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

# FORM 8-K

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

Date of report (Date of earliest event reported): May 4, 2022

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

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

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

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

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

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

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

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

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

Emerging growth company ☐

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

**Section 2 – Financial Information**

**Item 2.02. Results of Operations and Financial Condition.**

The Registrant's press release dated May 4, 2022, announcing its financial results for the first quarter of 2022, and the Registrant's first quarter 2022 investor supplement are furnished as Exhibits 99.1 and 99.2, respectively, to this report. The information contained in the press release and the investor supplement are furnished and not filed pursuant to instruction B.2 of Form 8-K.

**Section 9 – Financial Statements and Exhibits**

**Item 9.01. Financial Statements and Exhibits.**

(d) Exhibits

99.1 Registrant's press release dated May 4, 2022
99.2 First quarter 2022 Investor Supplement of The Allstate Corporation
104 Cover Page Interactive Data File (formatted as inline XBRL)

## SIGNATURES

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

**THE ALLSTATE CORPORATION**
(Registrant)

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

Date: May 4, 2022

**FOR IMMEDIATE RELEASE**

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## Allstate Addresses Inflation with Multifaceted Plan

Transformative Growth Strategy Progresses

NORTHBROOK, Ill., May 4, 2022 – The Allstate Corporation (NYSE: ALL) today reported financial results for the first quarter of 2022.

| The Allstate Corporation Consolidated Highlights | | | |
|---|---|---|---|
| | Three months ended March 31, | | |
| ($ in millions, except per share data and ratios) | 2022 | 2021 | % / pts Change |
| Consolidated revenues | $12,337 | $12,451 | (0.9)% |
| Net income (loss) applicable to common shareholders | 630 | (1,408) | NM |
| per diluted common share | 2.24 | (4.60) | NM |
| Adjusted net income* | 726 | 1,871 | (61.2) |
| per diluted common share* | 2.58 | 6.11 | (57.8) |
| Return on Allstate common shareholders' equity (trailing twelve months) | | | |
| Net income applicable to common shareholders | 15.4 % | 15.1 % | 0.3 |
| Adjusted net income* | 12.8 % | 23.2 % | (10.4) |
| Common shares outstanding (in millions) | 275.7 | 300.1 | (8.1) |
| Book value per common share | 75.95 | 81.08 | (6.3) |
| Property-Liability combined ratio | | | |
| Recorded | 97.3 | 83.3 | 14.0 |
| Underlying combined ratio* | 90.9 | 77.1 | 13.8 |
| Property and casualty insurance premiums earned | 10,981 | 10,307 | 6.5 |
| Catastrophe losses | 462 | 590 | (21.7) |
| Total policies in force (in thousands) | 190,309 | 182,912 | 4.0 |

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

NM = not meaningful

"Allstate is addressing inflation by raising prices, reducing expenses and changing investment allocations," said Tom Wilson, Chair, President and CEO of The Allstate Corporation. "Premiums earned were $11.0 billion in the quarter, an increase of 6.5% over the prior year due to policy growth and increased average premiums, as auto and home insurance rate increases begin to increase revenues. Net income was $630 million and adjusted net income* was $726 million ($2.58 per share). Excellent profitability in homeowners insurance, strong investment income and earnings from Protection Services and Health and Benefits mitigated the negative impact of inflation on auto insurance margins. Shareholder value also benefited from a shortening of the bond portfolio duration in late 2021 to reduce enterprise exposure to inflation and higher interest rates."

“We made excellent progress on the Transformative Growth strategy by expanding customer access, improving pricing sophistication and advancing expense reduction programs. Customer access was expanded as Allstate agent new business sales were maintained while direct distribution grew to 38% of new business and National General expanded through independent agents. Allstate brand auto insurance price increases of $862 million were implemented in the quarter using sophisticated pricing algorithms. While the expense ratio increased compared to prior year quarter from higher employee-related costs, we remain committed to our three-year expense reduction goals. Transformative Growth has positioned us to quickly adapt to this inflationary environment while improving our competitive position to grow market share,” concluded Wilson.

**First Quarter 2022 Results**

- Total revenues of $12.3 billion in the first quarter of 2022 decreased 0.9% compared to the prior year quarter, reflecting losses on fixed income sales and equity valuations in 2022 compared to net gains in 2021. This was partially offset by higher Property-Liability earned premium and increased Protection Services revenue.

- Net income applicable to common shareholders was $630 million in the first quarter of 2022 compared to a loss of $1.4 billion in the prior year quarter, primarily due to a loss from discontinued operations in 2021 associated with the sales of Allstate Life Insurance Company and Allstate Life Insurance Company of New York, partially offset by lower underwriting income and equity valuation decreases.

- Adjusted net income* of $726 million, or $2.58 per diluted share, was below the $1.9 billion generated in the prior year quarter. The decrease reflects higher auto accident frequency and increased inflation, unfavorable prior year reserve reestimates and lower net investment income, partially offset by higher earned premium and lower catastrophe losses.

| Property-Liability Results | | | |
|---|---|---|---|
| | Three months ended March 31, | | |
| ($ in millions, except ratios) | 2022 | 2021 | % / pts Change |
| **Premiums earned** | **$ 10,498** | **$ 9,896** | **6.1 %** |
| Allstate Brand | 9,011 | 8,681 | 3.8 |
| National General | 1,487 | 1,215 | 22.4 |
| **Underwriting income** | **280** | **1,657** | **(83.1)** |
| Allstate Brand | 251 | 1,515 | (83.4) |
| National General | 29 | 138 | (79.0) |
| **Recorded combined ratio** | **97.3** | **83.3** | **14.0** |
| Allstate Protection auto | 102.1 | 80.5 | 21.6 |
| Allstate Protection homeowners | 84.2 | 88.8 | (4.6) |
| **Underlying combined ratio*** | **90.9** | **77.1** | **13.8** |
| Allstate Protection auto | 98.8 | 80.1 | 18.7 |
| Allstate Protection homeowners | 69.0 | 67.7 | 1.3 |

- **Property-Liability** earned premium of $10.5 billion increased 6.1% in the first quarter of 2022 compared to the prior year quarter, driven by higher average premiums and item growth in both the National General and Allstate brands. The recorded combined ratio of 97.3 generated underwriting income of $280 million compared to $1.7 billion in the first quarter of 2021.

    - Lower underwriting income compared to the prior year quarter was primarily driven by lower auto insurance margins, reflecting the impact from inflationary increases in claim severity and increased auto insurance accident frequency as miles driven increased with economic activity. This was partially offset by higher premiums earned and lower catastrophe losses. Non-catastrophe prior year reserve strengthening of $158 million was primarily driven by adverse loss development in auto physical damage and bodily injury coverages.

    - The underlying combined ratio* of 90.9 in the first quarter of 2022 was 13.8 points above the prior year quarter, reflecting higher auto and homeowners claims severity due to increased inflationary impacts and higher auto accident frequency.

- The expense ratio of 24.0 in the first quarter decreased 0.5 points compared to prior full year and increased 0.8 points compared to the first quarter 2021. The increase from the prior year quarter was driven by higher operating costs and increased amortization of purchased intangibles from the National General acquisition, partially offset by lower distribution related acquisition costs. While quarterly fluctuations are anticipated, Allstate remains committed to the long-term objective of reducing the adjusted expense ratio[1] to approximately 23.0 by year end 2024.

- **Allstate Protection auto** insurance earned premium increased 4.0% driven by higher average premiums and policies in force growth of 2.4% compared to the prior year quarter. Written premium increased 7.8%, which was higher than earned premium growth as rate increases are earned over the 6-month policy period after customer renewal. Policies in force growth was driven by National General, including impacts from the SafeAuto acquisition, and the Allstate brand. New issued applications increased by 14.3% compared to the prior year quarter due to growth in the direct and independent agent channels. Allstate brand auto net written premiums increased by 4.1% compared to the prior year quarter due to increased average premiums and policies in force growth of 0.7%. Allstate brand implemented auto rate increases were made in 28 locations in the first quarter at an average of 9.3%, or 3.6% on total premiums.

  The recorded auto insurance combined ratio of 102.1 in the first quarter of 2022 was 21.6 points above the prior year quarter, and the underlying combined ratio* of 98.8 was 18.7 points above the prior year quarter. This increase was driven by higher claim severity and accident frequency compared to the lower levels experienced during the first quarter of 2021 due to the pandemic. The first quarter of 2022 was also adversely impacted by 2.1 points of unfavorable non-catastrophe prior year reserve reestimates driven by physical damage and bodily injury coverages.

  Rising severity levels compared to the prior year reflect increased used car prices, higher parts and labor costs, medical inflation, and greater attorney representation. In response, Allstate is taking comprehensive action to improve profitability, including rate increases, reducing expenses and claims operational actions. Given ongoing inflationary pressures, we expect to implement rate increases greater than our initial expectations for 2022 to restore auto margins to target levels.

- **Allstate Protection homeowners** insurance earned premium grew 8.8%, and policies in force increased 1.1% compared to the first quarter of 2021. Allstate brand net written premium increased 17.0% compared to the prior year quarter, driven by an increase in average premiums of 14.3% due to inflation in insured home valuations and implemented rate increases combined with policies in force growth of 1.7%.

  The recorded homeowners insurance combined ratio of 84.2 was 4.6 points better than the first quarter of 2021 and generated an underwriting profit of $410 million in the quarter. The improvement was driven by lower catastrophe losses. The underlying combined ratio* of 69.0 increased 1.3 points compared to the first quarter of 2021, driven by higher severity due to inflation in labor and material costs, partially offset by higher average earned premium.

