become effective until the date on which each of the following conditions is satisfied (or waived in accordance with Section 10.2):

(a) Credit Agreement. The Administrative Agent (or its counsel) shall have received from each party hereto a counterpart of this Credit Agreement signed on behalf of such party (which, subject to Section 10.6, may include any Electronic Signatures transmitted by telecopy, emailed pdf, or any other electronic means that reproduces an image of an actual executed signature page).

(b) Legal Opinions. The Administrative Agent shall have received favorable written opinions (addressed to the Credit Parties and dated the Effective Date) from (i) Susan L. Lees, Chief Legal Officer and Secretary of the Company and acting as counsel to the other Borrowers, and (ii) Willkie Farr & Gallagher LLP, special New York counsel to the Borrowers, substantially in the forms of Exhibit B-1 and B-2, respectively, covering such other matters relating to the Borrowers, the Loan Documents and the Transactions as the Required Lenders shall reasonably request. The Borrowers hereby request such counsel to deliver such opinions.

(c) Organizational Documents, etc. The Administrative Agent shall have received such documents and certificates as the Administrative Agent or its counsel may reasonably request relating to (i) the organization, existence and good standing of each Borrower (including (x) a certificate of incorporation or formation of each Borrower, certified by the Secretary of State (or comparable official) of the jurisdiction of its incorporation or formation and (y) certificates of good standing (or comparable certificates) for each Borrower, certified by the Secretary of State (or comparable official) of the jurisdiction of its incorporation or formation), (ii) the authorization of the Transactions, (iii) the incumbency of its officer or officers who may sign the Loan Documents, including therein a signature specimen of such officer or officers and (iv) any other legal matters relating to Borrowers, the Loan Documents or the Transactions, all in form and substance satisfactory to the Administrative Agent and its counsel.

(d) Officer's Certificate. The Administrative Agent shall have received a certificate, dated the Effective Date and signed by the chief executive officer, the chief financial officer, the treasurer or the controller of the Company confirming (i) that the representations and warranties of the Borrowers set forth in Article 4 are true and correct in all material respects (provided that any representation or warranty qualified by materiality or Material Adverse Effect shall be true and correct in all respects) as of the Effective Date except to the extent that any such representations and warranties expressly relate to an earlier date (including those contained in Sections 4.4(a), 4.4(b) and 4.8), in which case such representations and warranties shall have been true and correct in all material respects (provided that any representation or warranty qualified by materiality or Material Adverse Effect shall be true and correct in all respects) on and as of such earlier date and (ii) that there is no Default in existence as of the Effective Date.

(e) Fees and Expenses. All fees, expenses and other amounts due and payable on or prior to the Effective Date, including the reasonable fees and disbursements of counsel to the Administrative Agent, to the extent invoiced shall have been paid.

(f) Existing Credit Agreement. The commitments under the Existing Credit Agreement shall have been terminated and all amounts due thereunder shall have been paid and the Administrative Agent shall have received evidence, in form and substance satisfactory to it, thereof.

(g) KYC Documents. (i) The Administrative Agent shall have received, at least five (5) days prior to the Effective Date, all documentation and other information regarding the Borrowers requested in connection with applicable "know your customer" and anti-money laundering rules and regulations, including the Patriot Act, to the extent requested in writing of the Company at least ten (10) days prior to the Effective Date and (ii) to the extent any Borrower qualifies as a "legal entity customer" under the Beneficial Ownership Regulation, at least five (5) days prior to the Effective Date, any Lender that has requested, in a written notice to the Company at least ten (10) days prior to the Effective Date, a Beneficial Ownership Certification in relation to such Borrower shall have received such Beneficial

Ownership Certification (provided that, upon the execution and delivery by such Lender of its signature page to this Credit Agreement, the condition set forth in this clause (g) shall be deemed to be satisfied).

(h) Other Documents. The Administrative Agent shall have received such other documents as shall be reasonably required by it in connection therewith.

The Administrative Agent shall notify the Borrowers and the Credit Parties of the Effective Date, and each such notice shall be conclusive and binding.

Section 5.2 Each Credit Event. The obligation of each Lender to make a Loan on the occasion of any Borrowing is subject to the satisfaction of the following conditions:

(a) The representations and warranties of the Borrowers set forth in Article 4 (other than those contained in Section 4.4(c) and Section 4.5) shall be true and correct in all material respects (provided that any representation or warranty qualified by materiality or Material Adverse Effect shall be true and correct in all respects) on and as of the date of such Borrowing except to the extent that any such representations and warranties expressly relate to an earlier date (including those contained in Sections 4.4(a), 4.4(b) and 4.8), in which case such representations and warranties shall have been true and correct in all material respects (provided that any representation or warranty qualified by materiality or Material Adverse Effect shall have been true and correct in all respects) on and as of such earlier date.

(b) At the time of and immediately after giving effect to such Borrowing, no Default shall have occurred and be continuing.

Each Borrowing shall be deemed to constitute a representation and warranty by the Company, and, if applicable, the ~~applicable~~ Subsidiary Borrower, on the date thereof as to the matters specified in paragraphs (a) and (b) of this Section.

ARTICLE 6.

COVENANTS

Until the Commitments have expired or been terminated and the principal of and interest on each Loan and all fees and other amounts payable under the Loan Documents shall have been paid in full, the Company covenants and agrees (and, to the extent applicable to it, ~~each~~the Subsidiary Borrower covenants and agrees) with the Credit Parties that:

Section 6.1 Financial Statements and Other Information. The Company will furnish to each Credit Party the following, provided that the Company need not furnish copies of the information referred to in this Section if on or before the applicable day set forth below, such information is available (A) in the case of the information referred to in subsections (a), (b), (i) and (j) below, either on EDGAR or on the Company's web site, and (B) in the case of the information referred to in subsections (c) and (d) below, on the Company's web site:

(a) as soon as available and in any event within 120 days after the end of each fiscal year, the Company's annual meeting proxy statement and its Form 10-K containing a consolidated statement of financial position of the Company and its Consolidated Subsidiaries as of the end of such fiscal year and the related statements of income, shareholders' equity and cash flows for such fiscal year, setting forth in each case in comparative form the figures for the previous fiscal year, all reported on by Deloitte & Touche, LLP or another independent registered public accounting firm of nationally recognized standing (without a "going concern" or like qualification or exception and without any qualification or exception as to the scope of such audit) to the effect that such consolidated financial statements present fairly in all material respects the financial condition and results of operations of the Company and its Consolidated Subsidiaries on a consolidated basis in accordance with GAAP consistently applied;

(b) as soon as available and in any event within 60 days after the end of each of the first three fiscal quarters of each fiscal year, the Company's Form 10-Q containing a condensed consolidated statement of financial position of the Company and its Consolidated Subsidiaries as of the end of such fiscal quarter and the related condensed consolidated statements of income and cash flows for such fiscal quarter and for the portion of the Company's fiscal year ended at the end of such fiscal quarter;

(c) as soon as available and in any event within 120 days after the end of each fiscal year of ~~each~~the Subsidiary Borrower, the Statutory Statement of ~~such~~the Subsidiary Borrower for such fiscal year and as filed with the insurance department of the State of domicile of ~~such~~the Subsidiary Borrower;

(d) as soon as available and in any event within 60 days after the end of each of the first three quarterly fiscal quarters of ~~each~~the Subsidiary Borrower, quarterly Statutory Statements of ~~such~~the Subsidiary Borrower for such fiscal quarter and as filed with the insurance department of the State of domicile of ~~such~~the Subsidiary Borrower;

(e) promptly after the financial statements referred to in clauses (a) and (b) above have been made available to the Credit Parties either through EDGAR or the Company's web site (but in no event later than 120 days after the end of the relevant fiscal year or 60 days after the end of the relevant fiscal quarter, as applicable) or, in the event that the Company furnishes copies thereof to the Credit Parties, simultaneously with the delivery thereof, a certificate of the chief financial officer or the controller of the Company (i) setting forth in reasonable detail the calculations required to establish whether the Company was in compliance with the requirements of Section 6.9 on the date of such financial statements and (ii) stating whether any Default exists on the date of such certificate and, if any Default then exists, setting forth the details thereof and the action which the Company is taking or proposes to take with respect thereto;

(f) promptly after the financial statements referred to in clause (a) above have been made available to the Credit Parties either through EDGAR or the Company's web site (but in no event later than 120 days after the end of the relevant fiscal year) or, in the event that the Company furnishes copies thereof to the Credit Parties, simultaneously with the delivery thereof, a certificate of the chief financial officer or the controller of the Company identifying each Subsidiary which is then a Material Subsidiary;

(g) promptly after the financial statements referred to in clause (a) above have been made available to the Credit Parties either through EDGAR or the Company's web site (but in no event later than 120 days after the end of the relevant fiscal year) or, in the event that the Company furnishes copies thereof to the Credit Parties, simultaneously with the delivery thereof, a statement of the independent registered public accounting firm which reported on such statements to the effect that in the course of their audit of such statements, nothing came to their attention that caused them to believe that the Company was not in compliance with the requirements of Section 6.9, insofar as such requirements relate to accounting matters;

(h) within five days after any officer of the Company obtains knowledge that any Default has occurred and is continuing, a certificate of the chief financial officer or the controller of the Company setting forth the details thereof and the action which the Company is taking or proposes to take with respect thereto;

(i) written notice of any Proceedings promptly after a determination by the Company or the ~~applicable~~ Subsidiary Borrower that (i) such Proceedings, if determined adversely to the Company or any of its Material Subsidiaries individually or in the aggregate, could reasonably be expected to have a Material Adverse Effect and (ii) there exists a reasonable possibility of such adverse determination.

(j) promptly after being filed by the Company with the Securities and Exchange Commission, copies (without exhibits thereto) of any registration statement (other than any registration statement on Form S 8 or its equivalent) or any report on Form 8 K (or its equivalent); provided that the Company need not furnish such copies to the extent such registration statements or reports are made available to the Credit Parties either on EDGAR or the Company's web site;

(k) if and when any member of the ERISA Group (i) gives or is required to give notice to the PBGC of any "reportable event" (as defined in Section 4043 of ERISA) with respect to any Plan (other than any Non-Material Subsidiary Plan) which might constitute grounds for a termination of such Plan (other than any Non-Material Subsidiary Plan) under Title IV of ERISA, or knows that the plan administrator of any Plan (other than any Non-Material Subsidiary Plan) has given or is required to give notice of any such reportable event, a copy of the notice of such reportable event given or required to be given to the PBGC; (ii) receives notice of complete or partial withdrawal liability under Title IV of ERISA or notice that any Multiemployer Plan (other than any Non-Material Subsidiary Plan) is in reorganization, is insolvent or has been terminated, a copy of such notice; (iii) receives notice from the PBGC under Title IV of ERISA of an intent to terminate, impose liability (other than for premiums under Section 4007 of ERISA) in respect of, or appoint a trustee to administer any Plan (other than any Non-Material Subsidiary Plan), a copy of such notice; (iv) applies for a waiver of the minimum funding standard under Section 412 of the Code, a copy of such application; (v) gives notice of intent to terminate any Plan (other than any Non-Material Subsidiary Plan) under Section 4041(c) of ERISA, a copy of such notice and other information filed with the PBGC; (vi) gives notice of withdrawal from any Plan (other than any Non-Material Subsidiary Plan) pursuant to Section 4063 of ERISA, a copy of such notice; or (vii) fails to make any payment or contribution to any Plan (other than any Non-Material Subsidiary Plan) or Multiemployer Plan (other than any Non-Material Subsidiary Plan) or in respect of any Benefit Arrangement or makes any amendment to any Plan (other than any Non-Material Subsidiary Plan) or Benefit Arrangement which has resulted or could result in the imposition of a Lien or the posting of a bond or other security under ERISA or the Code, provided, however, that in the case of a Benefit Arrangement established or maintained by or for a Subsidiary (other than ~~a~~**the** Subsidiary Borrower) such action or inaction has resulted or could result in the imposition of such a Lien or the posting of such a bond or other security in excess of $25,000,000, a certificate of the chief financial officer or the controller of the Company setting forth details as to such occurrence and action, if any, which the Company or applicable member of the ERISA Group is required or proposes to take;

(l) furnish to the Administrative Agent promptly such other information with documentation required by bank regulatory authorities under applicable "know your customer" and Anti Money Laundering rules and regulations (including, without limitation, the USA PATRIOT Act and the Beneficial Ownership Regulation), as from time to time may be reasonably requested by the Administrative Agent;

(m) from time to time such additional information regarding the financial position or business of the Company and its Material Subsidiaries, or compliance with the terms of this Credit Agreement, as the Administrative Agent, at the request of any Lender, may reasonably request; and

(n) prompt written notice of any change in the information provided in the Beneficial Ownership Certification delivered to any Lender that would result in a change to the list of beneficial owners identified in such certification.

Section 6.2 Maintenance of Property. The Company will keep, and will cause each Material Subsidiary to keep, all property useful and necessary in its business in good working order and condition, ordinary wear and tear excepted.

Section 6.3 Conduct of Business and Maintenance of Existence.

(a) Neither the Company nor any of its Material Subsidiaries will engage to any substantial extent in any line or lines of business activity other than the business of owning and operating life and property and casualty insurance companies and financial services businesses (including investment operations) and businesses and activities that are similar or are related or incidental thereto.

(b) The Company will preserve, renew and keep in full force and effect, and will cause each Material Subsidiary to preserve, renew and keep in full force and effect their respective legal existence and their respective rights, privileges and franchises material to the conduct of their respective businesses; provided that, subject to Section 6.7, the Company may terminate the corporate existence of any Subsidiary (other than ~~a~~the Subsidiary Borrower) if such termination could not reasonably be expected to have a Material Adverse Effect or otherwise to be materially disadvantageous to the Lenders; and, provided, further, that this Section 6.3 shall not prohibit any merger, consolidation, liquidation, dissolution, division or other transaction permitted under Section 6.7.

Section 6.4 Compliance with Laws. The Company will make all good faith efforts to comply, and cause each Material Subsidiary to make all good faith efforts to comply, with all applicable laws, ordinances, rules, regulations, and requirements of Governmental Authorities (including Environmental Laws and ERISA and the rules and regulations thereunder) except where the necessity of compliance therewith is contested in good faith by appropriate proceedings and where (in the opinion of the Company) adequate charges, accruals or reserves have been established on the books of the Company and its Subsidiaries, as applicable or where the failure to do so, individually or in the aggregate, could not reasonably be expected to result in a Material Adverse Effect. The Company will maintain in effect and enforce policies and procedures designed to ensure compliance by the Company, its Subsidiaries and their respective directors, officers, employees and agents with Anti-Corruption Laws and applicable Sanctions.

Section 6.5 Books and Records; Inspection Rights. The Company will, and will cause each of its Material Subsidiaries to, keep proper books of record and account in which entries which are full, true and correct in all material respects are made of all material and appropriate dealings and transactions in relation to its business and activities. The Company will, and will cause each of its Material Subsidiaries to, permit any representatives designated by the Administrative Agent (and if a Default has occurred and is continuing any representatives reasonably designated by any Lender), upon reasonable prior notice, so long as no Default has occurred and is continuing, no more than once per fiscal year of the Company and otherwise as often as reasonably requested to visit and inspect its properties, to examine and make extracts from its books and records, and to discuss its affairs, finances and condition with its officers and independent accountants (provided that the Company may, if it so chooses, be present at or participate in any such discussion with the independent accountants), all at such reasonable times during normal business hours.

Section 6.6 Negative Pledge. The Company will not, and will not permit any of its Subsidiaries to, create, assume or suffer to exist any Lien securing Debt (determined without regard to the clauses (c) through and including (h) of the proviso of the definition of the term "Debt") on the stock of any Listed Insurance Subsidiary (or on the stock of any Subsidiary that directly, or indirectly through other Subsidiaries, owns stock of any Listed Insurance Subsidiary) now owned or hereafter acquired by it, except any Lien arising pursuant to any order of attachment, distraint or similar legal process arising in connection with court proceedings so long as the execution or other enforcement thereof is effectively stayed and the claims secured thereby are being contested in good faith by appropriate proceedings. Notwithstanding the foregoing, in connection with marketing alliances or other promotional arrangements undertaken by ~~one or both of~~ the Subsidiary ~~Borrowers~~Borrower, the Company or any of its Subsidiaries may pledge the stock of any Listed Insurance Subsidiary (other than stock of ~~a~~the Subsidiary Borrower) to secure Debt (determined without regard to the clauses (c) through and including (h) of the proviso of the definition of the term "Debt") in an aggregate amount that, together with the aggregate liquidation preference of preferred stock permitted under the second sentence of Section 6.7(b), does not exceed $600,000,000 (or its equivalent in any other currency) at any one time outstanding.

Section 6.7 Consolidations, Mergers and Sales of Assets.

(a) The Company will not merge into or consolidate with any other Person, or permit any other Person to merge into or consolidate with it, or sell, transfer, lease or otherwise dispose of (in one transaction or in a series of transactions) all or substantially all of its assets, except that, if at the time thereof and immediately after giving effect thereto, no Default shall or would have occurred and be continuing, any Person may merge into the Company in a transaction in which the Company is the surviving entity.

