

Allstate®



Notice of 2024 Annual Meeting and Proxy Statement
2023 Annual Report

—

Allstate exists to serve customers, create opportunity for our team, generate attractive returns for investors, improve communities, and make a difference in the world.

Proxy Statement



Our Shared Purpose

As the good hands...

We **empower** customers with protection to help them achieve their hopes and dreams.

We **provide** affordable, simple and connected protection solutions.

We **create** opportunity for our team, economic value for our shareholders and improve communities.

Our operating standards

Focus on Customers by anticipating and exceeding service expectations at low costs.

Be the Best at protecting customers, developing talent and running our businesses.

Be Bold with original ideas using speed and conviction to beat the competition.

Earn Attractive Returns by providing customer value, proactively accepting risk and using analytics.



Our behaviors

Collaborate early and often to develop and implement comprehensive solutions and share learnings.

Challenge Ideas to leverage collective expertise, evaluate multiple alternatives and create the best path forward.

Provide Clarity for expected outcomes, decision authority and accountability.

Provide Feedback that is candid, actionable, independent of hierarchy and safe.

Our values

Integrity is non-negotiable.

Inclusive Diversity & Equity values and leverages unique identities with equitable opportunity and rewards.

Collective Success is achieved through empathy and prioritizing enterprise outcomes ahead of individuals.

Allstate Shareholder Letter

Dear Fellow Shareholders,

To succeed in a tumultuous and rapidly changing world, businesses must operate with clarity of purpose, strategic vision, precision and speed. As you know, 2023 was a year of severe weather, inflation and volatile investment markets. Allstate performed well in this environment by helping customers recover from catastrophes, improving auto insurance profitability, proactively managing investments and enhancing the business for sustainable growth. Looking ahead, your company is well-positioned for long-term success.

2023 Results

Our Shared Purpose has guided Allstate for 17 years by focusing on the customer. This creates value for shareholders, opportunity for the Allstate team and improves communities.

Living into Our Shared Purpose requires successfully balancing competing priorities. Customers want affordable, simple and connected protection, so that car accidents, hailstorms or broken appliances do not sidetrack their lives. At the same time, Allstate must provide good returns for shareholders, fulfilling opportunities for employees and agents, and help communities thrive. Doing all of these things require trade-offs and balance.

In 2023, auto insurance rates were raised for the Allstate and National General brands by 16.4% and 12.8%, respectively, to offset increased losses caused by rapid inflation. This obviously did not make products more affordable, but it was necessary for us to earn an adequate return for shareholders. To minimize the impact on customers, operating expenses were reduced, requiring employees and agents to adapt.

We successfully retained more customers than pricing models predicted, since price increases were explained by agents, and non-agent service was improved. In total, however, the customer net promoter score declined last year.

Total enterprise policies in force increased by 2.8% to 194 million as growth in homeowners insurance and protection plans offset a decline in auto insurance policies. Auto insurance policies declined from 26.0 million to 25.3 million reflecting rate increases. National General auto policies rose by 13.3% in 2023 due to increased volume from independent agencies. Homeowners insurance policies were up by 1.1% to 7.3 million despite rate increases of over 12% last year, highlighting the strength of Allstate's competitive position. Protection plans grew by 4.7% as international expansion offset slower growth through North American retailers.

Revenues reached \$57.1 billion, 11.1% higher than 2022, reflecting significant increases in average auto and home insurance premiums. Auto insurance profitability improved throughout the year which reduced the underwriting loss by \$1.9 billion from 2022. Catastrophe losses, however, were 81% higher (\$2.5 billion), resulting in an underwriting loss for 2023. Investment performance was strong with a 6.7% total return and \$2.5 billion of net investment income. Health & Benefits and Protection Services businesses generated \$348 million of Adjusted Net Income, which reduced the overall net loss to \$316 million for the year. Adjusted Net Income*, which excludes some non-operating items, was \$251 million for the year and the return on adjusted equity* of 1.5% was below our target of 14-17%.

- Revenue: \$57.1 billion (+11.1%)
- Policies in Force: 194 million (+2.8%)
- Net loss: \$316 million
- Adjusted net income*: \$251 million

* For definitions of these terms, please see the definitions of non-GAAP measures on pages 119-121 of our 2024 Proxy Statement.

Allstate was ranked in the top 250 best-managed companies for the seventh consecutive year by The Wall Street Journal and Drucker Institute.

2023 Operating Priorities

Improve customer value

- The Enterprise Net Promoter Score, which measures how likely customers are to recommend Allstate, finished below the prior year, reflecting substantial price increases necessary to offset higher loss costs.

Grow customer base

- Consolidated policies in force reached 194 million, a 2.8% increase from prior year. Property-Liability policies in force decreased by 2.0% compared to the prior year, as growth at National General was more than offset by a decrease at the Allstate brand. Protection Services policies in force increased 4.3%, primarily due to growth at Allstate Protection Plans.

Achieve target economic returns on capital

- Returns were below target, reflecting property-liability combined ratio of 104.5. The auto insurance profit improvement plan improved results throughout the year but an 81% increase in catastrophe losses led to an underwriting loss.

Proactively manage investments

- Net investment income of \$2.5 billion in 2023 was \$75 million higher than prior year as higher market-based investment income was partially offset by lower performance-based results. Total return on the \$66.7 billion (as of 12/31/23) investment portfolio was 6.7% in 2023. Proactive portfolio management repositioned the fixed income portfolio into longer duration and higher-yielding assets that increased income.

Execute Transformative Growth

- Allstate made substantial progress in advancing Transformative Growth initiatives in 2023. National General is building a strong competitive position in independent agent distribution. Protection Plans is expanding outside the U.S.

Strategic Direction

Allstate's strategy is to grow property-liability insurance market share and expand protection provided to customers.



Progress was made in implementing the Transformative Growth strategy to increase auto and home insurance market share.

Customer value will be increased with lower prices, funded through expense reductions and sophisticated pricing, and new Affordable, Simple, Connected protection products. A new Allstate brand auto insurance offering is now available in seven states and will be expanded in 2024.

Access to local Allstate agents is important to customer value and this strength will be enhanced with new products, advanced technology and greater centralized service. Allstate agents embraced a focus on increasing new business, and productivity increased, aside from the three growth-restricted states where we are addressing profitability. Customer access was also expanded through independent agents with a broader set of National General products.

Progress has also been made in improving sophistication of customer acquisition, building out a new technology ecosystem and organizational transformation.

Expanding the protection provided to customers will also create additional shareholder value. Protection Services revenues increased by 9% over the prior year with increases in protection plans, identity protection, car warranties and roadside services. A sale of the Health & Benefits businesses is being pursued since aligning this business with a set of complementary businesses will create additional value.

Allstate is well-positioned for long-term growth with a broad range of protection offerings, a great brand and extensive distribution.

- Allstate empowers customers with protection to help them achieve their hopes and dream. This includes insurance for autos, homes, boats and personal property, protection plans for electronics, appliances and furniture, identity protection, roadside service and car warranties.
- The Allstate brand is widely recognized and trusted. This is a significant asset in the highly competitive auto and home insurance market and drives growth in other protection products.
- Allstate has extensive distribution partnerships so consumers can become Allstate customers almost everywhere. Insurance products are sold through 26,000 licensed professionals in Allstate agencies, at call centers, over the web, and from tens of thousands of independent agents. Protection plans are embedded into the flow of commerce in many of the largest U.S. retailers and expanding internationally. Employee benefit brokers and car dealers also offer Allstate products.

Successful strategies must also incorporate discontinuous changes in the external environment. Four drivers of change (artificial intelligence, climate change, mobility and connectivity) will impact customers, shareholders and employees. Investments are being made in each of these areas to ensure Allstate has the capabilities to adapt to create the future, not just react to trends.

Innovation on the move – The Allstate mobile app was expanded to enable customers to find lower gas prices, check the weather and reserve parking. Customers use the app 2.5 million times per week!

Human Capital

Allstate has over 53,000 employees located around the world that live into Our Shared Purpose. Eight-four percent of U.S. employees have a favorable view of engagement at Allstate. Ninety percent of U.S. employees feel connected to their immediate team members. Turnover dropped dramatically in 2023.

Allstate is a purpose driven company that is powered by purpose driven people.

High engagement results reflect being on a path to the future, versus trying to return to the past. A distributed work model is a core part of the employee value proposition.

It requires providing leaders with guidance and tools to provide a sense of belonging. As a result, resources have been increased and “pods” for in-person collaboration are being tested as gathering places.

Creating a transformative growth enterprise requires culture change, keeping the good and having the courage to stop things that get in the way. To focus cultural change, a definition was needed, and since the dictionaries were of little help, we created our own.

Culture is a self-sustaining system of shared values, principles and priorities that shape beliefs, drive behaviors and influence decision-making within an organization.

The good news is that most of this is covered in Our Shared Purpose. The values of integrity and ethics are critical to maintaining Allstate as a trusted source of protection. Principles and priorities are reflected in our strategies and behaviors. There is a clear focus on what cultural elements need to be maintained and those where change will improve performance.

Allstate was recognized as one of the world’s most ethical companies by Ethisphere for a 10th consecutive year.

Inclusive Diversity and Equity is core to success and while more progress is needed, Allstate continues to lead. In the U.S., 56% of the management team and 48% of the company’s officers identify as female or BIPOC, both of which increased from the prior year.

Allstate was included in DiversityInc’s Top 50 Companies for Diversity

Financial Strength

Allstate successfully manages capital and has the financial strength to navigate challenging operating environments, fund growth and reward shareholders. Proactive enterprise risk and return management practices kept Allstate in a well-capitalized position in 2023, despite underwriting losses and a significant share repurchase program. Statutory capital and assets at the holding company were \$18.0 billion at the end of 2023, which was well in excess of insurance regulatory requirements and exceeded the base level set by the company’s models. Sophisticated risk and return management led to a reduction in the public equity portfolio in 2022 and increased duration of the bond portfolio in 2023, which reduced required capital and increased prospective income. \$1.3 billion of capital was returned to shareholders in 2023, although the share repurchase program was stopped in July. Over the last five years, \$13.7 billion has been returned to shareholders which reduced the number of shares outstanding by 25%.

Climate Engagement

Allstate has been engaged on climate issues for over 25 years since severe weather impacts customers, shareholders and communities. This focus has been on the realities of recovery, remediation and long-term resiliency, not the genesis of climate change.

Allstate successfully adapted to increased severe weather starting in 2008, following a series of large hurricanes and weather-related losses. Homeowners insurance coverage was changed so that customers with newer weather resistant roofs had lower premiums. Pricing fairness was also improved by using sophisticated analytics for each type of loss. To maintain financial strength in the face of extremely large catastrophes, we became one of the largest purchasers of reinsurance and lowered exposure in areas where regulators would not approve adequate prices. Claims remediation was improved by using technology to rapidly respond when disaster strikes. Today, Allstate insures 7.3 million homes and helps approximately 600,000 additional customers get homeowners insurance in markets where the company limits risk levels. In addition to protecting customers from climate change, we have adequately compensated shareholders with underwriting profits over the last 3, 5 and 10 years.

Climate change also impacts operating practices and investment opportunities. Allstate has committed to achieve net zero Scope 1 and 2 emissions by 2030. A commitment on Scope 3 emissions will be made in 2025 since this largely represents indirect emissions through the investment portfolio and the measurement system is not fully developed. The transition to a lower carbon economy will also create attractive return opportunities in the investment portfolio. Investment capabilities are being built, measurement expanded and investments made to benefit in this future.

While Allstate has adapted to climate change and has a viable business protecting homeowners, the overall industry has generated losses of \$23 billion in the last 5 years. As a result, competitors are taking action to reduce their losses and consequently homeowners in some markets are not able to get private insurance. Some state-owned insurance pools have moved from providers of last resort to significant insurers. One state’s pool is the 10th largest insurer in the country. This is not a sustainable or financially sound situation. Allstate is an advocate for creating solutions through private and public collaboration. The stakes are significant.

America’s financial well-being is at risk. Severe weather threatens not only lives but financial solvency, retirements and the American dream. U.S. households have \$45 trillion invested in their homes, which represents about half of the net worth for half of households. Insurance is needed for economic stability but the risk of loss is too large for private insurers alone.

Catastrophe losses are increasing. A warming world creates more severe weather catastrophes. This is not just a California or Florida problem since catastrophes (hurricanes, wildfires, flooding, tornadoes, hailstorms, straight line winds, atmospheric rivers, and earthquakes) put virtually every community at risk.

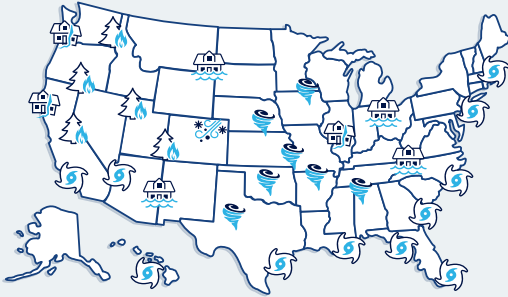
Private insurers can protect people but regulations must reflect economic realities. Private insurers exist to facilitate recovery, spread the costs of disasters amongst policyholders in a fair way and risk their capital. When regulators don’t allow insurance prices to reflect local risks this is unfair for customers who choose to live in lower risk areas. It also inhibits insurers from risking their capital which leads to a lack of insurance options. A proper price educates consumers on risks and supports increased resiliency. Insurers must be allowed to properly price risk and reflect the realities of a warmer world.

A sustainable solution also requires governments to provide households protection for extremely large low frequency events.

Natural disasters are hitting Americans and the U.S. economy harder and more frequently.

The Facts

- 170 storms of \$1 billion or greater over last 10 years, worth \$1.2T of economic loss.
- The frequency of billion-dollar catastrophe events has increased by a factor of 2x over the last 10 years.



- Hurricanes impact all coastal states from TX to ME, and in 2023 even CA and AZ.
 - Earthquakes expose homes in CA, WA, OR, and states exposed to the New Madrid fault (AR, IL, KY, MO, OH).
 - Tornado/Hail losses exist in states like CO, OK, TX and NE, but with exposure in all states east of the Rockies.
 - Wildfire exposure exists in CA and the western US states.
 - All states have exposure to flooding.
-
- Large catastrophes create losses beyond the capacity of private insurers. A Category 5 hurricane in Miami-Dade County, Florida, could result in over \$150 billion of losses, and a repeat of the 1938 “Long Island Express” hurricane in New York could cost \$100 billion. The top 10 U.S. insurance carriers have \$300 billion of total capital for all risks, so fully covering these losses is not prudent.
 - State based entities have been created in some states to address this reality, such as Florida, California and Texas, but these entities do not have sufficient financial resources. Other states, such as New York, New Jersey and Georgia have large exposures and plans need to be created.
 - The federal government also needs to help protect households from severe weather since large natural disasters are beyond the financial capacity of states. Current federal support could be more effective and equitable. From 2005 through 2019, the federal government spent almost half a trillion dollars on recovery after catastrophes through at least 17 departments. The National Flood Insurance Program runs consistent losses and owes the U.S. Treasury \$20.5 billion. Federal plans such as the Terrorism Reinsurance Act protect commercial interests but leave homeowners unprotected. Imagine a terrorist attack in a city where hotel and office building owners get government insurance payments but individual homeowners get nothing. The federal government’s approach must be updated for the realities of more severe weather.

Creating a sustainable system that protects America is complicated and will require collaboration and compromise. Allstate will stay actively engaged at the state and federal level to find a better path forward for customers, shareholders, and communities.

Sustainability

Corporate sustainability requires balance and strong governance. Allstate uses a Societal Engagement Framework to provide clarity and structure to determine where to lead on societal issues.

The Allstate Foundation empowers people and communities so they can thrive by empowering youth to serve and improve communities, working to close the racial wage gap, and disrupting the cycle of relationship abuse. Over the past three years, The Allstate Foundation has distributed nearly \$112 million to nonprofits.

Shareholders benefit from strong governance led by a board of highly successful directors with a diversity of talent, backgrounds and capabilities. The independent directors summarize their accomplishments in an annual letter on pages 8-9 of this proxy statement.

Allstate is positioned for success with Our Shared Purpose guiding the way and a world-class leadership team that uses the head, heart and courage to create the future.

It is an honor to have your support to continue building this iconic company!

Tom Wilson
Chair, President
and CEO



Letter from Independent Directors

April 1, 2024

Fellow Stockholders,

In 2023, we continued to enhance the Board's engagement and oversight to fulfill our fiduciary obligations in what was a challenging operating environment. Allstate executed on improving profitability while implementing strategic initiatives to create long-term shareholder value. This was achieved despite headwinds related to market volatility, inflation pressure and elevated catastrophe losses. The Board focused on profit improvement, operating performance, risk oversight, governance, long-term strategy and environmental and social impact. The foundation of good governance is transparency and accountability, and this letter highlights the Board's performance during the past year.

Strategy and Business

The Board is fully engaged in the oversight of Allstate's operating results and long-term strategic priorities. In 2023, the Board effectively oversaw Allstate's strategy to increase shareholder value by improving profitability, proactively managing investments and implementing Transformative Growth initiatives.

- Profitability improved as auto and home insurance prices were increased with revenues growing 11.1% to \$57 billion, compared to the prior year. Profitability was also improved through expense reductions and restricted new auto insurance growth in profit-challenged areas.
- Our investment portfolio had strong returns as duration was shortened in 2021 and extended in 2023.
- Transformative Growth initiatives continued to be executed to create additional shareholder value by increasing auto and home insurance market share once margins improved.
- Divestiture of the Health and Benefits businesses is being pursued to maximize their long-term value by leveraging the capabilities of similar companies.
- Our annual three-day strategy session focused on four "drivers of change" critical to Allstate's long-term business success: artificial intelligence, climate change, personal transportation and customer connectivity.

Overall financial results were below long-term targets but improved throughout the year. 2023 had a net loss of \$316 million and adjusted net income* of \$251 million, reflecting elevated catastrophe losses and an underwriting loss in auto insurance. In July 2023, in light of the net loss, we suspended repurchasing shares with \$4.5 billion of the \$5 billion program completed. Allstate increased the common dividend by 3.4% in February 2024, reflecting an ongoing commitment to shareholder return.

Risk Oversight and Board Composition

The Board oversees both the "here and now" risks and longer-term challenges and opportunities. This includes thorough reviews of risks presented by inflation, investment volatility, capital constraints, changing driving behaviors, cybersecurity, regulation, climate change and severe weather. The Board expanded its oversight of technology, data analytics and artificial intelligence ("AI") and reviewed a digital analytical ecosystem to improve direct sales, claims effectiveness and efficiency, and enhance investment processes. The Board evaluated operating and compensation plans from a risk and return perspective. Additionally, the Board reviewed and assessed the company's operating performance and capital allocation practices using an outside-in perspective. We once again utilized independent external resources to supplement our capabilities for compensation, cybersecurity and pay equity topics.

We focused on ensuring Allstate has an optimal Board structure and composition to effectively oversee the business. The Board is a diverse group of highly successful business leaders with a wide array of strategic and business skills. When adding a new director or changing composition of Board committees, we ensure there is a diverse mix of skills, experiences and perspectives. To that end, we added Maria Morris to the Board, who brings insurance industry experience as well as extensive strategic, operational and technology expertise.

Succession Planning

The Board recognizes that continuous and systematic reviews of succession planning is critical to success. We reviewed senior leadership and CEO succession from both an enterprise and individual perspective over multiple meetings during 2023 and participated in succession scenario planning exercises. The Board also has consistent and direct exposure to senior leaders throughout the year and regularly interacts with high performing leaders. We are continually impressed with the "bench strength" and believe that the company is well-positioned for leadership succession.

* Measures used in this proxy statement that are not based on generally accepted accounting principles ("non-GAAP") are denoted with an asterisk (*). For definitions of these terms, please see the definitions of non-GAAP measures on pages 119-121 of our 2024 Proxy Statement.

Human Capital

As a service organization, Allstate's strong human capital management and inclusive diversity and equity ("IDE") practices are essential to continued success. Important human capital initiatives were reviewed with the Board and advanced during the year:

- Organizational health, including progress against Future of Work Initiative to address culture, distributed work efficiencies, employee retention and development
- An IDE plan that encompasses work environment, employee representation and procurement relationships. The Board also participated in a facilitated discussion of diversity in the board room. IDE metrics were shifted to the long-term incentive plan to demonstrate alignment with Allstate's long-term strategic priorities
- Organizational transformation strategy, deploying talent, advancing skills-led talent management, and leveraging technology to support Transformative Growth
- Compensation plans are linked to a broad set of objective performance measures. Annual incentive plans are designed to reward performance on key strategic, operational, and financial measures. Long-term incentive plans reflect total shareholder return relative to peers, performance net income return on equity, and performance on IDE progress

To support its commitment to equity and transparency, Allstate issued its third EEO-1 Report and once again completed an external pay equity analysis.

Climate and Sustainability

At Allstate, we take meaningful action to create a more sustainable future since increasing severe weather impacts customers, investors and communities. Allstate has focused on the impacts of climate change for over 25 years, including advocating for catastrophe disaster preparation and response, risk sharing mechanisms, and enhanced building standards. In 2023, progress was made on the strategy to generate attractive investment

returns by considering the transition to a lower carbon economy. We expanded the Task Force on Climate-related Financial Disclosures ("TCFD") report to reflect work done on emissions targets and issued our third Sustainability Accounting Standards Board ("SASB") report. A materiality assessment informed the determination of focus areas under the Societal Engagement Framework. The Allstate Foundation invested in its pillars of youth empowerment, victims of relationship abuse and racial equity.

Engagement with Allstate's shareholders is an essential part of the Board's decision-making process. In 2023, the Chair, independent Lead Director and other senior management met with investors representing more than 45% of outstanding shares. We discussed matters including company strategy, operating performance, governance and sustainability initiatives. Feedback from these meetings was shared with the Board and action items were developed, many of which have been communicated in this Proxy Statement.

Allstate continues to be recognized for its best practice disclosures. The 2023 proxy statement was awarded "Best Proxy Statement" by the Transparency Awards. The company's proxy statement and shareholder engagement program were also recognized by Governance Intelligence, formerly Corporate Secretary.

Your view is important to us and we value your continued investment and support of Allstate. The company is positioned for sustainable value creation given our transformation strategy, strong leadership team, and unwavering commitment to Our Shared Purpose of serving customers, providing opportunity to employees and agents, delivering attractive returns to investors and improving communities. We pledge to ensure that Allstate fulfills its obligations to you, its customers, and the broader community. Thank you for trusting us to oversee the long-term sustainability of Allstate.



Donald E. Brown



Siddharth N. (Bobby) Mehta



Gregg M. Sherrill



Kermit R. Crawford



Maria Morris



Judith A. Sprieser



Richard T. Hume



Jacques P. Perold



Perry M. Traquina



Margaret M. Keane



Andrea Redmond



Monica Turner

Notice of 2024 Annual Meeting of Shareholders

Items of Business

01 Election of 13 directors

BOARD RECOMMENDATION

 **FOR each nominee**
See pages 28-65 ▶

02 Say-on-pay: advisory vote on the compensation of the named executives

 **FOR**
See pages 66-106 ▶

03 Ratification of appointment of Deloitte & Touche LLP as Allstate's independent registered public accountant for 2024

 **FOR**
See pages 107-110 ▶

04 Shareholder Proposal to have an Independent Board Chairman

 **AGAINST**
See pages 111-112 ▶

In addition, any other business properly presented may be acted upon at the meeting.

By Order of the Board,



Christine DeBiase

Secretary

April 1, 2024

Important Notice Regarding the Availability of Proxy Materials for the Shareholder Meeting to Be Held on May 14, 2024

The Notice of 2024 Annual Meeting, Proxy Statement and 2023 Annual Report and the means to vote by Internet are available at proxyvote.com.



Date and Time

May 14, 2024, at 11:00 a.m. Central time.
Admission to the webcast begins at 10:30 a.m.



Virtual (Online Only)

www.virtualshareholdermeeting.com/ALL2024



Record Date

Holders of Allstate common stock at the close of business on March 18, 2024. Each share of common stock is entitled to one vote for each director candidate and one vote for each of the other proposals.



Participation

Shareholders who wish to participate in the meeting should review **page 11**.



Date of Mailing

On or about April 1, 2024, these proxy materials and annual report are being mailed or made available to shareholders and to participants in the Allstate 401(k) Savings Plan.

How to Vote in Advance

Your vote is important. Please vote as soon as possible by one of the methods shown below. **Make sure to have your proxy card, voting instruction form, or notice of Internet availability in hand and follow the instructions.**

You may also vote during the annual meeting by visiting www.virtualshareholdermeeting.com/ALL2024, entering your control number, and following the instructions.



By Telephone

In the U.S. or Canada, you can vote your shares toll-free by calling 1-800-690-6903.



By Mail

You can vote by mail by marking, dating and signing your proxy card or voting instruction form and returning it in the postage-paid envelope.



By Internet

You can vote your shares online at proxyvote.com.



By Tablet or Smartphone

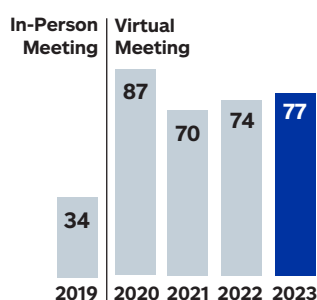
You can vote your shares with your tablet or smartphone by scanning the QR code.

Participating in Our Annual Meeting

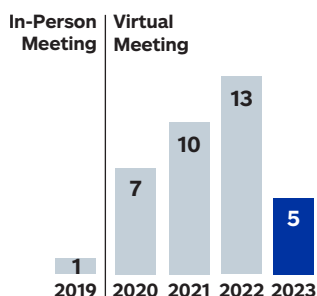
The 2024 annual meeting will be held in a virtual meeting format since it provides greater access and participation opportunities for shareholders.

Virtual Meetings Increase Participation

SHAREHOLDER ATTENDANCE



SHAREHOLDER QUESTIONS ANSWERED DURING THE MEETING



Who can participate in the Virtual Annual Meeting?

If you plan to participate in the annual meeting, you must be a holder of Allstate shares as of the record date of March 18, 2024, or hold a legal proxy for the meeting provided by your bank, broker, or nominee. **To be admitted to the annual meeting webcast at www.virtualshareholdermeeting.com/ALL2024, you must enter the 16-digit control number found on your proxy card, voting instruction form or notice of internet availability.** You may log into the meeting platform beginning at 10:30 a.m. Central time on May 14, 2024. The meeting will begin promptly at 11:00 a.m. Central time on May 14, 2024. The virtual meeting platform is fully supported across browsers (Firefox, Chrome, Microsoft Edge and Safari) and devices (desktops, laptops, tablets and cell phones) running the most updated version of applicable software. Participants should ensure they have a strong WiFi connection wherever they intend to participate in the meeting. Participants should also give themselves plenty of time to log in and ensure that they can hear streaming audio prior to the start of the meeting.

How can I vote at the meeting?

You may vote during the annual meeting by following the instructions available on the meeting website during the meeting. **Whether or not you participate in the annual meeting, we encourage you to vote and submit your proxy in advance of the meeting by one of the methods described in these proxy materials.**

How can I ask a question at the meeting?

This year's shareholders' question and answer session will include questions submitted in advance of, and questions submitted live during the annual meeting. You may submit a question in advance of the meeting beginning at 8:30 a.m. Central time on May 9, 2024, and until 11:59 p.m. Central time on May 13, 2024, at www.proxyvote.com after logging in with your 16-digit control number. Once past the login screen, click on "Question for Management," typing your question and clicking "Submit." Alternatively, questions may be submitted during the annual meeting through www.virtualshareholdermeeting.com/ALL2024, by typing your question into the "Ask a Question" field and clicking "Submit." We will try to answer as many questions as time permits. We reserve the right to edit profanity or other inappropriate language and to exclude questions regarding topics that are not pertinent to meeting matters or company business. If we receive substantially similar questions, we may group such questions together and provide a single response to avoid repetition. Any questions pertinent to meeting matters that cannot be answered during the meeting due to time constraints will be posted online at www.allstateinvestors.com.

Who do I contact about technical difficulties?

If you encounter difficulties accessing the meeting during the meeting time, please call the technical support number at (844) 986-0822. The technical support number will also be posted on the meeting website.

Will a replay of the meeting be available?

Following completion of the meeting, a webcast replay will be posted online to our Investor Relations website at www.allstateinvestors.com for one year.

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Explore Allstate

Get a quote in the blink of an eye
<https://www.allstate.com>



About Allstate

Our Businesses

Allstate is one of the nation's largest consumer protection providers with 194 million policies in force protecting cars, homes, motorcycles, health, disability, lives, personal devices and identities. Its products are sold through Allstate agents, independent agents, call centers, online, major retailers and voluntary benefits brokers. The company harnesses the talent of approximately 53,400 employees, 9,100 exclusive Allstate agents and agent support staff, 20,200 licensed sales professionals and 50,900 independent agents.

What We Do

Allstate empowers customers with protection to help them achieve their hopes and dreams. We do this by leveraging innovative, industry-leading technology to provide customers with affordable, simple and connected solutions. We offer a wide range of protection products and services for customers, automobiles, homes, personal property, health, income and identities.



Allstate at a Glance

194 million policies in force

53,400 employees

9,100 exclusive Allstate agents and agent support staff

50,900 independent agents

20,200 licensed sales professionals

Allstate is included on The Wall Street Journal/Drucker Institute list of the nation's 250 best managed companies.

In 2023, The Allstate Foundation, along with Allstate and its employees and agents, collectively donated nearly \$50 million to help local communities in support of more than 6,900 nonprofits.

Once again, Allstate was included in DiversityInc's Top 50 Companies for Diversity.

In 2023, our employees and agents reported over 186,000 volunteer hours.

Our Strategy

Allstate's Strategy to Increase Shareholder Value

Allstate's strategy is focused on increasing personal property-liability market share and expanding protection offerings by leveraging the Allstate brand, customer base and capabilities. We offer consumers a broad suite of protection solutions and a competitive value proposition across multiple distribution channels. We are expanding protection services businesses by utilizing enterprise capabilities and resources such as the Allstate brand, distribution network, analytics, claims, investment expertise, talent and capital. Innovative growth platforms (such as telematics and identity protection) and broad distribution platforms further enhance our customer value proposition.

Our Strategic Priorities

01 Executing comprehensive plan to improve profitability

Auto insurance margins need to be returned to targeted levels, amongst the best in the industry. Allstate brand auto insurance rate increases of 16.4% were implemented in 2023, and rate increases will continue to be implemented to keep pace with loss trends and improve margins in states where we have not yet achieved rate adequacy. Allstate also implemented stricter auto new business underwriting requirements and reduced the adjusted expense ratio* and lowered advertising spend. We also modified claims practices to manage loss costs and innovation and analytics were leveraged to drive accuracy and operational efficiency.

02 Generating profitable growth in Protection Services and pursuing divestiture of Health and Benefits

Revenue from Protection Services was 9.2% higher than the prior year, generating approximately 4.6% of total Allstate revenues in 2023. Divestiture of Health and Benefits will maximize value by aligning with another company with a broader set of complementary businesses and product offerings.

03 Proactively managing the investment portfolio

Higher investment yields benefitted Net Investment Income. The fixed income portfolio duration was increased in 2023 as fixed income reinvestment yields remained above prior year levels. The higher fixed income duration and defensive positioning in the equity portfolio mitigate recession risk in the portfolio.

04 Transformative Growth

Our Transformative Growth strategy is about creating a business model, capabilities and culture that continually transform to better serve customers. This will be achieved by providing affordable, simple and connected protection through multiple distribution channels. The ultimate objective is to enhance customer value to drive growth in all businesses. We made significant progress across all five components of this strategy: Improve Customer Value, Expand Customer Access, Increase Sophistication and Investment in Customer Acquisition, Deploy New Technology Ecosystems and Drive Organizational Transformation.

* For definitions of these terms, please see the definitions of non-GAAP measures on pages 119-121 of our 2024 Proxy Statement.

Transformative Growth Progress – Property-Liability Businesses

A. Improve Customer Value

Improved the competitive prices of products through lower costs, increased pricing sophistication and telematics. Expanded the use of telematics and broadened the benefits of being connected with the Allstate Mobile app. Provided new protection solutions with simpler consumer-friendly experiences.

B. Expand Customer Access

Transformed Allstate agent sales system to enable more growth at a lower cost, while expanding distribution capacity. Increased direct channel distribution through improved online experience and data-driven insights to enhance call center sales. Grew National General by leveraging the Allstate brand capabilities and data to expand product offerings and fully utilize our independent agency relationships.

C. Increase Sophistication and Investment in Customer Acquisition

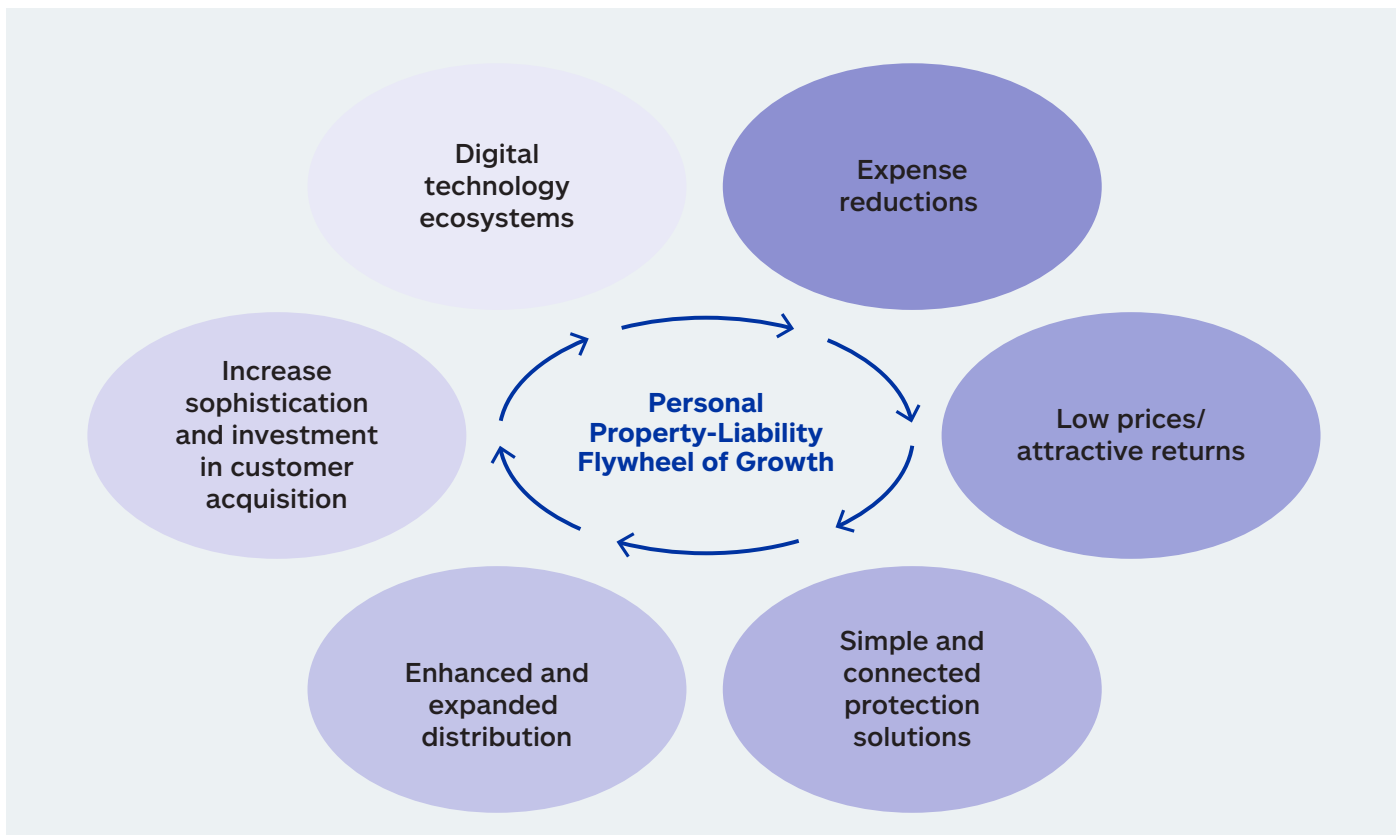
Improved the effectiveness of customer acquisition by expanding lead management, building data capabilities and utilizing household insights.

D. Deploy New Technology Ecosystem

Deployed a new technology ecosystem to deliver affordable, simple and connected experiences and products at a lower cost, enabling the retirement of legacy systems

E. Drive Organizational Transformation

Delivered an exceptional customer experience enabled by enhanced human resource tools and technology, an engaged and high performing global workforce, and organizational designs for efficiency.



2023 Operating Priorities Support Our Strategy

01 Improve Customer Value

Enterprise Net Promoter Score, which measures how likely customers are to recommend Allstate, finished below the prior year, reflecting the impact of substantial auto and home insurance price increases necessary to offset higher loss costs.

02 Grow Customer Base

Consolidated policies in force reached 194 million, a 2.8% increase from prior year. Property-Liability policies in force decreased by 2.0% compared to the prior year, as continued growth at National General was more than offset by decreases at the Allstate brand. Protection Services policies in force increased 4.3%, primarily due to growth at Allstate Protection Plans.

03 Achieve Target Economic Returns On Capital

The Property-Liability combined ratio of 104.5 for the full year decreased compared to the prior year primarily reflecting increased premiums earned, partially offsetting continued elevated loss costs. A comprehensive profitability plan is being executed.

04 Proactively Manage Investments

Net investment income of \$2.48 billion in 2023 was \$75 million higher than prior year as higher market-based investment income was partially offset by lower performance-based results. Total return on the \$66.68 billion (as of 12/31/23) investment portfolio was 6.7% in 2023. Proactive portfolio management repositioned the fixed income portfolio into longer duration and higher-yielding assets that increased income.

05 Execute Transformative Growth

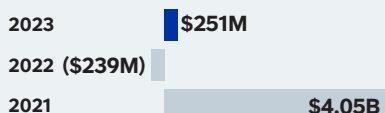
Allstate made substantial progress in advancing Transformative Growth in 2023, including continued cost reductions, deployment of a new property-liability technology platform and a new Affordable, Simple, Connected auto insurance offering in seven states. National General is building a strong competitive position in independent agent distribution. A digital enterprise is being built by expanding utilization of machine-based learning and artificial intelligence.

Link to Executive Compensation

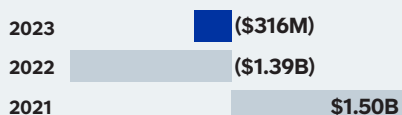
Allstate's executive compensation program is designed to ensure that the interests of our executives are aligned with those of our shareholders. We establish a strong nexus between performance measures and strategic objectives, which are also linked to operating priorities designed to create long-term shareholder value.

Financial Highlights

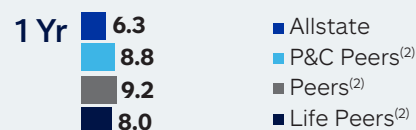
ADJUSTED NET INCOME*



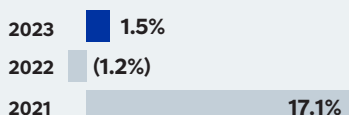
NET INCOME APPLICABLE TO COMMON SHAREHOLDERS



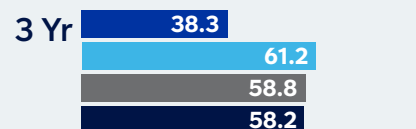
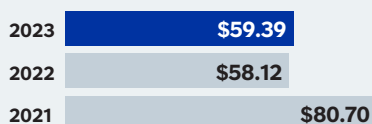
TOTAL SHAREHOLDER RETURN VS. PEER⁽¹⁾ RETURNS



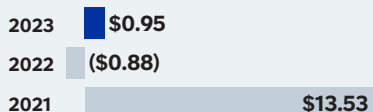
ADJUSTED NET INCOME RETURN ON ALLSTATE COMMON EQUITY*



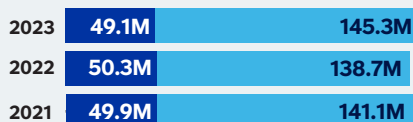
BOOK VALUE PER COMMON SHARE



ADJUSTED NET INCOME PER COMMON SHARE*



POLICIES IN FORCE



■ Excluding Allstate Protection Plans
■ Allstate Protection Plans



* For definitions of these terms, please see the definitions of non-GAAP measures on [pages 119-121](#) of our 2024 Proxy Statement.