[1] A reconciliation of non-GAAP measure to the expense ratio, a GAAP measure, is not possible on a forward-looking basis because it is not possible to provide a reliable forecast of future expenses and targeted reductions as of the reporting date.

| Protection Services Results | | | |
|---|---|---|---|
| | Three months ended March 31, | | |
| ($ in millions) | 2022 | 2021 | % / $ Change |
| **Total revenues [1]** | **$ 627** | **$ 552** | **13.6 %** |
| Allstate Protection Plans | 329 | 275 | 19.6 |
| Allstate Dealer Services | 135 | 123 | 9.8 |
| Allstate Roadside | 65 | 59 | 10.2 |
| Arity | 62 | 64 | (3.1) |
| Allstate Identity Protection | 36 | 31 | 16.1 |
| **Adjusted net income (loss)** | **$ 53** | **$ 49** | **$ 4** |
| Allstate Protection Plans | 43 | 45 | (2) |
| Allstate Dealer Services | 9 | 8 | 1 |
| Allstate Roadside | 2 | 4 | (2) |
| Arity | (1) | 2 | (3) |
| Allstate Identity Protection | — | (10) | 10 |

[1] Excludes net gains and losses on investments and derivatives

- **Protection Services** revenues increased to $627 million in the first quarter of 2022, 13.6% higher than the prior year quarter, primarily driven by Allstate Protection Plans. Adjusted net income of $53 million increased by $4 million compared to the prior year quarter due to the absence of restructuring charges incurred in 2021.
  - **Allstate Protection Plans** revenue of $329 million increased $54 million, or 19.6%, compared to the prior year quarter, reflecting increased policies in force. Written premium of $429 million increased 10.6% compared to the prior year quarter, primarily driven by international growth and a full quarter of results for policies distributed through The Home Depot compared to the prior year quarter. Written premiums are earned into revenue over the contractual period, generally one to five years, with unearned premiums of $2.2 billion at quarter end. Adjusted net income of $43 million in the first quarter of 2022 was $2 million lower than the prior year quarter.
  - **Allstate Dealer Services** revenue of $135 million was 9.8% higher than the first quarter of 2021, driven by higher earned premium. Adjusted net income of $9 million in the first quarter was $1 million higher than the prior year quarter.
  - **Allstate Roadside** revenue of $65 million in the first quarter of 2022 increased 10.2% compared to the prior year quarter, as rescue volumes increased compared to the first quarter of 2021. Adjusted net income declined by $2 million compared to the prior year quarter from increased costs to tow vehicles.
  - **Arity** revenue of $62 million decreased $2 million compared to the prior year quarter as increased Milewise device revenue was offset by lower LeadCloud and software revenue. Adjusted net loss of $1 million in the first quarter of 2022 was $3 million worse than the prior year quarter, primarily driven by lower revenue and increased expenses related to growth. Arity continues to expand its data acquisition platform with over 800 billion miles of traffic data being used to serve an increasing number of insurance and third-party application customers.
  - **Allstate Identity Protection** revenue of $36 million in the first quarter of 2022 increased 16.1% compared to the prior year quarter, and policies in force increased by 9.1% to 2.9 million. Adjusted net income was breakeven, $10 million better than a loss in the first quarter of 2021, driven by the absence of a restructuring charge and higher revenue.

| Allstate Health and Benefits Results | | | |
|---|---|---|---|
| | Three months ended March 31, | | |
| ($ in millions) | 2022 | 2021 | % Change |
| **Premiums and contract charges** | $ 469 | $ 455 | 3.1 % |
| Employer voluntary benefits | 266 | 263 | 1.1 |
| Group health | 94 | 83 | 13.3 |
| Individual health | 109 | 109 | — |
| **Adjusted net income** | 53 | 65 | (18.5) |

- **Allstate Health and Benefits** premiums and contract charges increased 3.1% compared to the prior year quarter, primarily due to growth in group health. Adjusted net income of $53 million in the first quarter of 2022 decreased $12 million compared to the first quarter of 2021, primarily due to increases in individual and group health claims and favorable reserve reestimates for group health in the prior year quarter.

| Allstate Investment Results | | | |
|---|---|---|---|
| | Three months ended March 31, | | |
| ($ in millions, except ratios) | 2022 | 2021 | $ / pts Change |
| **Net investment income** | **$ 594** | **$ 708** | **$ (114)** |
| Market-based investment income [(1)] | 323 | 354 | (31) |
| Performance-based investment income [(1)] | 306 | 378 | (72) |
| **Net gains (losses) on investments and derivatives** | **(267)** | **426** | **(693)** |
| **Change in unrealized net capital gains and losses, pre-tax** | **(2,038)** | **(1,374)** | **(664)** |
| **Total return on investment portfolio** | **(2.8)%** | **(0.2)%** | **(2.6)** |
| **Total return on investment portfolio (trailing twelve months)** | **1.8 %** | **8.8 %** | **(7.0)** |

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

- **Allstate Investments** $61.8 billion portfolio generated net investment income of $594 million in the first quarter of 2022, a decrease of $114 million from the prior year quarter.
    - **Market-based investment income** was $323 million in the first quarter of 2022, a decrease of $31 million, or 8.8%, compared to the prior year quarter. The decrease primarily reflected lower reinvestment rates, including the impact of our fixed income portfolio duration shortening to reduce enterprise economic inflation exposure, which began in the fourth quarter of 2021. The duration of the $40.7 billion fixed income portfolio was reduced from 4.6 to 3.1 years since September 30, 2021 through the sale of bonds and use of derivatives, which mitigated the valuation decline in the portfolio by $0.8 billion in the first quarter.

    - **Performance-based investment income** totaled $306 million in the first quarter of 2022, a decrease of $72 million compared to the prior year quarter due to lower returns compared to a very strong prior year.
    - **Net losses on investments and derivatives** were $267 million in the first quarter of 2022, compared to $426 million of gains in the prior year quarter, primarily due to losses on the valuation of equity investments and the sale of fixed income securities, partially offset by derivative gains associated with bond portfolio duration shortening.
    - **Unrealized net capital gains and losses** declined $2.0 billion in the first quarter of 2022, as higher market yields resulted in lower fixed income valuations.
    - **Total return** on the investment portfolio was a negative 2.8% for the quarter.

**Proactive Capital Management**

"Allstate's capital position remains strong and enables excellent cash returns to shareholders," said Mario Rizzo, Chief Financial Officer. "In the first quarter, Allstate returned more than $1.0 billion to common shareholders through a combination of $794 million in share repurchases and $230 million in common shareholder dividends. In February, we announced a quarterly dividend of $0.85, representing a 5% increase, that was paid on April 1st, 2022. We have $2.5 billion remaining on the current $5 billion share repurchase authorization, which is expected to be completed early next year. We have repurchased 9.2% and 20.0% of our common shares outstanding over the last twelve months and three years, respectively," concluded Rizzo.

Visit www.allstateinvestors.com for additional information about Allstate's results, including a webcast of its quarterly conference call and the call presentation. The conference call will be at 9 a.m. ET on Thursday, May 5. Financial information, including material announcements about The Allstate Corporation, is routinely posted on www.allstateinvestors.com.

**Forward-Looking Statements**
This news release contains "forward-looking statements" that anticipate results based on our estimates, assumptions and plans that are subject to uncertainty. These statements are made subject to the safe-harbor provisions of the Private Securities Litigation Reform Act of 1995. These forward-looking statements do not relate strictly to historical or current facts and may be identified by their use of words like "plans," "seeks," "expects," "will," "should," "anticipates," "estimates," "intends," "believes," "likely," "targets" and other words with similar meanings. We believe these statements are based on reasonable estimates, assumptions and plans. However, if the estimates, assumptions or plans underlying the forward-looking statements prove inaccurate or if other risks or uncertainties arise, actual results could differ materially from those communicated in these forward-looking statements. Factors that could cause actual results to differ materially from those expressed in, or implied by, the forward-looking statements may be found in our filings with the U.S. Securities and Exchange Commission, including the "Risk Factors" section in our most recent annual report on Form 10-K. Forward-looking statements are as of the date on which they are made, and we assume no obligation to update or revise any forward-looking statement.

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

**($ in millions, except par value data)**

| | March 31, 2022 | December 31, 2021 |
|---|---|---|
| **Assets** | | |
| Investments | | |
| Fixed income securities, at fair value (amortized cost, net $42,027 and $41,376) | $ 40,745 | $ 42,136 |
| Equity securities, at fair value (cost $4,453 and $6,016) | 5,315 | 7,061 |
| Mortgage loans, net | 855 | 821 |
| Limited partnership interests | 7,977 | 8,018 |
| Short-term, at fair value (amortized cost $4,345 and $4,009) | 4,344 | 4,009 |
| Other investments, net | 2,532 | 2,656 |
| **Total investments** | **61,768** | **64,701** |
| Cash | 1,130 | 763 |
| Premium installment receivables, net | 8,874 | 8,364 |
| Deferred policy acquisition costs | 4,824 | 4,722 |
| Reinsurance and indemnification recoverables, net | 9,691 | 10,024 |
| Accrued investment income | 341 | 339 |
| Property and equipment, net | 966 | 939 |
| Goodwill | 3,497 | 3,502 |
| Other assets, net | 6,059 | 6,086 |
| **Total assets** | **$ 97,150** | **$ 99,440** |
| **Liabilities** | | |
| Reserve for property and casualty insurance claims and claims expense | $ 32,991 | $ 33,060 |
| Reserve for future policy benefits | 1,274 | 1,273 |
| Contractholder funds | 907 | 908 |
| Unearned premiums | 20,248 | 19,844 |
| Claim payments outstanding | 1,140 | 1,123 |
| Deferred income taxes | 402 | 833 |
| Other liabilities and accrued expenses | 9,077 | 9,296 |
| Long-term debt | 7,973 | 7,976 |
| **Total liabilities** | **74,012** | **74,313** |
| **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, $.01 par value, 2.0 billion shares authorized and 900 million issued, 276 million and 281 million shares outstanding | 9 | 9 |
| Additional capital paid-in | 3,706 | 3,722 |
| Retained income | 53,688 | 53,294 |
| Treasury stock, at cost (624 million and 619 million shares) | (35,208) | (34,471) |
| Accumulated other comprehensive income: | | |
| Unrealized net capital gains and losses | (995) | 598 |
| Unrealized foreign currency translation adjustments | (15) | (15) |
| Unamortized pension and other postretirement prior service credit | 57 | 72 |
| **Total accumulated other comprehensive income** | **(953)** | **655** |
| **Total Allstate shareholders' equity** | **23,212** | **25,179** |
| Noncontrolling interest | (74) | (52) |
| **Total equity** | **23,138** | **25,127** |
| **Total liabilities and equity** | **$ 97,150** | **$ 99,440** |