(b) ~~Neither~~The Subsidiary Borrower will not merge into or consolidate with, any other Person, or permit any other Person to merge into or consolidate with it, or sell, transfer, lease or otherwise dispose of (in one transaction or in a series of transactions) all or substantially all of its assets, except that, if at the time thereof and immediately after giving effect thereto, no Default shall or would have occurred and be continuing, ~~either~~the Subsidiary Borrower may merge into or consolidate with any other corporation (the "successor corporation") organized under the laws of the United States of America or any state thereof which is (x) the Company~~,~~ or (y) in the case of a merger or consolidation involving Allstate Insurance (or any successor thereto), a Wholly-Owned Subsidiary of the Company, provided that any direct or indirect parent thereof is not an insurance company or other entity subject to any law or regulation which could limit or restrict the ability of the survivor of such merger or consolidation to pay dividends or make other distributions or payments, directly or indirectly, to the Company, ~~or (z) in the case of a merger or consolidation involving Allstate Life (or any successor thereto), a Wholly-Owned Subsidiary of the Company,~~ and provided further that ~~each~~the Subsidiary Borrower covenants that any such consolidation, merger, sale or transfer shall be upon the conditions that the due and punctual payment of the principal and accrued interest on any Loans made to ~~such~~the Subsidiary Borrower, and the due and punctual performance and observance of all the terms, covenants and conditions of this Credit Agreement to be kept or performed by ~~such~~the Subsidiary Borrower shall, by an agreement supplemental hereto (which supplemental agreement shall be in form and substance satisfactory to the Administrative Agent and shall become effective upon satisfaction or waiver of the conditions described in Section 5.1(b), (c), (d) and (e) in a form appropriate to such supplemental agreement), be assumed by the corporation (other than ~~such~~the Subsidiary Borrower) formed by or resulting from any such consolidation or merger, or which shall have received the transfer of all or substantially all of the property and assets of the Subsidiary Borrower, just as fully and effectually as if such successor had been the original Subsidiary Borrower; and in the event of any such sale or transfer the predecessor Subsidiary Borrower may be dissolved, wound up and liquidated at any time thereafter. In addition, in connection with marketing alliances or other promotional arrangements undertaken by ~~one or both of~~ the Subsidiary ~~Borrowers~~Borrower, the Subsidiary ~~Borrowers~~Borrower may from time to time issue preferred stock to any Person, whether or not affiliated with the Company, having an aggregate liquidation preference (as to ~~both~~the Subsidiary ~~Borrowers~~Borrower) that, together with the aggregate amount of Debt (determined without regard to the clauses (c) through and including (h) of the proviso of the definition of the term "Debt") secured by Liens permitted under the second sentence of Section 6.6, does not exceed $600,000,000 (or its equivalent in any other currency) at any one time outstanding. ~~Notwithstanding anything in this Section 6.7 to the contrary, Allstate Insurance may transfer ownership of Allstate Life to the Company or to any other Wholly-Owned Subsidiary of the Company.~~

~~It is understood and agreed that (i) this Section 6.7 shall not prohibit the consummation of the Specified Allstate Life Sale and (ii) for the avoidance of doubt, from and after the consummation of the Specified Allstate Life Sale, this Section 6.7 shall not apply to Allstate Life or the assets of Allstate Life.~~

Section 6.8 Use of Proceeds. The proceeds of the Loans will be used only for general corporate purposes not inconsistent with the terms hereof. No part of the proceeds of any Loan will be used, whether immediately, incidentally or ultimately, (i) to directly or indirectly purchase, acquire or carry any Margin Stock, (ii) directly or indirectly for any purpose that entails a violation of Regulations U or X or (iii) to make a personal loan to any director or executive officer of any Borrower or any Subsidiary in violation of Section 402 of the Sarbanes Oxley Act of 2002. No Borrower will request any Borrowing, and no Borrower shall use, and the Company shall implement and maintain policies and procedures designed to ensure that its Subsidiaries and its or their respective directors, officers, employees and agents shall not use, the proceeds of any Borrowing (i) in furtherance of an offer, payment, promise to pay, or authorization of the payment or giving of money, or anything else of value, to any Person in violation of any Anti-Corruption Laws, (ii) for the purpose of funding, financing or facilitating any activities, business or transaction of or with any Sanctioned Person, or in any Sanctioned Country, except to the extent permitted for a Person required to comply with Sanctions or (iii) in any manner that would result in the violation of any Sanctions applicable to any party hereto.

Section 6.9 Ratio of Consolidated Total Debt to Consolidated Total Capital. The Company will not permit Consolidated Total Debt at any time to exceed 37.5% of Consolidated Total Capital.

Section 6.10 Limitation on Issuance of Medium Term Notes. The Company will not, and will not permit any of its Subsidiaries to, permit the aggregate principal amount of Medium Term Notes (other than Medium Term Notes secured by one or more funding agreements) issued after the Effective Date and outstanding at any time to exceed $3,000,000,000.

ARTICLE 7.

GUARANTEE

Section 7.1 Guarantee. The Company hereby guarantees to each Credit Party and their respective successors and assigns the prompt payment in full when due (whether at stated maturity, by acceleration or otherwise) of the principal of and interest on the Loans made by the Lenders to, and the Notes held by each Lender of, ~~either~~**the** Subsidiary Borrower and all other amounts from time to time owing to the Credit Parties by ~~either~~**the** Subsidiary Borrower under this Credit Agreement and under the Notes, in each case strictly in accordance with the terms thereof (such obligations being herein collectively called the "Guaranteed Obligations"). The Company hereby further agrees that if ~~either~~**the** Subsidiary Borrower shall fail to pay in full when due (whether at stated maturity, by acceleration or otherwise) any of the Guaranteed Obligations, the Company will promptly pay the same, without demand or notice whatsoever, and that in the case of any extension of time of payment or renewal of any of the Guaranteed Obligations, the same will be promptly paid in full when due (whether at extended maturity, by acceleration or otherwise) in accordance with the terms of such extension or renewal. The Company further agrees that its guarantee hereunder constitutes a guarantee of payment when due and not of collection, and waives any right to require that any resort be had by the Administrative Agent or any other Credit Party to any security held for payment of the Obligations or to any balance of any deposit account or credit on the books of the Administrative Agent or any other Credit Party in favor of the Borrowers or any other Person. Any obligation of the Borrower under Section 2.17 to pay any additional amounts to, or indemnify, any Lender for any Taxes that are required to be withheld or deducted from payments made to any Lender or to pay for, or indemnify any Lender for, any Other Taxes, shall apply mutatis mutandis (and without duplication) to the Company with respect to its obligations under this Article 7.

Section 7.2 Obligations Unconditional. The obligations of the Company under Section 7.1 are absolute and unconditional irrespective of the value, genuineness, validity, regularity or enforceability of the obligations of ~~either~~**the** Subsidiary Borrower under this Credit Agreement, the Notes or any other agreement or instrument referred to herein or therein, or any substitution, release of exchange of any other guarantee of or security for any of the Guaranteed Obligations, and, to the fullest extent permitted by applicable law, irrespective of any other circumstance whatsoever which might otherwise constitute a legal or equitable discharge or defense of a surety or guarantor, it being the intent of this Section 7.2 that the obligations of the Company hereunder shall be absolute and unconditional under any and all circumstances. Without limiting the generality of the foregoing, it is agreed that, to the fullest extent permitted by law, the occurrence of any one or more of the following shall not affect the liability of the Company hereunder:

(i) at any time or from time to time, without notice to the Company, the time for any performance of or compliance with any of the Guaranteed Obligations shall be extended, or such performance or compliance shall be waived;

(ii) any of the acts mentioned in any of the provisions of this Credit Agreement or the Notes or any other agreement or instrument referred to herein or therein shall be done or omitted; or

(iii) the maturity of any of the Guaranteed Obligations shall be accelerated, or any of the Guaranteed Obligations shall be modified, supplemented or amended in any respect, or any right under this Credit Agreement or the Notes or any other agreement or instrument referred to herein or therein shall be waived or any other guarantee of any of the Guaranteed obligations or any security therefor shall be released or exchanged in whole or in part or otherwise dealt with.

The Company hereby expressly waives diligence, presentment, demand of payment, protest and all notices whatsoever, and any requirement that the Administrative Agent or any Lender exhaust any right, power or remedy or proceed against ~~either~~**the** Subsidiary Borrower under this Credit Agreement or the Notes or any other agreement or instrument referred to herein or therein, or against any other Person under any other guarantee of, or security for, any of the Guaranteed Obligations.

Section 7.3 Reinstatement. The obligations of the Company under this Article 7 shall be automatically reinstated if and to the extent that for any reason any payment by or on behalf of ~~either~~**the** Subsidiary Borrower in respect of the Guaranteed Obligations is rescinded or must be otherwise restored by any holder of any of the Guaranteed Obligations, whether as a result of any proceedings in bankruptcy or reorganization or otherwise and the Company agrees that it will indemnify the Administrative Agent and each Lender on demand for all reasonable costs and expenses (including, without limitation, fees of counsel) incurred by the Administrative Agent or such Lender in connection with such rescission or restoration, including any such costs and expenses incurred in defending against any claim alleging that such payment constituted a preference, fraudulent transfer or similar payment under any bankruptcy, insolvency or similar law.

Section 7.4 Subrogation. Until the indefeasible payment in full in cash of all of the Obligations, the Company hereby waives all rights of subrogation or contribution, whether arising by operation of law (including any such right arising under the United States Bankruptcy Code) or otherwise, by reason of any payment by it pursuant to the provisions of this Article 7.

Section 7.5 Remedies. The Company agrees that, as between the Company and the Credit Parties, the obligations of ~~either~~**the** Subsidiary Borrower under this Credit Agreement and the Notes may be declared to be forthwith due and payable as provided in Article 8 (and shall be deemed to have become automatically due and payable in the circumstances provided in said Article 8) for purposes of Section 7.1 notwithstanding any stay, injunction or other prohibition preventing such declaration (or such obligations from becoming automatically due and payable) as against ~~either~~the Subsidiary Borrower and that, in the event of such declaration (or such obligations being deemed to have become automatically due and payable), such obligations (whether or not due and payable by ~~such~~the Subsidiary Borrower) shall forthwith become due and payable by the Company for purposes of said Section 7.1.

Section 7.6 Continuing Guarantee. The guarantee in this Article 7 is a continuing guarantee, and shall apply to all Guaranteed Obligations whenever arising.

ARTICLE 8.

EVENTS OF DEFAULT

If any of the following events ("Events of Default") shall occur:

(a) any Borrower shall fail to pay any principal of any Loan when due; or

(b) any Borrower shall fail to pay any interest on any Loan or any fee or any other amount payable by it hereunder within three Business Days after the due date thereof; or

(c) the Company shall fail to observe or perform any covenant contained in Section 6.3(b), Section 6.6, Section 6.7, the first sentence of Section 6.8, Section 6.9 or Section 6.10 or the Company shall fail to make any payment required under Article 7; or

(d) any Borrower shall fail to observe or perform any covenant or agreement contained in this Credit Agreement (other than those referred to in clauses (a) through (c) above) for 30 days after written notice thereof has been given to the Company by the Administrative Agent at the request of any Lender; or

(e) any representation, warranty, certification or statement made or deemed made herein (or in any modification or supplement hereto) by any Borrower, or any certificate, financial statement or other document delivered pursuant to the provisions, shall prove to have been incorrect in any material respect when made (or deemed made); or

(f) the Company or any of its Material Subsidiaries shall fail to make any payment when due or within any applicable grace period in respect of any Material Debt (and such failure shall constitute an event of default (or similar event) under the relevant agreement) or any event or condition shall occur which results in the acceleration of the maturity of any such Material Debt by holders thereof exercising their rights so to accelerate; or

(g) any Borrower or any Material Subsidiary shall commence a voluntary case or other proceeding seeking liquidation, reorganization or other relief with respect to itself or its debts under any bankruptcy, insolvency or other similar law or Title II of the Dodd-Frank Act, whether now or hereafter in effect or seeking the appointment of a trustee, receiver, liquidator, conservator, custodian or other similar official of it or any substantial part of its property, or shall consent to any such relief or to the appointment of or taking possession by any such official in an involuntary case or other proceeding commenced against it, or shall make a general assignment for the benefit of creditors, or shall fail generally to pay its debts as they become due, or shall take any corporate action to authorize any of the foregoing; or

(h) an involuntary case or other proceeding shall be commenced against any Borrower or any Material Subsidiary seeking liquidation, reorganization or other relief with respect to it or its debts under any bankruptcy, insolvency or other similar law now or hereafter in effect or seeking the appointment of a trustee, receiver, liquidator, custodian or other similar official of it or any substantial part of its property, and such involuntary case or other proceeding shall remain undismissed and unstayed for a period of 90 days; or an order for relief shall be entered against any Borrower or any Material Subsidiary (in an involuntary case or other proceeding against such company) under the Federal bankruptcy laws as now or hereafter in effect; or

(i) (i) any member of the ERISA Group shall fail to pay when due any amount, or members of the ERISA Group shall, in the aggregate, fail to pay when due any amount, which it shall have become liable to pay under Title IV of ERISA; or (ii) notice of intent to terminate a Plan shall be filed under Title IV of ERISA by any member of the ERISA Group, any plan administrator or any combination of the foregoing; or (iii) the PBGC shall institute proceedings under Title IV of ERISA to terminate, to impose liability (other than for premiums under Section 4007 of ERISA) in respect of, or to cause a trustee to be appointed to administer any Plan; or (iv) a condition shall exist by reason of which the PBGC would be entitled to obtain a decree adjudicating that any Plan must be terminated; or (v) there shall occur a complete or partial withdrawal from, or a default, within the meaning of Section 4219(c)(5) of ERISA, with respect to, one or more Multiemployer Plans, which, in the case of clauses (i), (ii), (iii), (iv) or (v), individually or in the aggregate, could reasonably be expected to result in a Material Adverse Effect;

(j) a judgment or order for the payment of money in excess of $200,000,000 (or its equivalent in any other currency) shall be rendered against the Company or any of its Material Subsidiaries and such judgment or order shall continue unsatisfied and unstayed (pursuant to laws, rules, court orders or settlement agreements) for a period of 45 days;

(k) a Change in Control shall occur; or

(l) any provision of Article 7 for any reason ceases to be valid, binding and enforceable in accordance with its terms (or the Company shall challenge the enforceability of any provision of Article 7 or shall assert in writing, or engage in any action or inaction based on any such assertion, that any provision of Article 7 has ceased to be or otherwise is not valid, binding and enforceable in accordance with its terms) other than a release or waiver pursuant to Section 10.2;

then, and in every such event (other than an event described in clause (g) or (h) of this Article), and at any time thereafter during the continuance of such event, the Administrative Agent may with the consent of the Required Lenders, and shall at the request of the Required Lenders, by notice to each Borrower, take either or both of the following actions (whether before or after the Effective Date), at the same or different times: (i) terminate the Commitments, and thereupon the Commitments shall terminate immediately, (ii) declare the Loans then outstanding to be due and payable in whole (or in part, in which case any principal not so declared to be due and payable may thereafter be declared to be due and payable), and thereupon the principal of the Loans so declared to be due and payable, together with accrued interest thereon and all fees and other obligations of each Borrower accrued under the Loan Documents, shall become due and payable immediately, without presentment, demand, protest or other notice of any kind, all of which are hereby waived by each Borrower and (iii) exercise on behalf of itself and the Lenders all rights and remedies available to it and the Lenders under the Loan Documents and applicable law; and in case of any event described in clause (g) or (h) of this Article, the Commitments shall automatically terminate (whether before or after the Effective Date) and the principal of the Loans then outstanding, together with accrued interest thereon and all fees and other obligations of each Borrower accrued under the Loan Documents, shall automatically become due and payable, without presentment, demand, protest or other notice of any kind, all of which are hereby waived by each Borrower.

ARTICLE 9.

THE ADMINISTRATIVE AGENT

Section 9.1 General Matters.

(a) Each Credit Party hereby irrevocably appoints the Administrative Agent as its agent and authorizes the Administrative Agent to take such actions on its behalf and to exercise such powers as are delegated to the Administrative Agent by the terms hereof, together with such actions and powers as are reasonably incidental thereto. The provisions of this Article are solely for the benefit of the Administrative Agent and the Lenders, and neither the Company nor any other Borrower shall have rights as a third party beneficiary of any of such provisions. It is understood and agreed that the use of the term "agent" as used herein or in any other Loan Documents (or any similar term) with reference to the Administrative Agent is not intended to connote any fiduciary or other implied (or express) obligations arising under agency doctrine of any applicable law. Instead, such term is used as a matter of market custom, and is intended to create or reflect only an administrative relationship between independent contracting parties.

(b) The Person serving as the Administrative Agent hereunder shall have the same rights and powers in its capacity as a Lender as any other Lender and may exercise the same as though it were not the Administrative Agent, and such Person and its Affiliates may accept deposits from, lend money to and generally engage in any kind of business with any Borrower or any Subsidiary or other Affiliate thereof as if it were not the Administrative Agent hereunder.

(c) The Administrative Agent shall not have any duties or obligations except those expressly set forth herein. Without limiting the generality of the foregoing, (i) the Administrative Agent shall not be subject to any fiduciary or other implied duties, regardless of whether a Default has occurred and is continuing, (ii) the Administrative Agent shall not have any duty to take any discretionary action or exercise any discretionary powers, except discretionary rights and powers expressly contemplated by the Loan Documents that the Administrative Agent is required to exercise in writing by the Required Lenders (or such other number or percentage of the Credit Parties as shall be necessary under the circumstances as provided in Section 10.2), and (iii) except as expressly set forth herein, the Administrative Agent shall not have any duty to disclose, and shall not be liable for the failure to disclose, any information relating to any Borrower or any of the Subsidiaries that is communicated to or obtained by the Person serving as Administrative Agent or any of its Affiliates in any capacity. The Administrative Agent shall not be liable for any action taken or not taken by it with the consent or at the request of the Required Lenders (or such other number or percentage of the Credit Parties as shall be necessary under the circumstances as provided in Section 10.2) or in the absence of its own gross negligence or willful misconduct as determined by a final nonappealable judgment of a court of competent jurisdiction. The Administrative Agent shall be deemed not to have knowledge of any Default or Event of Default unless and until written notice thereof (stating that it is a "notice of Default" or a "notice of an Event of Default") is given to the Administrative Agent by a Borrower or a Credit Party. Further, the Administrative Agent shall not be responsible for or have any duty to ascertain or inquire into (i) any statement, warranty or representation made in or in connection with this Credit Agreement, (ii) the contents of any certificate, report or other document delivered hereunder or in connection herewith, (iii) the performance or observance of any of the covenants, agreements or other terms or conditions set forth herein or the occurrence of any Default or Event of Default, (iv) the validity, enforceability, effectiveness or genuineness of this Credit Agreement or any other agreement, instrument or document (including, for the avoidance of doubt, in connection with the Administrative Agent's reliance on any Electronic Signature transmitted by telecopy, emailed pdf, or any other electronic means that reproduces an image of an actual executed signature page), or (v) the satisfaction of any condition set forth in Article 5 or elsewhere herein, other than to confirm receipt of items expressly required to be delivered to the Administrative Agent.