⁽¹⁾ The peers are listed on [page 73](#).

⁽²⁾ Market Cap Weighted Average

Sustainability at Allstate

Allstate's shared purpose guides how we run the business. Sustainability issues are fundamentally connected to Allstate's business and providing products and services that are accessible, competitively priced and mindful of environmental and social impacts is important to our strategy.

Our Integrated Approach

Allstate integrates sustainability priorities across the enterprise by embedding them into key efforts like the development of products and services and management of the company's investment portfolio.

We utilize a Societal Engagement Framework to evaluate, prioritize and communicate Allstate's participation on important societal issues. Allstate takes a meaningful position on issues that most align with our values and business priorities. The framework is reviewed by the Board of Directors to ensure alignment.

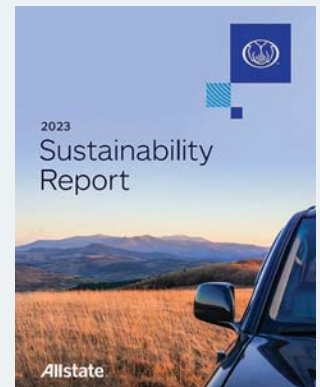
Materiality Assessment

Since 2015, we have collaborated with internal and external stakeholders to discern the issues with the most significant impact on our capacity to generate value, manage risks effectively and meet stakeholder expectations. This helps us identify and assess our most significant risks, opportunities and impacts relating to sustainability. In 2023, we worked in close collaboration with an external consultant to revisit our sustainability priorities.

Results from this materiality assessment helped refine our sustainability initiatives and goals as well as proactively align our sustainability disclosures with emerging trends in global reporting standards and regulations. The results strongly align with Allstate's existing Transformative Growth strategy, Societal Engagement Framework and Our Shared Purpose, which emphasize customers, products, innovation, climate resilience, data privacy and Inclusive Diversity & Equity.

Sustainability Report

Read our 2023 sustainability report to see how Allstate is working to create a safer, more sustainable world for future generations.



Societal Engagement Framework

Allstate seeks to have a positive impact on society and serve stakeholders. To achieve this, we must focus our resources, maximize our impact and reduce risk. To balance these priorities, we created a societal engagement framework to help inform how we engage as a company on key societal issues with our internal and external stakeholders.

Six principles inform our position on issues and the actions we take:

1. Does it align with our values?	2. Is it important to our ability to serve customers?	3. What is our level of expertise on the issue?
4. Do we have an ability to effect change?	5. Does it affect stakeholders?	6. Does it affect risk adjusted returns?

Societal issues and actions are then categorized as lead, support or no engagement:

<p>Lead Advocate and engage actively</p>	<p>Support Work with partners to address the issue in a way that benefits stakeholders</p>	<p>No engagement Monitor and assess the issue but don't engage</p>
---	---	---

Climate Resilience, Data Privacy and Inclusive Diversity & Equity are three key priorities for the company.

We prioritized three sustainability topics:
(1) Climate Resilience,
(2) Data Privacy and (3) Inclusive Diversity & Equity.

Climate Resilience. More frequent and severe weather impacts our customers, communities and shareholders. Allstate is protecting homes and communities and advocating for stronger building codes, adequate disaster response capabilities, and public-private partnerships to help homeowners. We work with state and local governments to help create evacuation plans, improve mitigation and address the costs of rebuilding. These efforts lower property damage and insurance costs, and more importantly, keep people safe. To benefit our business, customers and communities, we've also made net zero commitments for our operations and invested in the transition to a lower-carbon economy.

Data Privacy. To run our business and serve customers, we use personal information, which we must protect. We do that by maintaining an industry-leading data privacy program, actively managing cybersecurity risks and influencing public policy on data privacy.

Inclusive Diversity & Equity. To achieve Our Shared Purpose, employees, agents and customers must feel comfortable showing up as their authentic selves. Inclusive Diversity & Equity ("IDE") recognizes and respects unique identities with equitable opportunities and rewards for all and strengthens the way we create opportunity for our team, improve communities, and better protect and serve customers.

Allstate's impact goes far beyond insuring our customers. We are working to create a more sustainable world for future generations.

Our Sustainability Strategy

	FOCUSING ON IMPORTANT TOPICS...	...LEADS TO VALUE CREATION
Planet 	<p>We seek to make insurance affordable and available in the face of frequent and severe catastrophic weather. We work to improve climate resiliency while providing adequate returns for shareholders.</p>	<p>Weather related catastrophes have been more severe, impacting customers and our business. Success relies on modeling, pricing, and managing climate-related risks effectively.</p>
Prosperity 	<p>Allstate ensures customers have a private, safe and secure digital experience. Shareholders are provided attractive financial returns paired with positive environmental and social impact.</p>	<p>Our reputation and success require us to balance risk and return for customers, employees, shareholders and communities. Allstate is a leading digital insurer and champion for data privacy. We have robust information security policies and systems that protect customer and employee data. As an institutional investor, we pursue prosperity for all through a portfolio that delivers attractive risk-adjusted returns while enhancing impact.</p>
People 	<p>Customer protection and employee wellbeing are at the heart of our purpose-driven culture.</p>	<p>We are committed to empowering customers with affordable, simple and connected products and experiences. Our inclusive workplace and diverse supply chain help us better serve our employees and customers. Allstate and The Allstate Foundation continue to make a difference for the people in our communities.</p>

Our Key Sustainability Priorities

Allstate has made significant strides in advancing our sustainability goals.



Planet

We incorporate climate risk analysis into product development and pricing and advocate for climate resiliency. We work to mitigate the environmental impacts of our operations, supply chain and investments.

GOALS	PROGRESS
Achieve net zero Scope 1 and 2 emissions by 2030	93,521 mt CO2e total Scope 1 and 2 (market-based) emissions in 2022
Convert 100% of Allstate's fleet to hybrid vehicles by 2025	As of year-end 2023, our fleet of 1,972 vehicles was 58% hybrid
Engage suppliers to disclose their environmental data via CDP, formerly Carbon Disclosure Project, and measure their environmental impact and performance	In 2023, 138 suppliers disclosed environmental data via CDP, an 88% response rate



Prosperity

We keep customer data private and secure while responsibly using it to improve customer service. We have robust resources, training and governance guidelines that ensure ethics and integrity in business processes and relationships.

GOALS	PROGRESS
Provide cybersecurity education in our communities to empower everyone to be safe online	Cyber Safety for Kids and Cyber Safety for Older Adults programs included 10,026 kids (about a 2.4x increase from 2022) and 667 adults (a 14% increase from 2022)
Increase employees' awareness of security threats and trends	99% of employees who attended cybersecurity events said they learned something new and better to help understand how cybersecurity plays a role in their work



People

The products we offer and the technologies we integrate in them are designed to be affordable, simple and connected. Our organizational culture and commitment to Inclusive Diversity & Equity help every Allstater thrive so our business and customers can thrive.

GOALS	PROGRESS
Increase and enhance customer coverage	Protection Services policies in force increased 4.3% compared to 2022
Decrease voluntary turnover rate of our 53,000 full-time and 400 part-time employees	In 2023, we cut our voluntary turnover rate in half at Allstate U.S. year-over-year to 12%
Maintain or increase Allstate's employee engagement scores	Employee engagement scores have rebounded to pre-pandemic levels: 83.5% of employees have a favorable view of engagement at Allstate, higher than the industry benchmark of 79%
Increase procurement spending with diverse suppliers to reduce supply chain risk while fostering greater economic equity	In 2023, we spent \$430 million with 2,110 diverse suppliers

Responsible Investing – Aligning with Sustainability Priorities

As of December 31, 2023, we managed a \$66.68 billion investment portfolio and actively evaluated how sustainability issues impact investment performance. We integrate sustainability considerations into our investment analysis, risk management and decision-making processes and climate change and IDE are considerations in generating strong risk-adjusted returns.



Broad Portfolio

Use limitations, structure and analytics to assess allocation impacts on sustainability goals

GOALS	2023 PROGRESS
Continue to increase the percentage of the portfolio allocated to responsible investments from 12% at year-end 2022	Responsible investments in Allstate's investment portfolio increased from \$7.5 billion to \$7.7 billion, with a decrease from 12% to 11% due to overall portfolio appreciation as of year-end 2023, including education, sustainability, affordable housing, health care, green bonds, diverse sponsors, and renewable investments
Strive for \$200 million in new commitments with diverse investment sponsors and managers in 2023, nearly 3x historical annual average	Allstate achieved \$211 million in commitments to diverse investment sponsors and managers



Impact Sub-Portfolio

Invest in solving societal problems in a targeted manner while achieving attractive returns

GOALS	2023 PROGRESS
Expand climate-related investment capabilities and relationships	Committed \$201 million in climate-related opportunities in 2023



Other Activities

Align investment so they support our sustainability goals

GOALS	2023 PROGRESS
Maintain 2% of trading volumes with minority, women and veteran banking enterprises ("MWVBE") in 2023	Allstate exceeded our 2023 goal with 3% of trading volumes with diverse brokers
Increase opportunity for women and racially and ethnically diverse individuals in the asset management industry	Founding partner of Asset Manager Diversity Accelerator ("AMDA") program alongside William Blair and LGIM America, a two-year rotational development program for job seekers from diverse and under-represented groups

Sustainability Governance Model

Board of Directors

The Board believes sustainability benefits Allstate’s stakeholders and drives long-term value creation. The Board has oversight responsibility for sustainability and receives regular updates on sustainability priorities.

Nominating, Governance and Social Responsibility Committee

The nominating, governance and social responsibility committee supplements the Board’s review of sustainability matters, and receives regular updates on sustainability matters.

Additionally, other Board committees focus on specific components of the sustainability strategy.

The risk and return committee reviews climate change risk.

The compensation and human capital committee reviews organizational health and other human capital management practices.

The audit committee reviews data privacy and cybersecurity.

Chief Sustainability Officer

Our chief sustainability officer works with leadership from across the company to guide Allstate’s sustainability efforts and provides regular reports about the company’s progress to the nominating, governance and social responsibility committee and the full Board.

ESG Steering Committee

Allstate has had an ESG Steering Committee (formerly, the Sustainability Council) since 2007. This cross-functional management committee supports Allstate’s ongoing commitment to environmental, health and safety, corporate social responsibility, human capital management, corporate governance, sustainability, and other public policy matters.

The committee includes leaders from across the company and is co-chaired by the senior vice president of Corporate Strategy and the chief sustainability officer. The ESG Steering Committee meets regularly.

Responsible Investing Committee

The Responsible Investing Committee monitors sustainable investing trends, evaluates sustainable investing best practices, supports the work of the ESG Steering Committee and periodically reports about its activities to senior leaders within Allstate. In conjunction with Allstate’s Investments Risk Committee, the Responsible Investing Committee also monitors our investment portfolio for potential short- and long-term exposures to climate change.

Sustainability Team

The Sustainability team develops the annual sustainability report, responds to ratings and rankings questionnaires, drives employee awareness and engagement with corporate sustainability initiatives and reports to the ESG Steering Committee.

See page 55 for information about the Board’s role in overseeing sustainability.

Sustainability Awards and Recognition

Newsweek America’s Most Responsible Companies



Member of Dow Jones Sustainability North America and World Indices



Top Diversity Employer (DiversityJobs)



The Muse Vibe Awards: Best Companies for Work Flexibility



Forbes World’s Best Employers



Ethisphere World’s Most Ethical Companies



Voting Roadmap

01 Election of 13 Directors



Donald E. Brown **Kermit R. Crawford** **Richard T. Hume** **Margaret M. Keane** **Siddharth N. (Bobby) Mehta** **Maria Morris**
Jacques P. Perold **Andrea Redmond** **Gregg M. Sherrill** **Judith A. Sprieser** **Perry M. Traquina** **Monica Turner** **Thomas J. Wilson**

- All candidates are highly successful executives with relevant skills and expertise
- Average independent director tenure of 7.9 years, with 12 of 13 director candidates independent of management
- Diverse slate of directors with broad leadership experience; 61% of the nominees bring gender or ethnic diversity, including three of the four committee chairs
- Industry-leading shareholder engagement program and highly-rated corporate governance practices

The Board recommends a vote **FOR** each director nominee.















See pages 28-65 for further information ▶



⁽¹⁾ Consistent with past practice, Ms. Morris's committee assignments will be established during her first year of service.

Nominees’ Skills and Experiences Advance Our Strategy


Allstate has a well-rounded, diverse and independent Board with the institutional knowledge of longer-tenured directors and fresh perspectives brought by newer directors. Directors have a variety of skills and experiences developed across a broad range of industries and other public company boards. This enables effective oversight of the business and incorporates best practices.

Key Skill or Qualification	Link to Strategy	% of Directors
Core Competencies		
 Strategic and Operational Oversight	Demonstrates a practical understanding of developing, implementing and assessing business strategies, key initiatives and annual business plans.	100%
 Shareholder Advocacy	Understands shareholder expectations and drives change based on engagement feedback.	100%
 Corporate Governance	Supports Allstate’s goals of strong Board and management accountability, transparency, responsiveness and protection of shareholder interests.	100%
 Leadership	Possesses strong leadership qualities, encourages robust and thoughtful dialogue and decision-making, and provides succession planning opportunities for Board and committee leadership roles.	100%
Additional Capabilities		
 Financial Services	Assists with understanding the business and strategy of our company.	69%
 Risk Management	Aids in Board’s role in overseeing the risks facing our company and provides effective oversight of our enterprise risk and return management (“ERRM”) program.	100%
 Accounting and Finance	Brings financial reporting, audit knowledge and experience in capital markets to support Allstate’s success.	92%
 Technology and/or Cybersecurity	Supports Allstate’s focus on improving internal operations and the customer experience and protects customer information.	80%
 Complex, Highly Regulated Business	Understands business regulatory requirements throughout all 50 states and applicable regulations by the U.S. federal government, Canada and other countries.	85%
 Sustainability	Drives long-term sustainable value creation for shareholders and encourages effective oversight and transparency of Allstate’s sustainability priorities.	100%
 Succession Planning and Human Capital Management	Ensures that Allstate has sufficient talent, robust development and retention practices and supports our commitment to further inclusive diversity and equity.	100%
 Innovation and Customer Focus	Helps Allstate grow its brand, enhance its reputation, generate disruptive innovation and extend or create new business models.	100%
 Government, Public Policy and Regulatory Affairs	Assists in identifying and understanding compliance issues and the effect of governmental actions on our business.	69%
 Global Perspective	Provides valuable insights on how Allstate should continue to grow and manage its businesses outside the United States.	69%

See page 29 for a detailed individual skills matrix.


NEW

What’s New




Ms. Morris was welcomed to the Board this year. She brings strong industry, strategic, operational and risk management expertise.

Director Nominees are Gender and/or Racially/Ethnically Diverse




62%

Board Committee Chairs are Gender and/or Racially/Ethnically Diverse




75%

Director Nominees are Women




38%

Director Nominees are Racially/Ethnically Diverse



31%

Director Nominees that serve or served as CEO or President



77%

02 Say-on-Pay: Advisory Vote on the Compensation of the Named Executives



- Independent oversight by compensation and human capital committee of the Board
- Independent compensation consultant utilized to evaluate and benchmark compensation program
- **Executive compensation targeted at 50th percentile of peers and aligned with short- and long-term business goals and strategy**
- Compensation programs are working effectively. Annual incentive compensation funding for our named executives in 2023 was reduced by 50% from the formulaic result of 100% of target due to negative Net Income.

The Board recommends a vote **FOR** this proposal.

See pages 66-106 for further information ►

2023 Compensation Program Components

Allstate's executive compensation program reflects our pay-for-performance culture and supports shareholder alignment while also incentivizing our executives:

COMPONENT LINK TO SHAREHOLDER VALUE	Cash		Long-Term Equity-Based Incentive	
	Fixed	Performance-Based/At-Risk		
	Salary	Annual Cash Incentive	Performance Stock Awards	Stock Options
	Targeted at 50th percentile of peers to support Allstate's goal of attracting and retaining top executive talent which ensures strong leadership over Allstate's businesses.	Motivates and rewards executives for performance on key strategic, operational and financial measures during the year. 2023 measures: Total Premiums, Performance Net Income and Net Investment Income. Payout reduction in the event of negative net income further aligns payouts with shareholder value creation.	Motivates and rewards executives for performance on key long-term measures and aligns the interests of executives with long-term shareholder value. 2023 measures: Average Performance Net Income Return on Equity ("ROE"), Relative Total Shareholder Return, Transformative Growth and Inclusive Diversity and Equity.	Stock options comprise 40% of equity incentives granted in 2023, which was reduced to 20% beginning in 2024 to align executive compensation with long-term shareholder value.

Target Compensation Mix

CEO	At-Risk Performance-Based Pay: 92%		
8% Base Salary	23% Annual Cash Incentive	41% Performance Stock Awards	28% Stock Options

OTHER NEOs	At-Risk Performance-Based Pay: 81%		
19% Base Salary	24% Annual Cash Incentive	34% Performance Stock Awards	23% Stock Options

Performance Metrics

45% Total Premiums
45% Performance Net Income
10% Net Investment Income

50% Average Performance Net Income ROE
30% Relative TSR
10% Transformative Growth
10% Inclusive Diversity and Equity

03 Ratification of Deloitte & Touche LLP as the Independent Registered Public Accountant for 2024



- Independent firm with few ancillary services and reasonable fees
- Significant industry and financial reporting expertise
- The audit committee annually evaluates Deloitte & Touche LLP and has determined that its retention continues to be in the best interests of Allstate and its shareholders

The Board recommends a vote **FOR** this proposal.

See pages 107-110 for further information ►

04 Shareholder Proposal to have an Independent Board Chairman



- It is in the best interests of Allstate's stockholders for the Board to have the ability to determine the best person to serve as Board Chair
- Allstate's independent Lead Director provides additional leadership of the Board
- There are other structural safeguards to provide effective independent oversight of Allstate

The Board recommends a vote **AGAINST** this proposal.

See pages 111-112 for further information ►

Based off feedback from our shareholder engagement throughout the year, shareholders are supportive of Allstate's governance and compensation practices.

Corporate governance



01 Election of 13 Directors

✓ VOTING RECOMMENDATION:

The Board recommends a vote **FOR** each director nominee.

What am I voting on?

The Board recommends 13 nominees for election to the Allstate Board for one-year terms beginning in May 2024 and until a successor is duly elected and qualified or his or her earlier resignation or removal.

Overview

- All candidates are highly successful executives with relevant skills and expertise
- Average independent director tenure of 7.9 years, with 12 of 13 director candidates independent of management
- Diverse slate of directors with broad leadership experience; 61% of the nominees bring gender or ethnic diversity, including three of the four committee chairs
- Industry-leading shareholder engagement program and highly-rated corporate governance practices

Each nominee was previously elected at Allstate's annual meeting of shareholders on May 23, 2023, for a one-year term, with the exception of Ms. Morris who joined the Board in 2024. The Board expects all nominees named in this proxy statement to be available for election. If any nominee is not available, then the proxies may vote for a substitute. On the following pages, we list the reasons for nominating each individual.

29 Our Director Nominees

- 29 The Director Nominees at a Glance
- 30 Director Biographies
- 37 Board and Nominee Independence Determinations

38 Board Governance

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- 61 Board Accountability

63 More Information

64 Director Compensation

Our Director Nominees

The Director Nominees at a Glance

Name and Principal Occupation	Black/African American	Asian/Other Pacific Islander	White/Caucasian	Gender	Age	Tenure (years)	Board Committees	Number of Other Public Company Boards	Skills and Experiences										
									Financial Services	Risk Management	Accounting and Finance	Technology and/or Cybersecurity	Global Perspective	Complex, Highly Regulated Business	Sustainability	Succession Planning and Human Capital Management	Innovation and Customer Service	Government, Public Policy and Regulatory Affairs	
Thomas J. Wilson Chair, President and CEO of The Allstate Corporation			●	M	66	17	E	0	●	●	●	●	●	●	●	●	●	●	●
Gregg M. Sherrill Independent Lead Director Former Chair and CEO of Tenneco Inc.			●	M	71	6	E N	1		●	●			●	●	●	●	●	●
Donald E. Brown Former Executive Vice President and Chief Innovation Officer of NiSource, Inc.	●			M	52	4	A N	0		●	●	●			●	●	●	●	●
Kermit R. Crawford Former President and Chief Operating Officer of Rite Aid Corporation	●			M	64	11	A E R	2		●	●	●			●	●	●	●	●
Richard T. Hume CEO of TD SYNnex			●	M	64	4	C R	1		●	●	●	●		●	●	●	●	●
Margaret M. Keane Former Chair, CEO and President of Synchrony Financial			●	F	64	6	C N	1	●	●	●	●		●	●	●	●	●	●
Siddharth N. (Bobby) Mehta Former President and CEO of TransUnion		●		M	65	10	R A E	2	●	●	●	●	●	●	●	●	●	●	●
Maria Morris Former EVP and Head of Global Benefits at MetLife			●	F	61	<1		2	●	●	●	●	●	●	●	●	●	●	●
Jacques P. Perold Former President of Fidelity Management & Research Company			●	M	65	8	A R	1	●	●	●	●		●	●	●	●	●	●
Andrea Redmond Former Managing Director of Russell Reynolds Associates Inc.			●	F	68	14	N C E	0	●	●			●	●	●	●	●	●	●
Judith A. Sprieser Former CEO of Transora Inc. and senior executive at Sara Lee Corporation			●	F	70	24	C R	2	●	●	●		●	●	●	●	●	●	●
Perry M. Traquina Former Chairman, CEO and Managing Partner of Wellington Management Company LLP			●	M	67	7	C E R	2	●	●	●	●	●	●	●	●	●	●	●
Monica Turner President, North America at Procter & Gamble	●			F	58	1	A N	0	●	●	●	●	●		●	●	●	●	●

■ Committee Chair
■ Audit Committee
■ Compensation and Human Capital Committee
■ Executive Committee
■ Nominating, Governance and Social Responsibility Committee
■ Risk and Return Committee

Director Biographies



Donald E. Brown

**Independent
Age 52**

Director since 2020 (4 years of tenure)

Professional Experience

- Former Executive Vice President and Chief Innovation Officer of NiSource, Inc., a highly regulated natural gas and electric utilities company serving customers across multiple states.
- Former EVP and CFO of NiSource, Inc.

Other Public Board Service

- None

Attendance at Board/Committee Meetings

20/20

Key Experience and Qualifications

Risk Management: Overall responsibility for identifying and evaluating financial risk exposures and determining steps to mitigate those risks during tenure at NiSource.

Accounting and Finance: Significant financial and accounting experience leading the financial operations of one of the largest utility companies in the country.

Technology and/or Cybersecurity: In-depth understanding of technological advancements and operational transformation to enhance the customer experience.

Complex, Highly Regulated Businesses: Regulatory expertise within the heavily regulated utilities industry.

Sustainability: Experience developing and leading transition to a less carbon-intensive business model.

Succession Planning and Human Capital Management: Responsibilities as senior leader at NiSource included oversight of employee recruitment, development and retention, as well as leadership of large teams.

Innovation and Customer Focus: Experience overseeing business focused on delivering safe, reliable and efficient services to customers and communities.

Government, Public Policy and Regulatory Affairs: Deep understanding of compliance and governmental requirements as a senior leader of one of the largest fully regulated utility companies in the United States.

Committee Assignments and Rationale

A Audit Committee

- Multiple leadership positions with financial oversight responsibility, including as former CFO at NiSource.

N Nominating, Governance and Social Responsibility Committee

- Management and leadership experience as senior leader of NiSource, including oversight of employee talent and retention programs.
- Experience leading climate strategies for large gas and electric company.



Kermit R. Crawford

**Independent
Age 64**

Director since 2013 (11 years of tenure)

Professional Experience

- Former President and Chief Operating Officer of Rite Aid Corporation, which operates one of the leading retail drugstore chains in the United States.
- Former Executive Vice President and President, Pharmacy, Health and Wellness for Walgreens Co., which operates one of the largest drugstore chains in the United States.
- Former Director of TransUnion and LifePoint Health.

Other Public Board Service

- C.H. Robinson (2020–present)
- Visa (2022–present)

Attendance at Board/Committee Meetings

21/21

Key Experience and Qualifications

Risk Management: Deep understanding of consumer experiences and insights, and extensive experience in business strategy and risk management.

Accounting and Finance: Responsible for all operational aspects of large drugstore chains throughout the country, including financial results.

Technology and/or Cybersecurity: Effectively led operational change, including through the use of technology.

Complex, Highly Regulated Businesses: Expertise assessing the strategies and performance of a geographically distributed and consumer-focused service business in a highly competitive industry.

Sustainability: Over 30 years of operational experience included driving sustainability initiatives. Experience also gained as current chair of governance committee at another public company.

Succession Planning and Human Capital Management: Responsibilities as senior leader at leading retail drugstore chains included leadership of large divisions and human capital priorities and culture.

Innovation and Customer Focus: Effectively oversaw transition of pharmacy experience from a model focused primarily on drug delivery to a pharmacist-patient centric model.

Government, Public Policy and Regulatory Affairs: Understanding of legal and regulatory requirements relevant for large, public companies to ensure compliance.

Committee Assignments and Rationale

A Audit Committee (Chair)

- Responsibility for all aspects of strategic, operational and profit and loss management of two of the largest drugstore chains in the United States.
- Board leadership and eleven years tenure on Allstate Board.
- Current member of the audit committee at Visa and former member of the audit committees at TransUnion and LifePoint Health.

R Risk and Return Committee

- Operational experience at large, geographically dispersed service organizations.
- Chair of Allstate audit committee.



Richard T. Hume

Independent
Age 64

Director since 2020 (4 years of tenure)

Professional Experience

- Current CEO and director of TD SYNnex, a global IT distribution and solutions company.
- Former COO of Tech Data Corporation.
- Former General Manager and COO, Global Technology Services at IBM.

Other Public Board Service

- TD SYNnex (2021–present)

Attendance at Board/Committee Meetings

21/21

Key Experience and Qualifications

Risk Management: Deep understanding of risk evaluation and management throughout business transformation.

Accounting and Finance: Strong operational experience through various roles, including overseeing financial and accounting operations and as a financial executive at IBM.

Technology and/or Cybersecurity: Extensive technology background as a senior leader at IBM and CEO of an IT distribution and solutions company.

Global Perspective: Experience overseeing all aspects of global operations of TD SYNnex.

Sustainability: Experience developing and driving sustainability initiatives in role as CEO of a public company.

Succession Planning and Human Capital Management: Significant management and succession planning experience through various senior leadership roles.

Innovation and Customer Focus: Experience overseeing innovative strategy, technological advancement and transformative growth in global business services.

Committee Assignments and Rationale

C Compensation and Human Capital Committee

- Significant management experience leading large companies as CEO and COO.
- Comprehensive market knowledge of executive compensation, recruitment and succession practices as CEO of TD SYNnex.

R Risk and Return Committee

- In-depth understanding of technology, innovation and transformative growth.
- Responsibility for strategic direction of large technology company.



Margaret M. Keane

Independent
Age 64

Director since 2018 (6 years of tenure)

Professional Experience

- Former Chair, CEO and President of Synchrony Financial, a consumer financial services company.
- Former President and CEO of GE Capital Retail Finance.

Other Public Board Service

- Tenable (2023–present)

Attendance at Board/Committee Meetings

20/20

Key Experience and Qualifications

Financial Services: Extensive operational and strategic experience in the consumer financial services industry as CEO of Synchrony Financial.

Risk Management: In-depth understanding and experience in risk and return management as CEO of financial services company.

Accounting and Finance: Responsible for overall operations of large financial services company.

Technology and/or Cybersecurity: Valuable insights into innovation and technology transformation strategies for a large financial services company.

Complex, Highly Regulated Businesses: Successful leadership experience across roles spanning consumer finance, vendor financial services, operations and quality.

Sustainability: Drove various sustainability priorities and programs throughout tenure as CEO, including diversity and inclusion initiatives.

Succession Planning and Human Capital Management: Significant experience in developing succession planning and performance goals as CEO of Synchrony Financial.

Innovation and Customer Focus: Led strategic and technology transformation in rapidly changing consumer payments industry.

Government, Public Policy and Regulatory Affairs: Experience working with Business Roundtable to promote a thriving U.S. economy and expanded opportunity for all Americans through sound public policy.

Committee Assignments and Rationale

C Compensation and Human Capital Committee

- Substantial experience in establishing management performance objectives and specific goals.
- Significant market knowledge of executive compensation as the former CEO of Synchrony Financial.

N Nominating, Governance and Social Responsibility Committee

- Board leadership as former Chair of Synchrony Financial.
- Thought leader and driver of inclusion and diversity initiatives.



Siddharth N. (Bobby) Mehta

Independent
Age 65

Director since 2014 (10 years of tenure)

Professional Experience

- Former President and CEO of TransUnion, a global provider of credit information and risk management solutions.
- Former CEO, HSBC North America Holdings Inc.
- Former CEO, HSBC Finance Corporation.
- Former Director of TransUnion and Piramal Enterprises Ltd.

Other Public Board Service

- JLL (Jones Lang LaSalle Incorporated) (2019–present)
- Northern Trust Corp. (2019–present)

Attendance at Board/Committee Meetings

21/21

Key Experience and Qualifications

Financial Services: Extensive operational and strategic experience in the industry as CEO of TransUnion and HSBC Finance Corporation.

Risk Management: Deep understanding of identifying and managing risk within global risk and information solutions provider.

Accounting and Finance: Multiple leadership positions with financial and accounting oversight responsibility throughout career.

Technology and/or Cybersecurity: Experience overseeing cybersecurity risk initiatives and programs as director at other public companies.

Global Perspective: Demonstrated leadership that increased revenues and global reach through the use of technology.

Complex, Highly Regulated Businesses: Valuable insights into the highly regulated insurance industry and investment activities throughout career in financial services industry.

Sustainability: Investor in climate analytics company and thorough understanding of climate risk at financial services company.

Succession Planning and Human Capital Management: Led human capital and diversity and inclusion initiatives and oversaw succession planning during tenure as CEO.

Innovation and Customer Focus: Significant experience within customer-centric banking and credit markets including the use of advanced analytics.

Government, Public Policy and Regulatory Affairs: Understanding of compliance issues within highly regulated financial services industry and effect of governmental actions.

Committee Assignments and Rationale

R Risk and Return Committee (Chair)

- Significant experience in financial markets and utilization of data and analytics.
- In-depth understanding and experience in risk and return management as a director and former CEO.

A Audit Committee

- Multiple leadership positions with financial oversight responsibility, including President and CEO of TransUnion, CEO of HSBC Finance Corporation and CEO of HSBC North America Holdings Inc.
- Chair of Allstate risk and return committee.



Maria Morris

Independent
Age 61

Director since 2024 (<1 years of tenure)

Professional Experience

- Former Executive Vice President, Global Employee Benefits Business, MetLife.
- Other senior leadership roles during 33-year career at MetLife including Interim Head of MetLife U.S. Business, Interim Chief Marketing Officer and Head of Global Technology and Operations.

Other Public Board Service

- S&P Global (2016–present)
- Wells Fargo (2018–present)

Attendance at Board/Committee Meetings

Joined in 2024

Key Experience and Qualifications

Financial Services: Extensive operational and strategic experience in the industry gained through tenure at MetLife.

Risk Management: In-depth understanding of risks relevant to financial services and insurance industries and additional experience gained as risk committee chair at another public company.

Accounting and Finance: Held multiple leadership positions throughout career at MetLife requiring financial and operational oversight and serves as chair of audit committee at another public company.

Technology and/or Cybersecurity: Expertise gained through role as Head of Global Technology and Operations at MetLife including oversight of \$1.6 billion technology portfolio.

Global Perspective: Responsibility for MetLife's U.S. Business and Employee Benefits business in more than 40 countries.

Complex, Highly Regulated Businesses: Brings valuable strategic, operational and industry experience in heavily-regulated insurance industry from 33-year career with MetLife.

Sustainability: Over 30 years of leadership experience with insurance company including driving sustainability initiatives relevant to industry and oversight of refreshed corporate responsibility strategy.

Succession Planning and Human Capital Management: Expert in employee benefits, succession planning and human capital management, as well as member of human resources committee at another public company.

Innovation and Customer Focus: Experience acquired through various leadership roles including as Interim Chief Marketing Officer at MetLife.

Committee Assignments and Rationale

- Consistent with past practice, committee assignments will be established during first year of service.



Jacques P. Perold

Independent
Age 65

Director since 2015 (8 years of tenure)

Professional Experience

- Chair and founder of CapShift, an investment advisory firm.
- Former President of Fidelity Management & Research Company, a privately-held investment and asset management company serving clients worldwide.
- Founder, former President and Chief Investment Officer of Geode Capital Management LLC, a global asset manager and independent institutional investment firm and sub-advisor to Fidelity.
- Current trustee of New York Life Insurance Company's MainStay Funds.

Other Public Board Service

- MSCI Inc. (2017-present)

Attendance at Board/Committee Meetings

21/21

Key Experience and Qualifications

Financial Services: Led investments and operations for large mutual fund as well as founded investment advisory firm.

Risk Management: Deep understanding of risks relevant to financial services industry, specifically related to investment activities.

Accounting and Finance: Held multiple leadership positions throughout career requiring financial and accounting oversight responsibilities.

Technology and/or Cybersecurity: Experience using data-driven tools and solutions to help clients build more effective portfolios.

Complex, Highly Regulated Businesses: In-depth understanding of SEC and FINRA rules that regulate financial services industry.

Sustainability: Served as chair of corporate responsibility committee at another public company which includes oversight of sustainability initiatives.

Succession Planning and Human Capital Management: As senior business leader, established executive compensation program management objectives and goals.

Innovation and Customer Focus: Leader of one of the world's largest asset managers representing customers with nearly \$4 trillion assets under management.

Committee Assignments and Rationale

A Audit Committee

- Multiple leadership positions with financial and operational oversight responsibilities, including as President of Fidelity Management & Research Company.

R Risk and Return Committee

- Significant experience in management and oversight of risk for three large asset management firms.
- Current trustee of several mutual funds.



Andrea Redmond

Independent
Age 68

Director since 2010 (14 years of tenure)

Professional Experience

- Former Managing Director, co-head of the CEO/board services practice, founder and leader of global insurance practice and member of financial services practice at Russell Reynolds Associates Inc., a global executive search firm.
- Independent consultant providing executive recruiting, succession planning and human capital management services.

Other Public Board Service

- None

Attendance at Board/Committee Meetings

20/20

Key Experience and Qualifications

Financial Services: Substantial experience in financial services leadership selection and executive development.

Risk Management: Extensive experience in assessing necessary board capabilities and evaluating director candidates to ensure adequate risk oversight on boards.

Complex, Highly Regulated Businesses: Operational and strategic knowledge of highly regulated financial service companies gained through experience in recruiting senior leaders.

Sustainability: Leads sustainability oversight responsibilities as chair of nominating, governance and social responsibility committee.

Succession Planning and Human Capital Management: Expert in public company succession planning, human capital management and executive compensation across wide range of industries.

Innovation and Customer Focus: Valuable insights and judgment gained through supporting high-performance organizations and clients in executing on corporate strategies.

Government, Public Policy and Regulatory Affairs: Experience overseeing public policy issues and reporting as part of director responsibilities at Allstate.

Global Perspective: Significant experience providing executive recruiting and succession planning services for large global search firm.

Committee Assignments and Rationale

N Nominating, Governance and Social Responsibility Committee (Chair)

- Significant expertise recruiting and evaluating directors for a variety of public companies.
- A senior partner at a highly regarded global executive search firm, Russell Reynolds Associates, from 1986 to 2007, including significant tenure as co-head of the CEO/board services practice.

C Compensation and Human Capital Committee

- Experience in executive recruiting, succession planning and human capital management.
- Extensive experience working with numerous publicly traded companies to recruit and place senior executives.



Gregg M. Sherrill
Independent Lead Director
Age 71

Director since 2017 (6 years of tenure)

Professional Experience

- Former Executive Chair, CEO and director of Tenneco Inc., a producer of automotive emission control and ride control products and systems.
- Former Corporate Vice President and President of Power Solutions at Johnson Controls Inc., a global diversified technology and industrial company.

Other Public Board Service

- Snap-on Inc. (2010–present)

Attendance at Board/Committee Meetings

18/18

Key Experience and Qualifications

Risk Management: In-depth understanding of risk and return management as CEO and director.

Accounting and Finance: Created financial strategies and implemented operating plans to increase revenues and profitability during tenure at Tenneco.

Technology and/or Cybersecurity: Technology expertise gained during tenure as a senior operating executive.

Global Perspective: Successfully managed international operations as CEO of a global public company with employees in 23 countries.

Complex, Highly Regulated Businesses: Brings valuable insights and extensive operational and strategic experience within regulated automotive industry.

Sustainability: Oversight of sustainability priorities gained throughout tenure as leader of a large public company, specifically related to emissions control.

Succession Planning and Human Capital Management: Significant management experience, including executive recruitment and compensation programs.

Innovation and Customer Focus: Valuable insights into transformation and innovation within customer-centric automotive industry.

Government, Public Policy and Regulatory Affairs: Understanding of public policy and regulatory issues and participation with trade associations.

Committee Assignments and Rationale

Lead Director

- Extensive board leadership experience as former Chair of Tenneco and former chair of organization and executive compensation committee at Snap-On.
- Successfully led large, global manufacturing company through strategic growth and operational change.
- Possesses strong integrity and professional credibility with the other directors and has excellent knowledge of Allstate's strategy and business.

N Nominating, Governance and Social Responsibility Committee

- Significant leadership experience as the former Chair and CEO of Tenneco, including oversight over sustainability and governance matters.
- Experience on corporate boards.



Judith A. Sprieser
Independent
Age 70

Director since 1999 (24 years of tenure)

Professional Experience

- Former CEO of Transora Inc., a technology software and services company.
- Former CFO and other senior operating executive positions at Sara Lee Corporation, a global manufacturer and marketer of brand-name consumer goods.
- Former director at Royal Ahold NV, Experian, Reckitt Benckiser Group plc and Jimmy Choo plc.

Other Public Board Service

- Newell Brands Inc. (2018–present)
- Intercontinental Exchange Inc. (2004–present)

Attendance at Board/Committee Meetings

21/21

Key Experience and Qualifications

Financial Services: Tenure as Allstate director has provided deep knowledge and understanding of financial services industry.

Risk Management: Risk and return management expertise gained through service on boards of multiple publicly traded companies.

Accounting and Finance: Extensive evaluation of financial statements and supervision of financial executives during tenure as CFO.

Global Perspective: Experience gained through service on boards of international companies.

Complex, Highly Regulated Businesses: Understanding of government regulations relevant to insurance industry acquired through tenure as Allstate director.

Sustainability: Tenure as executive officer and director at other public companies, including as former Lead Director at Allstate, has included oversight of sustainability initiatives and programs.

Succession Planning and Human Capital Management: Significant executive management and succession planning experience gained through service on other boards and as a former CEO.

Innovation and Customer Focus: Wide-ranging operational experience at a consumer goods company.

Committee Assignments and Rationale

C Compensation and Human Capital Committee

- Extensive experience leading other large companies as CEO and CFO.
- Experience serving on boards of other publicly traded and international companies.

R Risk and Return Committee

- Insight from service as prior chair of Allstate's audit committee and current audit committee chair at Intercontinental Exchange Inc.
- Tenure as an Allstate director has provided experience through multiple operating environments.



Perry M. Traquina

**Independent
Age 67**

Director since 2016 (7 years of tenure)

Professional Experience

- Former Chairman, CEO and Managing Partner of Wellington Management Company LLP, one of the world's largest global investment management firms with over \$1 trillion of assets under management.
- Held a series of positions of increasing responsibility at Wellington, including Partner and President.

Other Public Board Service

- Morgan Stanley (2015–present)
- eBay Inc. (2015–present)

Attendance at Board/Committee Meetings

20/21

Key Experience and Qualifications

Financial Services: Strong financial services and investment management expertise as CEO of large investment management firm.

Risk Management: Deep understanding of risk and return management within financial services industry and brings outside perspective as chair of risk committee at another public company.

Accounting and Finance: Expertise in evaluating financial statements and reports gained through service on audit company at another public company as well as financial background.

Technology and/or Cybersecurity: Experience on another public company audit committee includes oversight of cybersecurity programs.