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

| ($ in millions, except per share data) | Three months ended March 31, 2022 | 2021 |
|---|---|---|
| **Revenues** | | |
| Property and casualty insurance premiums | $ 10,981 | $ 10,307 |
| Accident and health insurance premiums and contract charges | 469 | 455 |
| Other revenue | 560 | 555 |
| Net investment income | 594 | 708 |
| Net gains (losses) on investments and derivatives | (267) | 426 |
| **Total revenues** | **12,337** | **12,451** |
| **Costs and expenses** | | |
| Property and casualty insurance claims and claims expense | 7,822 | 6,043 |
| Accident, health and other policy benefits | 269 | 242 |
| Amortization of deferred policy acquisition costs | 1,612 | 1,523 |
| Operating costs and expenses | 1,902 | 1,731 |
| Pension and other postretirement remeasurement (gains) losses | (247) | (310) |
| Restructuring and related charges | 12 | 51 |
| Amortization of purchased intangibles | 87 | 53 |
| Interest expense | 83 | 86 |
| **Total costs and expenses** | **11,540** | **9,419** |
| **Income from operations before income tax expense** | **797** | **3,032** |
| Income tax expense | 151 | 626 |
| **Net income from continuing operations** | **646** | **2,406** |
| Income (loss) from discontinued operations, net of tax | — | (3,793) |
| **Net income (loss)** | **646** | **(1,387)** |
| Less: Net loss attributable to noncontrolling interest | (10) | (6) |
| **Net income (loss) attributable to Allstate** | **656** | **(1,381)** |
| Less: Preferred stock dividends | 26 | 27 |
| **Net income (loss) applicable to common shareholders** | **$ 630** | **$ (1,408)** |
| **Earnings per common share applicable to common shareholders** | | |
| Basic | | |
| Continuing operations | $ 2.27 | $ 7.88 |
| Discontinued operations | — | (12.53) |
| **Total** | **$ 2.27** | **$ (4.65)** |
| Diluted | | |
| Continuing operations | $ 2.24 | $ 7.78 |
| Discontinued operations | — | (12.38) |
| **Total** | **$ 2.24** | **$ (4.60)** |
| Weighted average common shares – Basic | 278.1 | 302.5 |
| Weighted average common shares – Diluted | 281.8 | 306.4 |

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

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

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

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

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

| **($ in millions, except per share data)** | **Three months ended March 31,** | | | |
|---|---|---|---|---|
| | **Consolidated** | | **Per diluted common share** | |
| | **2022** | **2021** | **2022** | **2021** |
| **Net income (loss) applicable to common shareholders** | $ 630 | $ (1,408) | $ 2.24 | $ (4.60) |
| Net (gains) losses on investments and derivatives | 267 | (426) | 0.95 | (1.39) |
| Pension and other postretirement remeasurement (gains) losses | (247) | (310) | (0.88) | (1.01) |
| Reclassification of periodic settlements and accruals on non-hedge derivative instruments | — | 1 | — | — |
| Business combination expenses and the amortization of purchased intangibles | 87 | 75 | 0.31 | 0.25 |
| Loss on disposition of operations | 16 | — | 0.06 | — |
| (Income) loss from discontinued operations | — | 4,163 | — | 13.59 |
| Income tax expense (benefit) | (27) | (224) | (0.10) | (0.73) |
| **Adjusted net income *** | $ 726 | $ 1,871 | $ 2.58 | $ 6.11 |

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

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

| **($ in millions)** | **For the twelve months ended March 31,** | |
|---|---|---|
| | **2022** | **2021** |
| **Return on Allstate common shareholders' equity** | | |
| Numerator: | | |
| Net income applicable to common shareholders | $ 3,523 | $ 3,540 |
| Denominator: | | |
| Beginning Allstate common shareholders' equity | $ 24,649 | $ 22,203 |
| Ending Allstate common shareholders' equity [1] | 21,242 | 24,649 |
| Average Allstate common shareholders' equity | $ 22,946 | $ 23,426 |
| Return on Allstate common shareholders' equity | 15.4 % | 15.1 % |

| **($ in millions)** | **For the twelve months ended March 31,** | |
|---|---|---|
| | **2022** | **2021** |
| **Adjusted net income return on Allstate common shareholders' equity** | | |
| Numerator: | | |
| Adjusted net income * | $ 2,888 | $ 5,179 |
| Denominator: | | |
| Beginning Allstate common shareholders' equity | $ 24,649 | $ 22,203 |
| Less: Unrealized net capital gains and losses | 1,680 | 530 |
| Adjusted beginning Allstate common shareholders' equity | 22,969 | 21,673 |
| Ending Allstate common shareholders' equity [1] | 21,242 | 24,649 |
| Less: Unrealized net capital gains and losses | (995) | 1,680 |
| Adjusted ending Allstate common shareholders' equity | 22,237 | 22,969 |
| Average adjusted Allstate common shareholders' equity | $ 22,603 | $ 22,321 |
| Adjusted net income return on Allstate common shareholders' equity * | 12.8 % | 23.2 % |

[1] Excludes equity related to preferred stock of $1,970 million as of March 31, 2022 and $2,170 million as of March 31, 2021.

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

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

| **Property-Liability** | **Three months ended March 31,** | |
|---|---|---|
| | **2022** | **2021** |
| **Combined ratio** | 97.3 | 83.3 |
| Effect of catastrophe losses | (4.4) | (6.0) |
| Effect of prior year non-catastrophe reserve reestimates | (1.5) | (0.1) |
| Effect of amortization of purchased intangibles | (0.5) | (0.1) |
| **Underlying combined ratio*** | 90.9 | 77.1 |
| Effect of prior year catastrophe reserve reestimates | (0.1) | (2.5) |

| **Allstate Protection - Auto Insurance** | **Three months ended March 31,** | |
|---|---|---|
| | **2022** | **2021** |
| **Combined ratio** | 102.1 | 80.5 |
| Effect of catastrophe losses | (0.6) | (0.4) |
| Effect of prior year non-catastrophe reserve reestimates | (2.1) | 0.2 |
| Effect of amortization of purchased intangibles | (0.6) | (0.2) |
| **Underlying combined ratio*** | 98.8 | 80.1 |
| Effect of prior year catastrophe reserve reestimates | (0.1) | (0.3) |

| **Allstate Protection - Homeowners Insurance** | **Three months ended March 31,** | |
|---|---|---|
| | **2022** | **2021** |
| **Combined ratio** | 84.2 | 88.8 |
| Effect of catastrophe losses | (14.8) | (20.7) |
| Effect of prior year non-catastrophe reserve reestimates | 0.1 | (0.2) |
| Effect of amortization of purchased intangibles | (0.5) | (0.2) |
| **Underlying combined ratio*** | 69.0 | 67.7 |
| Effect of prior year catastrophe reserve reestimates | (0.3) | (8.7) |

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

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

| Property-Liability | Three months ended March 31, | |
|---|---|---|
| | 2022 | 2021 |
| **Expense ratio** | 24.0 | 23.2 |
| Effect of amortization of purchased intangibles | (0.5) | (0.1) |
| **Underlying expense ratio*** | 23.5 | 23.1 |

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

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

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

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

The following table reconciles the respective underlying expense ratio to the adjusted underlying expense ratio and adjusted expense ratio.

| Property-Liability | Three months ended March 31, | |
|---|---|---|
| | 2022 | 2021 |
| **Underlying expense ratio*** | 23.5 | 23.1 |
| Effect of advertising expense | (3.3) | (3.2) |
| Effect of restructuring and related charges | (0.1) | (0.3) |
| **Adjusted underwriting expense ratio*** | 20.1 | 19.6 |
| Claims expense ratio excluding catastrophe expense | 5.9 | 5.6 |
| **Adjusted expense ratio*** | 26.0 | 25.2 |