(d) The Administrative Agent shall be entitled to rely upon, and shall not incur any liability for relying upon, any notice, request, certificate, consent, statement, instrument, document or other writing reasonably believed by it to be genuine and to have been signed or sent by the proper Person. The Administrative Agent also may rely upon any statement made to it orally or by telephone and believed by it to be made by the proper Person, and shall not incur any liability for relying thereon. The Administrative Agent may consult with legal counsel (who may be counsel for the Borrowers), independent accountants and other experts selected by it, and shall not be liable for any action taken or not taken by it in accordance with the advice of any such counsel, accountants or experts.

(e) The Administrative Agent may perform any and all its duties and exercise its rights and powers by or through any Affiliate or, upon prior notice to the Company (provided that such notice shall not be required during the continuance of an Event of Default), any one or more sub agents appointed by the Administrative Agent, provided that no such delegation shall serve as a release of the Administrative Agent or waiver by any Borrower of any rights hereunder. The Administrative Agent and any such sub agent may perform any and all its duties and exercise its rights and powers through their respective Related Parties. The exculpatory provisions of the preceding paragraphs shall apply to any such sub agent and to the Related Parties of the Administrative Agent and any such sub agent, and shall apply to their respective activities in connection with the syndication of the credit facilities provided for herein as well as activities as Administrative Agent.

(f) Subject to the appointment and acceptance of a successor Administrative Agent as provided in this paragraph, the Administrative Agent may resign at any time by notifying the Credit Parties and the Company. Upon any such resignation, the Required Lenders shall have the right, in consultation with the Company, to appoint a successor. If no successor shall have been so appointed by the Required Lenders and shall have accepted such appointment within 30 days after the retiring Administrative Agent gives notice of its resignation, then the retiring Administrative Agent may, on behalf of the Credit Parties, appoint a successor Administrative Agent which shall be a bank with an office in New York City, or an Affiliate of any such bank. Upon the acceptance of its appointment as Administrative Agent hereunder by a successor, such successor shall succeed to and become vested with all the rights, powers, privileges and duties of the retiring Administrative Agent, and the retiring Administrative Agent shall be discharged from its duties and obligations hereunder. The fees payable by the Company or any Borrower to a successor Administrative Agent shall be the same as those payable to its predecessor unless otherwise agreed between the Company or such Borrower and such successor. After the Administrative Agent's resignation hereunder, the provisions of this Article and Section 10.3 shall continue in effect for the benefit of such retiring Administrative Agent, its sub agents and their respective Related Parties in respect of any actions taken or omitted to be taken by any of them while it was acting as Administrative Agent.

(g) Each Lender acknowledges and agrees that the extensions of credit made hereunder are commercial loans and not investments in a business enterprise or securities. Each Credit Party acknowledges that it is engaged in making, acquiring or holding commercial loans in the ordinary course of its business and it has, independently and without reliance upon the Administrative Agent, any Arranger or any other Credit Party and their respective Related Parties and based on such documents and information as it has deemed appropriate, made its own credit analysis and decision to enter into this Credit Agreement. Each Credit Party also acknowledges that it will, independently and without reliance upon the Administrative Agent or any other Credit Party and based on such documents and information (which may contain material, non-public information within the meaning of the United States securities laws concerning the Borrowers and their Affiliates) as it shall from time to time deem appropriate, continue to make its own decisions in taking or not taking action under or based upon any Loan Document, any related agreement or any document furnished thereunder and in deciding whether or to the extent to which it will continue as a Lender or assign or otherwise transfer its rights, interests and obligations hereunder.

(h) Anything herein to the contrary notwithstanding, none of the Arrangers or Agents listed on the cover page hereof shall have any powers, duties or responsibilities under this Credit Agreement or any of the other Loan Documents, except in its capacity, as applicable, as the Administrative Agent or a Lender hereunder.

(i) The Lenders are not partners or co-venturers, and no Lender shall be liable for the acts or omissions of, or (except as otherwise set forth herein in case of the Administrative Agent) authorized to act for, any other Lender. The Administrative Agent shall have the exclusive right on behalf of the Lenders to enforce the payment of the principal of and interest on any Loan after the date such principal or interest has become due and payable pursuant to the terms of this Credit Agreement.

(j)

(i) Each Lender hereby agrees that (x) if the Administrative Agent notifies such Lender that the Administrative Agent has determined in its sole discretion that any funds received by such Lender from the Administrative Agent or any of its Affiliates (whether as a payment, prepayment or repayment of principal, interest, fees or otherwise; individually and collectively, a "Payment") were erroneously transmitted to such Lender (whether or not known to such Lender), and demands the return of such Payment (or a portion thereof), such Lender shall promptly, but in no event later than one (1) Business Day thereafter, return to the Administrative Agent the amount of any such Payment (or portion thereof) as to which such a demand was made in same day funds, together with interest thereon in respect of each day from and including the date such Payment (or portion thereof) was received by such Lender to the date such amount is repaid to the Administrative Agent at the greater of the NYFRB Rate and a rate determined by the Administrative Agent in accordance with banking industry rules on interbank compensation from time to time in effect, and (y) to the extent permitted by applicable law, such Lender shall not assert, and hereby waives, as to the Administrative Agent, any claim, counterclaim, defense or right of set-off or recoupment with respect to any demand, claim or counterclaim by the Administrative Agent for the return of any Payments received, including without limitation any defense based on "discharge for value" or any similar doctrine. A notice of the Administrative Agent to any Lender under this Section 9.1(j) shall be conclusive, absent manifest error.

(ii) Each Lender hereby further agrees that if it receives a Payment from the Administrative Agent or any of its Affiliates (x) that is in a different amount than, or on a different date from, that specified in a notice of payment sent by the Administrative Agent (or any of its Affiliates) with respect to such Payment (a "Payment Notice") or (y) that was not preceded or accompanied by a Payment Notice, it shall be on notice, in each such case, that an error has been made with respect to such Payment. Each Lender agrees that, in each such case, or if it otherwise becomes aware a Payment (or portion thereof) may have been sent in error, such Lender shall promptly notify the Administrative Agent of such occurrence and, upon demand from the Administrative Agent, it shall promptly, but in no event later than one (1) Business Day thereafter, return to the Administrative Agent the amount of any such Payment (or portion thereof) as to which such a demand was made in same day funds, together with interest thereon in respect of each day from and including the date such Payment (or portion thereof) was received by such Lender to the date such amount is repaid to the Administrative Agent at the greater of the NYFRB Rate and a rate determined by the Administrative Agent in accordance with banking industry rules on interbank compensation from time to time in effect.

(iii) Each Borrower hereby agrees that (x) in the event an erroneous Payment (or portion thereof) are not recovered from any Lender that has received such Payment (or portion thereof) for any reason, the Administrative Agent shall be subrogated to all the rights of such Lender with respect to such amount and (y) an erroneous Payment shall not pay, prepay, repay, discharge or otherwise satisfy any Obligations owed by such Borrower, except, in each case, to the extent such erroneous Payment is, and solely with respect to the amount of such erroneous Payment that is, comprised of funds of any Borrower.

(iv) Each party's obligations under this Section 9.1(j) shall survive the resignation or replacement of the Administrative Agent or any transfer of rights or obligations by, or the replacement of, a Lender, the termination of the Commitments or the repayment, satisfaction or discharge of all Obligations under any Loan Document.

Section 9.2 Posting of Communications.

(a) The Borrowers agree that the Administrative Agent may, but shall not be obligated to, make any Communications available to the Lenders by posting the Communications on IntraLinks™, DebtDomain, SyndTrak, ClearPar or any other electronic platform chosen by the Administrative Agent to be its electronic transmission system (the "Approved Electronic Platform").

(b) Although the Approved Electronic Platform and its primary web portal are secured with generally-applicable security procedures and policies implemented or modified by the Administrative Agent from time to time (including, as of the Effective Date, a user ID/password authorization system) and the Approved Electronic Platform is secured through a per-deal authorization method whereby each user may access the Approved Electronic Platform only on a deal-by-deal basis, each of the Lenders and the Borrowers acknowledges and agrees that the distribution of material through an electronic medium is not necessarily secure, that the Administrative Agent is not responsible for approving or vetting the representatives or contacts of any Lender that are added to the Approved Electronic Platform, and that there may be confidentiality and other risks associated with such distribution. Each of the Lenders and the Borrowers hereby approves distribution of the Communications through the Approved Electronic Platform and understands and assumes the risks of such distribution.

(c) THE APPROVED ELECTRONIC PLATFORM AND THE COMMUNICATIONS ARE PROVIDED "AS IS" AND "AS AVAILABLE". THE APPLICABLE PARTIES (AS DEFINED BELOW) DO NOT WARRANT THE ACCURACY OR COMPLETENESS OF THE COMMUNICATIONS, OR THE ADEQUACY OF THE APPROVED ELECTRONIC PLATFORM AND EXPRESSLY DISCLAIM LIABILITY FOR ERRORS OR OMISSIONS IN THE APPROVED ELECTRONIC PLATFORM AND THE COMMUNICATIONS. NO WARRANTY OF ANY KIND, EXPRESS, IMPLIED OR STATUTORY, INCLUDING ANY WARRANTY OF MERCHANTABILITY, FITNESS FOR A PARTICULAR PURPOSE, NON-INFRINGEMENT OF THIRD PARTY RIGHTS OR FREEDOM FROM VIRUSES OR OTHER CODE DEFECTS, IS MADE BY THE APPLICABLE PARTIES IN CONNECTION WITH THE COMMUNICATIONS OR THE APPROVED ELECTRONIC PLATFORM. IN NO EVENT SHALL THE ADMINISTRATIVE AGENT, ANY ARRANGER, ANY SYNDICATION AGENT, ANY DOCUMENTATION AGENT OR ANY OF THEIR RESPECTIVE RELATED PARTIES (COLLECTIVELY, "APPLICABLE PARTIES") HAVE ANY LIABILITY TO ANY BORROWER, ANY LENDER OR ANY OTHER PERSON OR ENTITY FOR DAMAGES OF ANY KIND, INCLUDING DIRECT OR INDIRECT, SPECIAL, INCIDENTAL OR CONSEQUENTIAL DAMAGES, LOSSES OR EXPENSES (WHETHER IN TORT, CONTRACT OR OTHERWISE) ARISING OUT OF ANY BORROWER'S OR THE ADMINISTRATIVE AGENT'S TRANSMISSION OF COMMUNICATIONS THROUGH THE INTERNET OR THE APPROVED ELECTRONIC PLATFORM.

(d) Each Lender agrees that notice to it (as provided in the next sentence) specifying that Communications have been posted to the Approved Electronic Platform shall constitute effective delivery of the Communications to such Lender for purposes of the Loan Documents. Each Lender agrees (i) to notify the Administrative Agent in writing (which could be in the form of electronic communication) from time to time of such Lender's email address to which the foregoing notice may be sent by electronic transmission and (ii) that the foregoing notice may be sent to such email address.

(e) Each of the Lenders and the Borrowers agrees that the Administrative Agent may, but (except as may be required by applicable law) shall not be obligated to, store the Communications on the Approved Electronic Platform in accordance with the Administrative Agent's generally applicable document retention procedures and policies.

(f) Nothing herein shall prejudice the right of the Administrative Agent, any Lender to give any notice or other communication pursuant to any Loan Document in any other manner specified in such Loan Document.

Section 9.3 Certain ERISA Matters.

(a) Each Lender (x) represents and warrants, as of the date such Person became a Lender party hereto, to, and (y) covenants, from the date such Person became a Lender party hereto to the date such Person ceases being a Lender party hereto, for the benefit of, the Administrative Agent, and the Arrangers and their respective Affiliates, and not, for the avoidance of doubt, to or for the benefit of the Borrower, that at least one of the following is and will be true:

(i) such Lender is not using "plan assets" (within the meaning of the Plan Asset Regulations) of one or more Benefit Plans in connection with the Loans or the Commitments,

(ii) the transaction exemption set forth in one or more PTEs, such as PTE 84-14 (a class exemption for certain transactions determined by independent qualified professional asset managers), PTE 95-60 (a class exemption for certain transactions involving insurance company general accounts), PTE 90-1 (a class exemption for certain transactions involving insurance company pooled separate accounts), PTE 91-38 (a class exemption for certain transactions involving bank collective investment funds) or PTE 96-23 (a class exemption for certain transactions determined by in-house asset managers), is applicable with respect to such Lender's entrance into, participation in, administration of and performance of the Loans, the Commitments and this Credit Agreement,

(iii) (A) such Lender is an investment fund managed by a "Qualified Professional Asset Manager" (within the meaning of Part VI of PTE 84-14), (B) such Qualified Professional Asset Manager made the investment decision on behalf of such Lender to enter into, participate in, administer and perform the Loans, the Commitments and this Credit Agreement, (C) the entrance into, participation in, administration of and performance of the Loans, the Commitments and this Credit Agreement satisfies the requirements of sub-sections (b) through (g) of Part I of PTE 84-14 and (D) to the best knowledge of such Lender, the requirements of subsection (a) of Part I of PTE 84-14 are satisfied with respect to such Lender's entrance into, participation in, administration of and performance of the Loans, the Commitments and this Credit Agreement, or

(iv) such other representation, warranty and covenant as may be agreed in writing between the Administrative Agent, in its sole discretion, and such Lender.

(b) In addition, unless sub-clause (i) in the immediately preceding clause (a) is true with respect to a Lender or such Lender has provided another representation, warranty and covenant as provided in sub-clause (iv) in the immediately preceding clause (a), such Lender further (x) represents and warrants, as of the date such Person became a Lender party hereto, to, and (y) covenants, from the date such Person became a Lender party hereto to the date such Person ceases being a Lender party hereto, for the benefit of, the Administrative Agent, and the Arrangers, the Syndication Agent, the Documentation Agents or any of their respective Affiliates, and not, for the avoidance of doubt, to or for the benefit of the Borrower, that none of the Administrative Agent, or the Arrangers, the Syndication Agent, the Documentation Agents or any of their respective Affiliates is a fiduciary with respect to the assets of such Lender (including in connection with the reservation or exercise of any rights by the Administrative Agent under this Credit Agreement, any Loan Document or any documents related hereto or thereto).

(c) The Administrative Agent and each Arranger, Syndication Agent and Documentation Agent hereby informs the Lenders that each such Person is not undertaking to provide impartial investment advice, or to give advice in a fiduciary capacity, in connection with the transactions contemplated hereby, and that such Person has a financial interest in the transactions contemplated hereby in that such Person or an Affiliate thereof (i) may receive interest or other payments with respect to the Loans, the Commitments, this Credit Agreement and any other Loan Documents, (ii) may recognize a gain if it extended the Loans or the Commitments for an amount less than the amount being paid for an interest in the Loans or the Commitments by such Lender or (iii) may receive fees or other payments in connection with the transactions contemplated hereby, the Loan Documents or otherwise, including structuring fees, commitment fees, arrangement fees, facility fees, commitment fees, upfront fees, underwriting fees, ticking fees, agency fees, administrative agent fees or collateral agent fees, utilization fees, minimum usage fees, letter of credit fees, fronting fees, deal-away or alternate transaction fees, amendment fees, processing fees, term out premiums, banker's acceptance fees, breakage or other early termination fees or fees similar to the foregoing.

ARTICLE 10.

MISCELLANEOUS

Section 10.1 Notices.

(a) Except in the case of notices and other communications expressly permitted to be given by telephone (and subject to paragraph (b) below), all notices and other communications provided for herein shall be in writing and shall be delivered by hand or overnight courier service, mailed by certified or registered mail or sent by facsimile or email, as follows:

(i) if to the Company or ~~a~~the Subsidiary Borrower, to the Company or to ~~such~~the Subsidiary Borrower c/o the Company, as applicable, at ~~3075~~3100 Sanders Road, Suite ~~H2E~~201, Northbrook, Illinois 60062, Attention of: ~~William Hartig~~Mark Price (Telephone No. (~~847~~615) ~~402~~232-~~9023~~4358; email ~~bhartig~~mark.price@allstate.com);

(ii) if to the Administrative Agent, to JPMorgan Chase Bank, N.A., 500 Stanton Christiana Road, NCC5 / 1st Floor, Newark, Delaware 19713, Attention of ~~Loan & Agency Services Group~~Andrew Weyant, Account Manager (Telephone No. (302) ~~634-1920~~552.0714; email ~~michelle.keesee~~andrew.weyant@chase~~.com and 12022443628@tls.ldsprod~~.com); with a copy to JPMorgan Chase Bank, N.A., 383 Madison Avenue, ~~23rd~~24th Floor, New York 10179, Attention of ~~Karole Dill Barkley~~James Mintzer (Telephone No. (212) 270-~~6810~~9841; email ~~karole.dillbarkley~~james.s.mintzer@jpmorgan.com); and

(iii) if to any other Credit Party, to it at its address (or facsimile number) set forth in its Administrative Questionnaire.

Notices sent by hand or overnight courier service, or mailed by certified or registered mail, shall be deemed to have been given when received; notices sent by facsimile shall be deemed to have been given when sent (except that, if not given during normal business hours for the recipient, shall be deemed to have been given at the opening of business on the next business day for the recipient). Notices delivered through Approved Electronic Platforms, to the extent provided in paragraph (b) below, shall be effective as provided in said paragraph (b).

(b) Notices and other communications to the Lenders hereunder may be delivered or furnished by using Approved Electronic Platforms pursuant to procedures approved by the Administrative Agent; provided that the foregoing shall not apply to notices pursuant to Article 2 unless otherwise agreed by the Administrative Agent and the applicable Lender. The Administrative Agent or the Borrower may, in its discretion, agree to accept notices and other communications to it hereunder by electronic communications pursuant to procedures approved by it; provided that approval of such procedures may be limited to particular notices or communications.