Global Perspective: Led one of the world's largest global investment management firms including the globalization of Wellington's investment platform.

Complex, Highly Regulated Businesses: In-depth understanding of SEC and FINRA rules that regulate financial services industry.

Sustainability: Oversaw sustainability initiatives during tenure as CEO and chairman of Wellington and provides insights gained from service on other public company boards.

Succession Planning and Human Capital Management: Deep understanding of executive compensation practices.

Innovation and Customer Focus: Built a world-class investment organization by more than doubling assets under management during tenure.

Government, Public Policy and Regulatory Affairs: Brings valuable market-oriented investor perspective.

Committee Assignments and Rationale

C Compensation and Human Capital Committee (Chair)

- Significant management experience as former Chairman and CEO of Wellington Management Company LLP from 2004 through June 2014.
- Shareholder perspective on compensation and human capital as a significant investor and director of other public companies.

R Risk and Return Committee

- In-depth understanding of financial markets, asset allocation strategies and investment performance management.
- Current chair of the risk committee at Morgan Stanley.



Monica Turner

**Independent
Age 58**

Director since 2023 (1 year of tenure)

Professional Experience

- Current President, North America of Procter & Gamble.
- Former President, North America Sales of Procter & Gamble.
- Former EVP and Head of Sales, North America of Procter & Gamble.

Other Public Board Service

- None

Attendance at Board/Committee Meetings

21/21

Key Experience and Qualifications

Financial Services: Overall responsibility for all financial, sales and operational aspects of the largest and most profitable region of a global consumer goods company.

Risk Management: Significant experience in management and oversight of risk and return for a large consumer goods company.

Accounting and Finance: Significant accounting and financial oversight experience gained through leadership of several business units within Procter & Gamble.

Technology and/or Cybersecurity: Experience delivering transformational results through technology in role as head of largest region of Procter & Gamble.

Global Perspective: Extensive experience gained during tenure with one of the world's largest consumer goods companies, including membership on Procter & Gamble's Global Leadership Council.

Sustainability: Responsibility for sustainability initiatives and programs for North America region of Procter & Gamble.

Succession Planning and Human Capital Management: Recognized leader of equality and inclusion within Procter & Gamble and the broader community.

Innovation and Customer Focus: Wide-ranging operational and leadership experience at consumer goods company, serving 370 million consumers in the region.

Government, Public Policy and Regulatory Affairs: Responsible for operations, spanning sales offices, technical centers, manufacturing plants and mixing centers and partners with multiple government agencies.

Committee Assignments and Rationale

A Audit Committee

- Multiple leadership positions with financial oversight responsibility in several business units across Procter & Gamble.

N Nominating, Governance and Social Responsibility Committee

- Significant leadership experience as President at Procter & Gamble, including oversight of sustainability programs.
- Recognized thought leader on equality and inclusion.



Thomas J. Wilson

**Board Chair,
President and
Chief Executive
Officer**
Age 66

Director since 2006 (17 years of tenure)

Professional Experience

- CEO since January 2007 and Chair of Board since May 2008.
- President from June 2005 to January 2015 and from February 2018, to present.
- Held senior executive roles other than CEO, having led all major operating units.
- Former director at State Street Corporation.

Other Public Board Service

- None

Attendance at Board/Committee Meetings

7/7

Key Experience and Qualifications

Financial Services: Extensive experience gained within financial services industry throughout entire career, including 29 years with Allstate and holds other active leadership positions in the industry.

Risk Management: Created and implemented Allstate's risk and return optimization program, allowing Allstate to withstand the financial market crisis while also continuing to adapt to increased severe weather.

Accounting and Finance: Experience with strategic, financial and operational planning and analysis gained over tenure with Allstate, including as CEO and COO.

Technology and/or Cybersecurity: Led investments in innovative products and services at Allstate including telematics, digital protection solutions and customer-centric innovations.

Global Perspective: Leads Fortune 100 company with operations and over 20% of employees outside of the U.S.

Complex, Highly Regulated Businesses: Valuable insights into the highly regulated insurance industry and investment activities gained throughout career at Allstate, board service at State Street and vice chair role at Federal Reserve Bank of Chicago.

Sustainability: Enhanced sustainability initiatives at Allstate and is noted public advocate for business playing a broad role in society.

Succession Planning and Human Capital Management: Extensive experience leading large teams and provides valuable insights in executive recruitment and succession planning.

Innovation and Customer Focus: Shaped and executed initiatives to fulfill Allstate's role with, and responsibilities to, its customers and other key stakeholders. Created and led Transformative Growth strategy to build a digital insurance business model.

Government, Public Policy and Regulatory Affairs: Understanding of legal and regulatory requirements relevant for large, public companies to ensure compliance and extensive experience as chair of U.S. Chamber of Commerce and member of Financial Services Roundtable and Property-Liability CEO Forum.

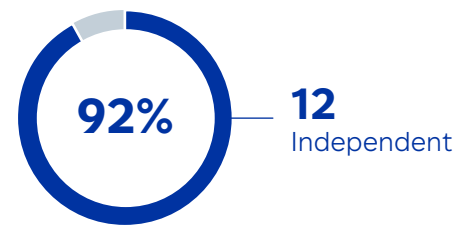
Committee Assignments and Rationale

E Executive Committee (Chair)

- Comprehensive knowledge of Allstate's business and industry, with 29 years of leadership experience at the company.
- Significant governance experience through Allstate and leadership of industry associations.

Board and Nominee Independence Determinations

The Board has determined that all nominated directors, other than Mr. Wilson, are independent according to applicable law, the NYSE listing standards and the Board's *Director Independence Standards*. The Board's *Director Independence Standards* are included on www.allstateinvestors.com. In accordance with the *Director Independence Standards*, the Board has determined that the nature of the relationships with the corporation that are set forth in Appendix B do not create a conflict of interest that would impair a director's independence. The Board also determined that the members of the audit, compensation and human capital, nominating, governance and social responsibility, and risk and return committees are independent according to applicable laws, the NYSE listing standards and the Board's *Director Independence Standards*.



Additional Independence Considerations

When evaluating the independence of director nominees, the Board weighs numerous factors, including tenure and service on other public company boards.

Directors with more than 12 years of service are subject to specific considerations to ensure an undiminished level of independence. **In particular, the Board weighed the potential impact of tenure on the independence of our longest-serving directors, Mses. Redmond and Sprieser.** Ms. Redmond provides valuable perspectives and expertise on matters of significance to Allstate and is a respected leader in the Board room. **The Board concluded that Ms. Redmond is a valued director who fulfills her responsibilities with independent-minded oversight.** Ms. Sprieser has significant experience serving at Allstate under different operating environments, management teams and financial market cycles and served on the Board under two CEOs and prior to Mr. Wilson's appointment. **The Board concluded that Ms. Sprieser is an effective director who fulfills her responsibilities with integrity and independence of thought.** Mses. Redmond and Sprieser appropriately challenge management and the status quo, and are reasoned, balanced and thoughtful in Board deliberations and in communications with management. **The Board determined that each of Ms. Redmond and Ms. Sprieser's independence from management has not been diminished by their years of service.**

Related Person Transactions

The nominating, governance and social responsibility committee has adopted a written policy on the review, approval, or ratification of transactions with related persons, which is posted on the Corporate Governance section of www.allstateinvestors.com.

Since the beginning of 2023, there were no related person transactions identified.

The committee or committee chair reviews transactions with Allstate in which the amount involved exceeds \$120,000 and in which any related person had, has, or will have a direct or indirect material interest. In general, related persons are directors, executive officers, their immediate family members and shareholders beneficially owning more than 5% of our outstanding stock. The committee or committee chair approves or ratifies only those transactions that are in, or not inconsistent with, the best interests of Allstate and its shareholders. Transactions are reviewed and approved or ratified by the committee chair when it is not practicable or desirable to delay review of a transaction until a committee meeting. The committee chair reports any approved transactions to the committee. Any ongoing, previously approved or ratified related person transactions are reviewed annually.

Board Governance

Effective Board Governance at Allstate

Allstate has a history of strong corporate governance guided by three primary principles: **dialogue, transparency and responsiveness**. The Board has enhanced governance policies over time to align with best practices, drive sustained shareholder value and serve the interests of shareholders.



Board Composition

See pages 39-40 ▶

- Regularly consider candidates in light of current skill sets and needs, as well as in anticipation of retirements, resignations or changing business dynamics
- All candidates evaluated and considered for their expertise, professional experiences and leadership
- Diversity, including race, gender, ethnicity and culture, are also important factors in consideration of Board composition
- Added four new directors within the last five years



Board Structure

See pages 41-47 ▶

- Clearly defined roles for Board leadership
- Strong Board independence with 12 out of 13 members independent of management, including all standing committee members
- Instituted written policy to rotate Lead Director every three to five years and appointed new Lead Director in 2021
- Independent Board Committees with frequent executive sessions
- Appropriate director compensation structured in a manner that is aligned with shareholder interests
- Board and Committee agendas and materials are prepared in collaboration with Lead Director and committee chairs



Engaged Oversight

See pages 48-57 ▶

- Frequent reviews of Allstate's significant risks, including strategic, climate, human capital practices, culture, financial, investment markets and cybersecurity
- Ongoing reviews of sustainability strategy, human capital management, organizational health and Inclusive Diversity and Equity



Board Effectiveness

See pages 58-60 ▶

- Board evaluation process includes multiple assessments and separate performance reviews of the Board, committees and individual directors
- Robust director orientation and continuing director education program
- High ratings of corporate governance by leading proxy advisory firm



Board Accountability

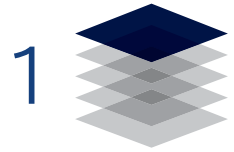
See pages 61-63 ▶

- Comprehensive and continuous shareholder engagement program based on dialogue, transparency and responsiveness
- Interactive investor dialogue provides perspective on investor concerns
- Feedback is provided to the Board and actions are taken to reflect shareholder sentiment and ensure continued best practice

Allstate believes that strong and effective governance practices are critical to long-term value creation. To achieve that goal, Allstate follows the six corporate governance principles set out by the Investor Stewardship Group for U.S. listed companies.



1. Boards are accountable to shareholders
2. Shareholders should be entitled to voting rights in proportion to their economic interest
3. Boards should be responsive to shareholders and be proactive in order to understand their perspectives
4. Boards should have a strong, independent leadership structure
5. Boards should adopt structures and practices that enhance their effectiveness
6. Boards should develop management incentive structures that are aligned with the long-term strategy of the company



Board Composition

Essential Characteristics of Effective Directors

The Board considers multiple characteristics essential for each nominee to ensure Board excellence and effectiveness. These characteristics are considered for proposed and standing directors consistent with the criteria described in the Corporate Governance Guidelines (available at www.allstateinvestors.com).

Core Competencies

Strategic oversight, shareholder advocacy, corporate governance and leadership are required core competencies of all director nominees to ensure effective oversight of the company.

Additional Capabilities

Other skills, expertise and experience are needed on the Board to further facilitate effective oversight of Allstate's business strategies and priorities. These are described on page 25.

Independent

Directors should be free of interests or affiliations that could give rise to a biased approach to directorship responsibilities or a conflict of interest and be free of any significant relationship with Allstate that would interfere with the director's exercise of independent judgment.

Committed and Engaged

Board members should have the ability to devote the time and effort necessary to serve as an effective director and act in a manner consistent with a director's fiduciary duties of loyalty and care. Allstate executive officers may not serve on boards of other corporations whose executive officers serve on Allstate's Board.

Other Directorships

The Board has limits on the number of other public boards on which our directors may sit. Directors who are active executives may serve on the board of no more than two other public companies, and other directors may serve on the board of no more than four other public companies.

Diversity in its broadest sense is a key consideration in identifying and evaluating directors for nomination. Our nominating, governance and social responsibility committee considers a number of demographics and other factors, including race, gender and ethnicity, to ensure the Board reflects diverse viewpoints, backgrounds, skills, experiences and expertise.

Our
Nominees

3

Black/African American

1

Asian/Other Pacific Islander

5

Women

Board Nomination Process

The Board continually considers potential director candidates in anticipation of retirements, resignations or the need for additional capabilities. Below is a description of the ongoing process to identify highly qualified candidates for Board service.

Board nominees are identified through a retained search firm, suggestions from current directors and shareholders and through other methods, including self-nominations. Our newest director, Ms. Morris, was recommended by a current director.

The nominating, governance and social responsibility committee will consider director candidates recommended by a shareholder in the same manner as all other candidates recommended by other sources. A shareholder may recommend a candidate at any time of the year by writing to the Office of the Secretary, The Allstate Corporation, 3100 Sanders Road, Northbrook, IL 60062, or by email submission to invrel@allstate.com.

A shareholder or group of up to 20 shareholders owning 3% or more of Allstate's outstanding common stock continuously for at least three years can nominate director candidates constituting up to 20% of the Board in the company's annual meeting proxy materials.

1

Evaluate Board Composition Ensure Board is strong in core competencies of strategic oversight, corporate governance, shareholder advocacy and leadership and has diversity of skills, expertise and perspectives to meet existing and future business needs



2

Assess Potential Candidates To ensure appropriate personal qualities, such as independence of mind, tenacity and skill set to meet existing or future business needs and strategic priorities



3

Consider Diversity The Board considers a number of demographic factors to develop a Board that, as a whole, reflects diverse representation, viewpoints and backgrounds



4

Meet with Qualified Candidates To ensure alignment with Board culture, effectiveness and excellence



5

Check Conflicts of Interest and References All candidates are screened for conflicts of interest and independence



6

Nominating, Governance and Social Responsibility Dialogue
To consider shortlisted candidates, and after deliberations, recommend candidates for election to the Board



7

Board Dialogue and Decision Added four highly qualified directors in the past five years



Board Structure

Board Leadership

Currently, our Board leadership structure consists of an independent Lead Director, a Chair (who is also our CEO) and independent committee chairs. The Board believes that this structure provides strong Board leadership and engagement while providing the benefit of having our CEO, the individual with primary responsibility for managing the company’s day-to-day operations, chair regular Board meetings as key business and strategic issues are discussed.

The Board regularly reviews its leadership structure and thoroughly evaluates whether to combine or to split the chair and CEO roles. In doing so, the independent directors consider the recommendation of the nominating, governance and social responsibility committee, the current circumstances at Allstate, skills and experience of the individuals involved and leadership composition of the Board. Thus, the Board retains flexibility to choose its optimal leadership structure depending upon Allstate’s particular needs and circumstances and to organize its functions and conduct its business in the most effective manner.

The independent directors have determined Allstate is well served by having Mr. Wilson hold the roles of Chair and CEO. Mr. Wilson has more than 29 years of insurance industry experience, has extensive company knowledge, has demonstrated successful leadership of external boards and provides excellent leadership for both management and the Board. He is highly qualified to lead discussions of the Board and is in the best position to facilitate the flow of business information and communications between the Board and management. This promotes better alignment of Allstate’s long-term strategic priorities with its operational execution. The Board has strong independent oversight through Allstate’s independent Lead Director and 12 independent directors.

Structure of the Board and Its Committees

Allstate’s Chair and CEO provides excellent leadership and direction for both management and the Board. The independent Lead Director is empowered with, and exercises, robust, well-defined duties. The Board is composed of experienced and committed independent directors that provide objective independent Board leadership and effectively engage and oversee management. The Board committees have objective, experienced chairs and members.

Chair of the Board

Purpose: Serves as the primary voice to articulate Allstate’s long-term strategic priorities, performance and operating results, as well as ensures management is providing the proper information and analysis to the Board to facilitate effective oversight. Significant dialogue with stakeholders on governance, strategy and operating performance facilitates Board effectiveness.

Independent Lead Director

Purpose: Collaborates with Chair/CEO on Board meeting agendas, effectiveness, planning matters and other related topics of management oversight. Participates in shareholder engagement. Serves as a liaison between the Chair and the independent directors to provide a supplemental channel of communication.

Board of Directors

Purpose: Provides objective oversight of management, reviews the CEO’s performance and succession planning and approves CEO compensation. Oversees Allstate’s strategy, operating performance and sustainable value creation.

Audit Committee

Compensation and Human Capital Committee

Nominating, Governance and Social Responsibility Committee

Risk and Return Committee

Purpose: Assist the Board in fulfilling its responsibilities related to the topics described in the committee descriptions below and as may be delegated by the Board from time to time.

Executive Committee

The Board has an Executive Committee made up of the Lead Director, committee chairs and Board Chair. The Executive Committee is chaired by Mr. Wilson and has the powers of the Board in the management of Allstate’s business affairs to the extent permitted under the bylaws, excluding any powers granted by the Board to any other committee of the Board. In addition, the Executive Committee provides Board oversight if outside the scope of established committees or if an accelerated process is necessary. No meetings of the Executive Committee were necessary in 2023.

Independent Lead Director

Allstate's Board believes that a strong Lead Director role with clearly defined responsibilities provides effective independent management oversight. A strong Lead Director role has been in place for over thirteen years and the roles and responsibilities have been enhanced over time based on review of the role and shareholder feedback. Allstate's Corporate Governance Guidelines describe the responsibilities of the Lead Director and the selection process, including the characteristics that the Board considers important in a Lead Director.

The Lead Director is elected annually by the independent directors, and it is expected that the Lead Director serve three to five years.



Gregg Sherrill
Current Lead Director

Mr. Sherrill was named independent Lead Director in May 2021. As a director at Allstate since 2017, Mr. Sherrill has served on the audit and nominating, governance and social responsibility committees. During his tenure on Allstate's Board, he has cultivated an expansive knowledge of Allstate through business growth, strategic advances, operational and organizational changes and an evolving external environment. His leadership, knowledge and experience balances the perspectives of both the longer-tenured Board members and newer directors.

Considerations in Selecting Current Lead Director

The independent directors consider several factors, including the director's corporate governance expertise, operational and leadership experience, board service and tenure, integrity and ability to meet the required time commitment. It is preferable that the Lead Director hold a previous position as chair of a board committee, either at Allstate or another company. In 2021, Mr. Sherrill was chosen by the independent directors as he exemplified these characteristics. He has significant board leadership experience, including as former chairman of Tenneco and former chair of the organization and executive compensation committee of Snap-On. The independent directors believe that Mr. Sherrill is exceptionally well-qualified to serve as Allstate's independent lead director.

Q&A with Allstate's independent Lead Director

Q: What do you most appreciate about Allstate's Board culture?

A: "I appreciate my fellow directors' collegial and respectful dialogue. They are always willing to appropriately challenge the status quo in a constructive manner."

Q: What do you believe were the Board's biggest accomplishments in 2023?

A: "We successfully oversaw the company's profit improvement plan, which generated positive results for the last quarter of 2023."

Q: What have you found most beneficial about meeting with Allstate's shareholders?

A: "Shareholders are sincerely interested in Allstate. There is a lot to be gained through open and frequent dialogue and we have incorporated many shareholder suggestions into our practices over the years."

Duties and Responsibilities

INDEPENDENT LEAD DIRECTOR

Board Meetings and Executive Sessions

- Has the authority to call meetings of the independent directors
- Approves meeting agendas and schedules and information sent to the Board to ensure there is sufficient time for discussion of all items and that directors have the information necessary to perform their duties
- Chairs executive sessions of independent directors at every Board meeting
- Presides at all Board meetings when the Chair is not present

Duties to the Board

- Has regular communications with the CEO about Allstate's strategy and performance
- Performs additional duties designated by the independent directors

CEO Performance Evaluation

- Facilitates and communicates the Board's performance evaluation of the Chair and CEO with the chair of the compensation and human capital committee

Succession Plans

- Facilitates the development of a succession plan for the Chair and CEO

Communication Between Chair and Independent Directors

- Serves as liaison between the Chair and independent directors
- Consults with the Chair and discusses items raised in executive sessions

Communication with Shareholders

- Communicates with significant shareholders and other stakeholders on matters involving broad corporate policies and practices, when appropriate

Committee Involvement

- Works with the Chair and committee chairs to ensure coordinated coverage of Board responsibilities and ensures effective functioning of all committees
- Ensures the implementation of a committee self-evaluation process and regular committee reports to the Board

Board and Individual Director Evaluations

- Participates in the evaluation of individual director, Board and committee performance with the chair of the nominating, governance and social responsibility committee and the Chair

The Allstate Corporation Board of Directors



Gregg Sherrill,
Independent
Lead Director



Thomas J. Wilson,
Chair

“This past year, the Board spent considerable time reviewing Allstate’s strategy to increase shareholder value by improving profitability and progress on Transformative Growth initiatives. We reviewed CEO succession planning and key leadership development and received updates on the company’s inclusive diversity and equity strategy. We also added a Board member who brings valuable industry and strategic experience, which further complements the Board’s robust capabilities and diversity of thought.”

— **Gregg M. Sherrill,**
Independent Lead Director

Meetings in 2023: 7

- The company’s progress on the Transformative Growth strategy and execution of profit improvement plan was discussed at every Board meeting, including three days in October to focus on strategy.
- The Board discussed Allstate’s environmental, social and governance strategy and progress at multiple meetings, including climate strategy.
- Succession planning and leadership development were each discussed at multiple meetings.

Robust Role for Independent Committee Chairs

Each of the committee chairs approves meeting agendas and reviews committee materials. Prior to each meeting, each committee chair has a conversation with the Board Chair and CEO and relevant operating executives. The committee chairs discuss meeting materials and agendas in advance of each meeting, which fosters independence and successful execution of each committee’s responsibilities.

Highly Independent Board

Twelve out of thirteen directors on the Board are independent. Each director has input into Board and committee meeting schedules, agendas and materials. In addition, directors are provided opportunities throughout the year for independent discussion and reflection. The directors hold executive sessions without management present at every regular Board and committee meeting.

Management Participation in Board Meetings

Key members of management regularly attend and participate in Board meetings. Regular attendees include the CEO, CFO, chief legal officer and general counsel, presidents of Investments and Corporate Strategy, Protection Products and Enterprise Services, and Property-Liability and chief risk officer. Other senior leaders attend as meeting topics warrant. In addition, senior leadership also participates in committee meetings.

Board Attendance

Directors are expected to attend Board and committee meetings and the annual meeting of shareholders. During 2023, each director attended at least 75% of the combined Board meetings and meetings of committees of which he or she was a member. All of the directors who stood for election at the 2023 annual meeting of shareholders attended the annual meeting.

99%

Average attendance of directors as a group at Board and committee meetings during 2023

Use of Independent Advisors and Experts

Each committee operates under a written charter and has the ability to hire third-party advisors. Outside experts such as independent auditors, compensation consultants, governance specialists, cybersecurity experts, board search firm representatives and financial advisors attend meetings to provide directors with additional information on issues.

In 2023, outside firms were engaged to provide independent assessments of Allstate’s compensation practices, financial results, Board composition, shareholder activism, diversity and pay equity practices and cybersecurity program.

A

Audit Committee
Report, pg. 110

Meetings in 2023: 8



Chair: Kermit R. Crawford

Other Members:

Donald E. Brown
Siddharth N. Mehta
Jacques Perold
Monica Turner

“In 2023, we spent considerable time discussing Allstate’s profit improvement strategy and results and Property-Liability reserving. We reviewed a model risk management and governance framework. Technology and cybersecurity remained focus areas and we engaged an independent cybersecurity advisor for the eighth year in a row.”

— Kermit R. Crawford,
Chair

All members have risk management experience	5
All members have accounting and finance experience	5
All members have technology and cybersecurity experience	5
All members have complex, highly regulated business experience	5
All members have innovation and customer service experience	5
Three members have financial services experience	3

Key Responsibilities:

- Oversees integrity of financial statements and other financial information and disclosures
- Oversees internal controls over financial reporting and disclosure controls and procedures
- Reviews the enterprise risk control assessment and guidelines, including cybersecurity and data privacy risk and the major financial risk exposures and management’s steps to monitor and control those risks
- Oversees the ethics and compliance program and compliance with legal and regulatory requirements
- Appoints, retains and oversees the independent registered public accountant and evaluates its qualifications, performance and independence
- Evaluates performance of independent cybersecurity advisor annually
- Oversees Allstate’s internal audit function
- Oversees Allstate’s data privacy programs
- Has authority to engage independent counsel and other advisors to carry out its duties

Management Participation in Committee Meetings

The CFO, chief audit executive, chief compliance executive, chief risk officer, CEO, chief legal officer and general counsel, and chief accounting officer and controller all actively participate in meetings. Senior business unit and technology executives, including the chief information security officer, are present when appropriate. Executive sessions of the committee, in which the committee meets privately with the independent registered public accountant, independent cybersecurity advisor, chief audit executive and chief compliance executive, are held at all regular meetings.

Independence and Audit Committee Financial Expert

The Board determined that all members of the audit committee are independent under the New York Stock Exchange (“NYSE”) and Securities and Exchange Commission (“SEC”) requirements, and that Messrs. Brown and Mehta are each an audit committee financial expert as defined under SEC rules.



Compensation and Human Capital Committee

Meetings in 2023: 8



Chair: Perry M. Traquina

Other Members:

Richard T. Hume
Margaret M. Keane
Andrea Redmond
Judith A. Sprieser

“We discussed senior leadership succession planning and development at multiple meetings. We reviewed organizational health, which included updates on talent retention, distributed work, employee engagement and inclusive diversity and equity. We reviewed and modified executive compensation plans in response to shareholder feedback and once again received an independent assessment of pay equity.”

— Perry M. Traquina,
Chair

All members have risk management experience	5
All members have sustainability experience	5
All members have succession planning and human capital management experience	5
Four members have financial services experience	4
Four members have accounting and finance experience	4
Four members have complex, highly regulated business experience	4

Key Responsibilities:

- Oversees Allstate’s executive compensation plans
- Selects and retains the committee’s independent compensation consultant
- Assists the Board in determining all compensation elements of the executive officers, including the CEO
- Reviews management succession plans, evaluation processes and organizational strength
- Conducts an annual review of the company’s human capital management practices, organizational health, employee and agent survey data, company culture, diversity and inclusiveness and pay equity
- Reviews CEO’s performance in light of approved goals and objectives
- Reviews the Compensation Discussion and Analysis and prepares the Compensation Committee Report in this proxy statement

Management Participation in Committee Meetings

The chief human resources officer, vice president of executive compensation, chief legal officer and general counsel, CFO and CEO participate in meetings. The committee regularly meets in executive sessions with the independent compensation consultant and chief human resources officer.

- The chief human resources officer provides the committee with internal and external analyses of the structure of compensation programs. Throughout the year, the estimated and actual results under our incentive compensation plans are reviewed.
- The CFO discusses financial results relevant to incentive compensation, other financial measures and accounting rules.
- The CEO advises on the alignment of incentive plan performance measures with strategy and the design of equity incentive awards. He also provides the committee with performance evaluations of senior executives and recommends merit increases and compensation awards.
- The chief legal officer and general counsel provides input on the legal and regulatory environment and corporate governance best practices and ensures the proxy materials accurately reflect the committee’s actions.
- The chief risk officer reports annually on compensation plan alignment with Board-approved risk and return principles and whether compensation outcomes were achieved within those principles.



Nominating, Governance and Social Responsibility Committee

Meetings in 2023: 5



Chair: Andrea Redmond

Other Members:

Donald E. Brown
Margaret M. Keane
Gregg M. Sherrill
Monica Turner

“The committee was engaged on governance topics important to Allstate’s shareholders. We continued to focus on key sustainability priorities including climate strategy and political activity. We considered Board composition and recommended a new director who brings industry experience to further support oversight of the business and also reviewed results from Board, committee and individual directors evaluations.”

— Andrea Redmond,
Chair

All members have risk management experience	5
All members have sustainability experience	5
All members have succession planning and human capital management experience	5
All members have innovation and customer service experience	5
All members have government, public policy and regulatory affairs experience	5
Three members have global perspective experience	3

Key Responsibilities:

- Recommends candidates for Board election and nominees for Board committees
- Recommends candidates for Lead Director and Chair
- Recommends criteria for selecting directors and the Lead Director and determines director independence
- Reviews Allstate’s governance documents annually and approves changes as appropriate
- Advises the Board on corporate governance issues and practices and monitors governance landscape
- Determines performance criteria and oversees the performance assessment of the Board, Board committees and Lead Director
- Reviews Allstate’s non-employee director compensation program
- Has authority to retain a director search firm and director compensation consultant
- Reviews priorities and reporting related to Allstate’s sustainability activities, including public policy, political contributions and climate resilience

Management Participation in Committee Meetings

The CEO and chief legal officer and general counsel participate in meetings. The committee regularly meets in executive session without management present. The chief risk officer provides risk assessments on political contributions and activities. The chief legal officer and general counsel and chief sustainability officer provide updates to the committee on progress on sustainability priorities.

R

Risk and Return Committee

Meetings in 2023: 6



Chair: Siddharth N. Mehta

Other Members:

Kermit R. Crawford
Richard T. Hume
Jacques Perold
Judith A. Sprieser
Perry M. Traquina

“In 2023, we reviewed risk and return of the strategic plan, including risks related to capital framework, investment portfolio diversification, catastrophe loss trends and delivery of Affordable, Simple, Connected products. We discussed initiatives to mitigate operational and climate risks to the enterprise.”

— Siddharth N. Mehta,
Chair

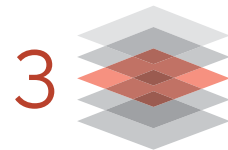
All members have risk management experience	6
All members have sustainability experience	6
All members have accounting and finance experience	6
Five members have technology and cybersecurity experience	5
Five members have complex, highly regulated business experience	5
Four members have financial services experience	4

Key Responsibilities:

- Oversees the effectiveness of Allstate’s enterprise risk and return management (“ERRM”) framework, governance structure and risk-related decision making, while focusing on the company’s overall risk profile
- Supports the Board and audit committee in oversight of risk and return governance, risk assessment and risk and return policies
- Reviews and evaluates key strategic, insurance, investment, financial, operational and cultural risks, with periodic assessment of special topics
- Reviews risk and return processes, policies and guidelines used by management to evaluate, monitor and manage enterprise risk and return
- Reviews Allstate’s ERRM function, including its performance, organization, budgeting and staffing
- Evaluates the chief risk officer’s assessment of strategic and operating plans
- Reviews the risk factors included in the Form 10-K and the regulatory Own Risk and Solvency Assessment report
- Reviews extremely low frequency high severity scenarios (“ELFS”) on an annual basis, including a periodic review of ELFS related to climate and weather-related risks
- The audit committee chair is a risk and return committee member to enhance cross-committee communication

Management Participation in Committee Meetings

The chief risk officer, CFO, CEO, chief legal officer and general counsel, and chief audit executive participate in meetings. The committee regularly meets in executive session, including sessions with the chief risk officer.



Engaged Oversight

Allstate’s Board brings the right skills, expertise and experience to effectively oversee the business, including the company’s significant risk and return priorities.

Key Areas of Risk Oversight

Risk and Return Management	Ethics and Compliance	Strategy
Operating and Financial Performance	Human Capital Management	Cybersecurity
Political Engagement	Sustainability	Compensation

The Board has primary responsibility for risk oversight and the Board committees assist the Board in fulfilling its oversight of the company’s risk and return management structure and governance. Risks are regularly identified, measured, managed and reported and risk and return perspectives are shared with the Board across six risk types: financial, insurance, investment, operational, strategic execution and culture.

The chief risk officer’s assessment of Allstate’s current risk position and alignment with risk and return principles is reviewed throughout the year, including risks associated with risk and return management structure, ethics and compliance, strategy, operating performance, human capital management, cybersecurity, political engagement, sustainability (including climate) and compensation.

See page 49 for additional detailed information about governance and oversight of risk management. ►

What’s New

NEW

In 2023, the Board reviewed correlation risks and enterprise diversification, which results from the company’s highly diversified mix of business and investment activities.

Risks are regularly identified, measured, managed and reported and risk and return perspectives are shared with the Board across six risk types:

Financial	Insurance	Investment
Operational	Strategic Execution	Culture

Risk and Return Management

Risk and Return Management Oversight

The Board oversees Enterprise Risk and Return Management (“ERRM”), including management’s design and implementation of ERRM practices. ERRM applies risk-return principles, modeling and analytics, governance and transparent management dialogue to understand the company’s highest-priority risks. The chief risk officer’s assessment of Allstate’s current risk position and alignment with risk and return principles is reviewed throughout the year, including reviews of compensation programs and political engagement. Significant risks, including those affected by climate change, financial markets, cybersecurity and privacy threats, are regularly identified, measured, managed and reported.

Enterprise Risk and Return Management Governance

ERRM governance includes Board oversight, an executive management committee and chief risk officers that oversee various areas of Allstate.

The **Board of Directors** has overall responsibility for oversight of Allstate’s ERRM program, including management’s design and implementation of the ERRM framework. Oversight is supported by Board committees; see [page 57](#).



The **Enterprise Risk and Return Council (“ERRC”)** directs ERRM activities by establishing risk and return targets, determining economic capital levels and monitoring integrated strategies and actions from an enterprise risk and return perspective. The ERRC consists of the CEO, CFO, president of Property-Liability, chief investment and strategy officer, chief risk officer and chief legal officer and other senior leaders.



Business unit chief risk officers report into the ERRM team, fostering a culture of collaboration, efficiency and cross-functional dialogue regarding risks and opportunities.



Various management committees work with the ERRC to direct ERRM activities, including the Operating Committee, the Operational Risk and Return Council, the Information Security Council, the Internal Compliance and Control Committee, the ESG Steering Committee, liability governance committees, and investment committees.

 Ethics and Compliance

FULL BOARD **AUDIT COMMITTEE**

GLOBAL CODE OF BUSINESS CONDUCT

Allstate’s Global Code of Business Conduct (the “Code”) declares who we are and what we stand for. It underscores a commitment to doing business legally and ethically. This Code provides the framework for the decisions we make and the actions we take every day. The commitment to doing the right thing strengthens our business by making us more reliable, resilient and responsive to those we serve.

The Code applies to all employees, officers and internal and external directors of Allstate. Annual compliance training and affirmation is required. The audit committee is responsible for periodic review, assessment and approval of changes to the Code. The audit committee also oversees Allstate’s ethics and compliance program. At least semi-annually, the committee reviews and discusses with the chief compliance executive a report describing the company’s ethics and compliance program and its effectiveness. This includes any ethics and compliance matters that may have a material impact on the company’s reputation, operations, financial condition, results of operations, or cash flow.

In 2023, Allstate was recognized by Ethisphere as one of the World’s Most Ethical Companies for the

10th year
in a row.

Allstate’s “Speak Up” process is an important resource for providing fair, prompt and safe resolutions of concerns. Employees may report any legal, ethical, regulatory or compliance concerns regarding employees, agents, vendors, clients and customers through dedicated phone and website channels. **Allstate does not tolerate retaliation against anyone who raises a concern, makes a report or cooperates in an investigation.**

 Strategy**FULL BOARD**

The Board provides oversight on the development and implementation of Allstate's strategic plans and associated risks. The full Board oversees strategy and enterprise risk and Board committees have additional oversight of various aspects of Allstate's strategy.

Strategy is discussed at each regular Board meeting and presentations are provided by management on specific initiatives and topics such as short- and long-term strategic and operational plans, capital utilization, investment returns, acquisitions and divestitures, capital market transactions and sustainability priorities. Management reviews with the Board Allstate's overall corporate strategy and key strategic risks and returns, which are assessed by the chief risk officer annually.

Throughout 2023, the Board engaged on an ongoing basis with management on the execution of the profit improvement plan, continued implementation of Transformative Growth and progress towards achieving each of the various components of the strategic and operating plans. The Board also reviewed four "drivers of change" critical to Allstate's long-term business success based on their potential to drive significant change in the industry and competitive landscape over the next five to ten years. These include artificial intelligence, climate change, personal transportation and customer connectivity:

- **Artificial Intelligence:** Efficiencies gained through artificial intelligence ("AI"), including increased automation and new ways to provide enhanced value to customers, are poised to disrupt all aspects of the insurance value chain. Allstate will capitalize on these trends and operate as an AI-driven enterprise.
- **Climate Change:** Climate change is having a meaningful impact on Allstate and all of our stakeholders. Increased severe weather, the transformation to a lower-carbon economy, and higher societal expectations of businesses have significant implications for our future success.
- **Personal Transportation:** Significant trends paving the way for the future of personal transportation encompass the expansion of autonomous vehicles, a departure from internal combustion engines in favor of alternative power sources, and the continuous evolution of consumer preferences towards shared mobility and sustainability.
- **Customer Connectivity:** The ways in which people connect with each other are changing at an accelerated rate. How Allstate connects with customers and their data is of growing importance. New technologies support continuous, ambient connectivity which enables Allstate to form deep, direct engagement with customers.

 Operating and Financial Performance**FULL BOARD**

Reviewing management's execution against Allstate's operating and capital plans provides oversight of operating performance and financial condition. This business, operations and capital update is presented at each regularly scheduled Board meeting. Financial results are reviewed by management and compared to the operating plan and specific enterprise objectives to provide insight into operating performance. The review includes assessment of risks related to changing consumer preferences, current economic and capital market conditions, volatility of loss cost trends, the impact of catastrophes and severe weather, evolving technologies and execution of the Transformative Growth plan. **The Board reviews and engages in robust discussions on Allstate's business and operating performance at every meeting.** The Board also receives monthly financial updates from the chief financial officer.

Management also reviews capital deployment options, regulatory capital levels and any changes in rating agency financial strength or credit ratings at each meeting. Capital position is evaluated against the economic capital model that is integrated with Allstate's ERRM program providing robust Board oversight of financial condition. The audit committee assists the Board in the oversight of the financial statements and internal control framework.

 Human Capital Management

FULL BOARD COMPENSATION AND HUMAN CAPITAL COMMITTEE

The Board engages in an ongoing review of human capital management practices since they are vital to Allstate’s continued success. This includes overall organizational health and practices, such as recruitment, development and retention as well as progress against the company’s inclusive diversity and equity (“IDE”) strategy and goals.

BOARD ROLE IN REVIEWING CULTURE

At Allstate, we believe that a purpose driven company must be powered by purpose driven people.

Culture is defined as a self-sustaining system of shared values, priorities and principles that shape beliefs, drive behaviors and influence decision making within an organization.

The Board reviews organizational health annually. At Allstate, we are focusing on how we recruit, retain, develop and engage employees. Organizational culture is included as a key risk category and is monitored and measured by management’s ERRM framework and overseen by the Board. This “tone at the top” message ensures that management is held accountable for its implementation and maintenance of high ethical standards and protecting Allstate’s reputation, assets and business.

BOARD ROLE IN SUCCESSION PLANNING

The Board’s involvement in leadership development and succession planning is systematic and ongoing. Management succession was discussed multiple times in 2023 during compensation and human capital committee meetings, Board meetings and executive sessions. Discussions cover CEO and senior leadership succession planning and development plans. The Board also has regular and direct exposure to senior leadership and high-potential officers in meetings held throughout the year.

SUCCESSION PLANNING REVIEW CYCLE



INCLUSIVE DIVERSITY AND EQUITY

IDE is a core value in Allstate’s Our Shared Purpose. In furtherance of the goal to be a differentiated IDE leader, Allstate launched a multi-year IDE strategy that is overseen by the Board. **The Board reviewed IDE topics at multiple meetings in 2023, including a presentation by an outside speaker on inclusivity, contributing to effective oversight of this important initiative.**

Pay Equity Analysis

- ✓ For the fifth year in a row, Allstate engaged an outside firm to provide a detailed pay equity analysis to identify potential pay gaps across substantially similar employee groups and identify policies, practices or systematic issues that may contribute to pay gaps now or over time.
- ✓ The external analysis found that Allstate’s results compare well to benchmarks for companies of similar size and scope. In the few employee groups where pay gaps were identified, these gaps were remediated and policies were established to ensure pay equity continues in the future.

Cybersecurity

FULL BOARD | AUDIT COMMITTEE

The Board focuses on Allstate’s security and data privacy programs, recognizing that the quality and functionality of these programs affect reputation and customer trust. Allstate’s strategy focuses on protecting customer data.

Accordingly, the Board prioritizes its responsibility to oversee data protection efforts, including policies and systems designed to prevent and, if necessary, respond to cyber threats. The Board also oversees the company’s information security program, which is designed to protect and preserve the confidentiality, integrity and continued availability of all information owned by, or in the care of, the company. This program includes a cyber incident response plan that provides controls and procedures for timely and accurate reporting of any material cybersecurity incident. Allstate is continually enhancing information security capabilities in order to help protect against emerging threats, detect system compromise and recover system functionality should a cyber attack or unauthorized access occur.