# # # # #

Exhibit 99.2

## The Allstate Corporation

# Investor Supplement
# First Quarter 2022

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

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

**The Allstate Corporation**
**Investor Supplement - First Quarter 2022**

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

## The Allstate Corporation
## Condensed Consolidated Statements of Operations

| ($ in millions, except per share data) | Three months ended | | | | |
|---|---|---|---|---|---|
| | March 31, 2022 | Dec. 31, 2021 | Sept. 30, 2021 | June 30, 2021 | March 31, 2021 |
| **Revenues** | | | | | |
| Property and casualty insurance premiums ^ | $ 10,981 | $ 10,852 | $ 10,615 | $ 10,444 | $ 10,307 |
| Accident and health insurance premiums and contract charges ^ | 469 | 459 | 460 | 447 | 455 |
| Other revenue ^ | 560 | 587 | 536 | 494 | 555 |
| Net investment income | 594 | 847 | 764 | 974 | 708 |
| Net gains (losses) on investments and derivatives | (267) | 266 | 105 | 287 | 426 |
| **Total revenues** | 12,337 | 13,011 | 12,480 | 12,646 | 12,451 |
| **Costs and expenses** | | | | | |
| Property and casualty insurance claims and claims expense | 7,822 | 7,804 | 8,264 | 7,207 | 6,043 |
| Shelter-in-Place Payback expense | - | - | - | 29 | - |
| Accident, health and other policy benefits | 269 | 278 | 277 | 252 | 242 |
| Amortization of deferred policy acquisition costs | 1,612 | 1,602 | 1,582 | 1,545 | 1,523 |
| Operating costs and expenses | 1,902 | 1,956 | 1,890 | 1,683 | 1,731 |
| Pension and other postretirement remeasurement (gains) losses | (247) | (240) | 40 | (134) | (310) |
| Restructuring and related charges | 12 | 25 | 23 | 71 | 51 |
| Amortization of purchased intangibles | 87 | 109 | 109 | 105 | 53 |
| Interest expense | 83 | 84 | 69 | 91 | 86 |
| **Total costs and expenses** | 11,540 | 11,618 | 12,254 | 10,849 | 9,419 |
| **Income from operations before income tax expense** | 797 | 1,393 | 226 | 1,797 | 3,032 |
| Income tax expense | 151 | 281 | 20 | 362 | 626 |
| **Net income from continuing operations** | 646 | 1,112 | 206 | 1,435 | 2,406 |
| Income (loss) from discontinued operations, net of tax | - | (321) | 325 | 196 | (3,793) |
| **Net income (loss)** | 646 | 791 | 531 | 1,631 | (1,387) |
| Less: Net income (loss) attributable to noncontrolling interest | (10) | (26) | (7) | 6 | (6) |
| **Net income (loss) attributable to Allstate** | 656 | 817 | 538 | 1,625 | (1,381) |
| Less: Preferred stock dividends | 26 | 27 | 30 | 30 | 27 |
| **Net income (loss) applicable to common shareholders** | $ 630 | $ 790 | $ 508 | $ 1,595 | $ (1,408) |
| **Earnings per common share** | | | | | |
| **Basic** | | | | | |
| Continuing operations | $ 2.27 | $ 3.90 | $ 0.62 | $ 4.68 | $ 7.88 |
| Discontinued operations | - | (1.13) | 1.11 | 0.66 | (12.53) |
| Total | $ 2.27 | $ 2.77 | $ 1.73 | $ 5.34 | $ (4.65) |
| **Diluted** | | | | | |
| Continuing operations | $ 2.24 | $ 3.84 | $ 0.62 | $ 4.61 | $ 7.78 |
| Discontinued operations | - | (1.11) | 1.09 | 0.65 | (12.38) |
| Total | $ 2.24 | $ 2.73 | $ 1.71 | $ 5.26 | $ (4.60) |
| Weighted average common shares - Basic | 278.1 | 285.0 | 293.1 | 298.8 | 302.5 |
| Weighted average common shares - Diluted | 281.8 | 289.0 | 297.9 | 303.3 | 306.4 |
| **Cash dividends declared per common share** | $ 0.85 | $ 0.81 | $ 0.81 | $ 0.81 | $ 0.81 |

## The Allstate Corporation
## Contribution to Income

| ($ in millions, except per share data) | Three months ended | | | | |
|---|---|---|---|---|---|
| | March 31, 2022 | Dec. 31, 2021 | Sept. 30, 2021 | June 30, 2021 | March 31, 2021 |
| **Contribution to income** | | | | | |
| Net income (loss) applicable to common shareholders | $ 630 | $ 790 | $ 508 | $ 1,595 | $ (1,408) |
| Net (gains) losses on investments and derivatives | 267 | (266) | (105) | (287) | (426) |
| Pension and other postretirement remeasurement (gains) losses | (247) | (240) | 40 | (134) | (310) |
| Reclassification of periodic settlements and accruals on non-hedge derivative instruments | - | (1) | - | - | 1 |
| Business combination expenses and the amortization of purchased intangibles | 87 | 109 | 109 | 105 | 75 |
| Business combination fair value adjustment | - | - | - | (6) | - |
| Loss on disposition of operations | 16 | - | - | - | - |
| (Income) loss from discontinued operations | - | 177 | (235) | (493) | 4,163 |
| Income tax expense (benefit) | (27) | 227 | (100) | 369 | (224) |
| **Adjusted net income *** | $ 726 | $ 796 | $ 217 | $ 1,149 | $ 1,871 |
| **Income per common share - Diluted** | | | | | |
| Net income (loss) applicable to common shareholders | $ 2.24 | $ 2.73 | $ 1.71 | $ 5.26 | $ (4.60) |
| Net (gains) losses on investments and derivatives | 0.95 | (0.92) | (0.35) | (0.95) | (1.39) |
| Pension and other postretirement remeasurement (gains) losses | (0.88) | (0.83) | 0.13 | (0.44) | (1.01) |
| Reclassification of periodic settlements and accruals on non-hedge derivative instruments | - | - | - | - | - |
| Business combination expenses and the amortization of purchased intangibles | 0.31 | 0.38 | 0.37 | 0.35 | 0.25 |
| Business combination fair value adjustment | - | - | - | (0.02) | - |
| Loss on disposition of operations | 0.06 | - | - | - | - |
| (Income) loss from discontinued operations | - | 0.61 | (0.79) | (1.63) | 13.59 |
| Income tax expense (benefit) | (0.10) | 0.78 | (0.34) | 1.22 | (0.73) |
| **Adjusted net income *** | $ 2.58 | $ 2.75 | $ 0.73 | $ 3.79 | $ 6.11 |
| Weighted average common shares - Diluted | 281.8 | 289.0 | 297.9 | 303.3 | 306.4 |

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

| ($ in millions, except per share data) | March 31, 2022 | Dec. 31, 2021 | Sept. 30, 2021 | June 30, 2021 | March 31, 2021 |
|---|---|---|---|---|---|
| **Book value per common share** | | | | | |
| Numerator: | | | | | |
| Allstate common shareholders' equity [1] | $ 21,242 | $ 23,209 | $ 24,759 | $ 26,037 | $ 24,649 |
| Denominator: | | | | | |
| Common shares outstanding and dilutive potential common shares outstanding [2] | 279.7 | 284.7 | 292.6 | 301.6 | 304.0 |
| **Book value per common share** | $ 75.95 | $ 81.52 | $ 84.62 | $ 86.33 | $ 81.08 |
| **Book value per common share, excluding the impact of unrealized net capital gains and losses on fixed income securities** | | | | | |
| Numerator: | | | | | |
| Allstate common shareholders' equity | $ 21,242 | $ 23,209 | $ 24,759 | $ 26,037 | $ 24,649 |
| Less: Unrealized net capital gains and losses on fixed income securities | (995) | 601 | 1,830 | 2,167 | 1,680 |
| Adjusted Allstate common shareholders' equity | $ 22,237 | $ 22,608 | $ 22,929 | $ 23,870 | $ 22,969 |
| Denominator: | | | | | |
| Common shares outstanding and dilutive potential common shares outstanding | 279.7 | 284.7 | 292.6 | 301.6 | 304.0 |
| **Book value per common share, excluding the impact of unrealized net capital gains and losses on fixed income securities *** | $ 79.50 | $ 79.41 | $ 78.36 | $ 79.14 | $ 75.56 |
| **Total debt** | $ 7,973 | $ 7,976 | $ 7,980 | $ 7,996 | $ 7,996 |
| **Total capital resources** | $ 31,185 | $ 33,155 | $ 34,709 | $ 36,203 | $ 34,815 |
| **Ratio of debt to Allstate shareholders' equity** | 34.3 % | 31.7 % | 29.9 % | 28.3 % | 29.8 % |
| **Ratio of debt to capital resources** | 25.6 % | 24.1 % | 23.0 % | 22.1 % | 23.0 % |

[1] Excludes equity related to preferred stock of $1,970 million at March 31, 2022, December 31, 2021 and September 30, 2021 and $2,170 million at June 30, 2021 and March 31, 2021.

[2] Common shares outstanding were 275,707,503 and 280,594,850 as of March 31, 2022 and December 31, 2021, respectively.