(c) Unless the Administrative Agent otherwise prescribes, (i) notices and other communications sent to an e-mail address shall be deemed received upon the sender's receipt of an acknowledgement from the intended recipient (such as by the "return receipt requested" function, as available, return e-mail or other written acknowledgement), and (ii) notices or communications posted to an Internet or intranet website shall be deemed received upon the deemed receipt by the intended recipient, at its e-mail address as described in the foregoing clause (i), of notification that such notice or communication is available and identifying the website address therefor; provided that, for both clauses (i) and (ii) above, if such notice, email or other communication is not sent during the normal business hours of the recipient, such notice or communication shall be deemed to have been sent at the opening of business on the next business day for the recipient.

(d) Any party hereto may change its address or facsimile number for notices and other communications hereunder by notice to the other parties hereto.

Section 10.2 Waivers; Amendments.

(a) No failure or delay by any Credit Party in exercising any right or power under any Loan Document shall operate as a waiver thereof, nor shall any single or partial exercise of any such right or power, or any abandonment or discontinuance of steps to enforce such a right or power, preclude any other or further exercise thereof or the exercise of any other right or power. The rights and remedies of the Credit Parties under the Loan Documents are cumulative and are not exclusive of any rights or remedies that they would otherwise have. No waiver of any provision of any Loan Document or consent to any departure by any Borrower therefrom shall in any event be effective unless the same shall be permitted by paragraph (b) of this Section, and then such waiver or consent shall be effective only in the specific instance and for the purpose for which given. Without limiting the generality of the foregoing, the making of a Loan shall not be construed as a waiver of any Default, regardless of whether any Credit Party may have had notice or knowledge of such Default at the time.

(b) Except as provided in Section 3.4(b)~~,~~ **and** Section 3.4(c~~) and Section 3.4(d~~), neither any Loan Document nor any provision thereof may be waived, amended or modified except pursuant to an agreement or agreements in writing entered into by the Borrowers and the Required Lenders or by the Borrowers and the Administrative Agent with the consent of the Required Lenders, provided that no such agreement shall (i) increase any Commitment of any Lender without the written consent of such Lender, (ii) reduce the principal amount of any Loan, or reduce the rate of any interest (other than under Section 3.1(b)), or reduce any fees, payable under the Loan Documents, without the written consent of each Credit Party directly affected thereby, (it being understood that any amendment or modification to the financial definitions in this Credit Agreement or to the calculation or any financial covenant shall not constitute a reduction in the rate of interest or fees for the purposes of this clause (ii), notwithstanding the fact that such amendment or modification actually results in such a reduction), (iii) postpone the date of payment at stated maturity of any Loan, any interest or any fees payable under the Loan Documents, or reduce the amount of, waive or excuse any such payment, or postpone the stated termination or expiration of the Commitments, without the written consent of each Credit Party directly affected thereby, (iv) change any provision hereof in a manner that would alter the pro rata sharing of payments required by Section 2.9(b) or (c) or the pro rata reduction of Commitments required by Section 2.5(e), without the written consent of each Credit Party affected thereby, (v) change any of the provisions of this Section or the definition of the term "Required Lenders" or any other provision hereof specifying the number or percentage of Lenders required to waive, amend or modify any rights hereunder or make any determination or grant any consent hereunder, without the written consent of each Lender, or (vi) release the Company from its Guarantee, or limit its liability in respect of such Guarantee, without the written consent of each Lender, and provided, further, that no such agreement shall amend, modify or otherwise affect the rights or duties of the Administrative Agent hereunder without the prior written consent of the Administrative Agent.

(c) Notwithstanding the foregoing, this Credit Agreement and any other Loan Document may be amended (or amended and restated) with the written consent of the Required Lenders, the Administrative Agent and the Borrowers (x) to add one or more credit facilities or tranches of incremental facilities to this Credit Agreement and to permit extensions of credit from time to time outstanding thereunder and the accrued interest and fees in respect thereof to share ratably in the benefits of this Credit Agreement and the other Loan Documents with the Loans and the accrued interest and fees in respect thereof and (y) to include appropriately the Lenders holding such credit facilities in any determination of the Required Lenders and Lenders.

(d) If, in connection with any proposed amendment, waiver or consent requiring the consent of "each Lender" or "each Lender directly affected thereby," the consent of the Required Lenders is obtained, but the consent of other necessary Lenders is not obtained (any such Lender whose consent is necessary but not obtained being referred to herein as a "Non-Consenting Lender"), then the Company may, at its sole expense (including the fees referred to in Section 10.4(b)) and effort upon notice to such Lender and the Administrative Agent, elect to replace a Non-Consenting Lender as a Lender party to this Credit Agreement, provided that, concurrently with such replacement, (i) another bank or other entity which is reasonably satisfactory to the Company and the Administrative Agent shall agree, as of such date, to purchase for cash the Loans and other Obligations due to the Non-Consenting Lender pursuant to an Assignment and Assumption and to become a Lender for all purposes under this Credit Agreement and to assume all obligations of the Non-Consenting Lender to be terminated as of such date and to comply with the requirements of clause (b) of Section 10.04, and (ii) each Borrower shall pay to such Non-Consenting Lender in same day funds on the day of such replacement (1) all interest, fees and other amounts then accrued but unpaid to such Non-Consenting Lender by such Borrower hereunder to and including the date of termination, including without limitation payments due to such Non-Consenting Lender under Sections 3.5 and 3.7, and (2) an amount, if any, equal to the payment which would have been due to such Lender on the day of such replacement under Section 3.6 had the Loans of such Non-Consenting Lender been prepaid on such date rather than sold to the replacement Lender and (iii) such Non-Consenting Lender shall have received the outstanding principal amount of its Loans. Each party hereto agrees that (i) an assignment required pursuant to this paragraph may be effected pursuant to an Assignment and Assumption executed by the Borrower, the Administrative Agent and the assignee (or, to the extent applicable, an agreement incorporating an Assignment and Assumption by reference pursuant to an Approved Electronic Platform as to which the Administrative Agent and such parties are participants), and (ii) the Lender required to make such assignment need not be a party thereto in order for such assignment to be effective and shall be deemed to have consented to and be bound by the terms thereof; provided that, following the effectiveness of any such assignment, the other parties to such assignment agree to execute and deliver such documents necessary to evidence such assignment as reasonably requested by the applicable Lender, provided that any such documents shall be without recourse to or warranty by the parties thereto.

(e) Notwithstanding anything to the contrary herein the Administrative Agent may, with the consent of the Borrowers only, amend, modify or supplement this Credit Agreement to cure any ambiguity, omission, mistake, defect or inconsistency; provided that any such amendment, modification or supplement shall not be materially adverse to the Lenders. Upon the execution of such amendment, modification or supplement by the Borrowers and the Administrative Agent, the Administrative Agent shall promptly provide the Lenders with a copy thereof.

Section 10.3 Expenses; Indemnity; Damage Waiver.

(a) The Company shall pay (i) all reasonable out-of-pocket costs and expenses incurred by the Administrative Agent and its Affiliates, including the reasonable fees, charges and disbursements of one counsel for the Administrative Agent, in connection with the syndication of the credit facilities provided for herein, the preparation and administration of each Loan Document or any amendments, modifications or waivers of the provisions thereof (whether or not the transactions contemplated thereby shall be consummated) and (ii) all reasonable out-of-pocket costs and expenses incurred by any Credit Party, including the reasonable fees, charges and disbursements of one counsel for the Administrative Agent and any additional counsel for any Credit Party and any expert witness fees, in connection with the enforcement or protection of its rights in connection with the Loan Documents, including its rights under this Section, or in connection with the Loans made hereunder, including all such reasonable out-of-pocket costs and expenses incurred during any workout, restructuring or negotiations in respect of such Loans, provided that the Lenders who are not the Administrative Agent shall be entitled to reimbursement under this clause (ii) for no more than one counsel representing all such Lenders (absent a conflict of interest in which case the Lenders may engage and be reimbursed for additional counsel).

(b) The Company shall indemnify each Credit Party and each Related Party thereof (each such Person being called an "Indemnitee") against, and hold each Indemnitee harmless from, any and all losses, claims, damages, liabilities and related expenses, including the fees, charges and disbursements of any counsel for any Indemnitee, incurred by or asserted against any Indemnitee arising out of, in connection with, or as a result of (i) the execution or delivery of any Loan Document or any agreement or instrument contemplated thereby, the performance by the parties to the Loan Documents of their respective obligations thereunder or the consummation of the Transactions or any other transactions contemplated thereby, (ii) any Loan or the use of the proceeds thereof, or (iii) any actual or prospective claim, litigation, investigation, arbitration or proceeding relating to any of the foregoing, whether or not such claim, litigation, investigation, arbitration or proceeding is brought by the Company or its respective equity holders, Affiliates, creditors or any other third Person and whether based on contract, tort or any other theory and regardless of whether any Indemnitee is a party thereto; provided that such indemnity shall not, as to any Indemnitee, be available to the extent that such losses, claims, damages, liabilities or related expenses are determined by a court of competent jurisdiction by final and nonappealable judgment to have resulted from the gross negligence or willful misconduct of such Indemnitee. This Section 10.3(b) shall not apply with respect to Taxes other than any Taxes that represent losses, claims or damages arising from any non-Tax claim.

(c) To the extent that the Company fails to pay any amount required to be paid by it to the Administrative Agent under paragraph (a) or (b) of this Section, each Lender severally agrees to pay to the Administrative Agent such Lender's Applicable Percentage (determined as of the time that the applicable unreimbursed expense or indemnity payment is sought) of such unpaid amount, provided that the unreimbursed expense or indemnified loss, claim, damage, liability or related expense, as applicable, was incurred by or asserted against the Administrative Agent in its capacity as such.

(d) To the extent permitted by applicable law, no Borrower shall assert, and hereby waives, any claim against any of the Administrative Agent, any Arranger and any Lender, and any Related Party of any of the foregoing Persons (each such Person being called a "Lender-Related Person") (i) for any damages arising from the use by others of information or other materials obtained through telecommunications, electronic or other information transmission systems, including an Approved Electronic Platform or otherwise via the internet, except to the extent of direct or actual damages that have resulted from the willful misconduct, bad faith or gross negligence of such Lender-Related Person (as determined by a court of competent jurisdiction in a final and nonappealable judgment), or (ii) on any theory of liability, for special, indirect, consequential or punitive damages (as opposed to direct and actual damages) arising out of, in connection with, or as a result of, any Loan Document or any agreement, instrument or other document contemplated thereby, the Transactions or any Loan or the use of the proceeds thereof.

(e) All amounts due under this Section shall be payable promptly but in no event later than ten days after written demand therefor.

Section 10.4 Successors and Assigns.

(a) Successors and Assigns Generally. The provisions of this Credit Agreement shall be binding upon and inure to the benefit of the parties hereto and their respective successors and assigns permitted hereby, except that no Borrower may assign or otherwise transfer any of its rights or obligations hereunder without the prior written consent of the Administrative Agent and each Lender and no Lender may assign or otherwise transfer any of its rights or obligations hereunder except (i) to an Eligible Institution in accordance with the provisions of paragraph (b) of this Section, (ii) by way of participation in accordance with the provisions of paragraph (d) of this Section or (iii) by way of pledge or assignment of a security interest subject to the restrictions of paragraph (f) of this Section (and any other attempted assignment or transfer by any party hereto shall be null and void). Nothing in this Credit Agreement, expressed or implied, shall be construed to confer upon any Person (other than the parties hereto, their respective successors and assigns permitted hereby, Participants to the extent provided in paragraph (d) of this Section and, to the extent expressly contemplated hereby, the Related Parties of each Credit Party) any legal or equitable right, remedy or claim under or by reason of this Credit Agreement.

(b) Assignments by Lenders. Any Lender may at any time assign to one or more assignees all or a portion of its rights and obligations under this Credit Agreement (including all or a portion of its Commitment and the Loans at the time owing to it); provided that any such assignment shall be subject to the following conditions:

(i) Minimum Amounts.

(A) in the case of an assignment of the entire remaining amount of the assigning Lender's Commitment and the Loans at the time owing to it or in the case of an assignment to a Lender, an Affiliate of a Lender or an Approved Fund, no minimum amount need be assigned; and

(B) in any case not described in paragraph (b)(i)(A) of this Section, the aggregate amount of the Commitment (which for this purpose includes Loans outstanding thereunder) or, if the Commitment is not then in effect, the principal outstanding balance of the Loans of the assigning Lender subject to each such assignment (determined as of the date the Assignment and Assumption with respect to such assignment is delivered to the Administrative Agent or, if "Trade Date" is specified in the Assignment and Assumption, as of the Trade Date) shall not be less than $10,000,000 unless each of the Administrative Agent and, so long as no Event of Default has occurred and is continuing, the Company otherwise consents (each such consent not to be unreasonably withheld or delayed).

(ii) Proportionate Amounts. Each partial assignment shall be made as an assignment of a proportionate part of all the assigning Lender's rights and obligations under this Credit Agreement.

(iii) Required Consents. No consent shall be required for any assignment except to the extent required by paragraph (b)(i)(B) of this Section and, in addition:

(A) the consent of the Company (such consent not to be unreasonably withheld, conditioned or delayed; provided that the Company shall be deemed to have consented to any such assignment unless it shall object thereto by written notice to the Administrative Agent within ten (10) Business Days after having received notice thereof) shall be required unless (x) an Event of Default has occurred and is continuing at the time of such assignment or (y) such assignment is to a Lender, an Affiliate of a Lender or an Approved Fund; and

(B) the consent of the Administrative Agent (such consent not to be unreasonably withheld, conditioned or delayed) shall be required for an assignment if such assignment is to a Person that is not a Lender, an Affiliate of such Lender or an Approved Fund with respect to such Lender.

(iv) Assignment and Assumption. The parties to each assignment shall execute and deliver to the Administrative Agent (x) an Assignment and Assumption or (y) to the extent applicable, an agreement incorporating an Assignment and Assumption by reference pursuant to an Approved Electronic Platform as to which the Administrative Agent and the parties to the Assignment and Assumption are participants, together with a processing and recordation fee of $3,500, and the assignee, if it is not a Lender, shall deliver to the Administrative Agent an Administrative Questionnaire.

(v) No Assignment to Certain Entities. No such assignment shall be made to (i) any Borrower or any of the Borrowers' Affiliates or Subsidiaries or (ii) a Defaulting Lender or its Lender Parent.

(vi) No Assignment to Natural Persons. No such assignment shall be made to (i) a natural person or (ii) a company, investment vehicle or trust for, or owned and operated for the primary benefit of, a natural person or relative(s) thereof.

Subject to acceptance and recording thereof by the Administrative Agent pursuant to paragraph (c) of this Section, from and after the effective date specified in each Assignment and Assumption, the assignee thereunder shall be a party to this Credit Agreement and, to the extent of the interest assigned by such Assignment and Assumption, have the rights and obligations of a Lender under this Credit Agreement, and the assigning Lender thereunder shall, to the extent of the interest assigned by such Assignment and Assumption, be released from its obligations under this Credit Agreement (and, in the case of an Assignment and Assumption covering all of the assigning Lender's rights and obligations under this Credit Agreement, such Lender shall cease to be a party hereto) but shall continue to be entitled to the benefits of Sections 3.5 and 10.3 with respect to facts and circumstances occurring prior to the effective date of such assignment. Any assignment or transfer by a Lender of rights or obligations under this Credit Agreement that does not comply with this paragraph shall be treated for purposes of this Credit Agreement as a sale by such Lender of a participation in such rights and obligations in accordance with paragraph (d) of this Section.

(c) Register. The Administrative Agent, acting solely for this purpose as a non-fiduciary agent of the Borrowers, shall maintain at one of its offices in the United States a copy of each Assignment and Assumption delivered to it and a register for the recordation of the names and addresses of the Lenders, and the Commitment of, and principal amounts of the Loans (and stated interest) owing to, each Lender pursuant to the terms hereof from time to time (the "Register"). Upon its receipt of (x) a duly completed Assignment and Assumption executed by an assigning Lender and an assignee or (y) to the extent applicable, an agreement incorporating an Assignment and Assumption by reference pursuant to an Approved Electronic Platform as to which the Administrative Agent and the parties to the Assignment and Assumption are participants, the assignee's completed Administrative Questionnaire (unless the assignee shall already be a Lender hereunder), the processing and recordation fee referred to in paragraph (b)(iv) of this Section and any written consent to such assignment required by paragraph (b) of this Section, the Administrative Agent shall accept such Assignment and Assumption and record the information contained therein in the Register; provided that if either the assigning Lender or the assignee shall have failed to make any payment required to be made by it pursuant to Section 2.4(b), 2.9(d) or 10.3(c), the Administrative Agent shall have no obligation to accept such Assignment and Assumption and record the information therein in the Register unless and until such payment shall have been made in full, together with all accrued interest thereon. No assignment shall be effective for purposes of this Credit Agreement unless it has been recorded in the Register as provided in this paragraph. The entries in the Register shall be conclusive absent manifest error, and the Borrowers, the Administrative Agent and the Lenders may treat each Person whose name is recorded in the Register pursuant to the terms hereof as a Lender hereunder for all purposes of this Credit Agreement, notwithstanding notice to the contrary. The Register shall be available for inspection by the Borrowers and any Lender, at any reasonable time and from time to time upon reasonable prior notice.