Allstate’s internal audit function regularly reviews and tests the cybersecurity program and provides status reports to the audit committee and the full Board quarterly, or as needed. This reporting generally includes a cybersecurity dashboard that contains information on cybersecurity governance processes, the status of projects to strengthen internal cybersecurity, ongoing prevention and mitigation efforts, security features of the products and services we provide our customers and the results of security incident simulations. **The audit committee receives semi-annual reports from its independent cybersecurity advisor.**

Cybersecurity Governance Best Practices

- ✓ Independent cybersecurity advisor retained by audit committee to provide objective assessments of Allstate’s capabilities, conduct advanced incident and crisis simulations and prepare leaders to respond to a cyber incident
- ✓ Audit committee charter specifies data privacy and cybersecurity oversight
- ✓ Cross-functional approach to overseeing and addressing cybersecurity risk, with input from technology, risk, legal and audit functions

Spotlight on Cybersecurity Risk Management

Cybersecurity is a shared responsibility. All employees are expected to be vigilant in helping to protect the company, customer data and themselves, at all times. Allstate’s independent cybersecurity advisor routinely performs simulations and tabletop exercises to help strengthen our cybersecurity protection and information security procedures and safeguards. All employees are required to complete annual cybersecurity awareness training and have continuous access to cybersecurity educational opportunities throughout the year.

Political Engagement

NOMINATING, GOVERNANCE AND SOCIAL RESPONSIBILITY COMMITTEE

Allstate engages in public policy advocacy at the state and federal levels to foster market innovation, protect consumers, promote safety and security, ensure a healthy regulatory system and promote fiscal responsibility.

Allstate is regulated in all 50 states and the District of Columbia and at the U.S. and Canadian federal level on many aspects of its business, including insurance pricing, claims practices, customer communications, privacy, litigation, sales practices, underwriting standards, investments and capital. As a result, Allstate must engage in public policy issues to achieve Our Shared Purpose, to serve customers and generate returns for shareholders.

Allstate participates in political activities through direct and indirect advocacy, corporate political contributions and Allstate's political action committee. **Allstate contributes less than \$1,000,000 annually in corporate funds directly to political organizations**, including federal, state and local candidates and committees, in comparison to total revenues of \$57.1 billion (less than 0.002% of total revenue). The types of expenditures are consistent from year to year.

The chief risk officer conducts an annual risk and return assessment of Allstate's political activities for the Board to ensure there is appropriate oversight and management of corporate political engagement. In addition, the Board's nominating, governance and social responsibility committee provides oversight of Allstate's political contributions and activities, including in a joint session with the Board.

Chief Risk Officer's Assessment

The chief risk officer's assessment approach is based on *Principles and Guidance for Responsible Corporate Political Engagement* published by Transparency International UK. The political activities and associated risks identified by Transparency International UK were expanded to address Allstate's specific activities and risk profile. These political activities were grouped for assessment as follows: i) political expenditures, ii) lobbying, iii) trade associations, social welfare groups and research organizations, iv) state-based regulatory and legislation management, v) political activities in the workplace and vi) disclosure.

The chief risk officer's assessment concluded the following:

- 1. Strong governance is in place to provide transparency and promote dialogue around advocacy priorities and initiatives**
- 2. Allstate's political engagement risk profile and control framework remain stable versus prior year**
- 3. Reputation risk remains moderate and while numerous controls exist to limit exposure, a single candidate or organization could create negative publicity and market perception**
- 4. Lack of engagement would increase the likelihood of unfavorable legislation and policies, resulting in adverse business outcomes**


FULL BOARD **RISK AND RETURN COMMITTEE**

Sustainability matters are fundamentally connected to Allstate's business strategies and topics are prioritized based on their alignment to Our Shared Purpose, Transformative Growth and long-term enterprise value creation.

Climate change is one of the most critical challenges today as it threatens customers, businesses and communities.

In addition to developing products and services that address climate change and the transition to a lower-carbon future, senior management works with the Board to identify, measure, manage and monitor climate risks, including those presented by severe weather, increased natural catastrophes, related policy shifts and the development of new technology.

Allstate's business viability depends on effectively modeling, pricing and managing climate-related risks, as well as meeting customer needs that result from a changing climate and a changing society. Climate risks are managed within our ERRM framework and evaluated across six key categories: strategic execution, insurance, financial, investment, operational and cultural risk. The Board regularly heard from Allstate's chief risk officer about climate change risks and reviewed climate risk at two meetings in 2023.

Climate Risk Management

Climate risks are managed within Allstate's integrated ERRM framework, which applies risk-return principles, modeling and analytics, governance and transparent dialogue to understand the company's highest-priority risks.

RISK IDENTIFICATION

- Insurance risk: An increase in severe weather events has increased customers' potential homeowners losses, requiring risk management actions such as changes in pricing, product coverages, geography, underwriting practices and reinsurance utilization.
- Investment risk: Allstate's investment process reflects some of the same climate risk considerations as the company's insurance underwriting process. Potential environmental and severe weather risks are considered when making investments and limiting exposure to sectors with higher climate risk. Sustainability considerations and climate-specific metrics are included in asset management decisions.
- Reputational risk: Climate change is important to customers and other key stakeholders, and we collaborate through external partnerships and public engagements.

RISK ASSESSMENTS

- Allstate's Catastrophe Modeling and Analytics team and pricing groups assess climate change information and establish pricing, underwriting, concentration and coverage standards that are responsive to climate and severe weather risks. The team uses information from the Intergovernmental Panel on Climate Change ("IPCC"), the U.S. Global Change Research Program ("USGCRP") and the ACI, all of which conduct robust reviews and provide objective measures to provide decision makers with balanced information.
- The Responsible Investing Committee and the Investments Risk Committee assess investments for potential short- and long- term exposures to climate change.

RISK MITIGATION

- The Actuaries Climate Index ("ACI") measures extreme weather and sea level increases through quarterly updates. The Catastrophe Modeling and Analytics team monitors state-specific risks and competitors' actions and partners with the Investments team to model mortgage and real estate portfolios. The outcome of the assessment are incorporated into decision-making to balance risk and return.

RISK MONITORING AND REPORTING

- Through Sustainability, Task Force on Climate-Related Financial Disclosures ("TCFD") and CDP (formerly the Carbon Disclosure Project) reports, Allstate discloses progress in mitigating climate change. We also continue to apply emerging data science to risk assessment, including exploring partnerships with startups that specialize in forward-looking climate modeling. Allstate publicly disclosed targets to reduce Scope 1 and 2 emissions and will establish a target for Scope 3 emissions by 2025.

Compensation

COMPENSATION AND HUMAN CAPITAL COMMITTEE

Compensation policies and practices reward employees for successfully executing the company's strategies and annual operating plan while adhering to risk and return principles.

The compensation and human capital committee concluded the compensation plans are structured to ensure management does not take unnecessary or excessive risk based on assessments from the committee's independent advisor and the chief risk officer. Allstate's compensation policies ensure balance of risk and return, while minimizing risks that could have a material adverse effect on Allstate.

BOARD ROLE IN SETTING COMPENSATION

The compensation and human capital committee makes recommendations to the Board on compensation for the CEO and executive officers and the structure of plans used for executive officers. The compensation and human capital committee reviews the executive compensation program throughout the year with the assistance of an independent compensation consultant, Pay Governance. Pay Governance's responsibilities include:

- benchmarking Allstate's plans and compensation relative to the market
- factoring shareholder feedback on compensation into plan structure
- evaluating changes to the executive compensation program
- assessing Allstate's executive compensation design, peer group selection, relative pay for performance and total direct compensation for individual senior executive positions
- providing the nominating, governance and social responsibility committee with competitive information on director compensation

The compensation and human capital committee annually evaluates the compensation consultant's performance and independence.

The compensation and human capital committee grants all equity awards to individuals designated as executive officers for purposes of Section 16 of the Securities Exchange Act of 1934 or covered employees as defined in Internal Revenue Code Section 162(m). The compensation and human capital committee has authority to grant equity awards to eligible employees in accordance with the terms of our 2019 Equity Incentive Plan. The Board has delegated limited authority to the CEO and the chief human resources officer to grant equity awards to non-executive officers. All awards granted between compensation and human capital committee meetings are reported at the next meeting.

- Compensation plans align annual and long-term incentives with short- and long-term business goals. No one, regardless of eligibility, is guaranteed an award under the annual cash incentive program.
- Multiple performance measures are utilized that correlate with shareholder value creation and diversify the risk associated with any single performance indicator.
- Equity awards and annual cash incentive awards are subject to a clawback policy, which provides for the recovery of certain equity awards and annual cash incentive awards to executive officers and other executive vice presidents. If performance results are later subject to a downward adjustment as a result of a financial restatement due to material noncompliance with financial reporting requirements, then the paid awards are recalculated with revised results with the compensation overpayment subject to clawback. The clawback policy also provides for recovery of equity and annual cash incentive awards in certain circumstances if an executive is terminated for improper conduct that leads to a material adverse impact on the reputation of, or a material adverse economic consequence for, the company.

Comprehensive Risk Oversight

The key risk areas overseen by each Board committee are included below.

Board of Directors Overall accountability of Allstate's enterprise risk and return management; reviews at least twice a year			
Risk and Return Committee	Audit Committee	Compensation and Human Capital Committee	Nominating, Governance and Social Responsibility Committee
<p>Review Frequency</p> <ul style="list-style-type: none"> At least five times annually <p>Key Areas of Focus</p> <ul style="list-style-type: none"> ERRM framework, governance structure and risk-related decision making Risk and return governance, risk assessment and risk and return policies Strategic, insurance, investment, financial, operational and cultural risks Risk and return processes, policies and guidelines ERRM function, capabilities and staffing Strategic and operating plans External reporting Extremely low frequency high severity scenarios 	<p>Review Frequency</p> <ul style="list-style-type: none"> At least four times annually <p>Key Areas of Focus</p> <ul style="list-style-type: none"> Internal controls over financial reporting and disclosure controls and procedures External reporting Effectiveness of ethics and compliance program and reporting Independence and performance of the company's registered public accounting firm Cybersecurity risk initiatives, policies and procedures 	<p>Review Frequency</p> <ul style="list-style-type: none"> At least once annually <p>Key Areas of Focus</p> <ul style="list-style-type: none"> Executive compensation programs (design, performance measures and ranges in incentive plans), including review of the chief risk officer's assessment of incentive compensation programs Transformative Growth and IDE strategy, including impact on annual incentive program Talent development and senior executive succession planning Human capital management, including IDE, recruitment, leadership and development, turnover, retention, organizational health and pay equity Organizational transformation strategy 	<p>Review Frequency</p> <ul style="list-style-type: none"> As needed <p>Key Areas of Focus</p> <ul style="list-style-type: none"> Director elections and corporate governance practices Board composition, skills and experiences Political contributions and public policy activities, including review of the chief risk officer's assessment of political activities Sustainability strategy, progress and reporting
<p>Reports From</p> <ul style="list-style-type: none"> Chief risk officer Chief financial officer Chief audit executive Other internal subject matter experts 	<p>Reports From</p> <ul style="list-style-type: none"> Chief risk officer Chief financial officer Chief audit executive Chief compliance officer Chief information security officer External, independent cybersecurity advisor Independent registered accountant 	<p>Reports From</p> <ul style="list-style-type: none"> Independent compensation consultant Chief human resources Officer Chief risk officer Other outside experts and speakers 	<p>Reports From</p> <ul style="list-style-type: none"> External governance advisor Chief sustainability officer Chief risk officer Other internal subject matter experts



Board Effectiveness

The foundation of an effective Board is having a diverse set of talented leaders who collaborate to constructively challenge and oversee management. The Board evaluates its effectiveness through multiple lenses and uses evaluations to continually improve its governance practices.

Evaluating Board Effectiveness

Allstate's Board evaluation process includes multiple assessments and reviews performed throughout the year. This process ensures that the Board's governance and oversight responsibilities are updated to reflect best practices and are well executed. These evaluations include discussions after every meeting, an annual Board assessment, annual committee assessments and individual director evaluations.

Based on the Board's annual evaluation process, the nominating, governance and social responsibility committee reviews feedback and establishes action items for the upcoming year. Results of individual director evaluations are used in the annual nomination process and specific action items are discussed with each director.

Board Evaluation Process

Allstate's Board evaluation process includes discussions after every meeting, an annual Board assessment, annual committee assessments and individual director evaluations.

BOARD

- | | | |
|----------|--|--|
| 1 | Evaluation at every regular meeting

Performed by: Independent Directors | <ul style="list-style-type: none">• Measures effectiveness of Board oversight• Ensures meeting objectives were satisfied, all agenda items sufficiently considered and information presented was complete, understandable and organized• Identifies issues that need additional dialogue |
| 2 | Annual evaluation

Performed by: Board, Committee Chairs and Lead Director | <ul style="list-style-type: none">• Ensures Board and committees are functioning effectively• Results reviewed by nominating, governance and social responsibility committee and summarized for full Board; recommendations for improvement are reviewed and implemented |
| 3 | Biennial review of responsibilities and time allocation

Performed by: Board and Committees | <ul style="list-style-type: none">• Ensures all necessary issues were considered to fulfill Board and committee responsibilities• Adjustments made to future agendas and timelines |

INDIVIDUAL DIRECTORS

- | | | |
|----------|---|--|
| 1 | Annual Evaluation

Performed by: Lead Director, nominating, governance and social responsibility committee chair and Board Chair | <ul style="list-style-type: none">• Review contributions and performance in light of Allstate's business and strategies and confirm continued independence• Feedback provided to each director• Discuss each director's future plans for continued Board service |
| 2 | Change in circumstances

Performed by: Board | <ul style="list-style-type: none">• Determine appropriateness of director's continued membership on the Board after a change in primary employment• Review potential conflicts and whether change impacts director's ability to devote the necessary time and effort to Board service |

2023 Annual Evaluation Feedback and Action Items

01 Strategy and Operational Oversight

Directors find the three-day strategy session to be highly effective.

Directors value the frequent updates on financial results, Transformative Growth, succession planning, cybersecurity and sustainability priorities.

Action Items

Management will provide additional “deep dives” on key strategic priorities.

CEO succession planning and senior leadership development will remain focus areas.

02 Board Structure and Culture

Directors appreciate the transparency in the Board room and believe the dialogue appropriately challenges management and leads to effective oversight.

Directors are pleased with steps taken to increase diversity at the Board level and believe the current mix of skills and experience are appropriate.

Action Items

Diversity will continue to be prioritized with a facilitated Board discussion.

03 Information and Resources

Directors appreciate the executive sessions at every meeting and value the candid dialogue.

Directors value the use of outside speakers on key strategic matters.

Action Items

Presentations and agendas will be balanced to ensure adequate time for unstructured discussion.

External speakers will continue to be utilized, including for competitive market, climate and artificial intelligence topics.

Board Re-Nomination Considerations

The Board recognizes the importance of evaluating individual directors and their contributions to the Board in connection with re-nomination decisions. In considering whether to recommend re-nomination of a director for election, the nominating, governance and social responsibility committee conducts a detailed review, considering several factors.

Evaluation of Board Composition

- Essential characteristics
- Shareholder feedback
- Retirements
- Evolving strategy and risk and return profile
- Time commitment
- Board and director evaluations
- Attendance and participation
- Diversity

How the Board Considers Each Factor		For more information
Essential characteristics	Whether the director continues to possess the core competencies and additional capabilities necessary to ensure continued success of the Board	page 39
Evolving strategy and risk and return profile	The extent to which the director’s skills, perspectives and experience (including that gained due to service on the Board) continue to contribute to the effective oversight of Allstate’s business and strategic priorities	pages 48-49
Board and director evaluations	Feedback received during the annual Board evaluation and discussions between each individual director and the Lead Director, nominating, governance and social responsibility committee chair and Board Chair	pages 58-59
Attendance and participation	Attendance at, and participation during, Board and committee meetings	page 43
Diversity	The extent to which the director contributes to the diversity of the Board	page 40
Time commitment	Outside board and other affiliations, including overboarding considerations, time commitment and potential conflicts of interest or independence concerns	page 39
Retirement policy	Whether the director has reached the retirement age specified in Allstate’s director retirement policy	N/A
Shareholder Feedback	Feedback received from shareholders, including support received during the most recent annual shareholder meeting	page 62

Maintaining an Informed and Agile Board

Director Onboarding

All new directors participate in a robust director orientation and onboarding process to ensure a working knowledge of Allstate's business, strategies, operating performance and culture and a successful integration into boardroom discussions as soon as possible. To assist with their development, all new directors are invited to attend all committee meetings prior to their appointment to a particular committee.

Director Commitment Beyond the Boardroom

The commitment of our directors extends well beyond preparation for, and participation at, regularly scheduled Board meetings. Engagement beyond the boardroom provides our directors with additional insights into Allstate's businesses and industry.

DIRECTOR EDUCATION

Allstate encourages and facilitates director participation in **continuing education programs**, and each director is given the opportunity to become a member of the National Association of Corporate Directors.

ENGAGEMENT WITH MANAGEMENT

Directors regularly meet with senior leaders and employees below the senior leadership level. These interactions are offered in various forums, including one-on-one meetings with senior leaders at every board meeting and an annual dinner with 50-60 high performing officers.

INFORMAL MEETINGS

Directors also participate in **informal meetings** with other directors and senior leaders to

- share ideas,
- build stronger working relationships,
- gain broader perspectives, and
- strengthen their working knowledge of Allstate's business, strategy, operating performance and culture.

Advisors and Experts

The Board and its committees engage third-party advisors and experts as needed, including to supplement the Board's expertise.

In 2023, outside firms were engaged to provide independent assessments of Allstate's compensation practices, financial results, Board composition, shareholder activism risk, pay equity practices and cybersecurity program. **For more information, see "Use of Independent Advisors and Experts" on page 43.**



Board Accountability

Shareholder Engagement

Allstate proactively engages with significant shareholders throughout the year. **Dialogue, transparency and responsiveness** are the cornerstones of our shareholder engagement program.

How We Engage

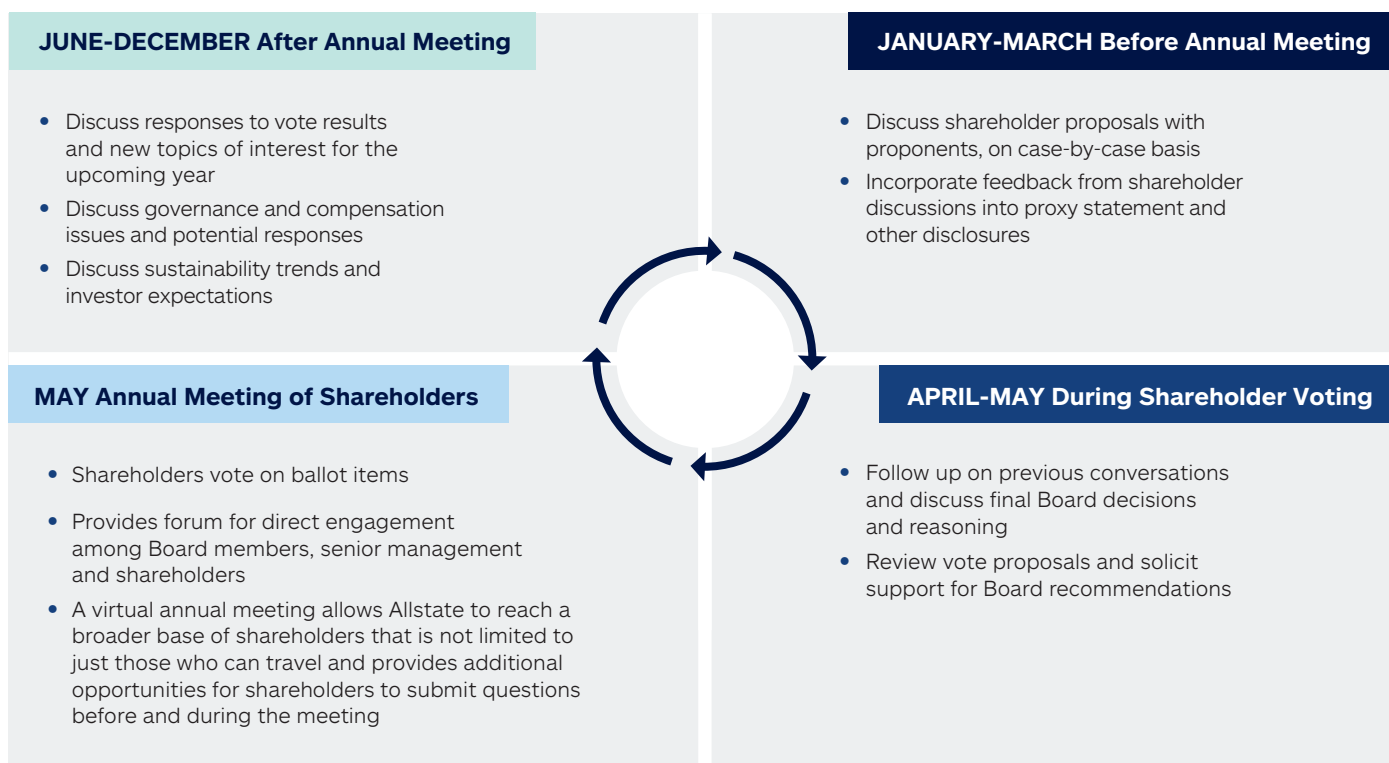
Direct engagement involves reaching out to Allstate’s largest shareholders at least three times throughout the year, before, during and after the annual shareholder meeting. Discussion topics include strategy, operating results, compensation programs, climate risks, Inclusive Diversity and Equity and corporate governance. Shareholder feedback is reviewed by each relevant Board committee and considered in shaping company policies and practices. We also engage with proxy and other investor advisory firms that represent the interests of various shareholders.

Discussions with shareholders frequently include Allstate’s Lead Director, Chair/CEO, chair of the compensation and human capital committee and other committee chairs or directors as necessary.

In 2023, Allstate engaged with shareholders representing approximately **45% of outstanding shares** and provided opportunity for more robust dialogue and valuable feedback, which was discussed at subsequent Board and committee meetings.

Four-Phase Engagement Cycle

BALANCED-TRANSPARENT-RESPONSIVE



Shareholder Feedback Is Integrated Into Board Discussions and Decisions

WHAT WE HEARD DURING 2023 ENGAGEMENT

Strategy

Investors want to understand how external factors have affected strategy and results and steps taken to improve profitability.

Investors expect company boards and management be focused on strategies and most lead to sustained value creation.



WHAT WE HAVE DONE IN RESPONSE

- Allstate is successfully implementing a comprehensive auto insurance profit improvement plan as loss cost inflation has reduced margins. Increased Board time was spent overseeing management's actions to improve profitability and support growth.
- The company's progress on Transformative Growth was discussed at every Board meeting.
- A Societal Engagement Framework is used to evaluate, prepare and communicate Allstate's participation in issues that drive sustainable value creation, including goals that are directly tied to our business strategy and Our Shared Purpose.

Environmental and Social

Investors increasingly expect companies to develop net zero commitments and report on efforts to mitigate climate risk.

Investors want to understand how Allstate is addressing employee turnover and encouraging employee retention and development.



- Allstate announced its commitment to achieve net zero emissions for Scope 1 and Scope 2 greenhouse gas emissions by 2030. By the end of 2025, Allstate will establish a goal for Scope 3 emissions. Progress on climate goals and other climate risk mitigation efforts are included in the proxy statement and sustainability and TCFD reports.
- Climate strategy and risk was reviewed with the Board over multiple meetings.
- The company is using analytics to align skills to key strategic priorities, focus talent development and deploy talent efficiently to further enable the Transformative Growth strategy.

Compensation

Investors want to understand alignment of compensation programs with company performance.

While investors are supportive of sustainability metrics in compensation programs, they want to ensure the metrics include criteria that can be measured.



- The majority of Allstate's compensation program is at-risk performance based.
- Beginning in 2024, the equity mix for the CEO was changed to increase the percent of performance stock awards and reduce the percent of stock options.
- Allstate is executing a comprehensive multi-year Inclusive Diversity and Equity ("IDE") strategy to accelerate the pace of change for diversity across the enterprise and an IDE component was integrated into the annual incentive plan and includes specific, quantifiable goals that are reviewed by the Board.

Board Composition

Investors are focused on whether companies have the right skills, experience and diversity on boards to advance and oversee corporate strategy and related risks.

Investors are interested in how the Board considers refreshment in light of upcoming retirements and changing business needs.



- Four new Board members were added within the last five years, each bringing specific experience and skill sets to help oversee the key components of Allstate's business strategy.
- Director skills and capabilities were reviewed during the annual evaluation process and feedback was provided to each director.
- Allstate's Board takes a forward-looking approach when considering upcoming needs and retirements on the Board and is proactive with its refreshment processes.

Strong Governance Practices Enhance Shareholder Rights

Allstate has enhanced its governance practices over time to serve the best interests of its shareholders. Shareholder rights include annual election of directors with a majority vote standard, proxy access rights, no shareholder rights plan ("poison pill"), no supermajority vote provisions, confidential voting and right to call a special meeting and request action by written consent.

Communication with the Board

The Board has established a process to facilitate communication by shareholders and other interested parties with directors as a group. The chief legal officer and general counsel reports regularly to the nominating, governance and social responsibility committee on all correspondence received that, in her opinion, involves functions of the Board or its committees or that merits Board attention. Items that are unrelated to the duties and responsibilities of the Board are not forwarded, such as: business solicitations or advertisements; product related inquiries; junk mail or mass mailings; resumes or other job-related inquiries; or spam and overtly hostile, threatening, potentially illegal or similarly unsuitable communications. Activity on social media is also monitored and reported to the nominating, governance and social responsibility committee.

In addition, the audit committee has established procedures for the receipt, retention and treatment of any complaints about accounting, internal accounting controls or auditing matters. To report any issue relating to The Allstate Corporation (including Allstate Insurance Company and its affiliates) accounting, accounting controls, financial reporting or auditing practices, you may contact the company by mail, telephone or email. Telephone contacts may be kept confidential at your request.

By mail:

The Allstate Corporation, Audit Committee
3100 Sanders Road, Northbrook, IL 60062 c/o
General Counsel

By phone:

Allstate i-Report Line:
1-800-706-9855

By email:

auditcommittee2@allstate.com

The communication process and the methods to communicate with directors are posted on the “Governance Overview” section of www.allstateinvestors.com.

More Information

You can learn more about Allstate’s corporate governance by visiting www.allstateinvestors.com, where you will find our Corporate Governance Guidelines, each standing committee charter and Director Independence Standards. Allstate has adopted a comprehensive Global Code of Business Conduct that applies to the CEO, CFO, chief accounting officer and controller, and other senior financial and executive officers, as well as the Board of Directors and other employees. It is also available at www.allstateinvestors.com. Each of the above documents is available in print upon written request to the Office of the Secretary, The Allstate Corporation, 3100 Sanders Road, Northbrook, IL 60062, or by email request to invrel@allstate.com.

The Allstate Board welcomes your input on compensation, governance and other matters.



directors@allstate.com

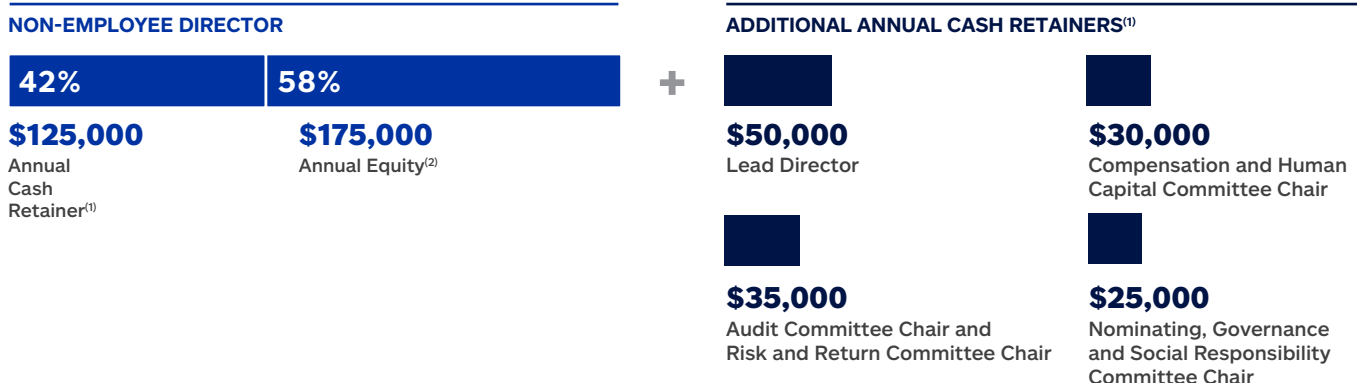


The Allstate Corporation,
Nominating, Governance and
Social Responsibility Committee,
3100 Sanders Road, Northbrook,
IL 60062, c/o General Counsel

Director Compensation

Director Compensation Program

We structure the compensation program for non-employee directors to reflect the demands on our directors of serving on the board of a large, complex and highly regulated company. The nominating, governance and social responsibility committee reviews non-employee director compensation annually. The following charts describe each component of our non-employee director compensation program for 2023.



⁽¹⁾ Paid quarterly in advance on the first business day of January, April, July and October. The retainer is prorated for a director who joins the Board during a quarter.

⁽²⁾ Directors are granted restricted stock units on June 1 equal in value to \$175,000 divided by the closing price of a share of Allstate common stock on such grant date, rounded up to the nearest whole share.

Director Equity Compensation

- The Board believes that a meaningful portion of a director’s compensation should be in the form of equity securities to create alignment with corporate performance and shareholder interests.
- Annual restricted stock units are granted under a fixed-value formula and in accordance with the shareholder approved 2017 Equity Compensation Plan for Non-Employee Directors. The aggregate grant date fair value of any award during a calendar year may not exceed \$800,000.

Further Director Compensation Highlights

- Director total compensation, Lead Director and committee chair retainers and equity grant practices are all benchmarked annually against insurance industry peers and comparably sized large complex companies to target total compensation at the median.
- No additional fees are paid for Board or committee meeting attendance.

Director Stock Ownership Guidelines

Each director is expected, within five years of joining the Board or within five years of an increase in annual cash retainer, if applicable, to accumulate an ownership position in Allstate common stock equal to six times the value of the cash retainer. Allstate’s stock ownership requirements specify that Allstate shares owned personally and beneficially, as well as unvested restricted stock units, count toward meeting the requirement.

Each director has met the ownership guideline, except Ms. Turner, who joined the Board in 2023 and Ms. Morris, who joined the Board in 2024.

New for 2023

NEW

Based on consultation with the independent compensation consultant and in light of increased oversight of sustainability matters, beginning in 2023, the additional annual cash retainer paid to the chair of the nominating, governance and social responsibility committee was increased to \$25,000.

2023 Director Compensation

The following table summarizes the compensation for each of our non-employee directors who served as a member of the Board and its committees in 2023.

Name	Leadership Roles Held During 2023	Fees Earned or Paid in Cash (\$) ⁽¹⁾	Stock Awards (\$) ⁽²⁾⁽³⁾	Total (\$)
Donald E. Brown		125,000	175,048	300,048
Kermit R. Crawford	Audit Committee Chair	160,000	175,048	335,048
Richard T. Hume		125,000	175,048	300,048
Margaret M. Keane		125,000	175,048	300,048
Siddharth N. Mehta	Risk and Return Committee Chair	160,000	175,048	335,048
Jacques P. Perold		125,000	175,048	300,048
Andrea Redmond	Nominating, Governance and Social Responsibility Committee Chair	150,000	175,048	325,048
Gregg M. Sherrill	Lead Director	175,000	175,048	350,048
Judith A. Sprieser		125,000	175,048	300,048
Perry M. Traquina	Compensation and Human Capital Committee Chair	155,000	175,048	330,048
Monica Turner		114,238	233,489	347,727

⁽¹⁾ Under the 2017 Equity Compensation Plan for Non-Employee Directors, directors may elect to receive Allstate common stock in lieu of cash compensation. In 2023, Ms. Keane and Messrs. Brown and Traquina each elected to receive 100% of their retainer in stock. Also, under Allstate's Deferred Compensation Plan for Non-Employee Directors, directors may elect to defer their retainers to an account that is credited or debited, as applicable, based on (a) the fair market value of, and dividends paid on, Allstate common shares (common share units); (b) an average interest rate calculated on 90-day dealer commercial paper; (c) S&P 500 Index, with dividends reinvested; or (d) a money market fund. No director has voting or investment powers in common share units, which are payable solely in cash. Subject to certain restrictions, amounts deferred under the plan, together with earnings thereon, may be transferred between accounts and are distributed after the director leaves the Board in a lump sum or over a period not in excess of ten years in accordance with the director's instructions. The accumulated amount of Allstate common share units as of December 29, 2023, for directors previously electing to defer their cash retainer, is reflected in the table below.

Amounts Deferred under Deferred Compensation Plan for Non-Employee Directors	Allstate Common Share Units (#)
Mr. Traquina	7,356

⁽²⁾ Grant date fair value for restricted stock units granted in 2023 is based on the final closing price of Allstate common stock on the actual grant date, which in part also reflects the payment of expected future dividend equivalent rights. (See Note 19 to our audited financial statements for 2023). The final grant date closing price was \$109.20. In addition, Ms. Turner received a prorated award upon joining the Board in 2023 for which the final grant closing price was \$128.16. The values were computed in accordance with Financial Accounting Standards Board Accounting Standards Codification Topic 718. Each restricted stock unit entitles the director to receive one share of Allstate common stock on the conversion date (see footnote 3).

⁽³⁾ The following table provides outstanding restricted stock units as of December 29, 2023, for each director, except for Ms. Morris, who did not join the Board until January 2024. The value of the restricted stock units is based on the closing price of our common stock of \$139.98 on December 29, 2023.

Name	Restricted Stock Units (#)	Value of Restricted Stock Units as of 12/29/23 (\$)	Multiple of Annual Cash Retainer
Mr. Brown	4,027	563,699	8.0
Mr. Crawford	21,933	3,070,181	25.7
Mr. Hume	4,027	563,699	6.2
Ms. Keane	4,027	563,699	18.1
Mr. Mehta	13,571	1,899,669	20.6
Mr. Perold	14,057	1,967,699	15.8
Ms. Redmond	37,405	5,235,952	44.1
Mr. Sherrill	4,027	563,699	11.2
Ms. Sprieser	42,215	5,909,256	47.3
Mr. Traquina	12,616	1,765,988	18.1
Ms. Turner	2,059	288,219	2.3

Restricted stock unit awards granted before September 15, 2008, convert into common stock one year after termination of Board service. Restricted stock unit awards granted on or after September 15, 2008, and before June 1, 2016, convert into common stock upon termination of Board service. Restricted stock units granted on or after June 1, 2016, convert into common stock on the earlier of the third anniversary of the date of grant or upon termination of Board service. Directors had the option to defer the conversion of the restricted stock units granted on June 1, 2016, for ten years from the date of grant or the later of termination of Board service or June 1, 2024. The conversion of restricted stock units granted after June 1, 2016, may be deferred for ten years or until termination of Board service. In addition to the conversion periods described above, restricted stock units will convert upon death or disability. Each restricted stock unit includes a dividend equivalent right that entitles the director to receive a payment equal to regular cash dividends paid on Allstate common stock.

Executive compensation



02 Say-on-Pay: Advisory Vote on the Compensation of the Named Executives



VOTING RECOMMENDATION:

The Board recommends a vote **FOR** this proposal.

What am I voting on?

We conduct a say-on-pay vote every year at the annual meeting. While the vote is non-binding, the Board and the compensation and human capital committee (the “committee” as referenced throughout the Compensation Discussion and Analysis (“CD&A”) and Executive Compensation sections) consider the results as part of their annual evaluation of our executive compensation program.

Overview

- Independent oversight by compensation and human capital committee of the Board
- Independent compensation consultant utilized to evaluate and benchmark compensation program
- Executive compensation targeted at 50th percentile of peers and aligned with short-and long-term business goals and strategy
- Compensation programs are working effectively. Annual incentive compensation funding for our named executives in 2023 was reduced by 50% from the formulaic result of 100% of target due to negative Net Income.

You may vote to approve or not approve the following advisory resolution on the executive compensation of the named executives:

RESOLVED, on an advisory basis, the shareholders of The Allstate Corporation approve the compensation of the named executives, as disclosed pursuant to the compensation disclosure rules of the SEC, including the Compensation Discussion and Analysis and accompanying tables and narrative on pages 67-106 of the Notice of 2024 Annual Meeting and Proxy Statement.

Compensation Discussion and Analysis

Message from the Compensation and Human Capital Committee

As members of the compensation and human capital committee, we thank the many of you that engaged with us and provided feedback during 2023. While it is always encouraging to learn that many shareholders believe Allstate has a rigorous compensation program, open and constructive dialogue on potential enhancements is also appreciated. Allstate's compensation philosophy is to pay for performance over the long-term, as well as reward achievement of key strategic and operational measures on an annual basis. Each year, the committee reviews the named executives' performance using a balanced and disciplined approach to determine base salaries and variable compensation awards. The approach for 2023 included a range of performance and governance considerations, as well as shareholder feedback, as inputs into compensation decisions. During 2023, the committee also continued to focus on senior leadership development and succession planning. Key human capital practices and initiatives happening across Allstate were reviewed, including organizational health, employee retention and wellbeing, company culture and progress against the Inclusive Diversity and Equity strategy. The committee is fully engaged on these important topics and committed to driving improvements. We appreciate the feedback on all of these topics, and hope to have your support on this year's say-on-pay vote.

Perry M. Traquina (Chair)
Richard T. Hume

Margaret M. Keane
Andrea Redmond

Judith A. Sprieser

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Our Compensation Discussion and Analysis describes Allstate's executive compensation program, including total 2023 compensation for our named executives listed below⁽¹⁾:

Thomas J. Wilson

Chair, President, and Chief Executive Officer (CEO)

Jesse Merten

Executive Vice President and Chief Financial Officer (CFO)

John Dugenske

President, Investments and Corporate Strategy

Suren Gupta

President, Protection Products and Enterprise Services

Mario Rizzo

President, Property-Liability

⁽¹⁾ See Appendix C for a full list of Allstate's executive officers and titles.

2023 Executive Compensation At-a-Glance

Allstate's executive compensation program is designed to ensure that the interests of our executives are aligned with our shareholders:

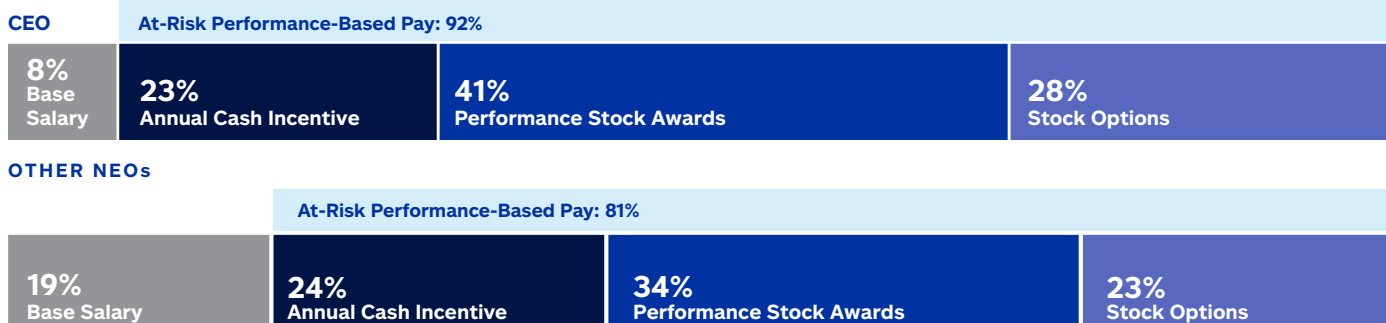
Pay for Performance

The majority of the CEO's and other NEOs' compensation opportunity is at-risk and based on measurable performance goals.

Establish a Strong Link Between Performance Measures and Strategic Objectives

Performance measures are linked to operating priorities designed to create long-term shareholder value.