## The Allstate Corporation
## Return on Allstate Common Shareholders' Equity

| ($ in millions) | Twelve months ended | | | | |
|---|---|---|---|---|---|
| | March 31, 2022 | Dec. 31, 2021 | Sept. 30, 2021 | June 30, 2021 | March 31, 2021 |
| **Return on Allstate common shareholders' equity** | | | | | |
| Numerator: | | | | | |
| Net income applicable to common shareholders [1] | $ 3,523 | $ 1,485 | $ 3,293 | $ 3,911 | $ 3,540 |
| Denominator: | | | | | |
| Beginning Allstate common shareholders' equity | $ 24,649 | $ 28,247 | $ 25,293 | $ 25,016 | $ 22,203 |
| Ending Allstate common shareholders' equity [2] | 21,242 | 23,209 | 24,759 | 26,037 | 24,649 |
| Average Allstate common shareholders' equity ^ | $ 22,946 | $ 25,728 | $ 25,026 | $ 25,527 | $ 23,426 |
| Return on Allstate common shareholders' equity | 15.4 % | 5.8 % | 13.2 % | 15.3 % | 15.1 % |
| **Adjusted net income return on Allstate common shareholders' equity** | | | | | |
| Numerator: | | | | | |
| Adjusted net income * [1] | $ 2,888 | $ 4,033 | $ 4,829 | $ 5,512 | $ 5,179 |
| Denominator: | | | | | |
| Beginning Allstate common shareholders' equity | $ 24,649 | $ 28,247 | $ 25,293 | $ 25,016 | $ 22,203 |
| Less: Unrealized net capital gains and losses | 1,680 | 3,180 | 2,744 | 2,602 | 530 |
| Adjusted beginning Allstate common shareholders' equity | 22,969 | 25,067 | 22,549 | 22,414 | 21,673 |
| Ending Allstate common shareholders' equity [2] | 21,242 | 23,209 | 24,759 | 26,037 | 24,649 |
| Less: Unrealized net capital gains and losses | (995) | 598 | 1,828 | 2,164 | 1,680 |
| Adjusted ending Allstate common shareholders' equity | 22,237 | 22,611 | 22,931 | 23,873 | 22,969 |
| Average adjusted Allstate common shareholders' equity ^ | $ 22,603 | $ 23,839 | $ 22,740 | $ 23,144 | $ 22,321 |
| Adjusted net income return on Allstate common shareholders' equity * | 12.8 % | 16.9 % | 21.2 % | 23.8 % | 23.2 % |

[1] Net income applicable to common shareholders and adjusted net income reflect a trailing twelve-month period.
[2] Excludes equity related to preferred stock of $1,970 million at March 31, 2022, December 31, 2021 and September 30, 2021 and $2,170 million at June 30, 2021 and March 31, 2021.

## The Allstate Corporation
## Policies in Force

| | March 31, 2022 | Dec. 31, 2021 | Sept. 30, 2021 | June 30, 2021 | March 31, 2021 |
|---|---|---|---|---|---|
| **Policies in force statistics (in thousands)** [(1)] | | | | | |
| **Allstate Protection** | | | | | |
| Auto | 26,071 | 25,916 | 25,654 | 25,614 | 25,453 |
| Homeowners | 7,165 | 7,159 | 7,138 | 7,111 | 7,090 |
| Other personal lines | 4,894 | 4,866 | 4,848 | 4,816 | 4,774 |
| Commercial lines | 312 | 315 | 319 | 322 | 325 |
| Total | 38,442 | 38,256 | 37,959 | 37,863 | 37,642 |
| **Allstate brand** | | | | | |
| Auto | 21,968 | 21,972 | 21,951 | 21,920 | 21,824 |
| Homeowners | 6,536 | 6,525 | 6,496 | 6,459 | 6,427 |
| **National General** | | | | | |
| Auto | 4,103 | 3,944 | 3,703 | 3,694 | 3,629 |
| Homeowners | 629 | 634 | 642 | 652 | 663 |
| **Protection Services** | | | | | |
| Allstate Protection Plans | 139,992 | 141,073 | 141,809 | 139,453 | 133,510 |
| Allstate Dealer Services | 3,924 | 3,956 | 3,980 | 4,013 | 3,996 |
| Allstate Roadside | 518 | 525 | 533 | 539 | 540 |
| Allstate Identity Protection | 2,949 | 2,802 | 3,197 | 3,041 | 2,702 |
| Total | 147,383 | 148,356 | 149,519 | 147,046 | 140,748 |
| **Allstate Health and Benefits** | 4,484 | 4,333 | 4,378 | 4,452 | 4,522 |
| **Total policies in force** | 190,309 | 190,945 | 191,856 | 189,361 | 182,912 |

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

## The Allstate Corporation
## Property-Liability Results

| ($ in millions, except ratios) | Three months ended | | | | |
|---|---|---|---|---|---|
| | March 31, 2022 | Dec. 31, 2021 | Sept. 30, 2021 | June 30, 2021 | March 31, 2021 |
| Premiums written | $ 10,761 | $ 10,301 | $ 10,966 | $ 10,323 | $ 9,768 |
| (Increase) decrease in unearned premiums | (258) | 121 | (672) | (312) | (280) |
| Other | (5) | (32) | (135) | (2) | 408 |
| Premiums earned | 10,498 | 10,390 | 10,159 | 10,009 | 9,896 |
| Other revenue | 347 | 366 | 365 | 321 | 385 |
| Claims and claims expense | (7,702) | (7,683) | (8,145) | (7,103) | (5,945) |
| Shelter-in-Place Payback expense | - | - | - | (29) | - |
| Amortization of deferred policy acquisition costs | (1,348) | (1,345) | (1,346) | (1,319) | (1,303) |
| Operating costs and expenses | (1,445) | (1,507) | (1,477) | (1,313) | (1,325) |
| Restructuring and related charges | (12) | (32) | (15) | (66) | (32) |
| Amortization of purchased intangibles | (58) | (76) | (75) | (71) | (19) |
| **Underwriting income (loss)** [1] | $ 280 | $ 113 | $ (534) | $ 429 | $ 1,657 |
| | | | | | |
| Catastrophe losses | $ (462) | $ (528) | $ (1,269) | $ (952) | $ (590) |
| Claims expense excluding catastrophe expense ^ | (621) | (642) | (563) | (558) | (553) |
| | | | | | |
| **Operating ratios and reconciliations to underlying ratios** | | | | | |
| | | | | | |
| **Loss ratio** | 73.3 | 73.9 | 80.2 | 71.0 | 60.1 |
| Effect of catastrophe losses | (4.4) | (5.1) | (12.5) | (9.5) | (6.0) |
| Effect of prior year non-catastrophe reserve reestimates | (1.5) | (1.8) | (1.6) | 0.2 | (0.1) |
| **Underlying loss ratio** * | 67.4 | 67.0 | 66.1 | 61.7 | 54.0 |
| | | | | | |
| **Expense ratio** ^ | 24.0 | 25.0 | 25.1 | 24.7 | 23.2 |
| Effect of amortization of purchased intangibles | (0.5) | (0.7) | (0.8) | (0.7) | (0.1) |
| **Underlying expense ratio** * | 23.5 | 24.3 | 24.3 | 24.0 | 23.1 |
| Effect of advertising expense | (3.3) | (2.9) | (3.2) | (3.1) | (3.2) |
| Effect of restructuring and related charges | (0.1) | (0.3) | (0.1) | (0.6) | (0.3) |
| Effect of Coronavirus related expenses ^ | - | - | - | (0.2) | - |
| **Adjusted underwriting expense ratio** * | 20.1 | 21.1 | 21.0 | 20.1 | 19.6 |
| Claims expense ratio excluding catastrophe expense ^ | 5.9 | 6.2 | 5.5 | 5.6 | 5.6 |
| **Adjusted expense ratio** * | 26.0 | 27.3 | 26.5 | 25.7 | 25.2 |
| | | | | | |
| **Combined ratio** | 97.3 | 98.9 | 105.3 | 95.7 | 83.3 |
| Effect of catastrophe losses | (4.4) | (5.1) | (12.5) | (9.5) | (6.0) |
| Effect of prior year non-catastrophe reserve reestimates | (1.5) | (1.8) | (1.6) | 0.2 | (0.1) |
| Effect of amortization of purchased intangibles | (0.5) | (0.7) | (0.8) | (0.7) | (0.1) |
| **Underlying combined ratio** * | 90.9 | 91.3 | 90.4 | 85.7 | 77.1 |
| | | | | | |
| Effect of Run-off Property-Liability on combined ratio | - | - | 1.2 | - | 0.1 |
| | | | | | |
| [1] **Underwriting income (loss)** | | | | | |
| Allstate brand | $ 251 | $ 174 | $ (311) | $ 414 | $ 1,515 |
| National General | 29 | (62) | (112) | 15 | 138 |
| Answer Financial | 2 | 3 | 2 | 2 | 7 |
| **Total underwriting income for Allstate Protection** | 282 | 115 | (421) | 431 | 1,660 |
| | | | | | |
| Run-off Property-Liability | (2) | (2) | (113) | (2) | (3) |
| | | | | | |
| **Total underwriting income (loss) for Property-Liability** | $ 280 | $ 113 | $ (534) | $ 429 | $ 1,657 |
| | | | | | |
| **Other financial information** | | | | | |
| Net investment income | $ 558 | $ 804 | $ 710 | $ 931 | $ 673 |
| Income tax expense on operations | (175) | (195) | (26) | (283) | (475) |
| Net income (loss) attributable to noncontrolling interest, after-tax | (10) | (27) | (7) | 6 | (6) |
| Amortization of purchased intangibles | (58) | (76) | (75) | (71) | (19) |