(d) Participations. Any Lender may at any time, without the consent of, or notice to, any Borrower or the Administrative Agent, sell participations to any Person (other than any person or entity referenced in Section 10.4(b)(v) or (vi)) (each, a "Participant") in all or a portion of such Lender's rights and/or obligations under this Credit Agreement (including all or a portion of its Commitment and/or the Loans owing to it); provided that (i) such Lender's obligations under this Credit Agreement shall remain unchanged, (ii) such Lender shall remain solely responsible to the other parties hereto for the performance of such obligations and (iii) the Borrowers, the Administrative Agent and each Credit Party shall continue to deal solely and directly with such Lender in connection with such Lender's rights and obligations under this Credit Agreement. Any agreement or instrument pursuant to which a Lender sells such a participation shall provide that such Lender shall retain the sole right to enforce this Credit Agreement and to approve any amendment, modification or waiver of any provision of this Credit Agreement; provided that such agreement or instrument may provide that such Lender will not, without the consent of the Participant, agree to any amendment, modification or waiver described in the first proviso in Section 10.2(b) that directly affects such Participant. Subject to paragraph (e) of this Section, the Borrowers agree that each Participant shall be entitled to the benefits of Sections 3.5, 3.6 and 3.7 to the same extent as if it were a Lender and had acquired its interest by assignment pursuant to paragraph (b) of this Section. To the extent permitted by law, each Participant also shall be entitled to the benefits of Section 10.8 as though it were a Lender, provided that such Participant agrees to be subject to Section 2.9(c) as though it were a Lender. Each Lender that sells a participating interest shall, acting solely for this purpose as a non-fiduciary agent of the Borrowers, maintain a register on which it enters the name and address of each Participant and the principal amounts (and stated interest) of each Participant's interest in such Lender's rights and/or obligations under this Credit Agreement (including all or a portion of its Commitment and/or the Loans owing to it) (the "Participant Register"); provided that no Lender shall have any obligation to disclose all or any portion of the Participant Register (including the identity of any Participant or any information relating to a Participant's interest in such Lender's rights and/or obligations under this Credit Agreement (including all or a portion of its Commitment and/or the Loans owing to it)) to any Person except to the extent that such disclosure is necessary to establish that such Lender's rights and/or obligations under this

Credit Agreement (including all or a portion of its Commitment and/or the Loans owing to it) is in registered form under Section 5f.103-1(c) of the United States Treasury Regulations or Section 1.163-5(b) of the Proposed United States Treasury Regulations (or, in each case, any amended or successor version). The entries in the Participant Register shall be conclusive absent manifest error, and such Lender shall treat each Person whose name is recorded in the Participant Register as the owner of such participation for all purposes of this Credit Agreement notwithstanding any notice to the contrary. For the avoidance of doubt, the Administrative Agent (in its capacity as Administrative Agent) shall have no responsibility for maintaining a Participant Register.

(e) Limitations upon Participant Rights. A Participant shall not be entitled to receive any greater payment under Sections 3.5 or 3.7 than the Lender would have been entitled to receive with respect to the participation sold to such Participant, unless the sale of the participation to such Participant is made with each Borrower's prior written consent. A Participant that would be a Foreign Lender if it were a Lender shall not be entitled to the benefits of Section 3.7 unless the Company is notified of the participation sold to such Participant and such Participant agrees, for the benefit of the Borrowers, to comply with Section 3.7(c) as though it were a Lender.

(f) Certain Pledges. Any Lender may at any time pledge or assign a security interest in all or any portion of its rights under this Credit Agreement (and the related Note, if any) to secure obligations of such Lender, including any pledge or assignment to secure obligations to a Federal Reserve Bank; provided that no such pledge or assignment shall release such Lender from any of its obligations hereunder or substitute any such pledgee or assignee for such Lender as a party hereto.

Section 10.5 Survival. All covenants, agreements, representations and warranties made by the Borrowers herein and in the certificates or other instruments prepared or delivered in connection with or pursuant to this Credit Agreement or any other Loan Document shall be considered to have been relied upon by the other parties hereto and shall survive the execution and delivery of any Loan Document and the making of any Loans, regardless of any investigation made by any such other party or on its behalf and notwithstanding that any Credit Party may have had notice or knowledge of any Default or incorrect representation or warranty at the time any credit is extended hereunder, and shall continue in full force and effect as long as the principal of or any accrued interest on any Loan or any fee or any other amount payable under the Loan Documents is outstanding and unpaid and so long as the Commitments have not expired or terminated. The provisions of Sections 3.5, 3.6, 3.7 and 10.3, 10.9, 10.10 and Article 9 shall survive and remain in full force and effect regardless of the consummation of the transactions contemplated hereby, the repayment of the Loans and the termination of the Commitments or the termination of this Credit Agreement or any provision hereof.

Section 10.6 Counterparts; Integration; Effectiveness. This Credit Agreement may be executed in counterparts (and by different parties hereto on different counterparts), each of which shall constitute an original, but all of which, when taken together, shall constitute but one contract. This Credit Agreement and any separate letter agreements with respect to fees payable to any Credit Party or the syndication of the credit facilities established hereunder constitute the entire contract among the parties relating to the subject matter hereof and supersede any and all previous agreements and understandings, oral or written, relating to the subject matter hereof. Except as provided in Section 5.1, this Credit Agreement shall become effective when it shall have been executed by the Administrative Agent and when the Administrative Agent shall have received counterparts hereof which, when taken together, bear the signatures of each of the other parties and thereafter shall be binding upon and inure to the benefit of the parties hereto and their respective successors and assigns. Delivery of an executed counterpart of a signature page of (x) this Credit Agreement, (y) any other Loan Document and/or (z) any document, amendment, approval, consent, information, notice (including, for the avoidance of doubt, any notice delivered pursuant to Section 9.01), certificate, request, statement, disclosure or authorization related to this Credit Agreement, any other Loan

Document and/or the transactions contemplated hereby and/or thereby (each an "Ancillary Document") that is an Electronic Signature transmitted by telecopy, emailed pdf, or any other electronic means that reproduces an image of an actual executed signature page shall be effective as delivery of a manually executed counterpart of this Credit Agreement, such other Loan Document or such Ancillary Document, as applicable. The words "execution," "signed," "signature," "delivery," and words of like import in or relating to this Credit Agreement, any other Loan Document and/or any Ancillary Document shall be deemed to include Electronic Signatures, deliveries or the keeping of records in any electronic form (including deliveries by telecopy, emailed pdf, or any other electronic means that reproduces an image of an actual executed signature page), each of which shall be of the same legal effect, validity or enforceability as a manually executed signature, physical delivery thereof or the use of a paper-based recordkeeping system, as the case may be; provided that nothing herein shall require the Administrative Agent to accept Electronic Signatures in any form or format without its prior written consent and pursuant to procedures approved by it; provided, further, without limiting the foregoing, (i) to the extent the Administrative Agent has agreed to accept any Electronic Signature, the Administrative Agent and each of the Lenders shall be entitled to rely on such Electronic Signature purportedly given by or on behalf of any Borrower without further verification thereof and without any obligation to review the appearance or form of any such Electronic Signature and (ii) upon the request of the Administrative Agent or any Lender, any Electronic Signature shall be promptly followed by a manually executed counterpart. Without limiting the generality of the foregoing, the Borrowers hereby (i) agree that, for all purposes, including without limitation, in connection with any workout, restructuring, enforcement of remedies, bankruptcy proceedings or litigation among the Administrative Agent, the Lenders, the Borrowers, Electronic Signatures transmitted by telecopy, emailed pdf, or any other electronic means that reproduces an image of an actual executed signature page and/or any electronic images of this Credit Agreement, any other Loan Document and/or any Ancillary Document shall have the same legal effect, validity and enforceability as any paper original, (ii) agree that the Administrative Agent and each of the Lenders may, at its option, create one or more copies of this Credit Agreement, any other Loan Document and/or any Ancillary Document in the form of an imaged electronic record in any format, which shall be deemed created in the ordinary course of such Person's business, and destroy the original paper document (and all such electronic records shall be considered an original for all purposes and shall have the same legal effect, validity and enforceability as a paper record), (iii) waives any argument, defense or right to contest the legal effect, validity or enforceability of this Credit Agreement, any other Loan Document and/or any Ancillary Document based solely on the lack of paper original copies of this Credit Agreement, such other Loan Document and/or such Ancillary Document, respectively, including with respect to any signature pages thereto and (iv) waives any claim against any Lender-Related Person for any Liabilities arising solely from the Administrative Agent's and/or any Lender's reliance on or use of Electronic Signatures and/or transmissions by telecopy, emailed pdf, **or** any other electronic means that reproduces an image of an actual executed signature page, including any Liabilities arising as a result of the failure of any Borrower to use any available security measures in connection with the execution, delivery or transmission of any Electronic Signature, except to the extent of direct or actual damages that have resulted from the willful misconduct, bad faith or gross negligence of such Lender-Related Person (as determined by a court of competent jurisdiction in a final and nonappealable judgment).

Section 10.7 Severability. In the event any one or more of the provisions contained in this Credit Agreement should be held invalid, illegal or unenforceable in any respect, the validity, legality and enforceability of the remaining provisions contained herein shall not in any way be affected or impaired thereby (it being understood that the invalidity of a particular provision in a particular jurisdiction shall not in and of itself affect the validity of such provision in any other jurisdiction). The parties shall endeavor in good faith negotiations to replace the invalid, illegal or unenforceable provisions with valid provisions the economic effect of which comes as close as possible to that of the invalid, illegal or unenforceable provisions.

Section 10.8 Right of Setoff. If an Event of Default shall have occurred and be continuing, each of the Lenders and their respective Affiliates is hereby authorized at any time and from time to time, to the fullest extent permitted by applicable law, to setoff and apply any and all deposits (general or special, time or demand, provisional or final) at any time held and other obligations at any time owing by it to or for the credit or the account of any Borrower against any of and all the obligations of such Borrower now or hereafter existing under this Credit Agreement held by it, irrespective of whether or not it shall have made any demand under this Credit Agreement and although such obligations may be unmatured. The rights of each the Lenders and their respective Affiliates under this Section are in addition to other rights and remedies (including other rights of setoff) that it may have. Each Lender agrees to notify the Company and the Administrative Agent promptly after any such setoff and application; provided that the failure to give such notice shall not affect the validity of such setoff and application.

Section 10.9 Governing Law; Jurisdiction; Consent to Service of Process.

(a) This Credit Agreement and the other Loan Documents shall be governed by, and construed in accordance with, the laws of the State of New York.

(b) Each of the Lenders and the Administrative Agent hereby irrevocably and unconditionally agrees that, notwithstanding the governing law provisions of any applicable Loan Document, any claims brought against the Administrative Agent by any Lender relating to this Credit Agreement, any other Loan Document or the consummation or administration of the transactions contemplated hereby or thereby shall be construed in accordance with and governed by the law of the State of New York.

(c) Each of the parties hereto hereby irrevocably and unconditionally submits, for itself and its property, to the exclusive jurisdiction of the United States District Court for the Southern District of New York sitting in the Borough of Manhattan (or if such court lacks subject matter jurisdiction, the Supreme Court of the State of New York sitting in the Borough of Manhattan), and any appellate court from any thereof, in any action or proceeding arising out of or relating to this Credit Agreement or any other Loan Document or the transactions relating hereto or thereto, or for recognition or enforcement of any judgment, and each of the parties hereto hereby irrevocably and unconditionally agrees that all claims in respect of any such action or proceeding may (and any such claims, cross-claims or third party claims brought against the Administrative Agent or any of its Related Parties may only) be heard and determined in such Federal (to the extent permitted by law) or New York State court. Each of the parties hereto agrees that a final judgment in any such action or proceeding shall be conclusive and may be enforced in other jurisdictions by suit on the judgment or in any other manner provided by law. Nothing in this Credit Agreement shall affect any right that the Administrative Agent or any other Credit Party may otherwise have to bring any action or proceeding relating to this Credit Agreement or the other Loan Documents against any Borrower, or any of its property, in the courts of any jurisdiction.

(d) Each of the parties hereto hereby irrevocably and unconditionally waives, to the fullest extent it may legally and effectively do so, any objection that it may now or hereafter have to the laying of venue of any suit, action or proceeding arising out of or relating to this Credit Agreement or the other Loan Documents in any court referred to in paragraph (c) of this Section. Each of the parties hereto hereby irrevocably waives, to the fullest extent permitted by applicable law, the defense of an inconvenient forum to the maintenance of such action or proceeding in any such court.

(e) Each of the parties hereto hereby irrevocably consents to service of process in the manner provided for notices in Section 10.1. Nothing in this Credit Agreement will affect the right of any party to this Credit Agreement to serve process in any other manner permitted by law.

Section 10.10 WAIVER OF JURY TRIAL. **EACH PARTY HERETO HEREBY WAIVES, TO THE FULLEST EXTENT PERMITTED BY APPLICABLE LAW, ANY RIGHT IT MAY HAVE TO A TRIAL BY JURY IN RESPECT OF ANY LITIGATION DIRECTLY OR INDIRECTLY ARISING OUT OF, UNDER OR IN CONNECTION WITH THIS CREDIT AGREEMENT. EACH PARTY HERETO (A) CERTIFIES THAT NO REPRESENTATIVE, AGENT OR ATTORNEY OF ANY OTHER PARTY HAS REPRESENTED, EXPRESSLY OR OTHERWISE, THAT SUCH OTHER PARTY WOULD NOT, IN THE EVENT OF LITIGATION, SEEK TO ENFORCE THE FOREGOING WAIVER AND (B) ACKNOWLEDGES THAT IT AND THE OTHER PARTIES HERETO HAVE BEEN INDUCED TO ENTER INTO THIS CREDIT AGREEMENT BY, AMONG OTHER THINGS, THE MUTUAL WAIVERS AND CERTIFICATIONS IN THIS SECTION.**

Section 10.11 Headings. Article and Section headings and the Table of Contents used herein are for convenience of reference only, are not part of this Credit Agreement and shall not affect the construction of, or be taken into consideration in interpreting, this Credit Agreement.

Section 10.12 Interest Rate Limitation. Notwithstanding anything herein to the contrary, if at any time the interest rate applicable to any Loan, together with all fees, charges and other amounts that are treated as interest on such Loan under applicable law (collectively the "charges"), shall exceed the maximum lawful rate (the "maximum rate") that may be contracted for, charged, taken, received or reserved by the Lender holding such Loan in accordance with applicable law, the rate of interest payable in respect of such Loan hereunder, together with all of the charges payable in respect thereof, shall be limited to the maximum rate and, to the extent lawful, the interest and the charges that would have been payable in respect of such Loan but were not payable as a result of the operation of this Section shall be cumulated, and the interest and the charges payable to such Lender in respect of other Loans or periods shall be increased (but not above the maximum rate therefor) until such cumulated amount, together with interest thereon at the NYFRB Rate to the date of repayment, shall have been received by such Lender.

Section 10.13 Confidentiality. Except as provided in this Section 10.13, each Credit Party expressly agrees to maintain as confidential and not to disclose, publish or disseminate to any third parties any Confidential Information (as defined below) provided to it, provided, however, that nothing herein shall limit the disclosure of any Confidential Information (i) to its Related Parties (other than insurance Affiliates), counsel or other representatives reasonably required, in the opinion of the Credit Party, to have such information, provided such Persons have agreed or are under a duty to keep all such information confidential in accordance with this Section 10.13, (ii) upon the request or demand of any Governmental Authority, regulatory agency, authority or self-regulatory body (such as the National Association of Insurance Commissioners) having jurisdiction over or claiming authority to regulate or oversee any aspect of the business of such Credit Party or its Affiliates, (iii) to the extent required by applicable laws or regulations or pursuant to any subpoena, court or governmental order or similar legal process, provided that to the extent permitted by law and if practicable to do so under the circumstances, other than with respect to any audit or examination conducted by bank accountants or any governmental bank regulatory authority exercising examination or regulatory authority, the Company is given prior notice of, and an opportunity to contest, the production of such Confidential Information (which notice and opportunity shall be reasonable under the circumstances), (iv) to any assignee of or Participant in, or any prospective assignee or participant in connection with any contemplated transfer pursuant to Section 10.4, provided that such transferee or prospective transferee shall have expressly agreed to be bound by the provisions of this Section 10.13, (iv) to any other party to this Credit Agreement, (v) to any direct or indirect contractual counterparty in a swap agreement, or such contractual counterparty's professional advisor, provided that such contractual counterparty (or its Affiliates) is not a competitor of the Company or any of its Subsidiaries and such contractual counterparty, or such contractual counterparty's professional advisor, shall have expressly agreed to be bound by the provisions of this Section 10.13, (vi) any nationally recognized rating agency, (vii) to the extent necessary in connection with the exercise of any remedy hereunder, (viii) in connection with any litigation or dispute to which one or more of the Borrowers and one or more of the Credit Parties is a party, (ix) with the consent of the Company, (x) to the extent such Confidential Information (i) becomes publicly available other than as a result of a breach of this Section or (ii) becomes available to the Administrative Agent or any Lender on a nonconfidential basis from a source other than the Company, and (xi) on a confidential basis to the CUSIP Service Bureau or any similar agency in connection with the issuance and monitoring of CUSIP numbers or other market identifiers with respect to the Loans. Each Credit Party agrees that it will only use the Confidential Information in connection with the evaluation and administration of this credit facility and its Loans, and it will not use the Confidential Information for purposes of trading in the securities of the Company. For purposes of this Section 10.13, "Confidential Information" means any written or oral information provided under this Credit Agreement by or on behalf of any Borrower that, in the case of written information, is clearly marked "confidential" and in the case of oral information, that has been identified by its source as confidential, other than any Confidential Information which: (a) is or becomes generally available to the public other than as a result of a breach of this Section 10.13; (b) becomes available to a Credit Party on a non-confidential basis from a source other than the a Borrower, or one of its agents, which source is not known by such Credit Party to be bound by a confidentiality agreement with the Company or such Borrower; (c) was known to a Credit Party on a non-confidential basis prior to its disclosure to such Credit Party by the a Borrower, one of its agents or another Credit Party, (d) the Company has advised the Credit Party is no longer confidential, (e) to the extent the Company shall have consented to such disclosure in writing or (f) pertains to this Credit Agreement routinely provided by arrangers to data service providers, including league table providers, that serve the lending industry.

EACH LENDER ACKNOWLEDGES THAT INFORMATION AS DEFINED IN THE IMMEDIATELY PRECEDING PARAGRAPH FURNISHED TO IT PURSUANT TO THIS CREDIT AGREEMENT MAY INCLUDE MATERIAL NON-PUBLIC INFORMATION CONCERNING THE BORROWERS AND THEIR RELATED PARTIES OR THEIR RESPECTIVE SECURITIES, AND CONFIRMS THAT IT HAS DEVELOPED COMPLIANCE PROCEDURES REGARDING THE USE OF MATERIAL NON-PUBLIC INFORMATION AND THAT IT WILL HANDLE SUCH MATERIAL NON-PUBLIC INFORMATION IN ACCORDANCE WITH THOSE PROCEDURES AND APPLICABLE LAW, INCLUDING FEDERAL AND STATE SECURITIES LAWS.