Target Compensation Mix



Alignment of Pay with Performance

Allstate's executive compensation program is aligned with long-term shareholder value through equity-based programs, combined with shareholder value-based performance measures and financial performance measures that are closely correlated with shareholder value over time. The named executives' compensation is aligned with achievement of our financial and long-term strategic goals and at least 81% of their compensation is at-risk. Incentive compensation plans incorporate relevant metrics and targets to drive the behaviors necessary to accomplish our short- and long-term goals.

2023 Annual Cash Incentive

50%

Pool funding of 100% was reduced by 50% due to negative net income as determined by these results

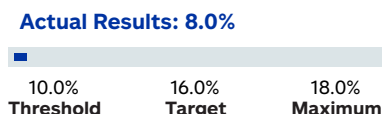


2022 actual results: Total Premiums \$50,437, Performance Net Income (\$426), Net Investment Income \$2,318

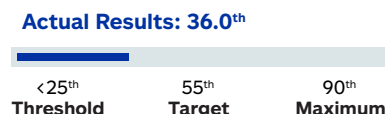
2021-2023 Performance Stock Awards

31%
Payout percentage

AVERAGE PERFORMANCE NET INCOME RETURN ON EQUITY⁽¹⁾

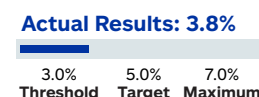


RELATIVE TSR⁽¹⁾

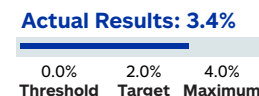


ITEMS IN FORCE GROWTH⁽¹⁾

PERSONAL PROPERTY AND LIABILITY



ALL OTHER



⁽¹⁾ For a description of how these measures are determined, see pages 75-82.

Compensation Governance Best Practices

Our compensation program adheres to high standards of compensation governance for our executive officers.

✓ What We Do	✗ What We Do Not Do
<ul style="list-style-type: none"> ✓ Benchmark to peers of similar industry, size and business complexity ✓ Target pay at 50th percentile of peers ✓ Independent compensation consultant ✓ Double trigger in the event of a change in control ✓ Maximum payout caps for annual cash Incentive compensation and performance stock awards (“PSAs”) ✓ Robust equity ownership requirements ✓ Clawback or cancellation of certain compensation ✓ One-year minimum equity vesting provision in the equity plan ✓ Provide clear rationale for the metrics used to fund the annual and long-term incentive plans 	<ul style="list-style-type: none"> ✗ Employment agreements for executive officers ✗ Guaranteed annual salary increases or bonuses ✗ Special tax gross ups ✗ Repricing or exchange of underwater stock options ✗ Plans that encourage excessive risk-taking ✗ Hedging or pledging of Allstate securities ✗ Inclusion of equity awards in pension calculations ✗ Excessive perks ✗ Count unvested PSAs or stock options towards ownership requirements

Executive Compensation Program is Tied to Business Strategies

Allstate’s business relies on the expertise and capabilities of colleagues to lead the company and various businesses in ways that meet customers’ needs and, in turn, promote the long-term interests of shareholders. The executive compensation program is designed to achieve business objectives and attract, motivate and retain talented individuals.

Allstate’s executive compensation program closely aligns the compensation and interests of the named executives with the long-term interests of shareholders and the economic realities of the operating environment. Allstate’s executive compensation program emphasizes performance-based compensation in the form of cash incentive awards and equity incentive awards that focus respectively on the achievement of short- and long-term financial and strategic targets. This target-based incentive structure fosters a culture of high performance and accountability and promotes shareholder interests by closely aligning executive compensation with objectively measured company performance and achievement of key strategic priorities. In 2023, Allstate adapted to unprecedented increases in loss costs, improved underwriting performance, generated investment returns in excess of targets and advanced on operating priorities and Transformative Growth.

2023 COMPENSATION METRICS SUPPORT ALLSTATE’S STRATEGY

Annual Cash Incentive Awards	Total Premiums	Captures growth and competitive position of the Allstate businesses
	Performance Net Income	Aligns with shareholders’ views of expected profitability and return on capital
	Net Investment Income	Reflects a significant component of profitability
Performance Stock Awards	Average Performance Net Income ROE	Correlates to changes in long-term shareholder value Measures performance in a way that is tracked and understood by investors Captures both income statement and balance sheet impacts, including capital management actions
	Relative Total Shareholder Return (“TSR”)	Added based on feedback from shareholders and market practices Performance is relative to a custom TSR peer group
	Transformative Growth	Measures progress on Transformative Growth strategy and assess growth of Allstate’s businesses
	Inclusive Diversity and Equity	Measures progress on Allstate’s Inclusive Diversity and Equity priorities

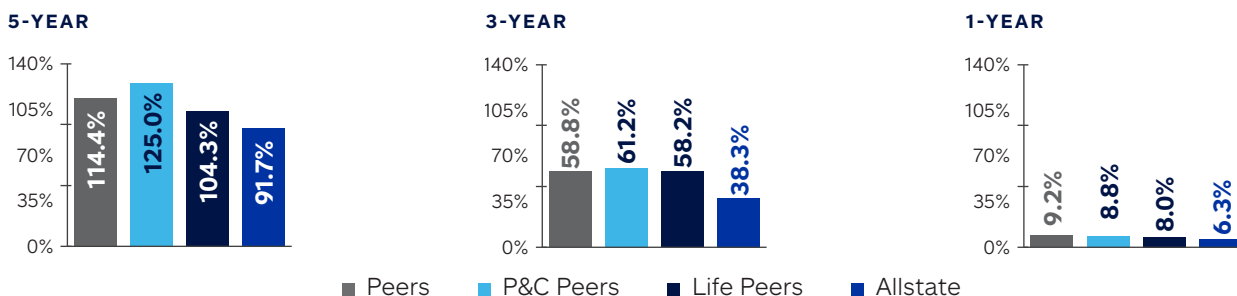
Progress on our Operating Priorities

Improve customer value	<ul style="list-style-type: none"> Enterprise Net Promoter Score, which measures how likely customers are to recommend Allstate, finished below the prior year, reflecting substantial price increases necessary to offset higher loss costs.
Grow customer base	<ul style="list-style-type: none"> Consolidated policies in force reached 194 million, a 2.8% increase from prior year. Property-Liability policies in force decreased by 2.0% compared to the prior year, as continued growth at National General was more than offset by decreases at the Allstate brand and a decline in renewals in the auto insurance business. Protection Services policies in force increased 4.3%, primarily due to growth at Allstate Protection Plans.
Achieve target economic returns on capital	<ul style="list-style-type: none"> The Property-Liability combined ratio of 104.5 for the full year decreased compared to the prior year primarily reflecting increased premiums earned, partially offsetting continued high loss costs. A comprehensive profitability plan is being executed.
Proactively manage investments	<ul style="list-style-type: none"> Net investment income of \$2.48 billion in 2023 was \$75 million higher than prior year as higher market-based investment income was partially offset by lower performance-based results. Total return on the \$66.68 billion (as of 12/31/23) investment portfolio was 6.7% in 2023. Proactive portfolio management repositioned the fixed income portfolio into longer duration and higher-yielding assets that increased income.
Execute Transformative Growth	<ul style="list-style-type: none"> Allstate made substantial progress in advancing Transformative Growth initiatives in 2023, including continued cost reductions, deployment of a new property-liability technology platform and a new Affordable, Simple, Connected auto insurance offering in seven states. National General is building a strong competitive position in independent agent distribution. A digital enterprise is being built by expanding utilization of machine-based learning and artificial intelligence.

Progress on our Transformative Growth Strategy

Improve customer value	<ul style="list-style-type: none"> Lower expenses, enhanced price sophistication and telematics helped mitigate required price increases. Affordable, Simple, Connected auto insurance product now offered in seven states.
Expand customer access	<ul style="list-style-type: none"> Transforming Allstate agent sales system to enable more growth at a lower cost, while expanding distribution capacity through new agent models. Increased direct channel distribution through improved online experience and data-driven insights to enhance call center sales. Grew National General by leveraging enterprise capabilities and data to expand product offerings and fully utilize our independent agency relationships.
Increase sophistication and investment in customer acquisition	<ul style="list-style-type: none"> Improved the effectiveness of customer acquisition by expanding lead management, building data capabilities and utilizing household insights.
Deploy new technology ecosystem	<ul style="list-style-type: none"> Deployed key components of new technology ecosystem to deliver affordable, simple and connected experiences and products at a lower cost.
Drive organizational transformation	<ul style="list-style-type: none"> Delivered an exceptional customer experience enabled by enhanced human resource tools and technology, an engaged and high performing global workforce, and organizational designs for efficiency.

COMPARISON OF TOTAL SHAREHOLDER RETURN (%) AGAINST ALLSTATE PEERS



Incentive Design and Goal-Setting

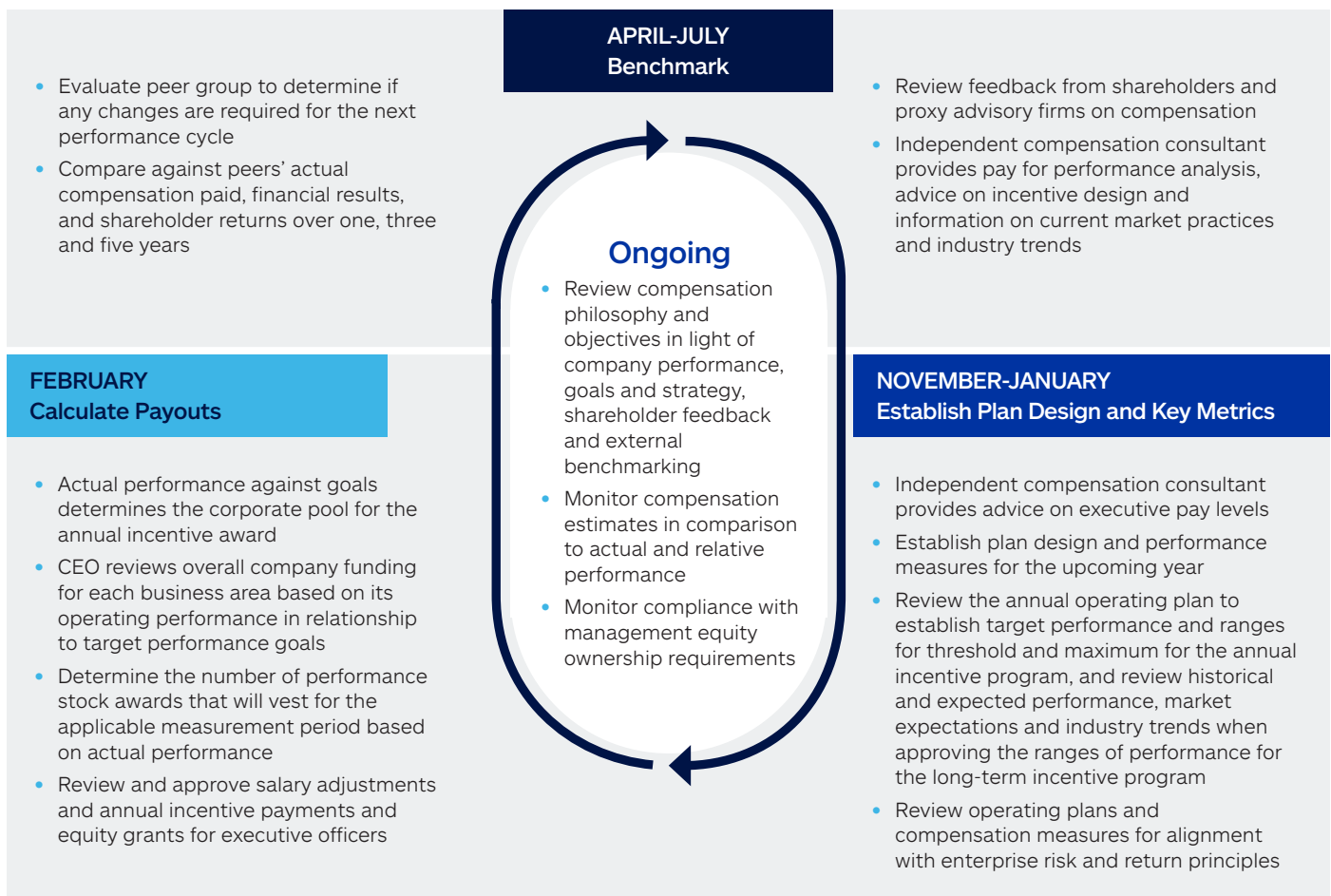
Role of the Compensation and Human Capital Committee

The compensation and human capital committee oversees and approves Allstate’s executive compensation program. The committee sets the CEO’s compensation, reviews and approves compensation for the rest of the leadership team, reviews senior management selections and, in conjunction with the full Board, oversees succession planning. The committee also oversees human capital priorities for the company, including review of Allstate’s IDE strategy and progress with the full Board.

The committee evaluates the executive compensation structure on an annual basis to ensure alignment with Allstate’s compensation philosophy, business strategy and shareholder priorities. The compensation philosophy centers around maintaining a compensation program for the named executives that is designed to promote the achievement of short-term and long-term financial and strategic goals. For additional information on strategic and operating priorities, see pages 14-16.

Incentive Design, Payout and Goal-Setting Process

For the annual and long-term incentive programs, the committee oversees a rigorous and comprehensive goal-setting process. The committee uses performance measures in the annual and long-term programs that (1) align with the company’s strategy, operating priorities and shareholder interests, (2) support the achievement of corporate goals, and (3) reflect the company’s overall performance. The following timeline of key events reflects the committee’s process:



What’s New

In 2023, the committee moved the timing of the executive pay levels review and recommendations from the independent compensation consultant to the fourth quarter of the year to reflect more current market data in the analysis.

NEW

Shareholder Engagement and 2023 Say-on-Pay Results

Allstate engages with its largest shareholders multiple times throughout the year to ensure continued alignment of compensation practices with shareholder expectations and market trends.

The committee actively solicits the views of significant shareholders on executive compensation matters. In determining the structure and amount of executive pay, the committee carefully considered this feedback. During 2023 engagement, investors generally commented that Allstate utilizes best practices and remains focused on pay for performance in its plan design. The committee considered the vote results, investor input and current market practices and made changes to respond to that feedback, as described below.

90%

At our last annual shareholder meeting, approximately 90% of votes cast supported our executive compensation program.

WHAT WE HEARD

Prefer to see a sustainability-oriented goal, or other non-financial metric, in the executive compensation program



WHAT WE DID

The Strategic Initiatives Scorecard, a qualitative measure weighted at 20%, measures progress made against Transformative Growth and IDE strategies throughout the year. In 2023, these two components were moved from the annual incentive plan to the long-term PSAs to align with Allstate's sustainable long-term objectives, specifically Transformative Growth and IDE.

When sustainability-related metrics are used in compensation programs, prefer to see clear disclosure for how they are evaluated



Expanded disclosure on the criteria considered by the committee when determining funding results under the non-financial components of the PSAs.

Believes that majority of compensation should be performance-based and primarily aligned with operational and financial results



For 2023, the non-financial Strategic Initiatives Scorecard measure was removed from the annual incentive plan. All three annual measures are now directly tied to business growth and profitability. Beginning in 2024, the annual incentive plan will be further aligned with profitable growth with individual business unit results representing 70% and overall performance net income representing 30%.

Timing of Equity Awards and Grant Practices

Typically, the committee approves grants of equity awards during a meeting in the first fiscal quarter. The timing allows the committee to align awards with our annual performance and business goals.

Throughout the year, the committee may grant equity incentive awards to newly hired or promoted executives or to retain or recognize executives. The grant date for these awards was fixed as the third business day of a month following the later of committee action or the date of hire or promotion.

For additional information on the committee's practices, see portions of the Board Oversight and Board Meetings and Committees sections of this proxy statement on [pages 48-57](#) and [43-47](#), respectively.

Peer Benchmarking

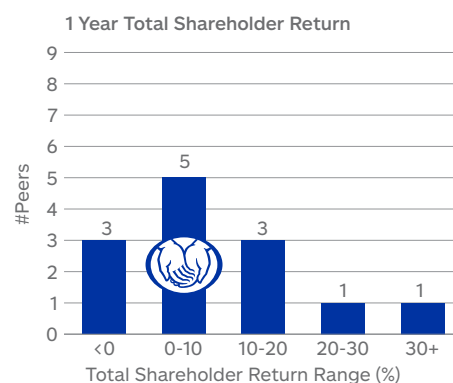
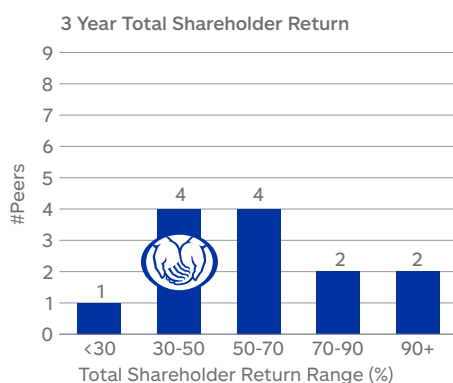
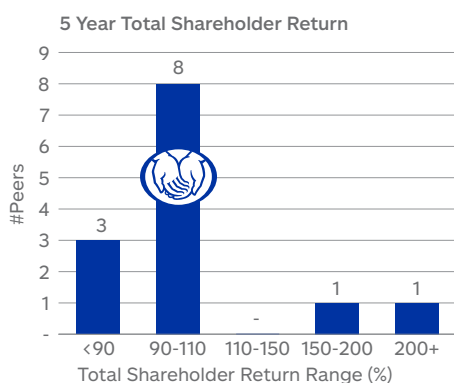
The committee monitors performance toward goals throughout the year and reviews the executive compensation program design and executive pay levels annually. As part of that evaluation, Pay Governance, the committee's independent compensation consultant, provided executive compensation data, information on current market practices, and benchmarking on target pay opportunities. The committee benchmarks executive compensation program design, executive pay, and performance against a general benchmark and a group of peer companies that are industry peers. Product mix, market segment, annual revenues, premiums, assets and market value were considered when identifying peer companies. The committee believes Allstate competes against these public companies for executive talent, business and shareholder investment. The committee reviews the composition of the peer group annually with the assistance of its compensation consultant.

The compensation consultant's recommendation has been to use a peer group that reflects Allstate's business and operations. Currently, nine out of thirteen of Allstate's peer companies also include Allstate in their respective peer company lists. The following table reflects the peer group used for 2023 compensation benchmarking.

PEER COMPANIES ⁽¹⁾⁽²⁾ Company Name	Revenue (\$ in billions)	Market Cap (\$ in billions)	Assets (\$ in billions)	Premiums (\$ in billions)
AFLAC Inc.	18.7	47.7	126.7	14.1
American International Group Inc.	46.8	46.7	539.3	36.1
AON	13.4	57.8	33.9	13.4
Chubb Limited	49.8	91.6	228.9	45.7
The Hartford Financial Services Group Inc.	24.5	24.0	76.8	21.4
Humana Inc.	106.4	56.0	47.1	101.3
Manulife Financial Corporation	36.1	40.0	663.0	17.8
Marsh & McLennan	22.8	93.2	48.0	14.1
MetLife Inc.	66.9	48.3	687.6	49.4
The Progressive Corporation	62.1	93.2	88.7	58.7
Prudential Financial Inc.	54.0	37.3	721.1	31.9
The Travelers Companies Inc.	41.4	43.5	126.0	37.8
Allstate	57.1	36.7	103.4	52.5
Allstate Ranking Relative to Peers:				
Property and Casualty Insurance Products	3 of 9	8 of 9	5 of 9	2 of 9
Life Insurance and Financial Products	3 of 10	9 of 10	6 of 10	2 of 10
All Peer Companies	4 of 13	12 of 13	8 of 13	3 of 13

⁽¹⁾ Information as of year-end 2023.

⁽²⁾ Liberty Mutual was added as a compensation peer benchmark but because they are not traded publicly, we do not include their information in this table.



The committee uses compensation surveys for certain executives that provide information on companies of similar size and business mix as Allstate, as well as companies with a broader market context.

The committee uses the 50th percentile of our peer group as a guideline in setting the target total direct compensation of our named executives. Within the guideline, the committee balances the various elements of compensation based on individual experience, job scope and responsibilities, performance, tenure and market practices.

Compensation Elements

Overview

The following table lists the elements of target direct compensation for our 2023 executive compensation program.

Short-Term	Mid-Term	Long-Term	
Fixed	Variable		
13% ⁽¹⁾	24% ⁽¹⁾	38% ⁽¹⁾	25% ⁽¹⁾
Base Salary	Annual Cash Incentive Awards	Performance Stock Awards	Stock Options
Cash	Cash	Equity	Equity

Why We Pay This Element

Attract and retain executives with competitive level of cash compensation.	Motivate and reward executives for performance on key strategic, operational, and financial measures during the year.	Motivate and reward executives for performance on key long-term measures. Align the interests of executives with long-term shareholder value. Retain executive talent.	Align the interests of executives with long-term shareholder value. Retain executive talent.
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Key Characteristics

Reviewed annually and adjusted when appropriate.	A corporate-wide funding pool based on performance on three measures: <ul style="list-style-type: none"> Total Premiums⁽²⁾ Performance Net Income⁽²⁾ Net Investment Income⁽²⁾ Pool is then allocated based on business unit and individual performance; if positive net income is not achieved, funding for senior executives is reduced by 50%.	PSAs vest on the third anniversary of the grant date. For the 2023 PSA grant, actual amounts of PSAs vesting based on performance on Performance Net Income ROE ⁽²⁾ , Relative TSR ⁽²⁾ , Transformative Growth ⁽²⁾ and Inclusive Diversity and Equity measures ⁽²⁾ with a requirement of positive net income in order for our executives to earn PSAs for Average Performance Net Income ROE above target.	Non-qualified stock options to purchase shares at the market price when awarded. Vest ratably over three years. Expire in ten years or, in the event of retirement, the earlier of five years or normal expiration.
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⁽¹⁾ Represents the average of the target direct compensation elements for all of the named executives in 2023.

⁽²⁾ For a description of how these measures are determined, see [page 102](#).

Salary

In setting executive salary levels, the committee uses the 50th percentile of total target direct compensation of our peer companies as a guideline, which supports Allstate's ability to compete effectively for and to retain executive talent. Annual merit increases for named executives are based on their performance and external benchmarking as provided by the independent compensation consultant.

Annual Cash Incentive Awards

Metrics and Purpose

	METRIC	PURPOSE
Financial Goals	Total Premiums ⁽¹⁾ (45%)	Captures growth and competitive position of the Allstate businesses
	Performance Net Income ⁽¹⁾ (45%)	Aligns with shareholders' views of expected profitability and return on capital
	Net Investment Income ⁽¹⁾ (10%)	Reflects a significant component of profitability

⁽¹⁾ The numbers reflect the percentage that each performance measure contributed to the total corporate funding pool.

New for 2024

NEW

Focusing on profitable growth, our 2024 annual incentive plan design will measure profitable growth in the business unit results of each of our operating segments (Allstate Protection, Protection Services, and Allstate Health and Benefits) and Investments representing 70% of the pool, with the remaining 30% based on Performance Net Income. The profitable growth measure will use a grid of combined ratio and items in force growth.

How Target Opportunities Are Set

- Target annual incentive percentages for each named executive are based on consideration of incentive opportunities at peer companies and our benchmark target for total direct compensation at the 50th percentile.

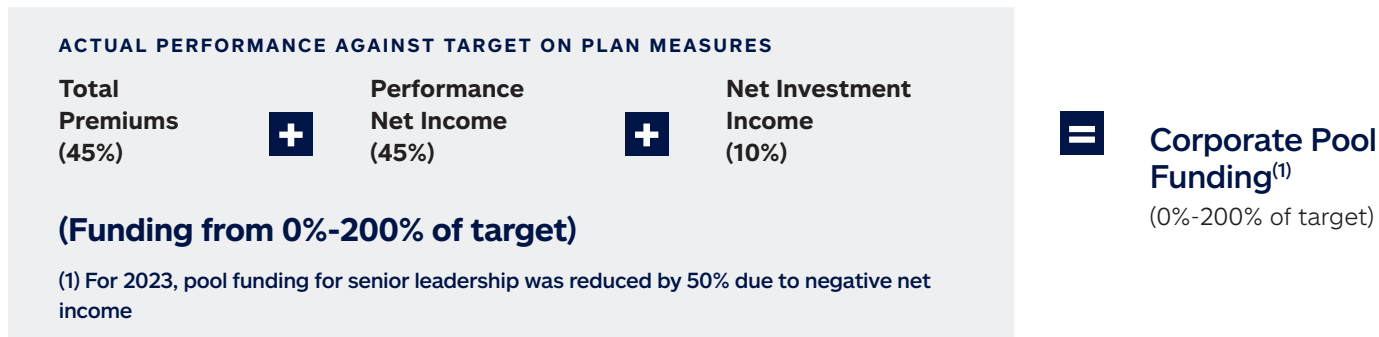
How Performance Goals Are Established

- The committee sets annual cash incentive performance goals based on the annual operating plan. **Target performance is equal to the operating plan.** Threshold and maximum measures are based on a range of sensitivities relative to the operating plan. To further test the appropriateness of the ranges, the committee's independent consultant provides advice based on peer performance, market expectations and industry trends. The chief risk officer reviews the performance measures and ranges to ensure they are consistent with Allstate's risk and return principles and do not incentivize unnecessary and excessive risk taking.
 - The 2023 annual incentive plan target for Total Premiums was above prior year actual results as it has been for at least the last decade.
 - Performance Net Income target for 2023 was set above 2022 target and actual results as projections for 2023 anticipated improved profitability through planned rate increases.
 - Net Investment Income target was set above 2022 actual results driven by projected market-based income increasing due to higher yields.
 - We do not disclose incentive plan goals prior to the completion of the performance period because they are tied to our operating plan, which is proprietary information.

Corporate Pool Funded Based on Actual Performance

- Actual performance on the previously approved measures determines the overall funding level of the corporate pool and the aggregate total award budget for eligible employees. The committee approved the total company funding after the end of the performance period based on the actual results on these performance measures. For the actual results and detail on how each measure was defined and calculated, see [pages 76-78](#).
- In 2023, the pool was funded based on the collective results of the three performance metrics. Funding ranges from 0% to 200% of target, and results between threshold, target and maximum are subject to interpolation.
- In the event of a net loss, the pool funding is reduced by 50% of actual performance for senior executives, including the named executive officers. For example, if performance measures ordinarily would fund the corporate pool at 60% and there was a net loss, then the corporate pool would be funded at 30% for senior executives. This mechanism ensures alignment of pay and performance in the event of multiple large natural catastrophes and/or extreme financial market conditions.

Determine Calculation of Corporate Pool Funding



Determine Annual Incentive Payments to NEOs and other Executive Officers

- Committee’s compensation recommendations **for the CEO** are reviewed and approved by the independent directors of our Board in executive session.
- Committee reviews and approves CEO recommendations **for executive officers** based on pool funding, the target annual incentive percentages for each NEO, and individual performance.
- The individual performance factors considered by the committee when determining payouts are outlined on pages 81-83.

Determine Annual Incentive Payment for Other Eligible Participants

The committee provides oversight of annual incentive processes and decisions below executive officers

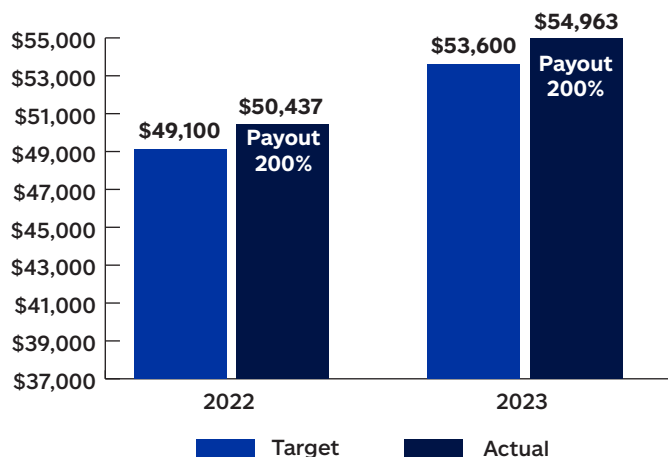
- The CEO may allocate the corporate pool between the Market-Facing Businesses and Areas of Responsibility (“AOR”) if justified by relative performance against annual operating goals and other key business success metrics.
- Individual awards for eligible employees are determined by senior leaders.

For 2023, the CEO distributed committee-approved funding based on the relative performance of Market Facing Businesses and AORs.

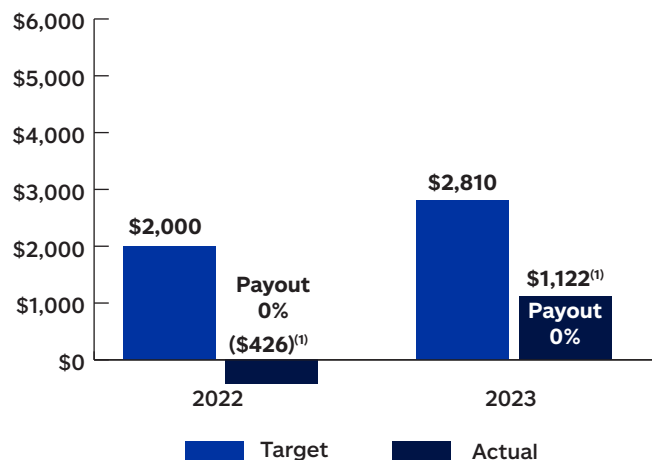
2023 Actual Performance

We paid the 2023 cash incentive awards in March 2024.

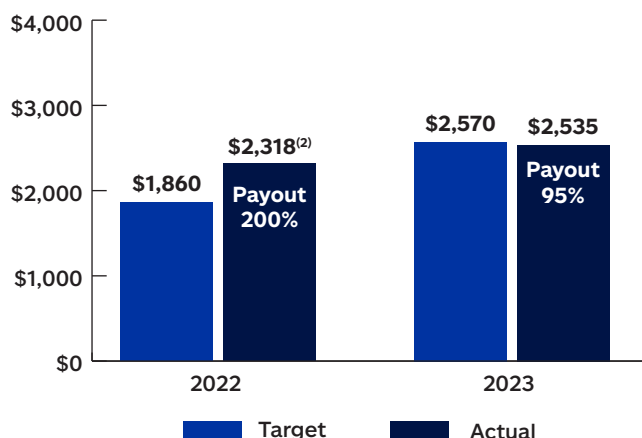
TOTAL PREMIUMS (\$ in millions)



PERFORMANCE NET INCOME (\$ in millions)



NET INVESTMENT INCOME (\$ in millions)



⁽¹⁾ The collar for Performance Net Income was utilized in 2022 decreasing the absolute level by \$209 million to (\$426) million, and in 2023 increasing the absolute level by \$660 million to \$1,122 million.

⁽²⁾ The collar for Net Investment Income was utilized in 2022 decreasing the absolute level by \$99 million to \$2,318 million.

- For a description of how the 2023 measures are determined, see [pages 75-76](#).
- The ranges of performance and 2023 actual results are shown in the following table. The committee assessed the CEO's 2023 performance, and the CEO assessed each of the other NEO's 2023 performance. **No discretion was applied to the Named Executives' annual incentive awards in 2023.**
- **Pool funding for senior executives, including the named executive officers, was reduced by 50% due to negative net income.**

2023 ANNUAL CASH INCENTIVE AWARD RANGES OF PERFORMANCE

Measure	2022 Actual Results	2023 Threshold	2023 Target	2023 Maximum	Increase/ (Decrease) Versus 2022 Actual Results	2023 % Target
			Actual Results: \$54,963			
Total Premiums (\$ in millions)	\$50,437	\$52,600	\$53,600	\$54,600	\$4,526	200%
			Actual Results: \$1,122			
Performance Net Income (\$ in millions)	(\$426)	\$1,310	\$2,810	\$4,010	\$1,548	0%
			Actual Results: \$2,535			
Net Investment Income (\$ in millions)	\$2,318	\$2,250	\$2,570	\$2,890	\$217	95%
Payout Percentages⁽¹⁾		50% ⁽²⁾	100%	200%		50% ⁽³⁾

⁽¹⁾ Payout percentages reflect contribution to incentive compensation pool.

⁽²⁾ Actual performance below threshold results in a 0% payout.

⁽³⁾ Overall pool funding reduced to 50% of aggregate performance due to negative Net Income (per AIP plan definition).

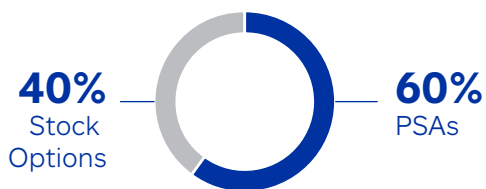
Performance Stock Awards and Stock Options

Allstate grants equity awards annually to executives consistent with market practice and the philosophy that a significant amount of compensation should be in the form of equity. Additionally, from time to time, equity awards are granted to attract new executives and to retain existing executives.

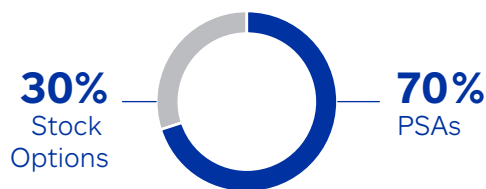
Mix of Equity Incentives

The mix of equity incentives for senior executives is 60% PSAs and 40% stock options. Beginning in 2024, the equity mix for the CEO and senior executives was changed based on shareholder feedback. The equity mix for the CEO will be 70% PSAs and 30% stock options and senior executives will be 60% PSAs, 20% RSUs and 20% stock options. PSAs and stock options are forms of performance-based incentive compensation because PSAs are earned based on achieving established performance goals and stock options require stock price appreciation to deliver value to an executive.

2023 CEO EQUITY MIX



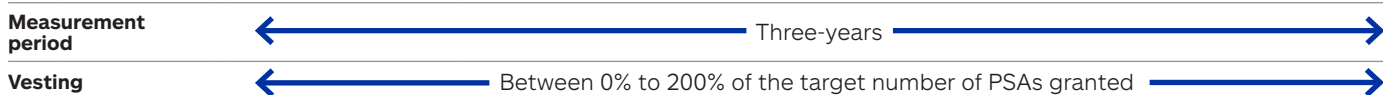
2024 CEO EQUITY MIX



Metrics and Purpose

PERFORMANCE STOCK AWARD METRICS AND PURPOSE

PSAs granted in 2021 and 2022	PSAs granted in 2023	Why Metric Was Chosen
<p>50% Average Performance Net Income ROE</p> <p>30% Relative TSR</p> <p>20% Items in Force Growth</p>	<p>50% Average Performance Net Income ROE</p> <p>30% Relative TSR</p> <p>10% Transformative Growth</p> <p>10% Inclusive Diversity and Equity</p>	<p>Average Performance Net Income ROE</p> <ul style="list-style-type: none"> Correlates to changes in long-term shareholder value. Measures performance in a way that is tracked and understood by investors. Captures both income statement and balance sheet impacts, including capital management actions. <p>Relative TSR</p> <ul style="list-style-type: none"> Added as a second measure in 2020 based on feedback from shareholders and market practices. Performance is relative to a custom TSR peer group. The custom TSR peer group for awards made in 2022 and 2023 is shown on page 73. Peer groups are designed in consultation with our compensation consultant. <25th percentile = 0% payout 25th percentile = 50% payout 55th percentile = 100% payout 90th percentile = 200% payout <p>Transformative Growth</p> <ul style="list-style-type: none"> Moved qualitative measurement from Annual Incentive Plan as long-term quantitative measurement supporting growth Strategy in 2023. <p>Inclusive Diversity and Equity</p> <ul style="list-style-type: none"> Moved measurement from Annual Incentive Plan to reflect the long-term commitment and nature of the Inclusive Diversity and Equity strategy.



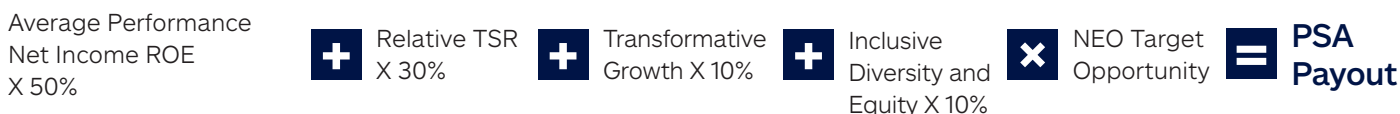
The measures are further described on [pages 102-103](#).

How Performance Goals are Established

- For each measure, the committee considered historical and expected performance, market expectations and industry trends when approving the range of performance goals.
- All PSA awards for Performance Net Income ROE include a minimum or maximum amount of after-tax catastrophe losses if actual catastrophe losses are less than or exceed those amounts, respectively, which serves to decrease volatility and stabilize the measure.

How Payouts Are Calculated for 2023-2025 Cycle

ACTUAL PERFORMANCE PAYOUT AGAINST TARGET ON PLAN MEASURES



Payout from 0%-200% of target No payout if Allstate has a cumulative net loss in a measurement period	Payout from 0%-200% of target
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- At the end of each measurement period, the committee certifies the level of achievement on each performance measure.
- The committee requires positive net income in order for senior executives to earn PSAs based on Average Performance Net Income ROE above target. If Allstate has a cumulative net loss in a measurement period, the number of PSAs vested would not exceed target, regardless of the Average Performance Net Income ROE. This positive net income hurdle is included to prevent misalignment between Allstate reported net income and the PSAs vested based on the Average Performance Net Income ROE result. This situation could occur if, for example, catastrophe losses or capital losses that are not included in Performance Net Income ROE result in a net loss for the period. For a description of the calculation, see [page 82](#).
- For the 2023 PSA grant, the Items in Force component was replaced with Transformative Growth and Inclusive Diversity and Equity measures, each carrying a 10% weighting.
- Beginning with the 2024 PSA grant, the Transformative Growth measure was eliminated as a distinct measurement since the Annual Incentive Plan was modified to address profitable growth and Average Performance Net Income ROE and Relative TSR reflect profitable growth in the long-term plan. The 10% weighting was applied to relative Total Shareholder Return (“rTSR”), increasing its total weighting to 40%.

PSA Ranges of Performance

For the last five PSA grants, the performance measures and levels of performance needed to earn the threshold, target and maximum number of PSAs, as well as actual results and payout percentages, are set forth in the chart and table below. The total shareholder returns for Allstate and its peers are also shown for completed cycles.

PERFORMANCE STOCK AWARDS RANGES OF PERFORMANCE

Performance Cycle	Threshold	Target	Maximum	Actual Results	Total Shareholder Return	
					Allstate	Peers
Vested Awards						
2019-2021					11.6%	14.2%
• Performance Net Income ROE (70%)	7.0%	14.0%	16.0%	20.8%		
• Earned Book Value (30%)	7.0%	12.0%	14.0%	23.3%		
2020-2022					29.9%	49.3%
• Performance Net Income ROE (70%)	7.0%	14.0%	17.0%	15.5%		
• Relative TSR (30%)	<25 th	55 th	90 th	33.3 rd		
2021-2023					38.3%	58.8%
• Performance Net Income ROE (50%)	10.0%	16.0%	18.0%	8.0%		
• Relative TSR (30%)	<25 th	55 th	90 th	36.0 th		
• Items in Force Growth (20%)						
• Personal Property and Liability	3.0%	5.0%	7.0%	3.8%		
• All Others	0.0%	2.0%	4.0%	3.4%		

Performance Cycle	Threshold	Target	Maximum	Actual Results
Outstanding Awards				
2022-2024				
Performance Net Income ROE (50%)	10.0%	16.0%	18.0%	Two year results are below threshold for Performance Net Income ROE and IIF Growth and between target and maximum for Relative TSR
Relative TSR (30%)	<25 th	55 th	90 th	
Items in Force Growth (20%) ⁽¹⁾	ND	ND	ND	
2023-2025				
Performance Net Income ROE (50%)	10.0%	16.0%	18.0%	One year results are below threshold for Performance Net Income ROE and on target for Relative TSR
Relative TSR (30%)	<25 th	55 th	90 th	
Transformative Growth (10%) ⁽²⁾	ND	ND	ND	
Inclusive Diversity and Equity (10%) ⁽³⁾	ND	ND	ND	
Payout Percentages	0%	100%	200%	

⁽¹⁾ The amounts for Items in Force Growth are not disclosed (ND) because they are established based on the three-year strategic plan, which is proprietary information, and disclosure of goals could cause competitive harm.

⁽²⁾ The amounts for Transformative Growth are not disclosed (ND) because they are established on the three-year strategic plan, which is proprietary.