## The Allstate Corporation
## Allstate Protection Profitability Measures

| ($ in millions, except ratios) | Three months ended | | | | |
|---|---|---|---|---|---|
| | March 31, 2022 | Dec. 31, 2021 | Sept. 30, 2021 | June 30, 2021 | March 31, 2021 |
| **Premiums written** | | | | | |
| Auto [1] | $ 7,562 | $ 6,864 | $ 7,171 | $ 6,818 | $ 7,012 |
| Homeowners [2] | 2,401 | 2,680 | 3,004 | 2,722 | 2,083 |
| Other personal lines | 504 | 517 | 584 | 579 | 476 |
| Commercial lines | 294 | 240 | 207 | 204 | 197 |
| **Total** | $ 10,761 | $ 10,301 | $ 10,966 | $ 10,323 | $ 9,768 |
| **Net premiums earned** | | | | | |
| Auto [1] | $ 7,081 | $ 7,019 | $ 6,912 | $ 6,883 | $ 6,809 |
| Homeowners [2] | 2,603 | 2,602 | 2,522 | 2,411 | 2,392 |
| Other personal lines | 531 | 532 | 521 | 519 | 505 |
| Commercial lines | 283 | 237 | 204 | 196 | 190 |
| **Total** | $ 10,498 | $ 10,390 | $ 10,159 | $ 10,009 | $ 9,896 |
| **Underwriting income (loss)** | | | | | |
| Auto [1] | $ (147) | $ (300) | $ (159) | $ 394 | $ 1,327 |
| Homeowners [2] | 410 | 335 | (277) | (7) | 268 |
| Other personal lines | 18 | 121 | 40 | 39 | 33 |
| Commercial lines | (22) | (77) | (54) | (25) | (2) |
| Other business lines ^ | 21 | 33 | 27 | 28 | 27 |
| Answer Financial | 2 | 3 | 2 | 2 | 7 |
| **Total** | $ 282 | $ 115 | $ (421) | $ 431 | $ 1,660 |
| Claims expense excluding catastrophe expense | $ 619 | $ 641 | $ 560 | $ 556 | $ 552 |
| **Operating ratios and reconciliations to underlying ratios** | | | | | |
| **Loss ratio** | 73.3 | 73.9 | 79.0 | 71.0 | 60.0 |
| Effect of catastrophe losses | (4.4) | (5.1) | (12.5) | (9.5) | (6.0) |
| Effect of prior year non-catastrophe reserve reestimates | (1.5) | (1.8) | (0.4) | 0.2 | - |
| **Underlying loss ratio *** | 67.4 | 67.0 | 66.1 | 61.7 | 54.0 |
| **Expense ratio** | 24.0 | 25.0 | 25.1 | 24.7 | 23.2 |
| Effect of amortization of purchased intangibles | (0.5) | (0.7) | (0.8) | (0.7) | (0.1) |
| **Underlying expense ratio *** | 23.5 | 24.3 | 24.3 | 24.0 | 23.1 |
| Effect of advertising expense | (3.3) | (2.9) | (3.2) | (3.1) | (3.2) |
| Effect of restructuring and related charges | (0.1) | (0.3) | (0.2) | (0.6) | (0.3) |
| Effect of Coronavirus related expenses | - | - | - | (0.2) | - |
| **Adjusted underwriting expense ratio *** | 20.1 | 21.1 | 20.9 | 20.1 | 19.6 |
| **Combined ratio** | 97.3 | 98.9 | 104.1 | 95.7 | 83.2 |
| **Underlying combined ratio *** | 90.9 | 91.3 | 90.4 | 85.7 | 77.1 |
| Claims expense ratio excluding catastrophe expense | 5.9 | 6.2 | 5.5 | 5.6 | 5.6 |

(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.

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

| | Three months ended March 31, 2022 | | | Three months ended December 31, 2021 | | |
|---|---|---|---|---|---|---|
| | Number of locations [1] | Total brand (%) [2] [3] | Location specific (%) [4] | Number of locations | Total brand (%) [3] | Location specific (%) |
| **Allstate brand** | | | | | | |
| Auto | 28 | 3.6 | 9.3 | 25 | 2.9 | 7.1 |
| Homeowners | 17 | 1.4 | 4.8 | 11 | 1.0 | 6.7 |
| **National General** | | | | | | |
| Auto | 24 | 1.9 | 4.6 | 22 | 2.4 | 5.7 |
| Homeowners | 4 | 1.2 | 8.3 | 13 | 1.0 | 7.1 |

| | Three months ended September 30, 2021 | | | Three months ended June 30, 2021 | | |
|---|---|---|---|---|---|---|
| | Number of locations | Total brand (%) | Location specific (%) | Number of locations | Total brand (%) | Location specific (%) |
| **Allstate brand** | | | | | | |
| Auto | 20 | 0.3 | 2.1 | 9 | (0.3) | (2.3) |
| Homeowners | 10 | 0.3 | 4.2 | 7 | 0.5 | 3.7 |
| **National General** | | | | | | |
| Auto | 13 | 2.5 | 5.6 | 7 | 0.1 | 1.6 |
| Homeowners | 8 | 1.1 | 6.2 | 7 | 0.5 | 7.7 |

(1) Refers to the number of U.S. states, the District of Columbia or Canadian provinces where rate changes have been implemented. Allstate brand operates in 50 states, the District of Columbia, and 5 Canadian provinces. National General operates in 50 states and the District of Columbia.
(2) Represents the impact in the locations where rate changes were implemented during the period as a percentage of total brand prior year-end premiums written.
(3) Total Allstate brand implemented auto insurance rate increases totaled $862 million in the first quarter of 2022, after implementing $702 million of rate increases in the fourth quarter of 2021.
(4) Represents the impact in the locations where rate changes were implemented during the period as a percentage of its respective total prior year-end premiums written in those same locations.

## The Allstate Corporation
## Auto Profitability Measures

($ in millions, except ratios)

| | Three months ended | | | | |
|---|---|---|---|---|---|
| | March 31, 2022 | Dec. 31, 2021 | Sept. 30, 2021 | June 30, 2021 | March 31, 2021 |
| **Allstate Protection** | | | | | |
| Premiums written | $ 7,562 | $ 6,864 | $ 7,171 | $ 6,818 | $ 7,012 |
| Net premiums earned | 7,081 | 7,019 | 6,912 | 6,883 | 6,809 |
| Underwriting income (loss) | (147) | (300) | (159) | 394 | 1,327 |
| **Operating ratios and reconciliations to underlying ratios** | | | | | |
| **Loss ratio** | 77.6 | 78.9 | 76.9 | 68.7 | 57.2 |
| Effect of catastrophe losses | (0.6) | (1.3) | (2.9) | (2.2) | (0.4) |
| Effect of prior year non-catastrophe reserve reestimates | (2.1) | (2.1) | (1.1) | 0.4 | 0.2 |
| **Underlying loss ratio** * | 74.9 | 75.5 | 72.9 | 66.9 | 57.0 |
| **Expense ratio** | 24.5 | 25.4 | 25.4 | 25.6 | 23.3 |
| Effect of amortization of purchased intangibles | (0.6) | (0.7) | (0.7) | (0.7) | (0.2) |
| **Underlying expense ratio** * | 23.9 | 24.7 | 24.7 | 24.9 | 23.1 |
| **Combined ratio** | 102.1 | 104.3 | 102.3 | 94.3 | 80.5 |
| Effect of catastrophe losses | (0.6) | (1.3) | (2.9) | (2.2) | (0.4) |
| Effect of prior year non-catastrophe reserve reestimates | (2.1) | (2.1) | (1.1) | 0.4 | 0.2 |
| Effect of amortization of purchased intangibles | (0.6) | (0.7) | (0.7) | (0.7) | (0.2) |
| **Underlying combined ratio** * | 98.8 | 100.2 | 97.6 | 91.8 | 80.1 |
| Effect of Shelter-in-Place Payback expense on combined and expense ratios | - | - | - | 0.4 | - |
| **Allstate brand** | | | | | |
| Premiums written | $ 6,308 | $ 5,937 | $ 6,153 | $ 5,952 | $ 6,060 |
| Net premiums earned | 6,073 | 6,029 | 6,009 | 6,036 | 6,014 |
| Underwriting income (loss) | (137) | (236) | (123) | 364 | 1,203 |
| Combined ratio | 102.3 | 103.9 | 102.0 | 94.0 | 80.0 |
| Underlying combined ratio * | 99.3 | 100.4 | 97.5 | 92.0 | 79.6 |
| **National General** | | | | | |
| Premiums written | $ 1,254 | $ 927 | $ 1,018 | $ 866 | $ 952 |
| Net premiums earned | 1,008 | 990 | 903 | 847 | 795 |
| Underwriting income (loss) | (10) | (64) | (36) | 30 | 124 |
| Combined ratio | 101.0 | 106.5 | 104.0 | 96.5 | 84.4 |
| Underlying combined ratio * (1) | 95.4 | 99.0 | 97.7 | 89.8 | 83.8 |

(1) Excludes 3.4 points in the first quarter of 2022 and 4.6 points, 5.0 points, 5.5 points, and 1.1 points in the fourth, third, second, and first quarters of 2021, respectively, related to the effect of amortization of purchased intangibles.