ALL INFORMATION, INCLUDING REQUESTS FOR WAIVERS AND AMENDMENTS, FURNISHED BY THE COMPANY OR ANY OTHER BORROWER OR THE ADMINISTRATIVE AGENT PURSUANT TO, OR IN THE COURSE OF ADMINISTERING, THIS CREDIT AGREEMENT WILL BE SYNDICATE-LEVEL INFORMATION, WHICH MAY CONTAIN MATERIAL NON-PUBLIC INFORMATION ABOUT THE COMPANY, THE OTHER BORROWERS AND THEIR RELATED PARTIES OR THEIR RESPECTIVE SECURITIES. ACCORDINGLY, EACH LENDER REPRESENTS TO THE BORROWER AND THE ADMINISTRATIVE AGENT THAT IT HAS IDENTIFIED IN ITS ADMINISTRATIVE QUESTIONNAIRE A CREDIT CONTACT WHO MAY RECEIVE INFORMATION THAT MAY CONTAIN MATERIAL NON-PUBLIC INFORMATION IN ACCORDANCE WITH ITS COMPLIANCE PROCEDURES AND APPLICABLE LAW.

Section 10.14 USA Patriot Act Notice. Each Lender that is subject to the USA PATRIOT Act (as hereinafter defined) and the Beneficial Ownership Regulation and the Administrative Agent (for itself and not on behalf of any Lender) hereby notifies the Borrower that pursuant to the requirements of the USA PATRIOT Act (Title III of Pub. L. 107 56 (signed into law October 26, 2001)) (the "USA PATRIOT Act") and the Beneficial Ownership Regulations, it is required to obtain, verify and record information that identifies each Borrower, which information includes the name and address of each Borrower and other information that will allow such Lender or the Administrative Agent, as applicable, to identify each Borrower in accordance with the Patriot Act and the Beneficial Ownership Regulation.

Section 10.15 No Advisory or Fiduciary Responsibility.

(a) Each Borrower acknowledges and agrees, and acknowledges its Subsidiaries' understanding, that no Credit Party will have any obligations except those obligations expressly set forth herein and in the other Loan Documents and each Credit Party is acting solely in the capacity of an arm's length contractual counterparty to such Borrower with respect to the Loan Documents and the transactions contemplated herein and therein and not as a financial advisor or a fiduciary to, or an agent of, such Borrower or any other person. Each Borrower agrees that it will not assert any claim against any Credit Party based on an alleged breach of fiduciary duty by such Credit Party in connection with this Credit Agreement and the transactions contemplated hereby. Additionally, each Borrower acknowledges and agrees that no Credit Party is advising such Borrower as to any legal, tax, investment, accounting, regulatory or any other matters in any jurisdiction. Each Borrower shall consult with its own advisors concerning such matters and shall be responsible for making its own independent investigation and appraisal of the transactions contemplated herein or in the other Loan Documents, and the Credit Parties shall have no responsibility or liability to any Borrower with respect thereto.

(b) Each Borrower further acknowledges and agrees, and acknowledges its Subsidiaries' understanding, that each Credit Party, together with its Affiliates, is a full service securities or banking firm engaged in securities trading and brokerage activities as well as providing investment banking and other financial services. In the ordinary course of business, any Credit Party may provide investment banking and other financial services to, and/or acquire, hold or sell, for its own accounts and the accounts of customers, equity, debt and other securities and financial instruments (including bank loans and other obligations) of, such Borrower, its Subsidiaries and other companies with which such Borrower or any of its Subsidiaries may have commercial or other relationships. With respect to any securities and/or financial instruments so held by any Credit Party or any of its customers, all rights in respect of such securities and financial instruments, including any voting rights, will be exercised by the holder of the rights, in its sole discretion.

(c) In addition, each Borrower acknowledges and agrees, and acknowledges its Subsidiaries' understanding, that each Credit Party and its Affiliates may be providing debt financing, equity capital or other services (including financial advisory services) to other companies in respect of which such Borrower or any of its Subsidiaries may have conflicting interests regarding the transactions described herein and otherwise. No Credit Party will use confidential information obtained from the Borrower by virtue of the transactions contemplated by the Loan Documents or its other relationships with the Borrower in connection with the performance by such Credit Party of services for other companies, and no Credit Party will furnish any such information to other companies. Each Borrower also acknowledges that no Credit Party has any obligation to use in connection with the transactions contemplated by the Loan Documents, or to furnish to such Borrower or any of its Subsidiaries, confidential information obtained from other companies.

Section 10.16 Acknowledgement and Consent to Bail-In of Affected Financial Institutions. Notwithstanding anything to the contrary in any Loan Document or in any other agreement, arrangement or understanding among any such parties, each party hereto acknowledges that any liability of any Affected Financial Institution arising under any Loan Document may be subject to the Write-Down and Conversion Powers of the applicable Resolution Authority and agrees and consents to, and acknowledges and agrees to be bound by:

(a) the application of any Write-Down and Conversion Powers by the applicable Resolution Authority to any such liabilities arising hereunder which may be payable to it by any party hereto that is an Affected Financial Institution; and

(b) the effects of any Bail-In Action on any such liability, including, if applicable:

(i) a reduction in full or in part or cancellation of any such liability;

(ii) a conversion of all, or a portion of, such liability into shares or other instruments of ownership in such Affected Financial Institution, its parent entity, or a bridge institution that may be issued to it or otherwise conferred on it, and that such shares or other instruments of ownership will be accepted by it in lieu of any rights with respect to any such liability under this Credit Agreement or any other Loan Document; or

(iii) the variation of the terms of such liability in connection with the exercise of the Write-Down and Conversion Powers of the applicable Resolution Authority.

Section 10.17 Acknowledgement Regarding Any Supported QFCs. To the extent that the Loan Documents provide support, through a guarantee or otherwise, for Swap Agreements or any other agreement or instrument that is a QFC (such support "QFC Credit Support" and each such QFC a "Supported QFC"), the parties acknowledge and agree as follows with respect to the resolution power of the Federal Deposit Insurance Corporation under the Federal Deposit Insurance Act and Title II of the Dodd-Frank Act (together with the regulations promulgated thereunder, the "U.S. Special Resolution Regimes") in respect of such Supported QFC and QFC Credit Support (with the provisions below applicable notwithstanding that the Loan Documents and any Supported QFC may in fact be stated to be governed by the laws of the State of New York and/or of the United States or any other state of the United States):

In the event a Covered Entity that is party to a Supported QFC (each, a "Covered Party") becomes subject to a proceeding under a U.S. Special Resolution Regime, the transfer of such Supported QFC and the benefit of such QFC Credit Support (and any interest and obligation in or under such Supported QFC and such QFC Credit Support, and any rights in property securing such Supported QFC or such QFC Credit Support) from such Covered Party will be effective to the same extent as the transfer would be effective under the U.S. Special Resolution Regime if the Supported QFC and such QFC Credit Support (and any such interest, obligation and rights in property) were governed by the laws of the United States or a state of the United States. In the event a Covered Party or a BHC Act Affiliate of a Covered Party becomes subject to a proceeding under a U.S. Special Resolution Regime, Default Rights under the Loan Documents that might otherwise apply to such Supported QFC or any QFC Credit Support that may be exercised against such Covered Party are permitted to be exercised to no greater extent than such Default Rights could be exercised under the U.S. Special Resolution Regime if the Supported QFC and the Loan Documents were governed by the laws of the United States or a state of the United States. Without limitation of the foregoing, it is understood and agreed that rights and remedies of the parties with respect to a Defaulting Lender shall in no event affect the rights of any Covered Party with respect to a Supported QFC or any QFC Credit Support.

[Remainder of Page Intentionally Left Blank]

IN WITNESS WHEREOF, the parties hereto have caused this Credit Agreement be duly executed and delivered by their respective authorized officers as of the day and year first above written.

THE ALLSTATE CORPORATION

By: ______________________________
Name:
Title:

By: ______________________________
Name:
Title:

ALLSTATE INSURANCE COMPANY

By: ______________________________
Name:
Title:

By: ______________________________
Name:
Title:

~~**ALLSTATE LIFE INSURANCE COMPANY**~~

~~**By:**~~ ______________________________
~~**Name:**~~
~~**Title:**~~

~~**By:**~~ ______________________________
~~**Name:**~~
~~**Title:**~~

JPMORGAN CHASE BANK, N.A., individually as a Lender and as Administrative Agent

By: ______________________________________
Name:
Title:

[OTHER LENDERS], as a Lender

By: ____

Name:

Title:

SCHEDULE 2.1

LIST OF COMMITMENTS

LENDER	COMMITMENT
JPMORGAN CHASE BANK, N.A.	$95,000,000
WELLS FARGO BANK, NATIONAL ASSOCIATION	$95,000,000
BANK OF AMERICA, N.A.	$75,000,000
BARCLAYS BANK PLC	$75,000,000
CREDIT SUISSE AG, NEW YORK BRANCH	$75,000,000
GOLDMAN SACHS BANK USA	$75,000,000
MORGAN STANLEY BANK, N.A.	$37,500,000
MUFG BANK, LTD.	$37,500,000
U.S. BANK NATIONAL ASSOCIATION	$75,000,000
THE BANK OF NEW YORK MELLON	$55,000,000
THE NORTHERN TRUST COMPANY	$55,000,000
AGGREGATE COMMITMENT	**$750,000,000**

ALLSTATE EXHIBIT A

FORM OF ASSIGNMENT AND ASSUMPTION

This Assignment and Assumption (the "Assignment and Assumption") is dated as of the Effective Date set forth below and is entered into by and between [the][each][1] Assignor identified in item 1 below ([the][each, an] "Assignor") and [the][each][2] Assignee identified in item 2 below ([the][each, an] "Assignee"). [It is understood and agreed that the rights and obligations of [the Assignors][the Assignees][3] hereunder are several and not joint.][4] Capitalized terms used but not defined herein shall have the meanings given to them in the Credit Agreement identified below (as amended, restated, supplemented or otherwise modified from time to time, the "Credit Agreement"), receipt of a copy of which is hereby acknowledged by [the][each] Assignee. The Standard Terms and Conditions set forth in Annex 1 attached hereto are hereby agreed to and incorporated herein by reference and made a part of this Assignment and Assumption as if set forth herein in full.

For an agreed consideration, [the][each] Assignor hereby irrevocably sells and assigns to [the Assignee][the respective Assignees], and [the][each] Assignee hereby irrevocably purchases and assumes from [the Assignor][the respective Assignors], subject to and in accordance with the Standard Terms and Conditions and the Credit Agreement, as of the Effective Date inserted by the Administrative Agent as contemplated below (i) all of [the Assignor's][the respective Assignors'] rights and obligations in [its capacity as a Lender][their respective capacities as Lenders] under the Credit Agreement and any other documents or instruments delivered pursuant thereto to the extent related to the amount and percentage interest identified below of all of such outstanding rights and obligations of [the Assignor][the respective Assignors] under the respective facilities identified below and (ii) to the extent permitted to be assigned under applicable law, all claims, suits, causes of action and any other right of [the Assignor (in its capacity as a Lender)][the respective Assignors (in their respective capacities as Lenders)] against any Person, whether known or unknown, arising under or in connection with the Credit Agreement, any other documents or instruments delivered pursuant thereto or the loan transactions governed thereby or in any way based on or related to any of the foregoing, including, but not limited to, contract claims, tort claims, malpractice claims, statutory claims and all other claims at law or in equity related to the rights and obligations sold and assigned pursuant to clause (i) above (the rights and obligations sold and assigned by [the][any] Assignor to [the][any] Assignee pursuant to clauses (i) and (ii) above being referred to herein collectively as [the][an] "Assigned Interest"). Each such sale and assignment is without recourse to [the][any] Assignor and, except as expressly provided in this Assignment and Assumption, without representation or warranty by [the][any] Assignor.

1. Assignor[s]: ______________________________

____

[1] For bracketed language here and elsewhere in this form relating to the Assignor(s), if the assignment is from a single Assignor, choose the first bracketed language. If the assignment is from multiple Assignors, choose the second bracketed language.

[2] For bracketed language here and elsewhere in this form relating to the Assignee(s), if the assignment is to a single Assignee, choose the first bracketed language. If the assignment is to multiple Assignees, choose the second bracketed language.

[3] Select as appropriate.

[4] Include bracketed language if there are either multiple Assignors or multiple Assignees.

2. Assignee[s]: ______________________________

____

[for each Assignee, indicate [Affiliate][Approved Fund] of [*identify Lender*]]

3. Borrowers: The Allstate Corporation~~,~~ **and** Allstate Insurance Company ~~and Allstate Life Insurance Company~~.

4. Administrative Agent: JPMorgan Chase Bank, N.A., as the administrative agent under the Credit Agreement.

5. Credit Agreement: The Credit Agreement dated as of November 16, 2020, among The Allstate Corporation~~, Allstate Insurance Company~~ and Allstate ~~Life~~ Insurance Company, the Lenders parties thereto and JPMorgan Chase Bank, N.A., as Administrative Agent, as from time to time amended, supplemented or otherwise modified.

6. Assigned Interest[s]:

Assignor[s][5]	Assignee[s][6]	Aggregate Amount of Commitment/Loans for all Lenders[7]	Amount of Commitment/Loans Assigned[8]	Percentage Assigned of Commitment/Loans[8]
		$__________	$__________	__%
		$__________	$__________	__%
		$__________	$__________	__%

[7. Trade Date: _____ __, 20__][9]

[5] List each Assignor, as appropriate.

[6] List each Assignee, as appropriate.

[7] Amount to be adjusted by the counterparties to take into account any payments or prepayments made between the Trade Date and the Effective Date.

[8] Set forth, to at least 9 decimals, as a percentage of the Commitment/Loans of all Lenders thereunder.

[9] To be completed if the Assignor(s) and the Assignee(s) intend that the minimum assignment amount is to be determined as of the Trade Date.

Effective Date: _____________ ___, 20___ [TO BE INSERTED BY ADMINISTRATIVE AGENT AND WHICH SHALL BE THE EFFECTIVE DATE OF RECORDATION OF TRANSFER IN THE REGISTER THEREFOR.]

The Assignee agrees to deliver to the Administrative Agent a completed Administrative Questionnaire in which the Assignee designates one or more credit contacts to whom all syndicate-level information (which may contain material non-public information about the Borrowers and their Related Parties or their respective securities) will be made available and who may receive such information in accordance with the Assignee's compliance procedures and applicable laws, including federal and state securities laws.

The terms set forth in this Assignment and Assumption are hereby agreed to:

ASSIGNOR[S][10]

[NAME OF ASSIGNOR]

By: ______________________________
Title:______________________________

[NAME OF ASSIGNOR]

By: ______________________________
Title:______________________________

ASSIGNEE[S][11]

[NAME OF ASSIGNEE]

By: ______________________________
Title:______________________________

[NAME OF ASSIGNEE]

By: ______________________________
Title:______________________________

[10] Add additional signature blocks as needed.

[11] Add additional signature blocks as needed.

[Consented to and][12] Accepted:

JPMORGAN CHASE BANK, N.A., as Administrative Agent

By: ___________________________________
Title:_______________________________

[Consented to:][13]

[NAME OF RELEVANT PARTY]

By: ___________________________________
Title:_______________________________

[12] To be added only if the consent of the Administrative Agent is required by the terms of the Credit Agreement.

[13] To be added only if the consent of the Company and/or other parties is required by the terms of the Credit Agreement.

STANDARD TERMS AND CONDITIONS FOR
ASSIGNMENT AND ASSUMPTION

1. Representations and Warranties

1.1 Assignor[s]. [The][Each] Assignor (a) represents and warrants that (i) it is the legal and beneficial owner of [the][the relevant] Assigned Interest, (ii) [the][such] Assigned Interest is free and clear of any lien, encumbrance or other adverse claim and (iii) it has full power and authority, and has taken all action necessary, to execute and deliver this Assignment and Assumption and to consummate the transactions contemplated hereby; and (b) assumes no responsibility with respect to (i) any statements, warranties or representations made in or in connection with the Credit Agreement or any other Loan Document, (ii) the execution, legality, validity, enforceability, genuineness, sufficiency or value of the Loan Documents or any collateral thereunder, (iii) the financial condition of the Borrower, any of its Subsidiaries or Affiliates or any other Person obligated in respect of any Loan Document, (iv) any requirements under applicable law for the Assignee to become a lender under the Credit Agreement or to charge interest at the rate set forth therein from time to time or (v) the performance or observance by the Borrower, any of its Subsidiaries or Affiliates or any other Person of any of their respective obligations under any Loan Document.

1.2 Assignee[s]. [The][Each] Assignee (a) represents and warrants that (i) it has full power and authority, and has taken all action necessary, to execute and deliver this Assignment and Assumption and to consummate the transactions contemplated hereby and to become a Lender under the Credit Agreement, (ii) it meets all the requirements to be an assignee under Section 10.4(b)(iii), (v) and (vi) of the Credit Agreement (subject to such consents, if any, as may be required under Section 10.4(b)(iii) of the Credit Agreement) and under applicable law, (iii) from and after the Effective Date, it shall be bound by the provisions of the Credit Agreement as a Lender thereunder and, to the extent of [the][the relevant] Assigned Interest, shall have the obligations of a Lender thereunder, (iv) it is sophisticated with respect to decisions to acquire assets of the type represented by the Assigned Interest and either it, or the person exercising discretion in making its decision to acquire the Assigned Interest, is experienced in acquiring assets of such type, (v) it has received a copy of the Credit Agreement, and has received or has been accorded the opportunity to receive copies of the most recent financial statements delivered pursuant to Section 6.1 thereof, as applicable, and such other documents and information as it deems appropriate to make its own credit analysis and decision to enter into this Assignment and Assumption and to purchase [the][such] Assigned Interest, (vi) it has, independently and without reliance upon the Administrative Agent, any Arranger, the Assignor or any other Lender or any of their respective Related Parties and based on such documents and information as it has deemed appropriate, made its own credit analysis and decision to enter into this Assignment and Assumption and to purchase [the][such] Assigned Interest, and (vii) attached to the Assignment and Assumption is any documentation required to be delivered by it pursuant to the terms of the Credit Agreement, duly completed and executed by [the][such] Assignee; and (b) agrees that (i) it will, independently and without reliance on the Administrative Agent, any Arranger, [the][any] Assignor or any other Lender or any of their respective Related Parties, and based on such documents and information as it shall deem appropriate at the time, continue to make its own credit decisions in taking or not taking action under the Loan Documents, and (ii) it will perform in accordance with their terms all of the obligations which by the terms of the Loan Documents are required to be performed by it as a Lender.