⁽³⁾ The amounts for Inclusive Diversity and Equity are not disclosed (ND) because they are established on the three-year strategic plan, which is proprietary.

PSAs Granted in Last Three Performance Cycles

The following table shows the target number of PSAs granted to each of our named executives for the 2021-2023, 2022-2024 and 2023-2025 performance cycles.

PERFORMANCE CYCLE⁽¹⁾

Named Executive	Target Number of PSAs for		
	2021-2023 Performance Cycle	2022-2024 Performance Cycle	2023-2025 Performance Cycle
Mr. Wilson	61,453	52,513	54,551
Mr. Merten	6,471	6,736	10,044
Mr. Dugenske	15,334	13,038	12,445
Mr. Gupta	9,961	8,562	9,300
Mr. Rizzo	13,090	11,328	12,445

⁽¹⁾ The actual number of PSAs that will vest will vary from 0% to 200% of the target PSAs based on Average Performance Net Income ROE, Relative TSR and Items in Force Growth (for awards granted in 2021 and 2022), Transformative Growth and Inclusive Diversity and Equity, for the applicable measurement period.

2024-2026 Performance Stock Award

2024-2026 PERFORMANCE STOCK AWARD METRICS

Average Performance Net Income ROE (50%)	Relative Percentile Rank TSR (40%) ⁽¹⁾	Inclusive Diversity and Equity (10%)
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⁽¹⁾ The 25th percentile would result in a 50% payout. If greater than the 25th percentile, results would be interpolated.

For the 2024-2026 award, the Average Performance Net Income ROE and Relative TSR measures are calculated, respectively, as follows:



⁽¹⁾ Performance Net Income is defined on [pages 101-103](#).

⁽²⁾ Adjusted Common Shareholders' Equity is defined on [page 103](#).

⁽³⁾ Final Average Adjusted Close Price is the average Adjusted Close Price over the 20 trading days prior to and including the final day of the Performance Period.

⁽⁴⁾ Initial Average Adjusted Stock Price is the average Adjusted Stock Price over the 20 trading days prior to the first day of the Performance Period.

⁽⁵⁾ See [page 73](#) for information on these peer companies.

Compensation Decisions for 2023

Thomas J. Wilson

Chair, President, and Chief Executive Officer

Our Chair, President, and CEO is responsible for managing the company's strategic direction, operating results, organizational health, ethics and compliance, and corporate responsibility.

2023 Performance

Mr. Wilson's compensation reflects his responsibilities, experience and performance, peer company CEO compensation and compensation program design. An independent compensation consultant provides guidance to the committee on plan design and actual compensation in comparison to operating results and peers.

Mr. Wilson's performance as Chair, President, and CEO is assessed over one- and three- year periods under the following five categories:

Operating Results

- Excellent operating leadership in a volatile external environment.
- Executing on comprehensive auto profit improvement plan in response to inflation in loss costs including significant increases in insurance premiums.
- Improved underwriting performance and higher investment income generated favorable adjusted net income

Strategic Position

- Continued implementation of strategy to increase market share in personal property-liability and expand protection solutions offered to customers.
- Significant progress in implementing Transformative Growth, including roll-out of new Allstate brand auto product in seven states.
- Excellent results in expanding protection solutions through Allstate Protection Plans.

Leadership Team

- Talented, experienced and highly engaged senior leadership team with excellent collaboration to achieve strategic priorities.
- Successfully managed senior leadership development to ensure strong bench strength.
- Included in Top 250 Best Managed Companies by the Wall Street Journal/ Drucker Institute in 2023.

Corporate Stewardship

- Allstate recognized as "A Most Ethical Company" by Ethisphere for tenth consecutive year.
- Corporate reputation and leadership of sustainability initiatives are highly rated.
- Strong performance on Inclusive Diversity and Equity strategy.

Board Effectiveness

- Excellent ratings of governance practices, Board diversity and shareholder engagement. Over half of the Board is diverse.
- Engaged with shareholders holding nearly half of outstanding shares on governance issues three times each year. Received positive feedback related to governance and compensation practices.

2023 Compensation

Weighting		Actual	Target	Outcome
8%	Salary (Cash)	\$1,385,000	N/A	N/A
13%	Annual Incentive (Cash)	\$2,077,500	300% of salary	50% of target
79%	Long-Term Incentive Award (Equity)	\$12,869,173 ⁽¹⁾	900% of salary	100% of target

Salary (Cash)

The committee did not adjust Mr. Wilson's salary of \$1,385,000.

Incentive Targets

Mr. Wilson's annual incentive targets did not change in 2023. Mr. Wilson's equity incentive target was increased in 2023. Mr. Wilson's annual incentive target was 300% of salary and his target equity incentive opportunity was 900% of salary (previously 775%).

Annual Incentive (Cash)

Mr. Wilson's target annual incentive payment of 300% of base salary with a maximum funding opportunity for the award pool of 200% of target was unchanged in 2023. The committee approved an annual cash incentive award of \$2,077,500, which was 50% of the funding level given negative net income.

Long-Term Incentive Award (Equity)

In 2023, based on its assessment of Mr. Wilson's performance in delivering strong business results in 2022, his job scope, and market data, the committee granted him equity awards with a grant date fair value of \$12,869,173, which was Mr. Wilson's target equity incentive award opportunity of 900% of salary due to progress made toward Transformative Growth goals.

⁽¹⁾ Reflects the accounting value of the equity award. This is higher than the closing price on the date of grant, which is used to calculate the number of performance-based shares awarded. See footnote 1 to the *Summary Compensation Table* on [page 89](#) for more details on the Monte Carlo valuation.

Jesse Merten

Executive Vice President and Chief Financial Officer

Mr. Merten has primary responsibility for the management of the company's overall financial condition, system of internal controls, capital allocation, financial reporting, investor relations, acquisitions and divestitures, capital market transactions, discontinued operations and data and analytics.

2023 Performance and Compensation

In 2023, Mr. Merten's annual performance was evaluated on four criteria: overall corporate results, area of responsibility results, developing and implementing long-term strategy and corporate leadership. Compensation was below target funding with no discretion applied.

- The annual incentive plan funded at 100% based on overall corporate results, which was reduced by 50% due to negative net income, resulting in an award of 50%.
- Successfully led Transformative Growth cost reduction initiatives resulting in significant cost savings.
- Successfully managed enterprise capital position.

2023 Compensation

Weighting		Actual	Target	Outcome
21%	Salary (Cash)	\$765,000	N/A	N/A
13%	Annual Incentive (Cash)	\$478,125	125% of salary	50% of target
66%	Long-Term Incentive Award (Equity)	\$2,369,463 ⁽¹⁾	300% of salary	100% of target

Salary (Cash)

The committee did not adjust Mr. Merten's salary of \$765,000.

Incentive Targets

Mr. Merten's annual incentive targets did not change in 2023. Mr. Merten's annual incentive target was 125% of salary and his target equity incentive was 300% of salary.

Annual Incentive (Cash)

The committee approved an annual cash incentive award of \$478,125 for Mr. Merten, which was 50% of target funding level.

Long-Term Incentive Award (Equity)

In 2023, based on its assessment of Mr. Merten's performance in delivering strong business results in 2022, his job scope and added responsibilities, and market data, the committee granted him equity awards with a grant date fair value of \$2,369,463, which was Mr. Merten's target equity incentive award.

⁽¹⁾ Reflects the accounting value of the equity award. This is higher than the closing price on the date of grant, which is used to calculate the number of performance-based shares awarded. See footnote 1 to the Summary Compensation Table on page 89 for more details on the Monte Carlo valuation.

John Dugenske

President, Investments and Corporate Strategy

Mr. Dugenske is responsible for the company's investment portfolio and corporate strategy.

2023 Performance and Compensation

In 2023, Mr. Dugenske's performance was assessed based on four criteria: overall corporate results, area of responsibility results, developing and implementing long-term strategy and corporate leadership. Compensation was below target funding with no discretion applied.

- The annual incentive plan funded at 100% based on overall corporate results, which was reduced by 50% due to negative net income, resulting in an award of 50%.
- Investment returns were better than benchmark reflecting proactive risk and return management and tactical asset allocation.
- Maximized risk adjusted returns through increased fixed income durations.

2023 Compensation

Weighting		Actual	Target	Outcome
19%	Salary (Cash)	\$870,192	N/A	N/A
15%	Annual Incentive (Cash)	\$653,014	150% of salary	50% of target
66%	Long-Term Incentive Award (Equity)	\$2,935,920 ⁽¹⁾	325% of salary	100% of target

Salary (Cash)

The committee approved an increase from \$850,000 to \$875,000 during 2023 based on evaluation of his performance, level of responsibility, experience and target compensation as compared to the peer group.

Incentive Targets

Mr. Dugenske's annual incentive targets did not change in 2023. Mr. Dugenske's annual incentive target was 150% of salary and his target equity incentive was 325% of salary.

Annual Incentive (Cash)

The committee approved an annual cash incentive award of \$653,014 for Mr. Dugenske, which was 50% of target funding level.

Long-Term Incentive Award (Equity)

In 2023, based on its assessment of Mr. Dugenske's performance in delivering strong business results in 2022, his job scope, and market data, the committee granted him equity awards with a grant date fair value of \$2,935,920, which was Mr. Dugenske's target equity incentive award.

Suren Gupta

President, Protection Products and Enterprise Services

Mr. Gupta leads Enterprise Services, including real estate and procurement solutions, and in 2023, assumed the role of President, Protection Products.

2023 Performance and Compensation

In 2023, Mr. Gupta's annual performance was evaluated on four criteria: overall corporate results, area of responsibility results, developing and implementing long-term strategy and corporate leadership. Compensation was below target funding with no discretion applied.

- The annual incentive plan funded at 100% based on overall corporate results, which was reduced by 50% due to negative net income, resulting in an award of 50%.
- Improved Allstate Technology operating performance and developed and deployed new property-liability operating ecosystem.
- Successfully transitioned to President, Protection Products and Enterprise Services.

2023 Compensation

Weighting		Actual	Target	Outcome
16%	Salary (Cash)	\$745,192	N/A	N/A
7%	Annual Incentive (Cash)	\$335,555	90% of salary	50% of target
77%	Long-Term Incentive Award (Equity)	\$3,693,946 ⁽¹⁾	250% of salary	196% of target

Salary (Cash)

The committee approved an increase from \$725,000 to \$750,000 during 2023 based on evaluation of his performance, level of responsibility, experience and target compensation compared to the peer group.

Incentive Targets

Mr. Gupta's annual incentive targets did not change in 2023. Mr. Gupta's annual incentive target was 90% of salary and his target equity incentive was 250% of salary.

Annual Incentive (Cash)

The committee approved an annual cash incentive award of \$335,555 for Mr. Gupta, which was 50% of target funding level.

Long-Term Incentive Award (Equity)

In 2023, based on its assessment of Mr. Gupta's performance in delivering strong business results in 2022, his job scope, and market data, the committee granted him equity awards using the standard mix of options and PSAs, and also a special restricted stock unit award valued at \$1,500,011, with an aggregate grant date fair value of \$3,693,946.

⁽¹⁾ Reflects the accounting value of the equity award. This is higher than the closing price on the date of grant, which is used to calculate the number of performance-based shares awarded. See footnote 1 to the *Summary Compensation Table* on [page 89](#) for more details on the Monte Carlo valuation.

Mario Rizzo

President, Property-Liability

Mr. Rizzo leads the Property-Liability businesses, which comprise approximately 90% of Allstate's total insurance premiums and contract charges.

2023 Performance and Compensation

In 2023, Mr. Rizzo's annual performance was evaluated on four criteria: overall corporate results, area of responsibility results, developing and implementing long-term strategy and corporate leadership. Compensation was below target funding with no discretion applied.

- The annual incentive plan funded at 100% based on overall corporate results, which was reduced by 50% due to negative net income, resulting in an award of 50%.
- Executing comprehensive auto profitability improvement plan with significant rate increases and expense reductions.
- Continued progress on Transformative Growth initiatives through new products and cost reductions.

2023 Compensation

Weighting		Actual	Target	Outcome
19%	Salary (Cash)	\$870,192	N/A	N/A
15%	Annual Incentive (Cash)	\$653,014	150% of salary	50% of target
66%	Long-Term Incentive Award (Equity)	\$2,935,920 ⁽¹⁾	325% of salary	100% of target

Salary (Cash)

The committee approved an increase from \$850,000 to \$875,000 during 2023 based on Mr. Rizzo's change in role, evaluation of his performance, level of responsibility, experience and target compensation as compared to the peer group.

Incentive Targets

Mr. Rizzo's annual incentive and equity incentive targets did not change in 2023. Mr. Rizzo's annual incentive target was 150% of salary and his target equity incentive was 325% of salary.

Annual Incentive (Cash)

The committee approved an annual cash incentive award of \$653,014 for Mr. Rizzo, which was 50% of target funding level.

Long-Term Incentive Award (Equity)

In 2023, based on its assessment of Mr. Rizzo's performance in delivering strong business results in 2022, his job scope, and market data, the committee granted him equity awards with a grant date fair value of \$2,935,920, which was Mr. Rizzo's target equity incentive award.

Other Elements of Compensation

To remain competitive with other employers and to attract, retain, and motivate highly talented executives and other employees, we offer the benefits listed in the following table.

Benefit or Perquisite	Named Executives	Other Officers and Certain Managers	All Full-time and Regular Part-time Employees
401(k) ⁽¹⁾ and defined benefit pension	●	●	●
Supplemental retirement benefit	●	●	
Health and welfare benefits ⁽²⁾	●	●	●
Supplemental long-term disability	●	●	
Deferred compensation	●	●	
Financial planning services ⁽³⁾	●	●	
Perquisite allowance	●	●	
Personal use of aircraft, ground transportation, and mobile devices ⁽⁴⁾	●	●	
Tickets to Allstate events ⁽⁵⁾	●	●	●

⁽¹⁾ Allstate contributed 100% of the first 2% of eligible pay contributed plus 50% of the next 4% (up to 4% total).

⁽²⁾ Including medical, dental, vision, life, accidental death and dismemberment, long-term disability, and group legal insurance. For named executives and other officers, Allstate offers an executive physical program.

⁽³⁾ Financial planning services are available to senior executives.

⁽⁴⁾ The Board encourages the CEO to use our corporate aircraft when it improves his efficiency in managing the company, even if it is for personal purposes. Personal usage is counted as taxable compensation. In limited circumstances approved by the CEO, other senior executives are permitted to use our corporate aircraft for personal purposes. In addition to, and separate from, the use of corporate aircraft for personal use, Mr. Wilson can utilize the company's arrangements with FlexJet and pay FlexJet for per hour costs at Allstate's rates. Ground transportation is available to senior executives. Mobile devices are available to senior executives, other officers, and certain managers and employees depending on their job responsibilities.

⁽⁵⁾ Tickets to Allstate-sponsored events or the Allstate Arena are offered as recognition for service.

Retirement Benefits

Each named executive participates in two different defined benefit pension plans. The Allstate Retirement Plan (ARP) is a tax qualified defined benefit pension plan available to all of our regular full-time and part-time employees who meet certain age and service requirements. The ARP provides an assured retirement income based on an employee's level of compensation and length of service at no cost to the employee. As the ARP is a tax qualified plan, federal tax law limits (1) the amount of an individual's compensation that can be used to calculate plan benefits and (2) the total amount of benefits payable to a plan participant on an annual basis. For certain employees, these limits may result in a lower benefit under the ARP than would have been payable otherwise. Therefore, the Supplemental Retirement Income Plan (SRIP) is used to provide ARP-eligible employees whose compensation or benefit amount exceeds the federal limits with an additional defined benefit in an amount equal to what would have been payable under the ARP if the federal limits did not exist. Effective January 1, 2014, Allstate modified its defined benefit pension plans so that thereafter, all eligible employees earn pension benefits under a new cash balance formula.

Change in Control and Post-Termination Benefits

Consistent with our compensation objectives, we offer these benefits to attract, motivate, and retain executives. Change in control benefits and post-termination benefits are designed to maintain alignment between the interests of our executives and our shareholders in the event of a sale or merger of the company.

The following summarizes Allstate's change in control benefits for the executive officers:

- The amount of cash severance payable to the CEO and other named executive officers is **two times the sum of base salary and target annual incentive**.
- The CIC Plan does not include excise tax gross ups or a lump sum cash pension enhancement.
- In order to receive the cash severance benefits under the CIC Plan, a participant must have been terminated (other than for cause, death, or disability) or the participant must have terminated employment for good reason (such as adverse changes in the terms or conditions of employment, including a material reduction in base compensation, a material change in authority, duties, or responsibilities, or a material change in job location) within two years following a change in control.
- Long-term equity incentive awards vest on an accelerated basis due to a change in control only if the participant has been terminated (other than for cause, death, or disability) or the participant terminated employment for good reason (as defined above) within two years following a change in control.

The change in control and post-termination arrangements that are described in the *Potential Payments as a Result of Termination or Change in Control* section on [pages 98-99](#) are not provided exclusively to the named executives. A larger group of management employees is eligible to receive many of the post-termination benefits described in that section.

Compensation Governance Practices

Equity Ownership Requirements

Instituted in 1996, stock ownership requirements oblige each of the named executives to own Allstate common stock worth a multiple of base salary to link management and shareholders' interests. Senior executives, other than the CEO, are required to own Allstate common stock worth four times their base salary. The CEO's requirement is eight times his base salary. The below chart shows the salary multiple requirement and the equity holdings that count toward the requirement.

The current stock ownership requirements apply to 76 of our senior executives and other officers as of December 31, 2023, and require these executives to hold 75% of net shares received as a result of equity compensation awards until their salary multiple requirements are met.

STOCK OWNERSHIP AS MULTIPLE OF BASE SALARY AS OF DECEMBER 31, 2023

Named Executive	Stock Ownership		Vested in the Money Option Value (after-tax)
	Requirement	Actual	
Mr. Wilson	8	118.5	37.6
Mr. Merten	4	4.4	0.8
Mr. Dugenske	4	14.7	2.4
Mr. Gupta	4	19.4	11.3
Mr. Rizzo	4	9.9	4.7

✓ What Counts Toward the Requirement	✗ What Does Not Count Toward the Requirement
<ul style="list-style-type: none"> ✓ Allstate shares owned personally and beneficially ✓ Shares held in the Allstate 401(k) Savings Plan ✓ Unvested restricted stock units 	<ul style="list-style-type: none"> ✗ Unexercised stock options ✗ Unvested performance stock awards

Policies on Hedging and Pledging Securities

We have a policy that prohibits all officers, directors, and employees from engaging in transactions in securities issued by Allstate or any of its subsidiaries that might be considered speculative and engaging in derivative or other transactions designed to hedge or offset any decrease in market value of the securities held by them, such as selling short or buying or selling options, puts or calls, and entering into prepaid variable forward contracts, equity swaps or collars. We also have a policy that prohibits senior executives and directors from pledging Allstate securities as collateral for a loan or holding such securities in a margin account, unless an exception is granted by the Chair or Lead Director (or by the Lead Director in the case of a request by the Chair).

Clawback of Compensation

Equity awards granted beginning in 2020 and annual cash incentive awards for performance years beginning in 2020 are subject to clawback in accordance with the clawback policy approved by the committee. The clawback policy provides for the recovery of certain equity awards and annual cash incentive awards to executive officers and other executive vice presidents. If performance results are later subject to a downward adjustment as a result of a financial restatement required due to material noncompliance with financial reporting requirements, then the paid awards are recalculated with revised results with the compensation overpayment subject to clawback. The clawback policy also provides for the ability to recover equity and annual cash incentive awards in certain circumstances if an executive is terminated for improper conduct that leads to a material adverse impact on the reputation of, or a material adverse economic consequence for, the company.

Compensation Risk

Allstate's compensation policies and practices are reviewed by the chief risk officer and structured to reward employees for successfully executing the company's strategies and annual operating goals while adhering to our risk and return principles. Compensation plans provide a balanced mix of cash and equity through annual and long-term incentives that align with short- and long-term business goals. No one, regardless of eligibility, is guaranteed an award under the annual cash incentive program. Additionally, multiple performance measures are utilized that correlate with long-term shareholder value creation and diversify the risk associated with any single performance indicator.

Compensation Committee Report

The committee has reviewed and discussed with management the Compensation Discussion and Analysis contained on **pages 67-88** of this proxy statement. Based on such review and discussions, the committee recommended to the Board that the Compensation Discussion and Analysis be included in this proxy statement.

The Compensation and Human Capital Committee



Perry M. Traquina (Chair)



Richard T. Hume



Margaret M. Keane



Andrea Redmond



Judith A. Sprieser

Summary Compensation Table

The following table summarizes the compensation of the named executives for the last three fiscal years. However, for Messrs. Merten and Gupta, only the last two fiscal years are shown since this is their second year as a named executive.

Name and Principal Position	Year	Salary (\$)	Bonus (\$)	Stock Awards (\$) ⁽¹⁾	Option Awards (\$) ⁽²⁾	Non-Equity Incentive Plan Compensation (\$)	Change in Pension Value and Non-qualified Deferred Earnings (\$) ⁽³⁾	All Other Compensation (\$) ⁽⁴⁾	Total (\$)	Total Without Change in Pension Value (\$) ⁽⁵⁾
Thomas J. Wilson Chair, President, and Chief Executive Officer	2023	1,385,000	—	7,883,165	4,986,008	2,077,500	—	156,284	16,487,957	16,487,957
	2022	1,385,000	—	6,868,175	4,293,494	2,389,125	—	69,207	15,005,001	15,005,001
	2021	1,378,943	—	6,335,804	4,304,994	6,286,039	697,929	63,211	19,066,920	18,368,991
Jesse Merten Executive Vice President and Chief Financial Officer	2023	765,000	—	1,451,458	918,005	478,125	65,351	26,970	3,704,909	3,639,558
	2022	594,178	—	905,628	556,708	346,233	22,648	25,760	2,451,155	2,428,507
John Dugenske President, Investments and Corporate Strategy	2023	870,192	—	1,798,427	1,137,493	653,014	89,737	26,760	4,575,623	4,485,886
	2022	844,808	—	1,705,240	1,065,994	729,077	86,745	25,760	4,457,624	4,370,879
	2021	816,539	—	1,580,935	1,074,195	1,861,129	68,382	25,160	5,426,340	5,357,958
Suren Gupta President, Protection Products and Enterprise Services	2023	745,192	—	2,843,954	849,992	335,555	83,579	45,230	4,903,502	4,819,923
	2022	720,673	—	1,119,824	699,998	373,163	63,711	37,510	3,014,879	2,951,168
Mario Rizzo President, Property- Liability	2023	870,192	—	1,798,427	1,137,493	653,014	239,380	27,460	4,725,966	4,486,586
	2022	793,750	—	1,490,699	928,419	603,665	—	26,250	3,842,783	3,842,783
	2021	748,616	—	1,349,579	917,031	1,478,500	—	25,790	4,519,516	4,519,516

⁽¹⁾ This amount reflects an accounting expense and does not correspond to actual value that will be realized by the named executives. The value of PSAs assumes target-level performance, which is the probable achievement level of the performance conditions. The number of PSAs granted in 2023 to each named executive is provided in the *Grants of Plan-Based Awards* table on [page 91](#). The value of the PSAs granted in 2023 if maximum corporate performance were to be achieved is as follows: Mr. Wilson \$13,118,588, Mr. Merten \$2,415,411, Mr. Dugenske \$2,992,811, Mr. Gupta \$2,236,492, Mr. Rizzo \$2,992,811 and the aggregate grant date fair value of PSAs granted in 2023, 2022, and 2021, is computed in accordance with Financial Accounting Standards Board (FASB) Accounting Standards Codification Topic 718 (ASC 718). The fair value of PSAs that do not include a market-based condition is based on the final closing price of Allstate's common stock on the grant date, which reflects the payment of expected future dividends. The fair value of the PSA component with a market-based condition is measured on the grant date using a Monte Carlo simulation model. The market-based condition measures the company's TSR relative to the TSR of peer companies, expressed in terms of the company's TSR percentile rank among the peer companies, over a three calendar-year performance period. The Monte Carlo simulation model uses a risk-neutral framework to model future stock price movements based upon the risk-free rate of return at the time of grant, volatilities of the company and the peer companies, and expected term assumed to be equal to the remaining measurement period. The market value in part reflects the payment of expected future dividends.

For the year ended December 31, 2023, the 2023 PSA component with a market-based condition assumes a risk-free rate of 1.7%, volatility of 24.8%, average peer volatility of 29.9% and an expected term of 2.9 years. See Note 19 to our audited financial statements for 2023.

⁽²⁾ The aggregate grant date fair value of option awards is computed in accordance with FASB ASC 718. The fair value of each option award is estimated on the grant date using a binomial lattice model and the assumptions (see Note 19 to our audited financial statements for 2023) as set forth in the following table:

	2023	2022	2021
Weighted average expected term	5.8 years	5.9 years	7.5 years
Expected volatility	20.0%-31.6%	19.8%-29.9%	16.5%-28.8%
Weighted average volatility	24.9%	23.2%	23.0%
Expected dividends	2.4%-3.3%	2.5%-3.0%	2.0%-3.0%
Weighted average expected dividends	2.6%	2.8%	3.1%
Risk-free rate	3.3%-5.6%	0%-4.8%	0%-1.7%

This amount reflects an accounting expense and does not correspond to actual value that will be realized by the named executives. The number of options granted in 2023 to each named executive is provided in the *Grants of Plan-Based Awards* table on [page 91](#).

⁽³⁾ Amounts reflect the aggregate increase in actuarial value of the pension benefits as set forth in the *Pension Benefits* table, accrued during 2023, 2022, and 2021. These are benefits under the Allstate Retirement Plan (ARP) and the Supplemental Retirement Income Plan (SRIP). Non-qualified deferred compensation earnings are not reflected since our Deferred Compensation Plan does not provide above-market earnings. The pension plan measurement date is December 31. (See Note 18 to our audited financial statements for 2023.) **For 2023, the change in pension value was negative \$1,769,213 for Mr. Wilson.** For 2022, the change in pension value was negative \$3,130,051 for Mr. Wilson and negative \$726,008 for Mr. Rizzo. For 2021, the change in pension value was negative \$35,112 for Mr. Rizzo. These negative numbers are not reflected in the amounts disclosed above.

2024 Proxy Statement
Executive Compensation

The following table reflects the respective change in the actuarial value of the benefits provided to the named executives in 2023:

Name	ARP (\$)	SRIP (\$)
Mr. Wilson	(90,718)	(1,678,495)
Mr. Merten	20,697	44,654
Mr. Dugenske	15,962	73,775
Mr. Gupta	20,145	63,434
Mr. Rizzo	106,740	132,640

Interest rates and other assumptions can have a significant impact on the change in pension value from one year to another.

(4) The following table describes the incremental cost of other benefits provided in 2023 that are included in the "All Other Compensation" column.

Name	Personal Use of Aircraft ^(a) (\$)	401(k) Match ^(b) (\$)	Other ^(c) (\$)	Total All Other Compensation (\$)
Mr. Wilson	128,604	13,200	14,480	156,284
Mr. Merten	—	13,200	13,770	26,970
Mr. Dugenske	—	13,200	13,560	26,760
Mr. Gupta	—	13,200	32,030	45,230
Mr. Rizzo	—	13,200	14,260	27,460

(a) When applicable, the amount reported for personal use of aircraft is based on the incremental cost method, which is calculated based on Allstate's average variable costs per flight hour. Variable costs include fuel, maintenance, on-board catering, landing/ramp fees, and other miscellaneous variable costs. The total annual variable costs are divided by the annual number of flight hours flown by the aircraft to derive an average variable cost per flight hour. This average variable cost per flight hour is then multiplied by the flight hours flown for personal use to derive the incremental cost. This method of calculating the incremental cost excludes fixed costs that do not change based on usage, such as pilots' and other employees' salaries, costs incurred in purchasing the aircraft, and non-trip-related hangar expenses. Separate from the use of corporate aircraft for personal use, Mr. Wilson may utilize the company's arrangements with FlexJet and pays FlexJet directly for costs upon use.

(b) Each of the named executives participated in our 401(k) plan during 2023. The amount shown is the amount allocated to their accounts as employer matching contributions.

(c) "Other" consists of personal benefits and perquisites related to mobile devices, financial planning, ground transportation, executive physical related items and supplemental long-term disability coverage. There were no incremental costs for the use of mobile devices or executive physical related items. We provide supplemental long-term disability coverage to all regular full- and part-time employees who participate in the long-term disability plan and whose annual earnings exceed the level that produces the maximum monthly benefit provided by the long-term disability plan. This coverage is self-insured (funded and paid for by Allstate when obligations are incurred). No obligations for the named executives were incurred in 2023, and therefore, no incremental cost is reflected in the table.

(5) We have included an additional column to show total compensation minus the change in pension value. The amounts reported in this column may differ substantially from, and are not a substitute for, the amounts reported in the "Total" column required under SEC rules. The change in pension value is subject to several external variables, including interest rates, that are not related to company or individual performance and may differ significantly based on the formula under which the benefits were earned.

Grants of Plan-Based Awards at Fiscal Year-end 2023

The following table provides information about awards granted to our named executives during fiscal year 2023.

Name	Grant Date	Plan Awards ⁽¹⁾	Estimated Possible Payouts Under Non-Equity Incentive Plan Awards ⁽²⁾			Estimated Future Payouts Under Equity Incentive Plan Awards ⁽³⁾			All Other Option Awards: Number of Securities Underlying Options (#)	Exercise or Base Price of Option Awards (\$/Sh) ⁽⁴⁾	All Other Stock Awards: number of shares of stock or units (#)	Grant Date Fair Value (\$) ⁽⁵⁾	
			Threshold (\$)	Target (\$)	Maximum (\$)	Threshold (#)	Target (#)	Maximum (#)				Stock Awards	Option Awards
Mr. Wilson		Annual cash incentive	2,077,500	4,155,000	10,000,000								
	2/16/2023	PSAs				0	54,551	109,102				7,883,165	
	2/16/2023	Stock options							157,835	137.10			4,986,008
Mr. Merten		Annual cash incentive	478,125	956,250	3,825,000								
	2/16/2023	PSAs				0	10,044	20,088				1,451,458	
	2/16/2023	Stock options							29,060	137.10			918,005
Mr. Dugenske		Annual cash incentive	653,014	1,306,028	5,224,110								
	2/16/2023	PSAs				0	12,445	24,890				1,798,427	
	2/16/2023	Stock options							36,008	137.10			1,137,493
Mr. Gupta		Annual cash incentive	335,555	671,109	2,684,437								
	2/16/2023	PSAs				0	9,300	18,600				1,343,943	
	2/16/2023	Stock options							26,907	137.10			849,992
	9/6/2023	RSUs								13,898		1,500,011	
Mr. Rizzo		Annual cash incentive	653,014	1,306,028	5,224,110								
	2/16/2023	PSAs				0	12,445	24,890				1,798,427	
	2/16/2023	Stock options							36,008	137.10			1,137,493

⁽¹⁾ Awards granted under the Annual Executive Incentive Plan and the 2019 Equity Incentive Plan. An explanation of the amount of salary and bonus in proportion to total compensation can be found under the *Compensation Elements* and *Compensation Decisions for 2023* captions on [pages 74 and 83-85](#).

⁽²⁾ The amounts in these columns consist of the threshold, target, and maximum annual cash incentive awards for the named executives. The threshold amount for each named executive is 50% of target, as the minimum amount payable (subject to individual performance) if threshold performance is achieved. If the threshold is not achieved, the payment to the named executives would be zero. The target amount is based upon achievement of the performance measures listed under the *Annual Cash Incentive Awards* caption on [page 75](#). The maximum amount is equal to 200% of target plus an additional individual performance factor of 200% of plan funding to recognize extraordinary performance, subject to the maximum of \$10 million that may be paid to any participant for any fiscal year under the Annual Executive Incentive Plan. For a description of the ranges of performance established by the committee for the 2023 annual incentive, see [page 78](#).

⁽³⁾ The amounts shown in these columns reflect the threshold, target, and maximum PSAs for the named executives. The threshold amount for each named executive is 0% payout. The target and maximum amounts are based upon achievement of the performance measures listed under the *PSA Ranges of Performance* caption on [page 81](#).

⁽⁴⁾ The exercise price of each option is equal to the closing sale price on the NYSE on the grant date or, if there was no such sale on the grant date, then on the last previous day on which there was a sale.

⁽⁵⁾ Related to the February 16, 2023 grants, the aggregate grant date fair value of the PSAs was \$144.51 and for stock option awards was \$31.59. Related to the September 6, 2023 grant for Mr. Gupta, the aggregate grant date fair value of the RSUs was \$107.93. Aggregate grant date fair value is computed in accordance with FASB ASC 718. The assumptions used in the valuation are discussed in footnotes 1 and 2 to the *Summary Compensation Table* on [page 89](#).

Performance Stock Awards (“PSAs”)

PSAs represent our promise to transfer shares of common stock in the future if certain performance measures are met. For the awards granted in 2023, the actual number of PSAs that vest will vary from 0% to 200% of target PSAs based on Average Performance Net Income ROE (50%), Relative TSR (30%), Transformative Growth (10%) and Inclusive Diversity and Equity (10%) results for a three-year measurement period. For a definition of how those measures are calculated, see [pages 79-82](#). Vested PSAs will be converted into shares of Allstate common stock and dividend equivalents accrued on these shares will be paid in cash. No dividend equivalents will be paid prior to vesting. PSAs will vest following the end of the three-year performance cycle if the performance conditions are met, subject to continued employment (other than in the event of death, disability, retirement, or a qualifying termination following a change in control).

Stock Options

Stock Options represent an opportunity to buy shares of Allstate common stock at a fixed exercise price at a future date. Stock Options align the interests of executives with long-term shareholder value since the stock price must appreciate from the grant date for the executives to earn compensation.

Under our shareholder-approved equity incentive plan, the exercise price cannot be less than the closing price of a share on the grant date. Stock option repricing is not permitted.

All Stock Option awards have been made in the form of non-qualified stock options. The options granted to the named executives become exercisable over three years. One-third of the stock options become exercisable on the anniversary of the grant date for each of the three years subject to continued employment through each anniversary date, except in the event of retirement, death, disability or a qualifying termination following change in control. All of the options expire ten years from the grant date, unless an earlier date has been approved by the committee in connection with certain change in control situations or other special circumstances such as termination, death, or disability.

Outstanding Equity Awards at Fiscal Year-end 2023

The following table summarizes the outstanding equity awards of the named executives as of December 31, 2023.

Name	Option Awards ⁽¹⁾					Stock Awards				
	Option Grant Date	Number of Securities Underlying Unexercised Options Exercisable (#) ⁽²⁾	Number of Securities Underlying Unexercised Options Unexercisable (#) ⁽²⁾	Option Exercise Price (\$)	Option Expiration Date	Stock Award Grant Date	Number of Shares or Units of Stock That Have Not Vested (#) ⁽³⁾	Market Value of Shares or Units of Stock That Have Not Vested (\$) ⁽⁴⁾	Equity Incentive Plan Awards: Number of Unearned Shares, Units, or Other Rights That Have Not Vested (#) ⁽⁵⁾	Equity Incentive Plan Awards: Market or Payout Value of Unearned Shares, Units, or Other Rights That Have Not Vested (\$) ⁽⁴⁾
Mr. Wilson	02/18/2015	294,494		70.71	02/18/2025					
	02/11/2016	295,324		62.32	02/11/2026					
	02/09/2017	248,447		78.35	02/09/2027					
	02/22/2018	227,406		92.80	02/22/2028					
	02/08/2019	269,746		92.46	02/08/2029					
	02/19/2020	240,710		124.26	02/19/2030					
	02/18/2021	184,803	92,402	105.08	02/18/2031	02/18/2021	19,050	2,666,619		
	02/17/2022	68,215	136,432	122.64	02/17/2032	02/17/2022			105,026	14,701,539
	02/16/2023	—	157,835	137.10	02/16/2033	02/16/2023			109,102	15,272,098
Mr. Merten	01/04/2018	700		100.80	01/04/2028					
	02/19/2020	19,672		124.26	02/19/2030					
	02/18/2021	19,458	9,730	105.08	02/18/2031	02/18/2021	2,006	280,800		
	02/17/2022	7,626	15,253	122.64	02/17/2032	02/17/2022			11,742	1,643,645
	10/05/2022	867	1,735	133.00	10/05/2032	10/05/2022			1,730	242,165
	02/16/2023	—	29,060	137.10	02/16/2033	02/16/2023			20,088	2,811,918
Mr. Dugenske	02/08/2019	20,081		92.46	02/08/2029					
	02/19/2020	55,055		124.26	02/19/2030					
	02/18/2021	46,112	23,057	105.08	02/18/2031	02/18/2021	4,754	665,465		
	02/17/2022	16,936	33,874	122.64	02/17/2032	02/17/2022			26,076	3,650,118
	02/16/2023	—	36,008	137.10	02/16/2033	02/16/2023			24,890	3,484,102
Mr. Gupta	02/18/2015	45,775		70.71	02/18/2025					
	02/11/2016	48,400		62.32	02/11/2026					
	02/09/2017	41,408		78.35	02/09/2027					
	02/22/2018	38,732		92.80	02/22/2028					
	02/08/2019	42,838		92.46	02/08/2029					
	02/19/2020	36,066		124.26	02/19/2030					
	02/18/2021	29,956	14,978	105.08	02/18/2031	02/18/2021	3,088	432,258		
	02/17/2022	11,121	22,244	122.64	02/17/2032	02/17/2022			17,124	2,397,018
	02/16/2023	—	26,907	137.10	02/16/2033	02/16/2023			18,600	2,603,628
						09/06/2023	13,898	1,945,442		
Mr. Rizzo	02/22/2018	49,296		92.80	02/22/2028					
	02/08/2019	56,225		92.46	02/08/2029					
	02/19/2020	47,213		124.26	02/19/2030					
	02/18/2021	39,366	19,683	105.08	02/18/2031	02/18/2021	4,058	568,039		
	02/17/2022	14,299	28,599	122.64	02/17/2032	02/17/2022			22,016	3,081,800
	10/05/2022	321	643	133.00	10/05/2032	10/05/2022			640	89,587
	02/16/2023	—	36,008	137.10	02/16/2033	02/16/2023			24,890	3,484,102

⁽¹⁾ The options vest over three years: one-third will become exercisable on the anniversary of the grant date for each of the three years. The exercise price of each option is equal to the closing price of Allstate's common stock on the grant date.

⁽²⁾ The aggregate value and aggregate number of exercisable and unexercisable in-the-money options as of December 31, 2023, for each of the named executives are as follows:

Name	Exercisable		Unexercisable	
	Aggregate Number (#)	Aggregate Value (\$)	Aggregate Number (#)	Aggregate Value (\$)
Mr. Wilson	1,829,145	93,610,029	386,669	6,045,125
Mr. Merten	48,323	1,154,041	55,778	699,867
Mr. Dugenske	138,184	3,722,693	92,939	1,495,768
Mr. Gupta	294,296	15,149,851	64,129	985,935
Mr. Rizzo	206,720	7,363,844	84,933	1,291,035

⁽³⁾ The PSAs vested in one installment on the third anniversary of the grant date, February 19, 2024.

⁽⁴⁾ Amount is based on the closing price of our common stock of \$139.98 on December 29, 2023.

⁽⁵⁾ The PSAs vest in one installment on the third anniversary of the grant date. The number of shares that ultimately vest may range from 0 to 200% of the target depending on actual performance during the three-year performance period. For a description of the PSA program and the performance measures used, see [pages 79-82](#) and [page 92](#). The number of PSAs reflected in this column for the 2022 and 2023 awards is the number of shares that would vest if the maximum level of performance is achieved. Final payouts under the PSAs will not be known until the respective performance period is completed.

Option Exercises and Stock Vested During 2023

The following table summarizes the options exercised by the named executives during 2023 and the PSAs or restricted stock units that vested during 2023.

Name	Option Awards		Stock Awards	
	Number of Shares Acquired on Exercise (#)	Value Realized on Exercise (\$) ⁽¹⁾	Number of Shares Acquired on Vesting (#)	Value Realized on Vesting (\$) ⁽²⁾
Mr. Wilson	309,237	25,369,803	65,937	8,904,792
Mr. Merten	38,659	1,610,968	5,389	727,784
Mr. Dugenske	0	0	15,081	2,036,689
Mr. Gupta	20,241	1,716,842	9,879	1,334,159
Mr. Rizzo	0	0	12,933	1,746,602

⁽¹⁾ The dollar amount realized upon exercise of the option is determined based on the difference between the market price of the underlying securities at exercise and the exercise price of the options.