## The Allstate Corporation
## Auto Statistics

| | Three months ended | | | | |
|---|---|---|---|---|---|
| | March 31, 2022 | Dec. 31, 2021 | Sept. 30, 2021 | June 30, 2021 | March 31, 2021 |
| **New issued applications (in thousands) ^** | | | | | |
| **Allstate Protection by brand** | | | | | |
| Allstate brand | 964 | 829 | 932 | 926 | 929 |
| National General brand | 718 | 504 | 516 | 495 | 542 |
| Total | 1,682 | 1,333 | 1,448 | 1,421 | 1,471 |
| **Allstate Protection by channel** | | | | | |
| Exclusive agency channel | 599 | 544 | 610 | 620 | 613 |
| Direct channel | 631 | 436 | 447 | 435 | 455 |
| Independent agency channel | 452 | 353 | 391 | 366 | 403 |
| Total | 1,682 | 1,333 | 1,448 | 1,421 | 1,471 |
| **Allstate brand** | | | | | |
| Average premium - gross written ^ ($) | 626 | 610 | 604 | 600 | 607 |
| Renewal ratio ^ (%) | 87.5 | 87.2 | 87.2 | 87.1 | 86.7 |
| Property damage gross claim frequency ^ (% change year-over-year) | 18.4 | 21.5 | 16.6 | 47.3 | (18.8) |

## The Allstate Corporation
## Allstate Brand[1] Auto State Profitability

| | Three months ended March 31, 2022 | | | Three months ended December 31, 2021 | | |
|---|---|---|---|---|---|---|
| | Number of States[2] | Total brand premium (%) | Location specific (%) [3] | Number of States | Total brand premium (%) | Location specific (%) |
| **Underlying combined ratio*** | | | | | | |
| <96 | 28 | 26.8 | 5.8 | 26 | 29.2 | 5.9 |
| 96-100 | 8 | 10.7 | 10.0 | 11 | 14.9 | 5.4 |
| >100 | 15 | 62.5 | 10.9 | 14 | 55.9 | 8.2 |

| | Three months ended September 30, 2021 | | | Three months ended June 30, 2021 | | |
|---|---|---|---|---|---|---|
| | Number of States | Total brand premium (%) | Location specific (%) | Number of States | Total brand premium (%) | Location specific (%) |
| **Underlying combined ratio*** | | | | | | |
| <96 | 24 | 27.5 | - | 44 | 85.5 | (2.3) |
| 96-100 | 13 | 19.1 | 0.2 | 3 | 10.9 | - |
| >100 | 14 | 53.4 | 4.2 | 4 | 3.6 | - |

(1) Allstate brand excluding Esurance and Canada.
(2) Reflects 50 U.S. states plus District of Columbia.
(3) Represents the impact in the locations where rate changes were implemented during the period as a percentage of its respective total prior year-end premiums written in those same locations.

## The Allstate Corporation
## Homeowners Profitability Measures

| ($ in millions, except ratios) | Three months ended | | | | |
|---|---|---|---|---|---|
| | March 31, 2022 | Dec. 31, 2021 | Sept. 30, 2021 | June 30, 2021 | March 31, 2021 |
| **Allstate Protection** | | | | | |
| Premiums written | $ 2,401 | $ 2,680 | $ 3,004 | $ 2,722 | $ 2,083 |
| Net premiums earned | 2,603 | 2,602 | 2,522 | 2,411 | 2,392 |
| Underwriting income (loss) | 410 | 335 | (277) | (7) | 268 |
| **Operating ratios and reconciliations to underlying ratios** | | | | | |
| **Loss ratio** | 60.4 | 61.7 | 85.9 | 76.3 | 64.9 |
| Effect of catastrophe losses | (14.8) | (16.6) | (38.0) | (30.3) | (20.7) |
| Effect of prior year non-catastrophe reserve reestimates | 0.1 | - | (0.6) | 0.3 | (0.2) |
| **Underlying loss ratio** * | 45.7 | 45.1 | 47.3 | 46.3 | 44.0 |
| **Expense ratio** | 23.8 | 25.4 | 25.1 | 24.0 | 23.9 |
| Effect of amortization of purchased intangibles | (0.5) | (0.9) | (0.8) | (0.8) | (0.2) |
| **Underlying expense ratio** * | 23.3 | 24.5 | 24.3 | 23.2 | 23.7 |
| **Combined ratio** | 84.2 | 87.1 | 111.0 | 100.3 | 88.8 |
| Effect of catastrophe losses | (14.8) | (16.6) | (38.0) | (30.3) | (20.7) |
| Effect of prior year non-catastrophe reserve reestimates | 0.1 | - | (0.6) | 0.3 | (0.2) |
| Effect of amortization of purchased intangibles | (0.5) | (0.9) | (0.8) | (0.8) | (0.2) |
| **Underlying combined ratio** * | 69.0 | 69.6 | 71.6 | 69.5 | 67.7 |
| **New issued applications (in thousands)** | | | | | |
| **Allstate Protection by brand** | | | | | |
| Allstate brand | 235 | 225 | 259 | 258 | 220 |
| National General brand | 27 | 25 | 28 | 27 | 22 |
| Total | 262 | 250 | 287 | 285 | 242 |
| **Allstate Protection by channel** | | | | | |
| Exclusive agency channel | 201 | 194 | 225 | 226 | 195 |
| Direct channel | 23 | 22 | 24 | 22 | 16 |
| Independent agency channel | 38 | 34 | 38 | 37 | 31 |
| Total | 262 | 250 | 287 | 285 | 242 |
| **Allstate brand** | | | | | |
| Premiums written | $ 2,020 | $ 2,225 | $ 2,452 | $ 2,313 | $ 1,727 |
| Net premiums earned | 2,210 | 2,152 | 2,080 | 2,032 | 2,008 |
| Underwriting income (loss) | 368 | 350 | (208) | 7 | 262 |
| Combined ratio | 83.3 | 83.7 | 110.0 | 99.7 | 87.0 |
| Underlying combined ratio * | 66.7 | 65.8 | 67.5 | 66.6 | 63.3 |
| Average premium - gross written ($) | 1,554 | 1,489 | 1,443 | 1,404 | 1,360 |
| Renewal ratio (%) | 86.2 | 87.0 | 87.1 | 87.3 | 87.0 |
| Gross claim frequency (%) | (4.6) | 1.4 | 3.4 | 10.4 | 19.3 |
| Paid claim severity ^ (%) | 25.4 | 15.0 | 15.0 | 8.3 | 1.4 |
| **National General** | | | | | |
| Premiums written | $ 381 | $ 455 | $ 552 | $ 409 | $ 356 |
| Net premiums earned | 393 | 450 | 442 | 379 | 384 |
| Underwriting income (loss) | 42 | (15) | (69) | (14) | 6 |
| Combined ratio | 89.3 | 103.3 | 115.6 | 103.7 | 98.4 |
| Underlying combined ratio * [(1)] | 81.9 | 88.0 | 91.0 | 84.7 | 90.6 |

[(1)] Excludes 2.8 points in the first quarter of 2022, 4.6 points, 4.1 points, 4.8 points, and 1.0 points in the fourth, third, second, and first quarters of 2021, respectively, related to the effect of amortization of purchased intangibles.

## The Allstate Corporation
## Protection Services Segment Results

($ in millions)

| | Three months ended | | | | |
|---|---|---|---|---|---|
| | March 31, 2022 | Dec. 31, 2021 | Sept. 30, 2021 | June 30, 2021 | March 31, 2021 |
| **Protection Services** | | | | | |
| Net premiums written | $ 630 | $ 716 | $ 651 | $ 692 | $ 583 |
| Net premiums earned | $ 483 | $ 462 | $ 456 | $ 435 | $ 411 |
| Other revenue | 94 | 91 | 85 | 88 | 90 |
| Intersegment insurance premiums and service fees | 41 | 42 | 46 | 46 | 41 |
| Net investment income | 9 | 11 | 10 | 12 | 10 |
| Claims and claims expense | (123) | (124) | (122) | (109) | (103) |
| Amortization of deferred policy acquisition costs | (221) | (214) | (206) | (194) | (181) |
| Operating costs and expenses | (218) | (227) | (209) | (203) | (198) |
| Restructuring and related charges | - | (2) | 1 | (4) | (9) |
| Income tax expense on operations | (12) | (9) | (16) | (15) | (12) |
| Less: net income attributable to noncontrolling interest | - | 1 | - | - | - |
| **Adjusted net income** [(1)] | 53 | 29 | 45 | 56 | 49 |
| Depreciation | 6 | 6 | 7 | 7 | 8 |
| Restructuring and related charges | - | 2 | (1) | 4 | 9 |
| Income tax expense on operations | 12 | 9 | 16 | 15 | 12 |
| **Adjusted earnings before taxes, depreciation and restructuring** * | $ 71 | $ 46 | $ 67 | $ 82 | $ 78 |
| **Allstate Protection Plans** | | | | | |
| Net premiums written | $ 429 | $ 519 | $ 439 | $ 467 | $ 388 |
| Net premiums earned | $ 313 | $ 298 | $ 295 | $ 279 | $ 260 |
| Revenue ^ | 329 | 314 | 311 | 295 | 275 |
| Claims and claims expense | (77) | (80) | (77) | (70) | (66) |
| Amortization of deferred policy acquisition costs | (119) | (113) | (109) | (100) | (91) |
| Other costs and expenses ^ | (80) | (88) | (80) | (70) | (61) |
| Restructuring and related charges | - | (1) | (2) | (2) | - |
| Income tax expense on operations | (10) | (8) | (11) | (11) | (12) |
| Less: net income attributable to noncontrolling interest | - | 1 | - | - | - |
| Adjusted net income | $ 43 | $ 23 | $ 32 | $ 42 | $ 45 |
| **Allstate Dealer Services** | | | | | |
| Revenue | $ 135 | $ 135 | $ 129 | $ 130 | $ 123 |
| Adjusted net income | 9 | 9 | 7 | 10 | 8 |
| **Allstate Roadside** | | | | | |
| Revenue | $ 65 | $ 61 | $ 64 | $ 60 | $ 59 |
| Adjusted net income | 2 | - | 1 | 2 | 4 |
| **Arity** | | | | | |
| Revenue | $ 62 | $ 62 | $ 62 | $ 64 | $ 64 |
| Adjusted net income (loss) | (1) | (1) | 1 | 1 | 2 |
| **Allstate Identity Protection** | | | | | |
| Revenue | $ 36 | $ 34 | $ 31 | $ 32 | $ 31 |
| Adjusted net income (loss) | - | (2) | 4 | 1 | (10) |