2. Payments. [From and after the Effective Date, the Administrative Agent shall make all payments in respect of the Assigned Interest (including payments of principal, interest, fees and other amounts) to the Assignee whether such amounts have accrued prior to or on or after the Effective Date. The Assignor and the Assignee shall make all appropriate adjustments in payments by the Administrative Agent for periods prior to the Effective Date or with respect to the making of this assignment directly between themselves.] [From and after the Effective Date, the Administrative Agent shall make all payments

in respect of the Assigned Interest (including payments of principal, interest, fees and other amounts) to the Assignor for amounts which have accrued to but excluding the Effective Date and to the Assignee for amounts which have accrued from and after the Effective Date.][14]

3. General Provisions. This Assignment and Assumption shall be binding upon, and inure to the benefit of, the parties hereto and their respective successors and assigns. This Assignment and Assumption may be executed in any number of counterparts, which together shall constitute one instrument. Acceptance and adoption of the terms of this Assignment and Assumption by the Assignee and the Assignor by Electronic Signature or delivery of an executed counterpart of a signature page of this Assignment and Assumption by any Approved Electronic Platform shall be effective as delivery of a manually executed counterpart of this Assignment and Assumption. This Assignment and Assumption shall be governed by, and construed in accordance with, the law of the State of New York.

[14] Administrative Agent to select first or second alternative.

ALLSTATE EXHIBIT B-1

FORM OF OPINION OF INTERNAL COUNSEL TO THE BORROWERS

[ATTACHED]

ALLSTATE EXHIBIT B-2

FORM OF OPINION OF SPECIAL NEW YORK COUNSEL TO THE BORROWERS

[ATTACHED]

ALLSTATE EXHIBIT C

FORM OF NOTE

__________, 20__
New York, New York

FOR VALUE RECEIVED, the undersigned, [NAME OF BORROWER], a _____________ [corporation/insurance company] (the "Borrower"), hereby promises to pay to [LENDER] (the "Lender") the unpaid principal amount of the Loans made by the Lender to the Borrower, in the amounts and at the times set forth in the Credit Agreement, dated as of November 16, 2020, among The Allstate Corporation, Allstate ~~Insurance Company, Allstate Life~~ Insurance Company, the Lenders party thereto and JPMorgan Chase Bank N.A., as Administrative Agent (as the same may be amended, supplemented or otherwise modified from time to time, the "Credit Agreement"), and to pay interest from the date hereof on the principal balance of such Loans from time to time outstanding at the rate or rates and at the times set forth in the Credit Agreement, in each case at the office of the Administrative Agent located at 383 Madison Avenue, New York, New York, or at such other place as the Administrative Agent may specify from time to time, in lawful money of the United States in immediately available funds. Terms not otherwise defined herein but defined in the Credit Agreement are used herein with the same meanings.

The Loans evidenced by this Note are prepayable in the amounts, and under the circumstances, and their respective maturities are subject to acceleration upon the terms, set forth in the Credit Agreement. This Note is subject to, and should be construed in accordance with, the provisions of the Credit Agreement and is entitled to the benefits set forth in the Loan Documents.

The Lender is hereby authorized to record on the Schedule annexed hereto, and any continuation sheets which the Lender may attach hereto, (i) the date of each Loan made by the Lender to the Borrower, (ii) the Type and amount thereof, (iii) the interest rate and Interest Period applicable to each ~~Eurodollar~~**Term Benchmark** Loan and (iv) the date and amount of each conversion of, and each payment or prepayment of the principal of, any such Loan. The entries made on such Schedule shall be prima facie evidence of the existence and amounts of the obligations recorded thereon, provided that the failure to so record or any error therein shall not in any manner affect the obligation of the Borrower to repay the Loans in accordance with the terms of the Credit Agreement.

Except as specifically otherwise provided in the Credit Agreement, the Borrower hereby waives presentment, demand, notice of dishonor, protest, notice of protest and all other demands, protests and notices in connection with the execution, delivery, performance, collection and enforcement of this Note.

Whenever in this Note either party hereto is referred to, such reference shall be deemed to include the successors and assigns of such party. The Borrower shall not have the right to assign its rights or obligations hereunder or any interest herein (and any such attempted assignment shall be void), except as expressly permitted by the Loan Documents. No failure or delay of the Lender in exercising any power or right hereunder shall operate as a waiver thereof, nor shall any single or partial exercise of any such right or power, or any abandonment or discontinuance of steps to enforce such a right or power, preclude any other or further exercise thereof or the exercise of any other right or power. Neither this Note nor any provision hereof may be waived, amended or modified, nor shall any departure therefrom be consented to, except pursuant to a written agreement entered into between the Borrower and the Lender with respect to which such waiver, amendment, modification or consent is to apply, subject to any consent required in accordance with Section 10.2 of the Credit Agreement.

THIS NOTE SHALL BE GOVERNED BY, AND CONSTRUED IN ACCORDANCE WITH, THE LAWS OF THE STATE OF NEW YORK.

All communications and notices hereunder shall be in writing and given as provided in Section 10.1 of the Credit Agreement.

The Borrower hereby irrevocably and unconditionally submits, for itself and its property, to the exclusive jurisdiction of the United States District Court for the Southern District of New York sitting in the Borough of Manhattan (or if such court lacks subject matter jurisdiction, the Supreme Court of the State of New York sitting in the Borough of Manhattan), and any appellate court from any thereof, in any action or proceeding arising out of or relating to this Note or the transactions relating hereto or thereto, or for recognition or enforcement of any judgment, and each of the parties hereto hereby irrevocably and unconditionally agrees that all claims in respect of any such action or proceeding may (and any such claims, cross-claims or third party claims brought against the Administrative Agent or any of its Related Parties may only) be heard and determined in such Federal (to the extent permitted by law) or New York State court. The Borrower, and by accepting this Note, the Lender, agrees that a final judgment in any such action or proceeding shall be conclusive and may be enforced in other jurisdictions by suit on the judgment or in any other manner provided by law. Nothing in this Note shall affect any right that the Lender may otherwise have to bring any action or proceeding relating to this Note or the other Loan Documents against the Borrower, or any of its property, in the courts of any jurisdiction.

The Borrower, and by accepting this Note, the Lender, hereby irrevocably and unconditionally waives, to the fullest extent it may legally and effectively do so, any objection that it may now or hereafter have to the laying of venue of any suit, action or proceeding arising out of or relating to this Note or the other Loan Documents in any court referred to in the preceding paragraph hereof. The Borrower, and by accepting this Note, the Lender, hereby irrevocably waives, to the fullest extent permitted by applicable law, the defense of an inconvenient forum to the maintenance of such action or proceeding in any such court.

The Borrower, and by accepting this Note, the Lender, irrevocably consents to service of process in the manner provided for notices herein. Nothing herein will affect the right of the Borrower to serve process in any other manner permitted by law.

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THE BORROWER, AND BY ACCEPTING THIS NOTE, THE LENDER, HEREBY WAIVES, TO THE FULLEST EXTENT PERMITTED BY APPLICABLE LAW, ANY RIGHT IT MAY HAVE TO A TRIAL BY JURY IN RESPECT OF ANY LITIGATION DIRECTLY OR INDIRECTLY ARISING OUT OF, UNDER OR IN CONNECTION WITH THIS NOTE. THE BORROWER, AND BY ACCEPTING THIS NOTE, THE LENDER, (A) CERTIFIES THAT NO REPRESENTATIVE, AGENT OR ATTORNEY OF THE OTHER PARTY HERETO HAS REPRESENTED, EXPRESSLY OR OTHERWISE, THAT SUCH OTHER PARTY WOULD NOT, IN THE EVENT OF LITIGATION, SEEK TO ENFORCE THE FOREGOING WAIVER AND (B) ACKNOWLEDGES THAT SUCH OTHER PARTY HAS BEEN INDUCED TO ACCEPT THIS NOTE AND ENTER INTO THE LOAN DOCUMENTS TO WHICH IT IS A PARTY BY, AMONG OTHER THINGS, THE MUTUAL WAIVERS AND CERTIFICATIONS IN THIS PARAGRAPH.

[NAME OF BORROWER]

By: ______________________________
Name: ______________________________
Title: ______________________________

By: ______________________________
Name: ______________________________
Title: ______________________________

SCHEDULE TO NOTE

Date	Type of Loan	Amount of Loan	Amount of principal converted, paid or prepaid	Interest rate on ~~Eurodollar~~**Term Benchmark** Loans	Interest Period for ~~Eurodollar~~**Term Benchmark** Loans	Notation made by

ALLSTATE EXHIBIT D

FORM OF INCREASE SUPPLEMENT

INCREASE SUPPLEMENT, dated as of ___________, to the Credit Agreement, dated as of November 16, 2020 (as the same may be amended, supplemented or otherwise modified from time to time, the "Credit Agreement"), by and among The Allstate Corporation, a Delaware corporation, ~~Allstate Insurance Company, an Illinois insurance company,~~ and Allstate ~~Life~~ Insurance Company, an Illinois insurance company, the Lenders party thereto and JPMorgan Chase Bank, N.A., as Administrative Agent. Terms defined in the Credit Agreement are used herein with the same meanings.

1. Pursuant to Section 2.5(d) of the Credit Agreement, the Company hereby submits this Increase Supplement to the Administrative Agent.

2. Each of the following Lenders (each an "Increasing Lender") has been invited by the Company, and is ready, willing and able, to increase its Commitment as follows:

Name of Lender	Commitment (after giving effect to this Increase)
	$____________
	$____________
	$____________

3. Each of the following Persons (each a "Proposed Lender") has been invited by the Company, and is ready, willing and able, to become a "Lender" and to provide a new Commitment as follows:

Name of Proposed Lender	Commitment
	$____________
	$____________
	$____________

4. Each Borrower hereby represents and warrants to each Credit Party, each Increasing Lender and each Proposed Lender that, assuming the Administrative Agent executes and delivers this Increase Supplement, all of the conditions set forth in Section 2.5(d) of the Credit Agreement have been satisfied and each Borrower is in compliance with all of the terms of such Section.

5. Pursuant to Section 2.5(d) of the Credit Agreement, by execution and delivery of this Increase Supplement, together with the satisfaction of all of the other requirements set forth in such Section 2.5(d), (i) each Increasing Lender's Commitment shall be increased to the amount set forth above next to its name, and (ii) each Proposed Lender shall become a party to the Credit Agreement and shall for all purposes of the Loan Documents be deemed a "Lender" having a Commitment as set forth above next to its name.

IN WITNESS WHEREOF, the parties hereto duly executed this Increase Supplement as of the day and year first above written.

THE ALLSTATE CORPORATION

By: ______________________________
Name: ______________________________
Title: ______________________________

By: ______________________________
Name: ______________________________
Title: ______________________________

ALLSTATE INSURANCE COMPANY

By: ______________________________
Name: ______________________________
Title: ______________________________

By: ______________________________
Name: ______________________________
Title: ______________________________

~~ALLSTATE LIFE INSURANCE COMPANY~~

~~**By:**~~ ______________________________
~~**Name:**~~ ______________________________
~~**Title:**~~ ______________________________

~~**By:**~~ ______________________________
~~**Name:**~~ ______________________________
~~**Title:**~~ ______________________________

JPMORGAN CHASE BANK, N.A., as Administrative Agent

By: ______________________________
Name: ______________________________
Title: ______________________________

[INCREASING LENDER]

By: ______________________________
Name: ______________________________
Title: ______________________________

[PROPOSED LENDER]

By: ______________________________
Name: ______________________________
Title: ______________________________

ALLSTATE EXHIBIT E-1

FORM OF U.S. TAX COMPLIANCE CERTIFICATE

(For Foreign Lenders That Are Not Partnerships For U.S. Federal Income Tax Purposes)

Reference is hereby made to the Credit Agreement, dated as of November 16, 2020 (as the same may be amended, supplemented or otherwise modified from time to time, the "Credit Agreement"), by and among The Allstate Corporation, a Delaware corporation, ~~Allstate Insurance Company, an Illinois insurance company,~~ and Allstate ~~Life~~ Insurance Company, an Illinois insurance company, the Lenders party thereto and JPMorgan Chase Bank, N.A., as administrative agent (in such capacity, the "Administrative Agent").

Pursuant to the provisions of Section 3.7 of the Credit Agreement, the undersigned hereby certifies that (i) it is the sole record and beneficial owner of the Loan(s) (as well as any promissory note(s) evidencing such Loan(s)) in respect of which it is providing this certificate, (ii) it is not a bank within the meaning of Section 881(c)(3)(A) of the Code, (iii) it is not a ten percent shareholder of the Borrower within the meaning of Section 871(h)(3)(B) of the Code and (iv) it is not a controlled foreign corporation related to the Borrower as described in Section 881(c)(3)(C) of the Code.

The undersigned has furnished the Administrative Agent and the Borrower with a certificate of its non-U.S. Person status on IRS Form W-8BEN or IRS Form W-8BEN-E, as applicable. By executing this certificate, the undersigned agrees that (1) if the information provided on this certificate changes, the undersigned shall promptly so inform the Borrower and the Administrative Agent, and (2) the undersigned shall have at all times furnished the Borrower and the Administrative Agent with a properly completed and currently effective certificate in either the calendar year in which each payment is to be made to the undersigned, or in either of the two calendar years preceding such payments.

Unless otherwise defined herein, terms defined in the Credit Agreement and used herein shall have the meanings given to them in the Credit Agreement.

[NAME OF LENDER]

By:______________________________________

Name:
Title:

Date: __________, 20[__]

ALLSTATE EXHIBIT E-2

FORM OF U.S. TAX COMPLIANCE CERTIFICATE

(For Foreign Participants That Are Not Partnerships For U.S. Federal Income Tax Purposes)

Reference is hereby made to the Credit Agreement, dated as of November 16, 2020 (as the same may be amended, supplemented or otherwise modified from time to time, the "Credit Agreement"), by and among The Allstate Corporation, a Delaware corporation, ~~Allstate Insurance Company, an Illinois insurance company,~~ and Allstate ~~Life~~ Insurance Company, an Illinois insurance company, the Lenders party thereto and JPMorgan Chase Bank, N.A., as administrative agent (in such capacity, the "Administrative Agent").

Pursuant to the provisions of Section 3.7 of the Credit Agreement, the undersigned hereby certifies that (i) it is the sole record and beneficial owner of the participation in respect of which it is providing this certificate, (ii) it is not a bank within the meaning of Section 881(c)(3)(A) of the Code, (iii) it is not a ten percent shareholder of the Borrower within the meaning of Section 871(h)(3)(B) of the Code and (iv) it is not a controlled foreign corporation related to the Borrower as described in Section 881(c)(3)(C) of the Code.

The undersigned has furnished its participating Lender with a certificate of its non-U.S. Person status on IRS Form W-8BEN or IRS Form W-8BEN-E, as applicable. By executing this certificate, the undersigned agrees that (1) if the information provided on this certificate changes, the undersigned shall promptly so inform such Lender in writing, and (2) the undersigned shall have at all times furnished such Lender with a properly completed and currently effective certificate in either the calendar year in which each payment is to be made to the undersigned, or in either of the two calendar years preceding such payments.

Unless otherwise defined herein, terms defined in the Credit Agreement and used herein shall have the meanings given to them in the Credit Agreement.

[NAME OF PARTICIPANT]

By:_______________________________________
Name:
Title:

Date: ________ __, 20[__]

ALLSTATE EXHIBIT E-3

FORM OF U.S. TAX COMPLIANCE CERTIFICATE
(For Foreign Participants That Are Partnerships For U.S. Federal Income Tax Purposes)

Reference is hereby made to the Credit Agreement, dated as of November 16, 2020 (as the same may be amended, supplemented or otherwise modified from time to time, the "Credit Agreement"), by and among The Allstate Corporation, a Delaware corporation, ~~Allstate Insurance Company, an Illinois insurance company,~~ and Allstate ~~Life~~ Insurance Company, an Illinois insurance company, the Lenders party thereto and JPMorgan Chase Bank, N.A., as administrative agent (in such capacity, the "Administrative Agent").

Pursuant to the provisions of Section 3.7 of the Credit Agreement, the undersigned hereby certifies that (i) it is the sole record owner of the participation in respect of which it is providing this certificate, (ii) its direct or indirect partners/members are the sole beneficial owners of such participation, (iii) with respect such participation, neither the undersigned nor any of its direct or indirect partners/members is a bank extending credit pursuant to a loan agreement entered into in the ordinary course of its trade or business within the meaning of Section 881(c)(3)(A) of the Code, (iv) none of its direct or indirect partners/members is a ten percent shareholder of the Borrower within the meaning of Section 871(h)(3)(B) of the Code and (v) none of its direct or indirect partners/members is a controlled foreign corporation related to the Borrower as described in Section 881(c)(3)(C) of the Code.

The undersigned has furnished its participating Lender with IRS Form W-8IMY accompanied by one of the following forms from each of its partners/members that is claiming the portfolio interest exemption: (i) an IRS Form W-8BEN or IRS Form W-8BEN-E, as applicable, or (ii) an IRS Form W-8IMY accompanied by an IRS Form W-8BEN or IRS Form W-8BEN-E, as applicable, from each of such partner's/member's beneficial owners that is claiming the portfolio interest exemption. By executing this certificate, the undersigned agrees that (1) if the information provided on this certificate changes, the undersigned shall promptly so inform such Lender and (2) the undersigned shall have at all times furnished such Lender with a properly completed and currently effective certificate in either the calendar year in which each payment is to be made to the undersigned, or in either of the two calendar years preceding such payments.