⁽²⁾ The dollar amount realized upon vesting is determined based on the market value underlying the shares on the vesting date.

Retirement Benefits

The following table provides information about the pension plans in which the named executives participate. Each of the named executives participates in the Allstate Retirement Plan (ARP) and the Supplemental Retirement Income Plan (SRIP).

PENSION BENEFITS

Name	Plan Name	Number of Years Credited Service (#)	Present Value of Accumulated Benefit (\$) ⁽¹⁾⁽²⁾	Payments During Last Fiscal Year (\$)
Mr. Wilson	ARP	30.8	1,309,144	0
	SRIP	30.8	19,018,002	0
Mr. Merten	ARP	12.0	104,187	0
	SRIP	12.0	207,304	0
Mr. Dugenske	ARP	6.8	58,682	0
	SRIP	6.8	388,336	0
Mr. Gupta	ARP	12.7	123,941	0
	SRIP	12.7	543,773	0
Mr. Rizzo	ARP	34.9	1,087,352	0
	SRIP	34.9	1,031,665	0

⁽¹⁾ These amounts are estimates and do not necessarily reflect the actual amounts that will be paid to the named executives, which will be known only at the time they become eligible for payment. The present value of the accumulated benefit was determined using the same measurement date (December 31, 2023) and material assumptions that we use for year-end financial reporting purposes, except that we made no assumptions for early termination, disability, or pre-retirement mortality. Other assumptions include the following:

- Retirement at the normal retirement age as defined in the plans (age 65), or immediately for participants over age 65 at the measurement date.
- Discount rate of 5.40%.

Other assumptions for the final average pay formula include the following:

- ARP benefits are assumed to be paid 80% as a lump sum, 10% as a life annuity, and 10% as a joint and survivor annuity.
- ARP and SRIP benefits are converted to a lump sum. For participants assumed to commence their benefits in 2024, the assumed lump-sum conversion interest rates are based on 100% of the average corporate bond segmented yield curve from August 2023. Specifically, the rates are 5.45% for the first 5 years, 5.52% for the next 15 years, and 5.43% thereafter. For participants assumed to commence their benefits after 2024, the lump-sum conversion interest rate is assumed to be equal to the discount rate of 5.40%.
- Lump-sum calculations were performed using the 2024 and estimated 2025 Internal Revenue Code Section 417(e)(3) mortality tables with a static projection from 2025 to each future year using the adjusted MP-2021 projection scale.
- Annuity calculations were performed using the Pri-2012 white-collar mortality table for healthy retirees projected generationally from 2012 with the MP-2021 projection scale.

Other assumptions for the cash balance formula include the following:

- ARP benefits are assumed to be paid as a lump sum.
- Accounts were projected to retirement using the actual interest crediting rate for ARP and SRIP for 2024, specifically the average 30-year Treasury rate from August 2023 of 4.28%. After 2024, accounts are projected using the spot 30-year Treasury rate as of December 31, 2023 of 4.03%.

See Note 18 to our audited financial statements for 2023 for additional information.

⁽²⁾ The following table shows the lump-sum present value of the non-qualified pension benefits for each named executive earned through December 31, 2023, if the named executive's employment terminated on that date.

Name	Plan Name	Lump Sum Amount (\$)
Mr. Wilson	SRIP	19,018,002
Mr. Merten	SRIP	253,301
Mr. Dugenske	SRIP	425,487
Mr. Gupta	SRIP	558,676
Mr. Rizzo	SRIP	1,110,038

The amount shown is based on the lump-sum methodology used by ARP and SRIP in 2024. The lump-sum conversion interest rates are based on 100% of the average corporate bond segmented yield curve from August 2023. Specifically, the rates are 5.45% for the first 5 years, 5.52% for the next 15 years, and 5.43% thereafter. The mortality table used for 2024 is the Internal Revenue Code Section 417(e)(3) mortality table for 2024.

Allstate Retirement Plan (ARP)

Contributions to the ARP are made entirely by Allstate and are paid into a trust fund from which benefits are paid. Before January 1, 2014, ARP participants earned benefits under one of two formulas (final average pay or cash balance) based on their date of hire or their choice at the time Allstate introduced the cash balance formula. In order to better align our pension benefits with market practices, provide future pension benefits more equitably to Allstate employees, and reduce costs, final average pay benefits were frozen as of December 31, 2013. As of January 1, 2014, all eligible participants earn benefits under a cash balance formula only.

Final Average Pay Formula — Frozen as of 12/31/13

Benefits under the final average pay formula were earned and are stated in the form of a straight life annuity payable at the normal retirement age of 65. Messrs. Rizzo and Wilson have earned final average pay benefits equal to the sum of a Base Benefit and an Additional Benefit. The Base Benefit equals 1.55% of the participant's average annual compensation, multiplied by credited service after 1988 through 2013. The Additional Benefit equals 0.65% of the amount of the participant's average annual compensation that exceeds the participant's covered compensation, multiplied by credited service after 1988 through 2013. Covered compensation is the average of the maximum annual salary taxable for Social Security over the 35-year period ending the year the participant would reach Social Security retirement age. Mr. Wilson is eligible for an unreduced retirement benefit since he remained in service past his normal retirement age of 65. Mr. Rizzo is eligible for a reduced early retirement benefit that would reduce his Base Benefit by 4.8% for each year of early payment before age 65 and his Additional Benefit by 8% for each year of early payment from age 62 to age 65 and 4% for each year of early payment from age 55 to age 62, prorated on a monthly basis based on age at the date payments begin.

Cash Balance Formula — For All Participants Beginning 1/1/14

All named executives earned benefits under the cash balance formula in 2023. Under this formula, participants receive pay credits while employed at Allstate, based on a percentage of eligible annual compensation and years of service, plus interest credits. Pay credits are allocated to a hypothetical account in an amount equal to 3% to 5% of eligible annual compensation,

depending on years of vesting service. Interest credits are allocated to the hypothetical account based on the interest crediting rate in effect for that plan year as published by the Internal Revenue Service. The interest crediting rate is set annually and is currently based on the average yield for 30-year U.S. Treasury securities for August of the prior year.

Supplemental Retirement Income Plan (SRIP)

SRIP benefits are generally determined using a two-step process: (1) determine the amount that would be payable under the ARP formula(s) specified above if Internal Revenue Code limits did not apply, then (2) reduce the amount described in (1) by the amount actually payable under the applicable ARP formula(s). The normal retirement date under the SRIP is age 65. If eligible for early retirement under the ARP, the employee also is eligible for early retirement under the SRIP. SRIP benefits are not funded and are paid out of Allstate's general assets.

Credited Service

No additional service credit beyond service with Allstate or its predecessors is granted under the ARP or the SRIP to any of the named executives. Mr. Wilson has combined service with Allstate and its former parent company, Sears, Roebuck and Co., of 30.8 years. As a result, a portion of his retirement benefits will be paid from the Sears pension plan. Consistent with the pension benefits of other employees with Sears service who were employed by Allstate at the time of the spin-off from Sears in 1995, Mr. Wilson's final average pay pension benefits under the ARP and the SRIP are calculated as if he had worked his combined Sears-Allstate career with Allstate through December 31, 2013, and then are reduced by amounts earned under the Sears pension plan.

Eligible Compensation

Under both the ARP and SRIP, eligible compensation consists of salary, annual cash incentive awards, and certain other forms of compensation, but does not include long-term cash incentive awards or income related to equity awards. Compensation used to determine benefits under the ARP is limited in accordance with the Internal Revenue Code. For final average pay benefits, average annual compensation is the average compensation of the five highest consecutive calendar years within the last ten consecutive calendar years through 2013.

Payment Options

Payment options under the ARP include a lump sum, straight life annuity, and various survivor annuity options. The lump sum under the final average pay benefit is calculated in accordance with the applicable interest rate and mortality assumptions as required under the Internal Revenue Code. The lump-sum payment under the cash balance benefit is generally equal to a participant's account balance. Payments from the SRIP are paid in the form of a lump sum using the same interest rate and mortality assumptions used under the ARP.

Timing of Payments

Eligible employees are vested in the normal ARP and SRIP retirement benefits on the earlier of the completion of three years of service or upon reaching age 65.

Final average pay benefits are payable at age 65. A participant with final average pay benefits may be entitled to a reduced early retirement benefit on or after age 55 if he or she terminates employment after completing 20 or more years of vesting service.

A participant earning cash balance benefits who terminates employment with at least three years of vesting service is entitled to a lump sum benefit equal to his or her cash balance account balance.

The following SRIP payment dates assume a retirement or termination date of December 31, 2023:

- Mr. Wilson's SRIP benefits earned prior to 2005 would become payable as early as January 1, 2024. Benefits earned after 2004 would be paid on July 1, 2024, or following death.
- Messrs. Dugenske's, Gupta's and Rizzo's SRIP benefits would be paid on July 1, 2024, or following death.
- Mr. Merten's SRIP benefits would be paid on January 1, 2030, or following death.

Non-Qualified Deferred Compensation at Fiscal Year-end 2023

The following table summarizes the non-qualified deferred compensation contributions, earnings, and account balances of our named executives in 2023. All amounts relate to The Allstate Corporation Deferred Compensation Plan.

Name	Executive Contributions in Last FY (\$) ⁽¹⁾	Registrant Contributions in Last FY (\$)	Aggregate Earnings in Last FY (\$) ⁽²⁾	Aggregate Withdrawals/Distributions in Last FY (\$)	Aggregate Balance at Last FYE (\$) ⁽²⁾
Mr. Wilson	0	0	304,566	0	1,732,519
Mr. Merten	0	0	0	0	0
Mr. Dugenske	0	0	0	0	0
Mr. Gupta	0	0	0	0	0
Mr. Rizzo	382,812	0	399,582	0	3,365,378

⁽¹⁾ For Mr. Rizzo, Executive Contributions were previously reported in the Salary column for 2023 and the Non-Equity Incentive Plan Compensation column for 2022 in the Summary Compensation Table.

⁽²⁾ Aggregate earnings were not included in the named executive's compensation in the last completed fiscal year in the Summary Compensation Table.

In order to remain competitive with other employers, we allow the named executives and other employees whose annual compensation exceeds the amount specified in the Internal Revenue Code (\$330,000 in 2023), to defer under the Deferred Compensation Plan up to 80% of their salary and/or up to 100% of their annual cash incentive award that exceeds the Internal Revenue Code limit. Allstate does not match participant deferrals and does not guarantee a stated rate of return.

Deferrals under the Deferred Compensation Plan are credited with earnings or debited for losses based on the results of the notional investment option or options selected by the participants. The notional investment options available in 2023 under the Deferred Compensation Plan are: stable value, S&P 500, international equity, Russell 2000, mid-cap, and bond funds. Under the Deferred Compensation Plan, deferrals are not actually invested in these funds, but instead are credited with earnings or debited for losses based on the funds' investment returns. Because the rate of return is based on actual investment measures in our 401(k) plan, no above-market earnings are credited, recorded, or paid. Our Deferred Compensation Plan and 401(k) plan allow participants to change their investment elections daily, subject to certain trading restrictions.

The Deferred Compensation Plan is unfunded. This means that Allstate does not set aside funds for the plan in a trust or otherwise. Participants have only the rights of general unsecured creditors and may lose their balances in the event of the company's bankruptcy. Account balances are 100% vested at all times.

An irrevocable distribution election is required before making any deferrals into the Deferred Compensation Plan. Generally, a named executive may elect to begin receiving a distribution of his or her account balance immediately upon separation from service or in one of the first through fifth years after separation from service or, for amounts deferred on or after January 1, 2018, in the fifth year after separation from service. The earliest distribution date for deferrals made on or after January 1, 2005, and earnings and losses on these amounts, is six months following separation from service. The named executive may elect to receive payment in a lump sum or in annual cash installment payments over a period of two to ten years, or, for amounts deferred on or after January 1, 2018, over a period of up to five years. In addition, a named executive may elect an in-service withdrawal of his or her entire balance earned and vested prior to January 1, 2005, and earnings and losses on these amounts, subject to forfeiture of 10% of such balance. A named executive may also elect an in-service withdrawal of all or a portion of the deferrals he or she made on or after January 1, 2018, together with earnings and losses on those amounts. Upon proof of an unforeseen emergency, a plan participant may be allowed to access certain funds in a deferred compensation account earlier than the dates specified above.

Potential Payments as a Result of Termination or Change in Control (“CIC”)

The following table lists the compensation and benefits that Allstate would generally provide to the named executives in various scenarios involving a termination of employment, other than compensation and benefits generally available to salaried employees. The table describes equity granting practices for the 2023 equity incentive awards. Relevant prior practices are described in the footnotes.

Compensation Elements	Termination Scenarios				
	Termination ⁽¹⁾	Retirement	Termination due to Change in Control ⁽²⁾	Death	Disability
Base Salary	Ceases immediately	Ceases immediately	Ceases immediately	Ceases immediately	Ceases immediately
Severance Pay	None	None	Lump sum is equal to two times salary and annual incentive at target ⁽³⁾	None	None
Annual Incentive ⁽⁴⁾	Forfeited	Prorated for the year and subject to discretionary adjustments ⁽⁵⁾	Prorated at target (reduced by any amounts actually paid)	Prorated for the year and subject to discretionary adjustments	Prorated for the year and subject to discretionary adjustments
Stock Options ⁽⁴⁾⁽⁶⁾	Unvested are forfeited, vested expire at the earlier of three months or normal expiration	Awards granted more than 12 months before, and pro rata portion of award granted within 12 months of retirement, continue to vest. All expire at earlier of five years or normal expiration ⁽⁷⁾	Awards vest upon qualifying termination after a CIC	Awards vest immediately and expire at earlier of two years or normal expiration	Awards vest immediately and expire at earlier of two years or normal expiration
Restricted Stock Units ⁽⁴⁾⁽⁶⁾	Forfeited	Awards granted more than 12 months before, and pro rata portion of awards granted within 12 months of retirement, continue to vest ⁽⁷⁾	Awards vest upon qualifying termination after a CIC	Awards vest and are payable immediately	Awards vest and are payable immediately
Performance Stock Awards ⁽⁴⁾⁽⁶⁾	Forfeited	Awards granted more than 12 months before, and pro rata portion of awards granted within 12 months of retirement, continue to vest and are paid out based on actual performance ⁽⁷⁾	Awards vest based on performance upon a qualifying termination after a CIC ⁽⁶⁾	Awards vest and are payable immediately ⁽⁹⁾	Awards vest and are payable immediately ⁽⁹⁾
Non-Qualified Pension Benefits ⁽¹⁰⁾	Distributions commence per plan	Distributions commence per plan	Immediately payable upon a CIC for Mr. Wilson; distributions commence per plan for other NEOs	Distributions commence per plan	Participant may request payment if age 50 or older

Termination Scenarios

Compensation Elements	Termination ⁽¹⁾	Retirement	Termination due to Change in Control ⁽²⁾	Death	Disability
Deferred Compensation ⁽¹¹⁾	Distributions commence per participant election	Distributions commence per participant election	Immediately payable upon a CIC for Mr. Wilson; distributions commence per participant election for other participating NEOs	Payable within 90 days	Distributions commence per participant election
Health, Welfare and Other Benefits	None	None	Outplacement services provided; lump sum payment equal to additional cost of welfare benefits continuation coverage for 18 months ⁽¹²⁾	None	Supplemental Long Term Disability benefits if enrolled in basic long-term disability plan

⁽¹⁾ Includes both voluntary and involuntary termination other than due to retirement, change in control, death or disability. Examples of involuntary termination independent of a change in control include performance-related terminations; terminations for employee dishonesty and violation of Allstate rules, regulations, or policies; and terminations resulting from lack of work, rearrangement of work, or reduction in force.

⁽²⁾ In general, a change in control is one or more of the following events: (1) any person acquires 30% or more of the combined voting power of Allstate common stock within a 12-month period; (2) any person acquires more than 50% of the combined voting power of Allstate common stock; (3) certain changes are made to the composition of the Board; or (4) the consummation of a merger, reorganization, or similar transaction. These triggers were selected because any of these could cause a substantial change in management in a widely held company the size of Allstate. Effective upon a change in control, the named executives become subject to covenants prohibiting solicitation of employees, customers, and suppliers until one year after termination of employment. If a named executive incurs legal fees or other expenses in an effort to enforce the change in control plan, Allstate will reimburse the named executive for these expenses unless it is established by a court that the named executive had no reasonable basis for the claim or acted in bad faith.

⁽³⁾ Under the change in control plan, severance benefits would be payable if a named executive's employment is terminated either by Allstate without cause or by the executive for good reason as defined in the plan during the two years following the change in control. Cause means the named executive has been convicted of a felony or other crime involving fraud or dishonesty, has willfully or intentionally breached the restrictive covenants in the change in control plan, has habitually neglected his or her duties, or has engaged in willful or reckless material misconduct in the performance of his or her duties. Good reason includes a material diminution in a named executive's base compensation, authority, duties, or responsibilities, or a material change in the geographic location where the named executive performs services.

⁽⁴⁾ Named executives who receive an equity award or an annual cash incentive award after May 19, 2009, are subject to a non-solicitation covenant while they are employed and for the one-year period following termination of employment. If a named executive violates the non-solicitation covenant, to the extent permitted by applicable law, compensation provided to the named executive (including cancellation of outstanding awards or recovery of all or a portion of any gain realized upon vesting, settlement, or exercise of an award or recovery of all or a portion of any proceeds resulting from any disposition of shares received pursuant to an award) may be recovered if the vesting, settlement, or exercise of the award or the receipt of the sale proceeds occurred during the 12-month period prior to the violation.

⁽⁵⁾ Retirement for purposes of the Annual Executive Incentive Plan is defined as termination on or after the date the named executive attains age 55 with at least 10 years of service or age 60 with five years of service.

⁽⁶⁾ Named executives who receive an equity award on or after May 21, 2013, that remains subject to a period of restriction or other performance or vesting condition are subject to a non-compete provision for the one-year period following termination of employment. If a named executive violates the non-competition covenant, to the extent permitted by applicable law, any or all of the named executive's outstanding awards that remain subject to a period of restriction or other performance or vesting condition as of the date on which the named executive first violated the non-competition provision may be canceled.

⁽⁷⁾ Retirement definitions and treatment for purposes of stock options, restricted stock units, and performance stock awards are as follows:

Definition	Normal Retirement: age 55 with 10 years of service or age 60 with at least five years of service
Treatment	<ul style="list-style-type: none"> Unvested awards not granted within 12 months of retirement continue to vest. Prorated portion of unvested awards granted within 12 months of the retirement date continue to vest. Vested stock options expire at the earlier of five years from the date of retirement or the expiration date of the option.

⁽⁸⁾ The committee will determine the number of PSAs that continue to vest based on actual performance up to the change in control.

⁽⁹⁾ For open cycles, the payout is based on the target number of PSAs.

⁽¹⁰⁾ See the *Retirement Benefits* section for further detail on non-qualified pension benefits and timing of payments.

⁽¹¹⁾ See the *Non-Qualified Deferred Compensation at Fiscal Year-end 2023* section for additional information on the Deferred Compensation Plan and distribution options available.

⁽¹²⁾ If a named executive's employment is terminated due to death during the two years after the date of a change in control, the named executive's estate or beneficiary will be entitled to survivor and other benefits, including retiree medical coverage, if eligible, that are not less favorable than the most favorable benefits available to the estates or surviving families of peer executives of Allstate. In the event of termination due to disability during the two years after the date of a change in control, Allstate will pay disability and other benefits, including supplemental long-term disability benefits and retiree medical coverage, if eligible, that are not less favorable than the most favorable benefits available to disabled peer executives.

Estimate of Potential Payments Upon Termination⁽¹⁾

The table below describes the value of compensation and benefits payable to each named executive upon termination that would exceed the compensation or benefits generally available to salaried employees in each termination scenario. The total column in the following table does not reflect compensation or benefits previously accrued or earned by the named executives, such as deferred compensation and non-qualified pension benefits. Benefits and payments are calculated assuming a December 31, 2023 employment termination date.

Name	Severance (\$)	Annual Incentive Plan (\$) ⁽²⁾	Stock Options — Unvested and Accelerated (\$)	Restricted Stock Units and Performance Stock Awards — Unvested and Accelerated (\$)	Welfare Benefits and Outplacement Services (\$)	Total (\$)
Mr. Wilson						
Termination due to Retirement ⁽³⁾	0	2,077,500	5,987,837	16,691,075	0	24,756,412
Termination due to Change in Control ⁽⁴⁾	11,080,000 ⁽⁵⁾	4,155,000	6,045,125	17,653,438	66,405 ⁽⁶⁾	38,999,968
Death	0	2,077,500	6,045,125	17,653,438	0	25,776,063
Disability	0	2,077,500	6,045,125	17,653,438	0	25,776,063
Mr. Merten						
Termination due to Retirement ⁽³⁾	0	0	0	0	0	0
Termination due to Change in Control ⁽⁴⁾	3,442,500 ⁽⁵⁾	956,250	699,867	2,629,664	73,999 ⁽⁶⁾	7,802,280
Death	0	478,125	699,867	2,629,664	0	3,807,656
Disability	0	478,125	699,867	2,629,664	5,914,741 ⁽⁷⁾	9,722,397
Mr. Dugenske						
Termination due to Retirement ⁽³⁾	0	0	0	0	0	0
Termination due to Change in Control ⁽⁴⁾	4,375,000 ⁽⁵⁾	1,306,028	1,495,768	4,232,575	73,999 ⁽⁶⁾	11,483,370
Death	0	653,014	1,495,768	4,232,575	0	6,381,357
Disability	0	653,014	1,495,768	4,232,575	5,046,887 ⁽⁷⁾	11,428,244
Mr. Gupta						
Termination due to Retirement ⁽³⁾	0	335,555	976,169	3,392,135	0	4,703,859
Termination due to Change in Control ⁽⁴⁾	2,850,000 ⁽⁵⁾	671,109	985,935	4,878,023	66,405 ⁽⁶⁾	9,451,472
Death	0	335,555	985,935	4,878,023	0	6,199,513
Disability	0	335,555	985,935	4,878,023	1,191,272 ⁽⁷⁾	7,390,785
Mr. Rizzo						
Termination due to Retirement ⁽³⁾	0	653,014	1,277,966	3,676,294	0	5,607,274
Termination due to Change in Control ⁽⁴⁾	4,375,000 ⁽⁵⁾	1,306,028	1,291,035	3,895,783	66,355 ⁽⁶⁾	10,934,201
Death	0	653,014	1,291,035	3,895,783	0	5,839,832
Disability	0	653,014	1,291,035	3,895,783	0	5,839,832

⁽¹⁾ A "0" indicates either there is no amount payable to the named executive, or the amount payable is the same for both the named executives and all salaried employees.

⁽²⁾ The 2023 annual incentive plan payment is payable to all named executives as a result of death or disability. In addition, it is payable to Messrs. Wilson, Gupta and Rizzo in the event of retirement. The amount listed for the annual incentive plan payment upon termination due to a change in control is shown at target as defined in the CIC Plan.

⁽³⁾ As of December 31, 2023, Messrs. Wilson, Gupta and Rizzo are eligible to retire in accordance with Allstate's policy and the terms of its equity and annual incentive compensation and benefit plans.

⁽⁴⁾ The values in this change in control row represent amounts paid if both the change in control and qualifying termination occur on December 31, 2023. PSAs are paid out based on actual performance; for purposes of this table, the 2021-2023 cycle is shown at 31% of target and the 2022-2024 and 2023-2025 cycles are reflected at target.

Equity awards do not accelerate in the event of a change in control unless also accompanied by a qualifying termination of employment. A change in control also would accelerate the distribution of deferred compensation and SRIP benefits for Messrs. Wilson, Gupta and Rizzo; deferred compensation and SRIP benefits for the other NEOs are distributed in accordance with the applicable plan terms and participant elections. Please see the Non-Qualified Deferred Compensation at Fiscal Year-end 2023 table and footnote 2 to the Pension Benefits table in the Retirement Benefits section for details regarding the applicable amounts for each named executive.

⁽⁵⁾ Represents two times the sum of base salary and target annual incentive.


⁽⁶⁾ The Welfare Benefits and Outplacement Services amount includes the cost to provide certain welfare benefits to the named executive and family during the period the named executive is eligible for continuation coverage under applicable law. The amount shown reflects Allstate's costs for these benefits or programs assuming an 18-month continuation period. The value of outplacement services is \$50,000 for each named executive.

⁽⁷⁾ The named executives who participate in the long-term disability plan are eligible to participate in Allstate's supplemental long-term disability plan for employees whose annual earnings exceed the level that produces the maximum monthly benefit provided by the long-term disability plan (basic plan). The monthly benefit is equal to 60% of the named executive's qualified annual earnings divided by twelve and rounded to the nearest \$100, reduced by \$7,500, which is the maximum monthly benefit payment that can be received under the basic plan. The amount reflected assumes the named executive remains totally disabled until age 65 and represents the present value of the monthly benefit payable until age 65.

Performance Measures for 2023

The following pages contain descriptions of the performance measures used for executive incentive compensation. They were developed uniquely for incentive compensation purposes, are non-GAAP measures and are not reported in our financial statements. The committee has approved the use of non-GAAP measures when appropriate to drive executive focus on particular strategic, operational, or financial factors, or to exclude factors over which our executives have little influence or control. The committee monitors compensation estimates during the year based on actual performance on these measures, and the internal audit department reviews the final results.

Performance Net Income: This measure is calculated uniquely for annual cash incentive awards and each PSA performance cycle. For each plan, Performance Net Income is equal to net income applicable to common shareholders as reported in The Allstate Corporation Annual Report on Form 10-K adjusted for the after-tax effect of the items indicated below:

 Indicates adjustments to Net Income	Annual Cash Incentive Awards	Performance Stock Awards ⁽¹⁾
Net income applicable to common shareholders, excluding:		
Net gains and losses on investments and derivatives	✓	✓
Income or loss from discontinued operations		✓
Pension and other postretirement remeasurement gains and losses	✓	✓
Business combination expenses and the amortization or impairment of purchased intangibles	✓	✓
Gain or loss on disposition	✓	✓
Other significant non-recurring, infrequent or unusual items, when the nature of the charge or gain is such that it is reasonably unlikely to recur within two years or there has been no similar charge or gain within the prior two years	✓	✓
Adjusted Net Income subtotal (See Appendix A)		
Restructuring and related charges	✓	✓
Run-off Property-Liability segment	✓	✓
Effects of acquiring and selling businesses in excess of \$20 million after-tax		✓
Adjustments to be consistent with financial reporting used in establishing the measure for items exceeding \$20 million after-tax		✓
Adjustments for other significant, non-recurring, infrequent or unusual items for items exceeding \$20 million after-tax		✓
Adjustment to exclude income associated with parent holding company level deployable assets in excess of \$2 billion ⁽²⁾		✓
Adjustments for foreign exchange rate used in establishing the measure ⁽²⁾	✓	✓
Performance Net Income before adjustment for volatile items ⁽³⁾		
Adjustment for after-tax volatile items	Adjusted to include minimum or maximum amount of after-tax catastrophe losses and income from performance-based ("PB") investments	Three-year average adjusted to include a minimum or maximum amount of after-tax catastrophe losses

⁽¹⁾ Performance Net Income ROE is a performance measure for the 2021-2023, 2022-2024, 2023-2025 and 2024-2026 performance cycles. The 2022-2024, 2023-2025, and 2024-2026 performance cycles do not qualify for final measurement as of December 31, 2023; the items checked above and after-tax volatile items indicate items that by definition may impact the final measurement when the three-year cycle and final measurement is completed.

⁽²⁾ There are no adjustments for the 2024-2026 performance cycle for these items.

⁽³⁾ Volatile items include catastrophe losses and income from performance-based investments ("PB income") depending on the measure.

Annual Cash Incentive Award Performance Measures for 2023

- Total Premiums:** This measure is used to assess growth within the Allstate Protection, Protection Services, and Allstate Health & Benefits businesses. It is equal to the sum of Allstate Protection and Protection Services premiums written and Allstate Health & Benefits premiums and contract charges as described below. Premiums written is equal to the Allstate Protection and Protection Services net premiums written as reported in management’s discussion and analysis in The Allstate Corporation Annual Report on Form 10-K.

Premiums and contract charges are equal to accident and health insurance premiums and contract charges reported in the consolidated statement of operations in The Allstate Corporation Annual Report on Form 10-K.

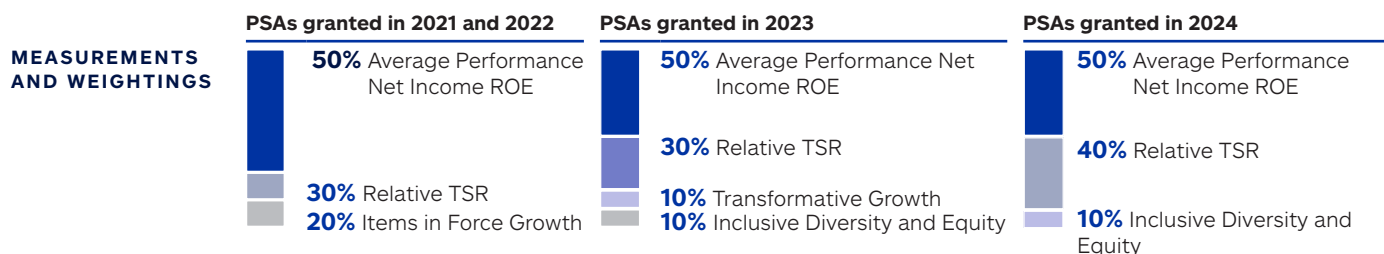
Total Premiums is subject to adjustment for the following individual items to the extent they exceed \$30 million: adjustments to be consistent with financial reporting and foreign exchange rates used in establishing the measure and adjustments to exclude the effects of acquiring and selling businesses.

In 2023, Reported Total Premiums of \$54,856 million was adjusted by \$107 million to be consistent with foreign exchange rates used in establishing the measure for Total Premiums of \$54,963 million.

- Performance Net Income:** In 2023, Performance Net Income was \$1,122 million compared to reported Adjusted Net Income* of \$251 million, a difference of \$871 million. It was adjusted to reflect a maximum amount of after-tax catastrophe losses and income from PB investments, to remove the impacts of the underwriting loss of run-off Property-Liability segment and restructuring and related charges, to be consistent with foreign exchange rates used in establishing the measure.
- Net Investment Income:** This measure is used to assess the financial operating performance provided from investments. Net investment income and net gains and losses on investments and derivatives on PB investments, as reported in the consolidated statement of operations, are adjusted to include a minimum or maximum amount of PB income if the actual amounts are less than or exceed those amounts, respectively. Net Investment Income is also subject to adjustments to be consistent with the financial reporting and foreign exchange rates used in establishing the measure and to exclude the effects of acquiring and selling businesses in excess of a threshold.

In 2023, an adjustment was made to reflect the impact of foreign exchange rates used in establishing the measure, resulting in Net Investment Income of \$2,535 million, compared to reported net investment income of \$2,530 million, including net gains and losses on investments and derivatives on PB investments.

Performance Stock Award Performance Measures for the 2021-2023, 2022-2024, 2023-2025, and 2024-2026 Performance Cycles



* Measures used in this proxy statement that are not based on generally accepted accounting principles (“non-GAAP”) are denoted with an asterisk (*). For definitions of these terms, please see the definitions of non-GAAP measures on [pages 119-121](#) of our 2024 Proxy Statement.

- **Three-Year Average Performance Net Income Return on Equity:** This is calculated as the ratio of Average Performance Net Income subject to certain adjustments for each of the three years in the performance cycle, divided by the average of Adjusted Common Shareholders' Equity at December 31 of the year-end immediately preceding the period and at the end of each year in the three-year period. It is subject to certain adjustments and excludes total unrealized net capital gains and losses. Performance cycles for 2021-2023, 2022-2024 and 2023-2025 exclude parent holding company level deployable assets in excess of \$2 billion and require positive net income in order for executives to earn PSAs for Average Performance Net Income ROE above target, subject to certain adjustments.
- **Relative Total Shareholder Return:** This is the company's Total Shareholder Return ("TSR") relative to the TSR of other peer companies, expressed in terms of the company's TSR percentile rank among the peer companies. Peer companies for the applicable performance cycles are included in the table below (in addition to The Allstate Corporation). TSR is determined by dividing (i) the average Adjusted Close Price of the applicable company's stock or applicable index's price over the 20 trading days prior to and including the final day of the performance period ("Final Average Adjusted Close Price") minus the average Adjusted Close Price of the applicable company's stock or applicable index's price over the 20 trading days prior to the first day of the performance period ("Initial Average Adjusted Close Price") by (ii) the Initial Average Adjusted Close Price. In calculating TSR, all dividends are assumed to have been reinvested on the ex-dividend date.

Company/Index	2021-2023, 2022-2024 and 2023-2025 Performance Cycles	2024-2026 Performance Cycle ⁽¹⁾
American Financial Group Inc.	✓	✓
American International Group Inc.	✓	✓
Chubb Limited	✓	✓
Cincinnati Financial Corporation	✓	✓
CNA Financial Corporation	✓	✓
Kemper Corporation		✓
Selective Insurance Group		✓
S&P 500 Financial Index	✓	
S&P 500 Index	✓	
The Hanover Insurance Group		✓
The Hartford Financial Services Group Inc.	✓	✓
The Progressive Corporation	✓	✓
The Travelers Companies Inc.	✓	✓
W. R. Berkley Corporation	✓	✓

⁽¹⁾ S&P Indices were removed in 2024. Allstate added three new peers with similar insurance businesses.

- **Items in Force Growth:** This is used to assess progress against Allstate's Transformative Growth strategy and growth within the Allstate business segments. It represents the number of policies in force. Policy counts are based on items rather than customers. The measure is calculated as the compound annual growth rate of items in force at the beginning and at the end of the three-year performance period.
- **Transformative Growth:** This is used to assess progress against Allstate's Transformative Growth strategy, including the Affordable, Simple, Connected (ASC) roll-out (50% weighting) and improvement of the Lowest Price Index (LPI) (50% weighting). Measurement of the ASC roll-out component is based on the percentage of Allstate Brand standard auto quotes on an ASC product at the end of the performance period. Measurement of the LPI component is based on improvement in auto LPI market data points at FYE 2025 relative to FYE 2023 across ten states.
- **Inclusive Diversity and Equity:** This is used to assess progress against Allstate's IDE strategies, including increasing female and racially and/or ethnically diverse representation within management. Threshold is established at current representation with improving historical trends for target. This quantitative measurement is consistent with the long-term nature of the company's IDE strategy.

CEO Pay Ratio

As required by the Dodd-Frank Wall Street Reform and Consumer Protection Act, we are providing information about the relationship of the annual total compensation of our employees to the annual total compensation of Mr. Wilson, our CEO. This pay ratio is a reasonable estimate calculated in a manner consistent with SEC rules.

To calculate the 2023 CEO pay ratio, we used the same median compensated employee that we used for purposes of calculating the CEO pay ratio for 2022, as there has been no meaningful change in our employee population or employee compensation arrangements that we believe would significantly impact the CEO pay ratio.

- the annual total compensation of our median employee was \$68,814; and
- the annual total compensation of our CEO, as reported in the Summary Compensation Table in this Proxy Statement, was \$16,487,957.
- The ratio of the annual total compensation of Mr. Wilson to our median employee was 239:1.

In 2022, to calculate the ratio, we followed SEC permitted rules and used the following methodology and material assumptions, adjustments, and estimates:

- December 31, 2022 was selected as the determination date as it enabled us to choose a pay date that aligned across our enterprise.
- As of December 31, 2022, our U.S. and non-U.S. employee population consisted of approximately 54,500 full-time, part-time, seasonal and temporary employees. Employees in all countries were included in the calculation, with the exception of 1,058 employees in Australia, Japan, Malta, Bermuda, Norway, Belgium, and Mexico (15, 17, 2, 5, 2, 1, and 1,016 in each jurisdiction, respectively).
- The Allstate agent population was excluded since they are not employees of Allstate or its subsidiaries.
- Total cash (base salary plus incentive compensation) was selected as the most appropriate and consistently applied compensation measure to determine the median worker since equity awards are not broadly distributed.
- Employee compensation was measured using a twelve-month look-back period ending December 31, 2022.
- Permanent employees hired in 2022 that did not work for the entire period had their compensation adjusted as if they were employed for the entire twelve-month period.
- For non-U.S. employees, an annual average was used for each of the exchange rates.
- After identifying the median worker based on total cash compensation, annual total compensation was calculated for that person using the same methodology used for the named executives in the Summary Compensation Table on [page 89](#).
- For 2023, after validating that the median compensated employee from 2022 was still an active employee, annual total compensation was recalculated for 2023. The median employee's annual total compensation was \$68,814. The median employee was a claims analyst in the United States with total cash compensation of \$68,814 and a change in pension value of \$3,689.

The SEC rules for identifying the median of our employees and calculating the pay ratio allow companies to use a variety of methodologies, to apply certain exclusions, and to make reasonable estimates and assumptions that reflect a company's employee population and compensation practices. For that reason, the pay ratio reported by other companies may not be comparable to the pay ratio reported above. Neither the committee nor management of the company used the pay ratio measure in making compensation decisions.

Pay Versus Performance Table

As required by the SEC rules and aligned with Item 402(v) of Regulation S-K, detail is provided in the pay versus performance table. The table represents the relationship between our Principal Executive Officer (“PEO”) and Non-PEO NEOs compensation actually paid (“CAP”) with respect to key financial performance measures of the company. For additional information regarding Allstate’s pay for performance philosophy and how the company aligns NEO compensation, refer to the CD&A beginning on [page 67](#).

Year	Summary Compensation Table Total for PEO (\$) ⁽¹⁾	Compensation Actually Paid to PEO (\$) ⁽²⁾⁽³⁾	Average Summary Compensation Table Total for Non-PEO NEOs (\$) ⁽¹⁾	Average Compensation Actually Paid to Non-PEO NEOs (\$) ⁽²⁾⁽³⁾	Value of Initial Fixed \$100 Investment Based On:		Net Income (\$ in millions)	Performance Net Income (\$ in millions)
					Total Shareholder Return (\$)	Peer Group Total Shareholder Return (\$)		
2023	\$ 16,487,957	\$ 8,025,133	\$ 4,477,500	\$ 2,968,301	\$ 138	\$ 158	\$ (316)	\$ 1,122
2022	\$ 15,005,001	\$ 30,035,131	\$ 3,498,306	\$ 4,852,665	\$ 130	\$ 149	\$ (1,416)	\$ (426)
2021	\$ 19,066,920	\$ 27,585,626	\$ 5,548,209	\$ 7,666,840	\$ 110	\$ 131	\$ 1,485	\$ 3,689
2020	\$ 21,126,386	\$ 26,023,346	\$ 5,228,904	\$ 6,270,236	\$ 100	\$ 101	\$ 5,461	\$ 4,967

⁽¹⁾ The totals reflected align with the data reported in the Summary Compensation Table as shown on page 89. Mr. Wilson (Chair, President, and CEO) is represented as the Principal Executive Officer (“PEO”) for each year reported. The Non-PEO NEO column represents Allstate’s NEOs for each respective year. The employees included in Non-PEO NEOs for each year are noted below:

2023	2022	2021	2020
Jesse Merten	Mario Rizzo	Glenn Shapiro	Mario Rizzo
John Dugenske	Glenn Shapiro	Don Civgin	Glenn Shapiro
Suren Gupta	Don Civgin	John Dugenske	Don Civgin
Mario Rizzo	John Dugenske	Mario Rizzo	John Dugenske
	Jesse Merten		
	Suren Gupta		
	Bob Toohy		

⁽²⁾ CAP has been calculated in accordance with Item 402(v) of Regulation S-K. The amounts do not reflect actual amount of compensation earned, realized, or received by the company NEOs. These amounts reflect the Summary Compensation Table Total with certain adjustments as described below. The calculation of CAP requires adjustments to amounts previously reported in the Summary Compensation Table for the years represented. The adjustments made to the PEO and Non-PEO NEOs to determine fair value for 2023 are noted in the table below.