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

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

| ($ in millions) | Three months ended | | | | |
|---|---|---|---|---|---|
| | March 31, 2022 | Dec. 31, 2021 | Sept. 30, 2021 | June 30, 2021 | March 31, 2021 |
| **Allstate Health and Benefits** | | | | | |
| Premiums | $ 438 | $ 429 | $ 436 | $ 421 | $ 428 |
| Contract charges | 31 | 30 | 24 | 26 | 27 |
| Other revenue [(1)] | 95 | 111 | 85 | 83 | 80 |
| Net investment income | 17 | 18 | 18 | 19 | 19 |
| Accident, health and other policy benefits | (269) | (278) | (277) | (252) | (242) |
| Amortization of deferred policy acquisition costs | (43) | (43) | (30) | (32) | (39) |
| Operating costs and expenses | (202) | (205) | (206) | (186) | (190) |
| Restructuring and related charges | - | - | (8) | (1) | - |
| Income tax expense on operations | (14) | (14) | (9) | (16) | (18) |
| **Adjusted net income ^** | $ 53 | $ 48 | $ 33 | $ 62 | $ 65 |
| Interest credited to contractholder funds | (8) | (9) | (8) | (8) | (9) |
| **Benefit ratio ^** | 55.7 % | 58.6 % | 58.5 % | 54.6 % | 51.2 % |
| **Premiums and contract charges** | | | | | |
| Employer voluntary benefits ^ | $ 266 | $ 262 | $ 251 | $ 255 | $ 263 |
| Group health ^ | 94 | 90 | 90 | 87 | 83 |
| Individual health ^ | 109 | 107 | 119 | 105 | 109 |
| Total | $ 469 | $ 459 | $ 460 | $ 447 | $ 455 |

(1) Reflects commission revenue, administrative fees, agency fees and technology fees from the group health and individual health business.

## The Allstate Corporation
## Corporate and Other Segment Results

| ($ in millions) | Three months ended | | | | |
|---|---|---|---|---|---|
| | March 31, 2022 | Dec. 31, 2021 | Sept. 30, 2021 | June 30, 2021 | March 31, 2021 |
| Other revenue | $ 24 | $ 19 | $ 1 | $ 2 | $ - |
| Net investment income | 10 | 14 | 26 | 12 | 6 |
| Operating costs and expenses | (59) | (57) | (41) | (28) | (32) |
| Restructuring and related charges | - | 9 | (1) | - | (10) |
| Interest expense | (83) | (83) | (69) | (91) | (86) |
| Income tax benefit on operations | 23 | 22 | 19 | 23 | 26 |
| Preferred stock dividends | (26) | (27) | (30) | (30) | (27) |
| **Adjusted net loss ^** | $ (111) | $ (103) | $ (95) | $ (112) | $ (123) |

## The Allstate Corporation
## Investment Position and Results

($ in millions)

| | As of or for the three months ended | | | | |
|---|---|---|---|---|---|
| | March 31, 2022 | Dec. 31, 2021 | Sept. 30, 2021 | June 30, 2021 | March 31, 2021 |
| **Investment position** | | | | | |
| Fixed income securities, at fair value | $ 40,745 | $ 42,136 | $ 39,989 | $ 42,825 | $ 40,594 |
| Equity securities ^ | 5,315 | 7,061 | 3,807 | 3,059 | 3,154 |
| Mortgage loans, net | 855 | 821 | 752 | 786 | 902 |
| Limited partnership interests ^ | 7,977 | 8,018 | 7,578 | 7,073 | 6,367 |
| Short-term, at fair value | 4,344 | 4,009 | 6,428 | 5,516 | 6,017 |
| Other investments, net | 2,532 | 2,656 | 3,286 | 3,311 | 3,042 |
| **Total** | $ 61,768 | $ 64,701 | $ 61,840 | $ 62,570 | $ 60,076 |
| **Net investment income** | | | | | |
| Fixed income securities | $ 267 | $ 278 | $ 279 | $ 290 | $ 301 |
| Equity securities | 36 | 49 | 24 | 13 | 14 |
| Mortgage loans | 8 | 12 | 9 | 12 | 10 |
| Limited partnership interests | 292 | 506 | 438 | 651 | 378 |
| Short-term investments | 2 | 2 | 1 | 1 | 1 |
| Other investments | 40 | 56 | 50 | 48 | 41 |
| Investment income, before expense | 645 | 903 | 801 | 1,015 | 745 |
| Less: Investment expense | (51) | (56) | (37) | (41) | (37) |
| **Net investment income** | $ 594 | $ 847 | $ 764 | $ 974 | $ 708 |
| **Pre-tax yields on fixed income securities ^** | 2.6 % | 2.8 % | 2.8 % | 2.9 % | 3.1 % |
| **Net gains (losses) on investments and derivatives, pre-tax by transaction type** | | | | | |
| Sales | $ (127) | $ 137 | $ 80 | $ 115 | $ 246 |
| Credit losses | (11) | (44) | (12) | 12 | 2 |
| Valuation change of equity investments | (447) | 178 | (9) | 163 | 167 |
| Valuation change and settlements of derivatives | 318 | (5) | 46 | (3) | 11 |
| **Total** | $ (267) | $ 266 | $ 105 | $ 287 | $ 426 |
| **Total return on investment portfolio ^** | | | | | |
| Net investment income | 0.9 % | 1.3 % | 1.2 % | 1.6 % | 1.2 % |
| Valuation-interest bearing | (3.1) | (0.5) | (0.2) | 0.7 | (1.8) |
| Valuation-equity investments | (0.6) | 0.3 | - | 0.3 | 0.4 |
| **Total** | (2.8) % | 1.1 % | 1.0 % | 2.6 % | (0.2) % |
| **Fixed income securities portfolio duration ^ (in years)** | 3.8 | 4.2 | 4.8 | 4.6 | 4.8 |
| **Fixed income securities portfolio duration including interest rate derivative positions (in years)** | 3.1 | 3.8 | 4.6 | 4.6 | 4.9 |

## The Allstate Corporation
## Investment Position and Results by Strategy

**($ in millions)**

| | As of or for the three months ended | | | | |
|---|---|---|---|---|---|
| | March 31, 2022 | Dec. 31, 2021 | Sept. 30, 2021 | June 30, 2021 | March 31, 2021 |
| **Investment Position** | | | | | |
| **Market-based ^** | | | | | |
| Interest-bearing investments ^ | $ 47,480 | $ 48,589 | $ 49,386 | $ 51,367 | $ 49,422 |
| Equity securities | 4,915 | 6,689 | 3,455 | 2,676 | 2,787 |
| LP and other alternative investments ^ | 548 | 805 | 486 | 317 | 298 |
| **Total** | $ 52,943 | $ 56,083 | $ 53,327 | $ 54,360 | $ 52,507 |
| **Performance-based ^** | | | | | |
| Private equity | $ 6,943 | $ 6,726 | $ 6,589 | $ 6,327 | $ 5,702 |
| Real estate | 1,882 | 1,892 | 1,924 | 1,883 | 1,867 |
| **Total** | $ 8,825 | $ 8,618 | $ 8,513 | $ 8,210 | $ 7,569 |
| **Investment income** | | | | | |
| **Market-based** | | | | | |
| Interest-bearing investments | $ 296 | $ 316 | $ 319 | $ 330 | $ 331 |
| Equity securities | 26 | 45 | 17 | 17 | 15 |
| LP and other alternative investments | 3 | 4 | 17 | 9 | 9 |
| Investment income, before expense | 325 | 365 | 353 | 356 | 355 |
| Investee level expenses | (2) | (2) | (1) | (1) | (1) |
| **Income for yield calculation** | $ 323 | $ 363 | $ 352 | $ 355 | $ 354 |
| **Pre-tax yield** | 2.4 % | 2.7 % | 2.7 % | 2.7 % | 2.8 % |
| **Performance-based** | | | | | |
| Private equity | $ 248 | $ 378 | $ 400 | $ 552 | $ 330 |
| Real estate | 72 | 160 | 48 | 107 | 60 |
| Investment income, before expense | 320 | 538 | 448 | 659 | 390 |
| Investee level expenses | (14) | (22) | (11) | (10) | (12) |
| **Income for yield calculation** | $ 306 | $ 516 | $ 437 | $ 649 | $ 378 |
| **Pre-tax yield** | 14.1 % | 24.2 % | 21.0 % | 33.0 % | 20.7 % |
| **Total return on investments portfolio** | | | | | |
| Market-based | (3.8) % | 0.4 % | 0.3 % | 1.7 % | (1.1) % |
| Performance-based | 4.0 | 6.1 | 5.7 | 8.6 | 6.3 |
| **Internal rate of return [(1)] ^** | | | | | |
| **Performance-based** | | | | | |
| 10 year | 13.0 % | 12.9 % | 12.4 % | 12.1 % | 11.7 % |
| 5 year | 13.9 | 13.9 | 13.2 | 12.1 | 10.8 |
| 3 year | 15.0 | 14.0 | 12.4 | 10.7 | 8.5 |
| 1 year | 27.7 | 32.6 | 31.4 | 27.3 | 11.1 |

(1) Calculations are based on consolidated results including 2021 held for sale investments.

## Definitions of Non-GAAP Measures

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

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

- 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 of operations
- Adjustments for other significant non-recurring, infrequent or unusual items, when (a) the nature of the charge or gain is such that it is reasonably unlikely to recur within two years, or (b) there has been no similar charge or gain within the prior two years
- Related income tax expense or benefit of these items

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

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

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

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

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

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

## Definitions of Non-GAAP Measures (continued)

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

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

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

# Glossary

## Consolidated Operations

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

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

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

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

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

## Property-Liability

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

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

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

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

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

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

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

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

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

## Protection Services

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

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

## Allstate Health and Benefits

Benefit ratio is accident, health and other policy benefits less interest credited to contractholder funds, divided by premiums and contract charges.

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

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

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

## Investments

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

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

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

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

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

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

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

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

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

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