Unless otherwise defined herein, terms defined in the Credit Agreement and used herein shall have the meanings given to them in the Credit Agreement.

[NAME OF PARTICIPANT]

By:______________________________________
Name:
Title:

Date: ________ __, 20[__]

ALLSTATE EXHIBIT E-4

U.S. TAX COMPLIANCE CERTIFICATE
(For Foreign Lenders That Are Partnerships For U.S. Federal Income Tax Purposes)

Reference is hereby made to the Credit Agreement, dated as of November 16, 2020 (as the same may be amended, supplemented or otherwise modified from time to time, the "Credit Agreement"), by and among The Allstate Corporation, a Delaware corporation, ~~**Allstate Insurance Company, an Illinois insurance company,**~~ and Allstate ~~**Life**~~ Insurance Company, an Illinois insurance company, the Lenders party thereto and JPMorgan Chase Bank, N.A., as administrative agent (in such capacity, the "Administrative Agent").

Pursuant to the provisions of Section 3.7 of the Credit Agreement, the undersigned hereby certifies that (i) it is the sole record owner of the Loan(s) (as well as any promissory note(s) evidencing such Loan(s)) in respect of which it is providing this certificate, (ii) its direct or indirect partners/members are the sole beneficial owners of such Loan(s) (as well as any promissory note(s) evidencing such Loan(s)), (iii) with respect to the extension of credit pursuant to the Credit Agreement or any other Loan Document, neither the undersigned nor any of its direct or indirect partners/members is a bank extending credit pursuant to a loan agreement entered into in the ordinary course of its trade or business within the meaning of Section 881(c)(3)(A) of the Code, (iv) none of its direct or indirect partners/members is a ten percent shareholder of the Borrower within the meaning of Section 871(h)(3)(B) of the Code and (v) none of its direct or indirect partners/members is a controlled foreign corporation related to the Borrower as described in Section 881(c)(3)(C) of the Code.

The undersigned has furnished the Administrative Agent and the Borrower with IRS Form W-8IMY accompanied by one of the following forms from each of its partners/members that is claiming the portfolio interest exemption: (i) an IRS Form W-8BEN or IRS Form W-8BEN-E, as applicable, or (ii) an IRS Form W-8IMY accompanied by an IRS Form W-8BEN or IRS Form W-8BEN-E, as applicable, from each of such partner's/member's beneficial owners that is claiming the portfolio interest exemption. By executing this certificate, the undersigned agrees that (1) if the information provided on this certificate changes, the undersigned shall promptly so inform the Borrower and the Administrative Agent, and (2) the undersigned shall have at all times furnished the Borrower and the Administrative Agent with a properly completed and currently effective certificate in either the calendar year in which each payment is to be made to the undersigned, or in either of the two calendar years preceding such payments.

Unless otherwise defined herein, terms defined in the Credit Agreement and used herein shall have the meanings given to them in the Credit Agreement.

[NAME OF LENDER]

By:____
Name:
Title:

Date: ________ __, 20[__]

EXHIBIT 10.33

RESOLUTION

Director Compensation

RESOLVED, that the Board of Directors adopt the following resolutions:

RESOLVED, that effective January 1, 2023, a director who is not an officer or employee of the Corporation or any of its subsidiaries (each a "Non-Employee Director") and who serves as the chair of the Nominating, Governance and Social Responsibility Committee shall be entitled to receive a quarterly chair fee in the amount of $6,250, to be paid on each January 1, April 1, July 1, and October 1, provided such Non-Employee Director is serving as committee chair on such date.

FURTHER RESOLVED, that effective as of January 1, 2023, the foregoing resolution supersedes the resolutions adopted by the Board of Directors on November 19, 2021, pertaining to the quarterly chair fee for each Non-Employee Director who serves as the chair of the Nominating, Governance and Social Responsibility Committee.

Company Name	Domicile
1100 Compton, LLC	Delaware
800 Superior, LLC	Delaware
ABC Agency Network of Texas, LLC (1)	Texas
Adirondack AIF, LLC	New York
Agent Alliance Insurance Company	Alabama
AgentCubed, LLC	Idaho
AIMCO Private Fund II, LLC	Delaware
ALINV Mosaic, LLC	Delaware
Allstate County Mutual Insurance Company	Texas
Allstate Digital Ventures, LLC	Delaware
Allstate Enterprises, LLC	Delaware
Allstate Exchange Services, LLC	Delaware
Allstate Finance Company, LLC	Delaware
Allstate Financial Advisors, LLC	Delaware
Allstate Financial Corporation	Illinois
Allstate Financial Insurance Holdings Corporation	Delaware
Allstate Financial Services, LLC (2)	Delaware
Allstate Financial, LLC	Delaware
Allstate Fire and Casualty Insurance Company	Illinois
Allstate Global Holdings Limited	Northern Ireland
Allstate Indemnity Company	Illinois
Allstate India Private Limited	India
Allstate Insurance Company	Illinois
Allstate Insurance Company of Canada	Canada
Allstate Insurance Holdings, LLC	Delaware
Allstate Insurance Services, Inc.	Delaware
Allstate International Holdings, Inc.	Delaware
Allstate Investment Management Company	Delaware
Allstate Investments, LLC	Delaware
Allstate Life Insurance Company of Canada	Canada
Allstate Motor Club, Inc.	Delaware
Allstate New Jersey Insurance Company	Illinois
Allstate New Jersey Property and Casualty Insurance Company	New Jersey
Allstate Non-Insurance Holdings, Inc.	Delaware
Allstate North American Insurance Company	Illinois
Allstate Northbrook Indemnity Company	Illinois
Allstate Northern Ireland Limited	Northern Ireland
Allstate Property and Casualty Insurance Company	Illinois
Allstate Short Term Pool, LLC	Delaware
Allstate Texas Lloyd's	Texas
Allstate Texas Lloyd's, Inc.	Texas
Allstate Vehicle and Property Insurance Company	Illinois
America's Health Care/Rx Plan Agency, Inc. (3)	Delaware
American Capital Acquisition Investments, S.A.	Luxembourg
American Heritage Life Insurance Company	Florida
American Heritage Service Company	Florida
ANIHI Newco, LLC (4)	Delaware

Company Name	Domicile
Answer Financial Inc.	Delaware
Answer Marketplace, LLC	Delaware
AP Real Estate, LLC	Delaware
AP Riverway Plaza, LLC	Delaware
AP Timber, LLC	Delaware
Arity, LLC (5)	Delaware
Arity 875, LLC	Delaware
Arity Holdings, Inc.	Delaware
Arity International Limited	Northern Ireland
Arity Services, LLC	Delaware
ASMI Auto Insurance Company	Illinois
Assigned Risk Solutions, Ltd. (6)	New Jersey
AutoTex MGA, Inc.	Delaware
Castle Key Indemnity Company	Illinois
Castle Key Insurance Company	Illinois
CE Care Plan Corp	Delaware
Century-National Insurance Company	California
ClearSide General Insurance Services, LLC	California
Collective Sourcing, LLC (7)	Delaware
Complete Product Care Corp	Delaware
Current Creek Investments, LLC	Delaware
Direct Administration, Inc.	Tennessee
Direct Bay, LLC	Florida
Direct General Insurance Agency, Inc. (8)	Tennessee
Direct General Insurance Company	Indiana
Direct General Insurance Company of Mississippi	Mississippi
Direct General Life Insurance Company	South Carolina
Direct Insurance Company	North Carolina
Direct National Insurance Company	North Carolina
E.R.J. Insurance Group, Inc. (9)	Florida
ECMI Auto Insurance Company	Illinois
Encompass Floridian Indemnity Company	Illinois
Encompass Floridian Insurance Company	Illinois
Encompass Home and Auto Insurance Company	Illinois
Encompass Indemnity Company	Illinois
Encompass Independent Insurance Company	Illinois
Encompass Insurance Company	Illinois
Encompass Insurance Company of America	Illinois
Encompass Insurance Company of Massachusetts	Massachusetts
Encompass Insurance Company of New Jersey	Illinois
Encompass Insurance Holdings, LLC	Delaware
Encompass Property and Casualty Company	Illinois
Encompass Property and Casualty Insurance Company of New Jersey	Illinois
ESMI Auto Insurance Company	Illinois
Esurance Holdings, Inc.	Delaware
Esurance Insurance Company	Illinois
Esurance Insurance Company of Canada	Canada
Esurance Insurance Company of New Jersey	Illinois

Company Name	Domicile
Esurance Insurance Services, Inc. (10)	Delaware
Esurance Property and Casualty Insurance Company	Illinois
First Colonial Insurance Company	Florida
Health Network Group, LLC	Delaware
Healthcare Solutions Team, LLC (11)	Illinois
HealthCompare Insurance Services, Inc.	Delaware
iCracked Japan, Inc.	Japan
IDentityUSA, LLC	Delaware
Identity Protection Strategic Solutions, LLC	New Jersey
Imperial Fire and Casualty Insurance Company	North Carolina
Imperial General Agency of Texas, Inc.	Texas
InfoArmor, Inc.	Delaware
Insurance Answer Center, LLC (12)	Delaware
Integon Casualty Insurance Company	North Carolina
Integon General Insurance Corporation	North Carolina
Integon Indemnity Corporation	North Carolina
Integon National Insurance Company	North Carolina
Integon Preferred Insurance Company	North Carolina
Integon Properties S.A. de C.V.	Mexico
Integon Service Co., S.A. de C.V.	Mexico
Ivantage Insurance Brokers Inc.	Canada
Ivantage Select Agency, Inc.	Illinois
Kennett Capital, Inc.	Delaware
LeadCloud, LLC	Maryland
MIC General Insurance Corporation	Michigan
National Farmers Union Property and Casualty Company	North Carolina
National General Assurance Company	Missouri
National General Georgia, LLC	Delaware
National General Holdings Corp.	Delaware
National General Insurance Company	Missouri
National General Insurance Ltd.	Bermuda
National General Insurance Management Ltd.	Bermuda
National General Insurance Marketing Inc. (13)	Missouri
National General Insurance Online, Inc.	Missouri
National General Lender Services, Inc.	Delaware
National General Management Corp.	Delaware
National General Motor Club, Inc.	North Carolina
National General Premier Insurance Company	California
National General Re, Ltd.	Bermuda
National Health Corporation	Texas
National Health Insurance Company	Texas
NBInv AF2, LLC	Delaware
NBInv AF3, LLC	Delaware
NBInv AF4, LLC	Delaware
NBInv AF5, LLC	Delaware
NBInv AP2, LLC	Delaware
NBInv AP3, LLC	Delaware
NBInv AP4, LLC	Delaware

Company Name	Domicile
NBInv AP5, LLC	Delaware
NBInv AP6, LLC	Delaware
NBInv AP7, LLC	Delaware
NBInv AP8, LLC	Delaware
NBInv AP9, LLC	Delaware
NBInv AP10, LLC	Delaware
NBInv AP11, LLC	Delaware
NBInv AP13, LLC	Delaware
NBInv Riverside Cars1, LLC	Delaware
NBInv Riverside Management, LLC	Delaware
New Jersey Skylands Management, LLC	Delaware
New South Insurance Company	North Carolina
Newport Management Corporation	California
NG Holdings LLC	Delaware
NGLS Adjusting, LLC	Delaware
NGLS Insurance Services, Inc.	California
North Light Specialty Insurance Company	Illinois
Northeast Agencies, Inc. (14)	New York
NSM Sales Corporation (15)	Nevada
Pablo Creek Services, Inc.	Illinois
Pafco Insurance Company	Canada
Pembridge Insurance Company	Canada
Personal Express Insurance Services, Inc.	California
PlumChoice, Inc.	Delaware
Protection Plan Group, Inc.	Delaware
Pullman Crossing, LLC	Delaware
Pullman QOZB, LLC	Delaware
Quotit Corporation (16)	California
RAC Insurance Partners, LLC	Florida
Renuant, LLC (17)	Nevada
Right Answer Insurance Agency, LLC	Delaware
Road Bay Investments, LLC	Delaware
Safe Auto Choice Insurance Company	Ohio
Safe Auto Group Agency, Inc. (18)	Ohio
Safe Auto Insurance Group, Inc.	Ohio
Safe Auto Insurance Company	Ohio
Safe Auto Value Insurance Company	Ohio
SafeAuto Services, LLC	Ohio
Seattle Specialty Insurance Services, Inc.	Washington
Signature Agency, Inc.	Delaware
Signature Motor Club of California, Inc.	California
Signature Motor Club, Inc.	Delaware
Signature Nationwide Auto Club of California, Inc.	California
Signature's Nationwide Auto Club, Inc.	Delaware
Socialmine, Inc.	Delaware
SquareTradeGo, Inc.	Delaware
SquareTrade, Inc. (19)	Delaware
SquareTrade Australia Pty Ltd	Australia

Company Name	Domicile
SquareTrade Canada, Inc.	Canada
SquareTrade Europe BV	Belgium
SquareTrade Europe Limited	Malta
SquareTrade European Services AS	Norway
SquareTrade Holding Company, Inc.	Delaware
SquareTrade Insurance Services, Inc.	Delaware
SquareTrade Japan GK	Japan
SquareTrade Limited	United Kingdom
SquareTrade Protection Solutions, Inc.	Delaware
SquareTrade Singapore Pte. Ltd.	Singapore
ST Product Care Corp	Delaware
Standard Property and Casualty Insurance Company	Illinois
Syndeste, LLC	Virginia
Team Corp. (20)	Nevada
Tech-Cor, LLC	Delaware
The Association Benefits Solution, LLC	Delaware
Velapoint, LLC (21)	Washington
West Plaza RE Holdings, LLC	Delaware

(1) Doing business as ABC Insurance Agencies in Texas
(2) Doing business as LSA Securities in Louisiana and Pennsylvania
(3) Doing business as AHCP Insurance Agency, Inc. in California
(4) Doing business as Avail in California, Colorado, Florida, Georgia, Maryland, North Carolina, Oregon, Pennsylvania, Tennessee, Texas, Utah, and Washington, and doing business as Avail Car Sharing in Illinois
(5) Doing business as Arity Rating Services LLC in the District of Columbia
(6) Doing business as Stewart Park Insurance Agency in California
(7) Doing business as Collective Crowdsourcing, LLC in New York
(8) Doing business as Direct Auto Insurance in Alabama, Arkansas, Florida, Georgia, Missouri, Mississippi, North Carolina, Tennessee, Texas, and Virginia; Direct Auto Insurance Agency in California; and Insurance 4 Less in Texas
(9) Doing business as American Heritage Insurance Services in all states except Massachusetts
(10) Doing business as Esurance Insurance Agency Services in New York
(11) Doing business as HST Insurance Agency, LLC in California
(12) Doing business as Insurance Answer Center, LLC, an Insurance Agency in New York
(13) Doing business as NGMI Insurance Services in California and NGI Agency in New York
(14) Doing business as Northeast Agency Insurance Services in California, NEA Insurance Services in Georgia, NEA Brokerage Solutions in New Hampshire, and Northeast Insurance Agencies, Inc. in Utah
(15) Doing business as NSM Insurance Sales in California
(16) Doing business as Quotit Insurance Services in California
(17) Doing business as Transparent.ly
(18) Doing business as S.A.G.A. Insurance Agency in California
(19) Doing business as SquareTrade New York in New York
(20) Doing business as The Elite Association Marketing Insurance Agency in California, Michigan, Texas, Utah, and Virginia
(21) Doing business as Velapoint Insurance Agency, LLC in California

Exhibit 23

Consent of Independent Registered Public Accounting Firm

We consent to the incorporation by reference in the following registration statements of our reports dated February 16, 2023, relating to the financial statements of The Allstate Corporation, and the effectiveness of The Allstate Corporation's internal control over financial reporting, appearing in this Annual Report on Form 10-K of The Allstate Corporation for the year ended December 31, 2022.

Form S-3 Registration Statement Nos.	Form S-8 Registration Statement Nos.
333-255698	333-04919
	333-40283
	333-134243
	333-175526
	333-188821
	333-200390
	333-218343
	333-228490
	333-228491
	333-228492
	333-231753

/s/ DELOITTE & TOUCHE LLP

Chicago, Illinois
February 16, 2023

Certifications

Exhibit 31 (i)

I, Thomas J. Wilson, certify that:

1. I have reviewed this report on Form 10-K of The Allstate Corporation;

2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;

3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;

4. The registrant's other certifying officer(s) and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:

(a) Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;

(b) Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;

(c) Evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and

(d) Disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and

5. The registrant's other certifying officer(s) and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's board of directors (or persons performing the equivalent functions):

(a) All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and

(b) Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

Date: February 16, 2023

/s/ Thomas J. Wilson

Thomas J. Wilson

Chairman of the Board, President and Chief Executive Officer

Certifications

Exhibit 31 (i)

I, Jesse E. Merten, certify that:

1. I have reviewed this report on Form 10-K of The Allstate Corporation;

2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;

3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;

4. The registrant's other certifying officer(s) and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:

(a) Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;

(b) Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;

(c) Evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and

(d) Disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and

5. The registrant's other certifying officer(s) and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's board of directors (or persons performing the equivalent functions):

(a) All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and

(b) Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

Date: February 16, 2023

/s/ Jesse E. Merten

Jesse E. Merten

Executive Vice President and Chief Financial Officer

Exhibit 32

Section 1350 Certifications

Each of the undersigned hereby certifies that to his knowledge the report on Form 10-K for the fiscal year ended December 31, 2022 of The Allstate Corporation filed with the Securities and Exchange Commission fully complies with the requirements of Section 13(a) or 15(d) of the Securities Exchange Act of 1934 and that the information contained in such report fairly presents, in all material respects, the financial condition and result of operations of The Allstate Corporation.

Date: February 16, 2023

/s/ Thomas J. Wilson

Thomas J. Wilson

Chairman of the Board, President and Chief Executive Officer

/s/ Jesse E. Merten

Jesse E. Merten

Executive Vice President and Chief Financial Officer