Compensation Actually Paid Component	2023		2022		2021		2020	
	PEO	Non-PEO	PEO	Non-PEO	PEO	Non-PEO	PEO	Non-PEO
Summary Compensation Table (SCT) Total	\$ 16,487,957	\$ 4,477,500	\$ 15,005,001	\$ 3,498,306	\$ 19,066,920	\$ 5,548,209	\$ 21,126,386	\$ 5,228,904
Deduction: SCT change in Actuarial Value of Pension Value	\$ —	\$ (119,512)	\$ —	\$ (51,781)	\$ (697,929)	\$ (65,931)	\$ (3,116,842)	\$ (189,278)
Deduction: SCT Stock Award Amount	\$ (7,883,165)	\$ (1,973,067)	\$ (6,868,175)	\$ (1,523,242)	\$ (6,335,804)	\$ (1,617,742)	\$ (7,312,094)	\$ (1,685,460)
Deduction: SCT Option Award Amount	\$ (4,986,008)	\$ (1,010,746)	\$ (4,293,494)	\$ (871,876)	\$ (4,304,994)	\$ (1,099,217)	\$ (4,404,993)	\$ (1,015,376)
Addition: Pension Service Cost	\$ 161,803	\$ 50,465	\$ 235,050	\$ 46,723	\$ 238,310	\$ 62,348	\$ 217,343	\$ 56,961
Addition: Change in fair value, during the fiscal year, of unvested equity awards at the beginning of the fiscal year that vested during the fiscal year	\$ (2,085,752)	\$ (344,544)	\$ 3,039,030	\$ 521,581	\$ (454,767)	\$ (110,761)	\$ 3,712,366	\$ 218,942
Addition: Change in fair value, during the fiscal year, of unvested equity awards at the beginning of the fiscal year that remained unvested at year-end	\$ (7,028,704)	\$ (1,309,355)	\$ 7,695,232	\$ 1,338,444	\$ 6,922,985	\$ 1,592,057	\$ 6,802,340	\$ 1,581,275
Addition: Fair value, at the end of the year, of equity awards granted during the fiscal year that remain unvested at year-end	\$ 13,359,001	\$ 3,197,559	\$ 15,222,487	\$ 2,083,563	\$ 13,150,905	\$ 3,357,877	\$ 8,998,841	\$ 2,074,267
Deduction: Fair value of unvested equity awards at the beginning of the fiscal year that were forfeiture during the fiscal year	\$ —	\$ —	\$ —	\$ (189,054)	\$ —	\$ —	\$ —	\$ —
Compensation Actually Paid	\$ 8,025,133	\$ 2,968,301	\$ 30,035,131	\$ 4,852,665	\$ 27,585,626	\$ 7,666,840	\$ 26,023,346	\$ 6,270,236

⁽³⁾ Our peer group used for the TSR calculation is the same as our compensation benchmarking peer group, as displayed in the CD&A on [page 73](#). Our 2023 peer group has been modified from that which was utilized in our pay versus performance disclosure for 2022. Pursuant to SEC guidance, all peer TSR values in the Pay Versus Performance table have been calculated utilizing our 2023 peer group, and 2023 peer TSR utilizing the 2022 peer group is displayed below.

Year	Value of Initial Fixed \$100 Investment Based On:	
	Total Shareholder Return (\$)	Peer Group Total Shareholder Return (\$)
2023	138	162
2022	130	149
2021	110	131
2020	100	101

Financial Measures: The Allstate executive compensation programs reflect the pay-for-performance culture and supports shareholder alignment while also incentivizing our executives as noted throughout the CD&A beginning on [page 67](#). For the annual and long-term incentive programs, the committee uses performance measures that (1) align with the company’s strategy, operating principles and priorities, and shareholder interest, (2) support the achievement of corporate goals, and (3) reflect the company’s overall performance. The most important performance measures used to understand CAP with respect to company’s performance for Allstate NEOs for this most recently completed fiscal year are as follows:

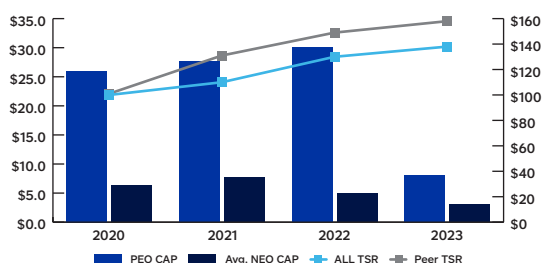
- Performance Net Income (PNI)
- Performance Net Income Return on Equity (PNI ROE)
- Total Premiums
- Relative Total Shareholder Return (TSR)

Relationship between CAP and Performance Measures in the Table: The following graphs provide a visual representation of the relationship between the CAP of our PEO and the average CAP of our Non-PEO NEOs as it relates to each financial measure noted in the pay versus performance table. The relationship between Allstate’s TSR and our peer group TSR is reflected in the first graph – CAP vs Total Shareholder Return. Performance measure mix, timing of grants and outstanding vesting, share price volatility, and other factors impact CAP. The majority of CAP to our NEOs is closely connected to long-term awards under the long-term incentive plan primarily driven by Performance Net Income and relative TSR. Over the last three years, external factors, including rising inflation, have impacted Performance Net Income while Allstate’s relative TSR has remained strong. The graphs below demonstrate:

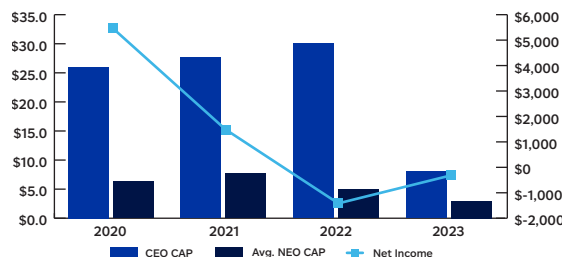
- From 2020 to 2021, CAP to our PEO increased 6% and average CAP to our non-PEO NEOs experienced a greater increase of 22%. In the same period our TSR increased from \$100 to \$110 (10%), while the net income measures fell. The continued increase in CAP as net income declined is a result of the fair value NEO long-term incentive awards which closely aligns to the TSR which increased over the same period. The decline in Performance Net Income is a result of higher insurance losses and unfavorable reserve re-estimates.
- From 2021 to 2022, CAP to our PEO increased by just below 9% and average CAP to our non-PEO NEOs experienced a decrease of nearly 37%. In the same period, our TSR increased from \$110 to \$130 (18%). Net income continued to decline. Allstate aggressively took actions to address the decreasing net income during this inflationary period, causing higher insurance losses and unfavorable reserve re-estimates, resulting in continued TSR increases.
- From 2022 to 2023, CAP to our PEO decreased by 73% and average CAP to our non-PEO NEOs decreased by roughly 36%. In the same period TSR continued to increase from \$130 to \$138 (6%). Although still negative, Net Income has improved greatly over 2022 results. Large decreases in CAP from 2022 to 2023 are primarily related to lower vesting value for 2021-2023 PSAs, decreased PSA values for outstanding cycles and relatively flat unvested option valuation changes in 2023 compared to significant increases in unvested option valuation changes during 2022.
- Allstate has seen continued growth in TSR from 2020 through 2023 with an aggregate growth rate of 38% while our peer group has slightly outpaced us at 56%.

For additional detail regarding Allstate’s executive pay practices including incentive design and goal setting, compensation elements, compensation decisions, and governance practices see the CD&A beginning on [page 67](#).

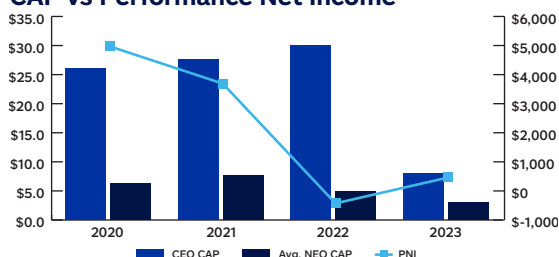
CAP vs Total Shareholder Return



CAP vs Net Income



CAP vs Performance Net Income





Audit committee matters



03 Ratification of Deloitte & Touche LLP as the Independent Registered Public Accountant for 2024



VOTING RECOMMENDATION:

The Board recommends a vote **FOR** ratification of Deloitte & Touche LLP for 2024.

What am I voting on?

We conduct a vote every year asking shareholders to ratify the appointment of the company's independent registered public accountant for the current year, who is Deloitte & Touche LLP (Deloitte) for 2024. While the vote is non-binding, the audit committee will consider the results as part of their evaluation of Deloitte.

Overview

- Independent firm with few ancillary services and reasonable fees
- Significant industry and financial reporting expertise
- The audit committee annually evaluates Deloitte & Touche LLP and determined that its retention continues to be in the best interests of Allstate and its shareholders

The audit committee has established strong practices to evaluate the qualifications, compensation, performance and independence of the company's independent registered public accounting firm, both on an ongoing basis throughout the year and through the completion of an annual evaluation. Additional information regarding the audit committee's duties and responsibilities is available in the committee's charter located under the Governance section of Allstate's investor relations website at www.allstateinvestors.com. Deloitte & Touche LLP has been Allstate's independent registered public accounting firm since Allstate became a publicly traded entity in 1993.

As a starting point for the annual evaluation, a survey of management and the audit committee is administered by Allstate's internal audit function, with participation of a Deloitte partner unaffiliated with the Allstate account. The survey assesses Allstate's general satisfaction with the quality and efficiency of the services provided. Results are reported to the audit committee, which discusses results with management.

The audit committee and the company's senior accounting and financial reporting leaders perform the annual evaluation of Deloitte utilizing key aspects of the external auditor evaluation tool developed by the Center for Audit Quality (CAQ). The evaluation includes review and discussion of the results of the firm's reports on its quality controls and external assessments, including results of inspections conducted by the Public Company Accounting Oversight Board (PCAOB).

While also evaluating and considering Deloitte's independence, the audit committee performed its annual assessment of Deloitte's performance as independent auditor. The audit committee assessed the performance of the Deloitte lead audit engagement partner and the audit team. The factors considered by the audit committee include:

- Quality of Deloitte's discussions and feedback sessions, including communications with the audit committee and management
- How effectively Deloitte maintained its independence, objectivity, and professional skepticism and employed independent judgment
- Depth of insurance industry and technical expertise and capability in handling the breadth and complexity of Allstate's operations and industry
- Professionalism and responsiveness
- Value from sharing industry insights, trends, and latest practices, including level and value of engagement provided by Deloitte National Office when needed
- Quality and efficiency of the work performed
- External data on audit quality and performance, including the results from the PCAOB assessment of Deloitte and its peer firms and Deloitte's responsiveness to those reports
- Reasonableness of fees, considering the size and complexity of Allstate and the resources necessary to perform a high-quality audit
- Knowledge of our operations, accounting policies and practices, and internal control over financial reporting
- Deloitte's tenure as Allstate's independent auditor and the firm's internal safeguards to maintain independence, the benefits of having a long-tenured auditor and the impact of changing auditors

The audit committee also recognizes the importance of maintaining the independence of our independent registered public accounting firm, both in fact and appearance, and has considered an auditor tenure limit. A rigorous review of Deloitte's capabilities, coupled with the comprehensive regulatory oversight structure in the United States led by the PCAOB, has mitigated the need for tenure requirements. The audit committee will periodically engage in a comprehensive process in which it makes a request for information (RFI) from multiple independent registered public accounting firms. This information enables the audit committee to evaluate whether to request for proposals (RFP) from these firms for further consideration of a change in its external auditor. The most recent RFI was performed in 2021 using criteria consistent with those set forth by the CAQ for purposes of evaluating external auditors. These include quality measures and controls, controls designed to maintain independence and objectivity, service model and approach, expertise, and diversity and equity practices. Ongoing monitoring of observable measures of these key criteria as well as the breadth of relationships with other large, alternative firms will continue to ensure viable options remain available if the committee determines it is in the best interests of the company to make a change.

The audit committee also oversees the mandatory, five-year rotation of audit partners, in accordance with SEC rules and approves Deloitte’s lead engagement partner. The current lead engagement partner was appointed beginning with the fiscal year 2022 audit. The process for selection of the lead engagement partner involves the screening of qualified candidates, followed by interviews with the audit committee chair and management.

The audit committee has also adopted a policy regarding the pre-approval of all audit and permissible non-audit services provided by the independent registered public accounting firm. The policy identifies the basic principles that must be considered by the audit committee in approving services to ensure that the registered public accounting firm’s independence is not impaired, describes the type of audit, audit-related, tax and other services that may be provided, and lists the non-audit services that may not be performed. The independent registered public accounting firm or management submits to the audit committee detailed schedules with all of the proposed services within each category, together with the estimated fees. Each specific service requires approval before service can begin.

Prior to requesting approval from the audit committee, the registered public accounting firm and management consider and conclude that the services are permissible in that they: (1) do not place the registered public accounting firm in the position of auditing their own work, (2) do not result in the registered public accounting firm’s personnel acting as management or an employee of Allstate, (3) do not place the registered public accounting firm in a position of being an advocate for Allstate, (4) do not create a mutual or conflicting interest between the registered public accounting firm and Allstate and (5) are not based on a contingent fee arrangement. The audit committee’s policy delegates to the committee chair the authority to grant approvals, but the decisions of the committee chair must be reported to the audit committee at its next regularly scheduled meeting. All services provided by Deloitte in 2022 and 2023 were approved in accordance with this pre-approval policy.

The audit committee and the Board believe it is in the best interests of Allstate and its shareholders to continue to retain Deloitte as Allstate’s independent registered public accounting firm. Deloitte’s performance in the most recent RFI assessment, as well as ongoing measurements of criteria such as quality measures and controls, controls designed to maintain independence and objectivity, service model and approach, expertise, and diversity and equity practices, ensures it will continue to provide excellent expertise and service. Deloitte’s high quality audit work and accounting advice, deep institutional knowledge of the company’s business and operations, accounting policies and financial systems, and internal control framework support continued utilization of their services.

The audit committee oversees and is ultimately responsible for the negotiation of audit fees associated with the retention of Deloitte. The following fees have been, or are anticipated to be, billed by Deloitte, the member firms of Deloitte Touche Tohmatsu, and their respective affiliates, for professional services rendered to Allstate for the fiscal years ending December 31, 2022, and December 31, 2023.

	2022	2023
Audit fees ⁽¹⁾	\$11,427,000	\$11,766,000
Audit-related fees ⁽²⁾	\$ 1,335,000	\$ 1,512,000
Tax fees ⁽³⁾	\$ 26,000	\$ 103,000
All other fees ⁽⁴⁾	\$ —	\$ 185,000
Total fees⁽⁵⁾	\$12,788,000	\$13,566,000

⁽¹⁾ Fees for audits of annual financial statements, reviews of quarterly financial statements, statutory audits, attest services, comfort letters, consents, and review of documents filed with the SEC. Prior year fees have been adjusted to reflect actual expenditures for the year.

⁽²⁾ Audit-related fees relate to professional services, such as accounting consultations relating to new accounting standards and audits, Service Organization Controls audit reports and other attest services for non-consolidated affiliates (i.e., employee benefit plans, various trusts, etc.) and are set forth below.

	2022	2023
Audits and other attest services for non-consolidated entities	\$ 315,000	\$ 315,000
Other audit-related fees	\$1,020,000	\$1,197,000
Total audit-related fees	\$1,335,000	\$1,512,000

⁽³⁾ Tax fees include income tax return preparation, compliance assistance, tax studies and research, and international tax planning.

⁽⁴⁾ “All other fees” includes all fees paid that are not audit, audit-related, or tax services.

⁽⁵⁾ Total fees for 2022 decreased due to the completion of a project under budget.

Representatives of Deloitte will be present at the 2024 Annual Meeting to respond to questions and may make a statement if they choose. If shareholders fail to ratify the appointment, the audit committee will reconsider the appointment, but no assurance can be given that the audit committee will be able to change the appointment while enabling timely completion of the 2024 audited financial statements.

Audit Committee Report

Deloitte & Touche LLP (Deloitte) was Allstate's independent registered public accountant for the year ended December 31, 2023.

The audit committee reviewed and discussed with management and the independent registered public accounting firm the audited financial statements for the fiscal year ended December 31, 2023, as well as management's assessment of the effectiveness of the company's internal control over financial reporting.

The committee discussed with Deloitte the matters required to be discussed by the applicable requirements of the PCAOB and the SEC. The committee received the written disclosures and letter from Deloitte that is required by applicable requirements of the PCAOB regarding Deloitte's communications with the committee concerning independence and has discussed with Deloitte its independence.

The audit committee met in periodic executive sessions with each of management, the internal auditor, and the independent registered public accounting firm to discuss the results of the examinations by the independent and internal auditors, their evaluations of internal controls, and the overall quality of the company's financial reporting, and other matters as appropriate.

Based on these reviews and discussions and other information considered by the committee in its judgment, the committee recommended to the Board of Directors that the audited financial statements be included in Allstate's Annual Report on Form 10-K for the fiscal year ended December 31, 2023, for filing with the Securities and Exchange Commission, and furnished to shareholders with this Notice of Annual Meeting and Proxy Statement.



Kermit R. Crawford (CHAIR)



Siddharth N. Mehta



Donald E. Brown



Jacques P. Perold



Monica Turner



Shareholder Proposal

04 Independent Board Chairman

X VOTING RECOMMENDATION:

The Board recommends a vote **AGAINST** this proposal.

- It is in the best interests of Allstate's stockholders for the Board to have the ability to determine the best person to serve as Board Chair.
- Allstate's independent Lead Director provides additional leadership of the Board.
- There are other structural safeguards to provide effective independent oversight of Allstate.

Mr. Kenneth Steiner, 14 Stoner Ave., 2M Great Neck, NY 11021, beneficial owner of no less than 500 shares of Allstate common stock as of October 30, 2023, intends to present the following resolution at the annual meeting:

Shareholders request that the Board of Directors adopt an enduring policy, and amend the governing documents as necessary in order that 2 separate people hold the office of the Chairman and the office of the CEO.

Whenever possible, the Chairman of the Board shall be an Independent Director.

The Board has the discretion to select a Temporary Chairman of the Board who is not an Independent Director to serve while the Board is seeking an Independent Chairman of the Board on an accelerated basis.

It is a best practice to adopt this proposal soon. However this policy could be phased in when there is a contract renewal for our current CEO or for the next CEO transition.

This proposal topic won 52% support at Boeing and 54% support at Baxter International in 2020. Boeing then adopted this proposal topic.

A lead director is no substitute for an independent board chairman. A lead director cannot call a special shareholder meeting and cannot even call a special meeting of the board. A lead director can delegate most of his lead director duties to others and then simply rubber-stamp it. There is no way shareholders can be sure of what goes on.

A lead director can be given a list of duties but there is no rule that prevents the Chairman from overriding the lead director in any of the so-called lead director duties.

Allstate lead director Mr. Gregg Sherrill had years in the dual jobs of CEO and Chairman. Perhaps there should be a rule against a person who has been a CEO and a Chairman at the same time being named as lead director.

Past and present holders of both jobs at the same time would seem to have a special affinity with the Allstate person who now has the 2 most important Allstate jobs, Chairman and CEO. Affinity is inconsistent with the oversight role of a lead director.

Executive pay was rejected by 24 million shares in 2022 and 18 million shares in 2023. It takes more conviction for shareholders to reject executive pay than to simply accept it. A lead director role is to work with committee chairs. It seems that Mr. Sherrill needs to work more with the chair of the executive pay committee.

The increased complexities of modern companies of \$54 Billion in annual revenue, like Allstate, increasingly demand that 2 persons fill the 2 most important jobs in the company — CEO and Chairman.

Please vote yes:

Independent Board Chairman – Proposal 4

Board of Directors' Statement in Opposition to the Stockholder Proposal on Independent Board Chair

The Board recommends that stockholders vote "AGAINST" this proposal for the following reasons:

It is in the best interests of Allstate's stockholders for the Board to have the ability to determine the best person to serve as Board Chair.

- **Requiring** a split of the roles would reduce the Board's ability to act in the best interests of the company as the needs of the Board and the company change over time. **Allstate's Board has chosen to split the roles during a leadership transition.**
- In 2023, Allstate engaged with investors regarding many issues, including Board leadership structure. **Many stockholders expressed the opinion that there is no "one size fits all" solution and that the Board should be able to retain the flexibility** to choose the most effective leadership structure given the circumstances facing the company at any point in time.
- The **majority of companies provide for Board flexibility in determining whether to combine the Chair and CEO roles.** Of the S&P 500, only 39% currently have an independent Chair and less than 10% **require** separation of the Chair and CEO roles. No independent chair proposals have passed in the last two years, reflecting broad **shareholder sentiment that flexibility should be retained.**
- The current structure provides independent Board leadership and engagement while fully leveraging the CEO's experience, expertise and capabilities. **At the present time, the independent directors have determined that Allstate is well served by having Mr. Wilson hold the roles of Chair and CEO.** Mr. Wilson has extensive industry and company knowledge and has demonstrated successful leadership and direction for both management and the Board.

Allstate's independent Lead Director provides additional leadership of the Board.

- **Allstate's Lead Director has well-defined and significant responsibilities, separate from the responsibilities of the Chair/CEO.** These responsibilities include approval of all Board agendas and information provided to the Board; **authority to call meetings of the independent directors;** participation in stockholder engagement; oversight and facilitation of the annual Board evaluation, Board refreshment and succession planning processes; chairing all executive sessions; serving as a liaison between the Chair and the independent directors; and guiding the Board's overall governance processes. For a more detailed description of our Lead Director role, see [page 42](#) of this Proxy Statement.
- **The Lead Director is elected annually by the independent directors following robust discussion and performance evaluation.** As part of that review, the nominating, governance and social responsibility committee evaluates the criteria for nominees for the Lead Director role and assesses any necessary changes based on current issues facing Allstate. The independent directors consider the director's corporate governance expertise, operational and leadership experience, board tenure, integrity, relationships with the other Board members, and external commitments. Additionally, there is a **written policy in place to rotate the Lead Director every three to five years,** which fosters a balance of historical knowledge and fresh perspective. Allstate's current Lead Director was appointed in 2021.

There are other structural safeguards to provide effective independent oversight of Allstate.

- The Board is **92% independent,** with the CEO being the only non-independent Board member.
- All members of each of the key Board committees (the audit, compensation and human capital, nominating, governance and social responsibility, and risk and return committees) are independent and each committee chair has **robust and clearly articulated responsibilities.**
- After each regularly scheduled Board meeting, both the full Board and the **independent directors of the Board meet in executive session, with the independent directors' session chaired by the Lead Director.**
- Each committee operates under a written charter that **directs the oversight of key matters, the integrity of Allstate's financial statements, executive compensation, CEO performance, nomination of directors, evaluation of the Board, and risk and return management.** Additionally, the Board supplements their oversight with external independent resources, including compensation, financial results, and key governance topics.

Stock Ownership Information

Security Ownership of Directors and Executive Officers

The following table shows the Allstate common shares beneficially owned as of March 1, 2024, by each director and named executive individually, and by all executive officers and directors of Allstate as a group. Shares reported as beneficially owned include shares held indirectly through the Allstate 401(k) Savings Plan and other shares held indirectly. It also includes shares subject to stock options exercisable, and restricted stock units subject to conversion into common shares, within sixty days of March 1. As of March 1, 2024, none of these shares were pledged as security.

Name of Beneficial Owner	Amount and Nature of Beneficial Ownership of Allstate Common Stock ⁽¹⁾	Common Stock Subject to Options Exercisable on or Prior to April 29, 2024	Restricted Stock Units ⁽²⁾	Total Stock-Based Ownership ⁽³⁾	Percent of Class
Donald E. Brown	3,351	0	1,124	4,475	*
Kermit R. Crawford	1,000	0	19,708	20,708	*
Richard T. Hume	1,485	0	4,027	5,512	*
Margaret M. Keane	12,428	0	4,027	16,455	*
Siddharth N. Mehta	4,840	0	11,346	16,186	*
Maria Morris	0	0	508	508	*
Jacques P. Perold	35	0	11,832	11,867	*
Andrea Redmond	2,000	0	24,530	26,530	*
Gregg M. Sherrill	5,965	0	4,027	9,992	*
Judith A. Sprieser	0	0	34,215	34,215	*
Perry M. Traquina	3,802	0	7,747	11,549	*
Monica Turner	0	0	2,059	2,059	*
Thomas J. Wilson	1,184,258	2,042,374	0	3,226,632	*
Jesse Merten	25,310	55,907	0	81,217	*
John Dugenske	95,059	190,180	0	285,239	*
Suren Gupta	92,293	329,365	0	421,658	*
Mario Rizzo	64,665	228,006	0	292,671	*
All directors and executive officers as a group (23 total)	1,556,032	3,124,892	125,150	4,806,074	1.8%

* Less than 1% of the outstanding shares of common stock.

⁽¹⁾ This column includes restricted stock units (RSUs) held by executive officers that convert into common shares by April 29, 2024.

⁽²⁾ All non-employee directors hold RSUs granted under Allstate's equity compensation plans for non-employee directors. This column lists those RSUs that would be distributed to directors in the form of shares of common stock within 60 days if any of them were to have retired as a director on March 1, 2024. Some directors hold additional RSUs that are not reflected in the table above because common stock would not be distributed to directors until at least one year following his or her retirement as a director, or in some cases, as many as ten years following the date of grant. For more information regarding the RSUs held by each director at the end of 2023, please see the details on [page 65](#).

⁽³⁾ These amounts are the sum of the number of shares shown in the prior columns. As of March 1, 2024, no director or executive officer beneficially owned 1% or more of the outstanding common stock of Allstate. The directors and executive officers of Allstate as a group beneficially owned (including common stock subject to stock options exercisable and restricted stock units for which restrictions expire on or prior to April 30, 2024) approximately 1.8% of the common stock outstanding as of March 1, 2024.

Security Ownership of Certain Beneficial Owners

Title of Class	Name and Address of Beneficial Owner	Amount and Nature of Beneficial Ownership	Percent of Class
Common	The Vanguard Group 100 Vanguard Boulevard Malvern, PA 19355	32,184,316 ⁽¹⁾	12.3%
Common	BlackRock Inc. 55 East 52nd Street New York, NY 10055	18,903,948 ⁽²⁾	7.2%

⁽¹⁾ Reflects shares beneficially owned as of December 31, 2023, as set forth in a Schedule 13G/A filed on February 13, 2024. Of these shares, The Vanguard Group reported it held 0 shares with sole voting power; 327,195 shares with shared voting power; 31,030,890 shares with sole dispositive power; and 1,153,426 shares with shared dispositive power.

⁽²⁾ Reflects shares beneficially owned as of December 31, 2023, as set forth in a Schedule 13G/A filed on January 26, 2024. Of these shares, BlackRock reported it held 16,876,691 shares with sole voting power; 0 shares with shared voting power; 18,903,948 shares with sole dispositive power; and 0 shares with shared dispositive power.

Other Information

Proxy and Voting Information

Who is Asking for My Vote and Why?

The Allstate Board of Directors is soliciting proxies for use at the annual meeting of shareholders on May 14, 2024, and any adjournments or postponements of the meeting. The annual meeting will be held only if there is a quorum, which means that a majority of the outstanding common stock entitled to vote is represented at the meeting by proxy or in person. To ensure there will be a quorum, the Allstate Board asks you to vote before the meeting, which allows your Allstate stock to be represented at the annual meeting.

Who Can Vote at the Annual Meeting?

The Allstate Board has set the close of business on March 18, 2024, as the record date for the meeting. This means that you are entitled to vote if you were a shareholder of record at the close of business on March 18, 2024. On that date, there were 263,759,279 shares of Allstate common stock outstanding and entitled to vote at the annual meeting.

Why Did I Receive a Notice of Internet Availability of Proxy Materials Instead of the Proxy Materials?

We distribute our proxy materials to most shareholders over the Internet using “Notice and Access” delivery, as permitted by the rules of the SEC. We elected to use this method for most shareholders as it reduces our print and mail costs and the environmental impact of our annual shareholders’ meeting.

How Do I Vote?

Instructions on how to vote your shares are included on the Notice on [page 10](#). If you hold shares in your own name as a registered shareholder, you may vote by participating in the annual meeting, or you may instruct the proxies how to vote your shares by following the instructions on the proxy card/voting instruction form. **If you plan to participate in the meeting, please see the details on [page 11](#).**

If you hold shares in street name (that is, through a broker, bank, or other record holder), you should follow the instructions provided by your broker, bank, or other record holder to vote your shares.

If you hold shares through the Allstate 401(k) Savings Plan, please see the instructions on [pages 117-118](#).

Can I Change My Vote?

Before your shares have been voted at the annual meeting by the proxies, you may change or revoke your voting instructions by providing instructions again by telephone, by Internet, in writing, or, if you are a registered shareholder, by voting at the annual meeting.

Are the Votes Kept Confidential?

All proxies and tabulations that identify the vote of a particular shareholder are confidential, except as necessary to allow the inspector of election to certify the voting results or to meet certain legal requirements. A representative of American Election Services, LLC will act as the inspector of election and will count the votes. The representative is independent of Allstate and its directors, officers, and employees.

If you write a comment on your proxy card or voting instruction form, it may be provided to our Secretary along with your name and address.

Your comments will be provided without reference to how you voted, unless the vote is mentioned in your comment or unless disclosure of the vote is necessary to understand your comment. At our request, the distribution agent or the solicitation agent will provide us with periodic status reports on the aggregate vote. These status reports may include a list of shareholders who have not voted and breakdowns of vote totals by different types of shareholders, as long as we are not able to determine how a particular shareholder voted.

What Happens If I Submit a Signed Proxy Card but Do Not Indicate How I Want to Vote?

You may instruct the proxies to vote “FOR” or “AGAINST” on each proposal, or you may instruct the proxies to “ABSTAIN” from voting. If you submit a signed proxy card/voting instruction form to allow your shares to be represented at the annual meeting but do not indicate how your shares should be voted on one or more proposals, then the proxies will vote your shares as the Board of Directors recommends on those proposals. Other than the proposals listed on [pages 24-27](#), we do not know of any other matters to be presented at the meeting. If any other matters are properly presented at the meeting, the proxies may vote your shares in accordance with their best judgment.

What Vote Is Needed to Approve Each Item?

Shares of common stock represented by a properly completed proxy card/voting instruction form will be counted as present at the meeting for purposes of determining a quorum, even if the shareholder is abstaining from voting.

Proposal 1. To be elected under Allstate’s majority vote standard, each director must receive an affirmative vote of the majority of the votes cast. In other words, the number of shares voted “FOR” a director must exceed 50% of the votes cast on that director. Abstentions will not be counted as votes cast and will have no impact on the vote’s outcome.

Proposals 2 – 4. A majority of the shares present in person or represented by proxy at the meeting and entitled to vote must be voted “FOR” the proposal. **Abstentions will have the effect of a vote against the proposal.**

Are Broker Non-votes Counted at the Meeting?

Brokers and banks have discretionary authority to vote shares in the absence of instructions on matters the NYSE considers “routine,” such as the ratification of the appointment of the auditors. They do not have discretionary authority to vote shares in the absence of instructions on “non-routine” matters, such as the election of directors, say-on-pay and the shareholder proposal to have an independent Board Chairman. Broker non-votes will not be counted as shares entitled to vote on any of the foregoing non-routine matters and will have no impact on the outcomes of those votes.

What Is “householding” and How Does It Affect Me?

Allstate has adopted the “householding” procedure approved by the SEC, which allows us to deliver one set of documents to a household of shareholders instead of delivering a set to each shareholder in a household, unless we have been instructed otherwise. This procedure is more environmentally friendly and cost-effective because it reduces the number of copies to be printed and mailed. Shareholders who receive proxy materials in paper form will continue to receive separate proxy cards/voting instruction forms to vote their shares. Shareholders who receive the Notice of Internet Availability of Proxy Materials will receive instructions on submitting their proxy cards/voting instruction form via the Internet.

If you would like to change your householding election, request that a single copy of the proxy materials be sent to your address, or request a separate copy of the proxy materials, please contact our distribution agent, Broadridge Financial Solutions, by calling (866) 540-7095 or by writing to Broadridge Household Department, 51 Mercedes Way, Edgewood, NY 11717. We will promptly deliver the proxy materials to you upon receipt of your request. If you hold your shares in street name, please contact your bank, broker, or other record holder to request information about householding.

If you receive more than one proxy card/voting instruction form, your shares probably are registered in more than one account or you may hold shares both as a registered shareholder and through the Allstate 401(k) Savings Plan. You should vote each proxy card/voting instruction form you receive.

Where Can I Find the Results of the Annual Meeting?

Preliminary results will be announced at the meeting, and final results will be reported in a current report on Form 8-K, which is required to be filed with the SEC within four business days after the meeting.

Who Will Pay the Cost of This Proxy Solicitation?

Allstate pays the cost of this proxy solicitation. Officers and other employees of Allstate and its subsidiaries may solicit proxies by mail, personal interview, telephone, facsimile, electronic means, or via the Internet. None of these individuals will receive special compensation for soliciting votes, which will be performed in addition to their regular duties, and some of them may not necessarily solicit proxies. Allstate also has made arrangements with brokerage firms, banks, record holders, and other fiduciaries to forward proxy solicitation materials to the beneficial owners of shares they hold on their behalf. Allstate will reimburse these intermediaries for reasonable out-of-pocket expenses. Alliance Advisors, 200 Broadacres Drive, 3rd Floor, Bloomfield, NJ 07003 has been retained to assist in the solicitation of proxies for a fee of \$20,000 plus expenses.

How Do I Submit Shareholder Proposals or Director Nominations for the 2025 Annual Meeting?

Proposals that shareholders would like to include in Allstate's proxy materials for presentation at the 2025 Annual Meeting must be received by the Office of the Secretary by December 2, 2024, and must otherwise comply with SEC rules in order to be eligible for inclusion in the proxy materials for the 2025 Annual Meeting.

If a shareholder would like to bring a matter before the meeting that is not the subject of a proposal that meets the SEC proxy rule requirements for inclusion in the proxy statement, the shareholder must follow procedures in Allstate's bylaws in order to personally present the proposal at the meeting.

One of the procedural requirements in the bylaws is timely notice in writing of the business the shareholder proposes to bring before the meeting. Notice of business proposed to be brought before the 2025 annual meeting must be received by the Office of the Secretary no earlier than the close of business on January 14, 2025 and no later than the close of business on February 13, 2025. Among other things, the notice must describe the business proposed to be brought before the meeting, the reasons for conducting the business at the meeting, and any material interest of the shareholder in the business.

A shareholder also may directly nominate someone for election as a director at a shareholders' meeting. Under our bylaws, a shareholder may nominate a candidate at the 2025 annual meeting by providing advance notice to Allstate to the Office of the Secretary that is received no earlier than the close of business on January 14, 2025, and no later than the close of business on February 13, 2025. For proxy access nominees to be considered at the 2025 annual meeting, the nomination notice must be received by the Office of the Secretary no earlier than the close of business on November 2, 2024, and no later than the close of business on December 2, 2024. Among other things, the notice must include the information and documents described in Section 20 of the company's bylaws. In addition, shareholders who intend to solicit proxies in support of director nominees other than the company's nominees must also comply with the additional requirements of Rule 14a-19(b) of the Securities Exchange Act of 1934.

A copy of the procedures and requirements related to the above matters is available upon request from the Office of the Secretary or can be found on Allstate's website, www.allstateinvestors.com. The notices required above must be sent to the Office of the Secretary, The Allstate Corporation, 3100 Sanders Road, Northbrook, IL 60062.

How Do I Vote If I Hold Shares Through the 401(k) Savings Plan?

If you hold Allstate common shares through the Allstate 401(k) Savings Plan, your proxy card/voting instruction form for those shares will instruct the plan trustee how to vote those shares. If you received your annual meeting materials electronically, and you hold Allstate common shares both through the plan and also directly as a registered shareholder,

the voting instructions you provide electronically will be applied to both your plan shares and your registered shares. If you return a signed proxy card/voting instruction form or vote by telephone or the Internet on a timely basis, the trustee will follow your voting instructions for all Allstate common shares allocated to your plan account unless that would be inconsistent with the trustee's duties.

If your voting instructions are not received on a timely basis, the shares allocated to your plan account will be considered "unvoted." If you return a signed proxy card/voting instruction form but do not indicate how your shares should be voted on a given matter, the shares represented by your proxy card/voting instruction form will be voted as the Board of Directors recommends. **The trustee will vote all unvoted shares held by the plan as follows:**

- If the trustee receives instructions (through voting instruction forms or through telephonic or Internet instruction) on a timely basis for at least 50% of the votable shares in the plan, then it will vote all unvoted shares in the same proportion and in the same manner as the shares for which timely instructions have been received, unless to do so would be inconsistent with the trustee's duties.
- If the trustee receives instructions for less than 50% of the votable shares, the trustee will vote all unvoted shares at its sole discretion. However, the trustee will not use its discretionary authority to vote on adjournment of the meeting in order to solicit further proxies.

Plan votes receive the same high level of confidentiality as all other votes. You may not vote the shares allocated to your plan account by voting at the meeting. You must instruct The Northern Trust Company, as trustee for the plan, how to vote your shares.

How Can I Inspect a List of Shareholders Entitled to Vote at the Meeting?

Shareholders wishing to inspect the list of registered shareholders of The Allstate Corporation as of the record date for the 2024 Annual Meeting of Shareholders should send an e-mail to invrel@allstate.com. Please include (1) your name and (2) if you hold your shares through a broker, bank or other intermediary, an image of your stock ownership statement. Upon verification of your status as a shareholder, you will be provided access to view and inspect the list of registered shareholders as of the record date. Shareholders will not be able to download or print the list.

By order of the Board,



Christine DeBiase

Secretary

April 1, 2024

Appendix A – Definitions of Non-GAAP Measures

Measures that are not based on accounting principles generally accepted in the United States of America (“non-GAAP”) are defined and reconciled to the most directly comparable GAAP measure. 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 (loss) is net income (loss) applicable to common shareholders, excluding:

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

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 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 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 table reconciles net income (loss) applicable to common shareholders and adjusted net income for the years ended December 31.

(\$ in millions, except per share data)	2023	2022 ⁽³⁾	2021 ⁽³⁾	Per diluted common share		
				2023	2022 ⁽³⁾	2021 ⁽³⁾
Net income (loss) applicable to common shareholders	\$ (316)	\$ (1,394)	\$ 1,500	\$ (1.20)	\$ (5.14)	\$ 5.01
Net (gains) losses on investments and derivatives	300	1,072	(1,084)	1.13	3.95	(3.63)
Pension and other postretirement remeasurement (gains) losses	9	116	(644)	0.04	0.43	(2.15)
Amortization of purchased intangibles	329	353	398	1.24	1.30	1.33
Business combination of fair value adjustment	—	—	(6)	—	—	(0.02)
(Gain) loss on disposition	(4)	(89) ⁽⁴⁾	—	(0.01)	(0.33)	—
(Income) loss from discontinued operations	—	—	3,612	—	—	12.08
Non-recurring costs ⁽¹⁾	90	—	—	0.34	—	—
Income tax expense (benefit)	(157)	(297)	272	(0.59)	(1.09)	0.91
Adjusted net income (loss)*	\$ 251	\$ (239)	\$ 4,048	\$ 0.95	\$ (0.88)	\$ 13.53
Weighted average common-shares – Diluted ⁽²⁾				264.7	271.2	299.1
Weighted average dilutive potential common shares excluded due to net loss applicable to common shareholders ⁽²⁾				2.2	3.1	—

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

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

⁽³⁾ 2022 and 2021 periods have been recast to reflect the impact of the adoption of the FASB guidance revising the accounting for certain long-duration insurance contracts.

⁽⁴⁾ Includes \$83 million related to the gain on sale of headquarters in the fourth quarter of 2022.

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

The following table reconciles the Property-Liability combined ratio to the Property-Liability underlying combined ratio for the years ended December 31.

	2023	2022	2021
Combined Ratio	104.5	106.6	95.9
Effect of catastrophe losses	(11.6)	(7.1)	(8.3)
Effect of prior year non-catastrophe reserve reestimates	(1.2)	(3.9)	(0.8)
Effect of amortization of purchased intangibles	(0.5)	(0.5)	(0.6)
Underlying combined ratio*	91.2	95.1	86.2
Effect of prior year catastrophe reserve reestimates	—	—	(0.5)

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 for the years ended December 31.

(\$ in millions)	2023	2022 ⁽¹⁾	2021 ⁽¹⁾
Return on Allstate common shareholders' equity			
Numerator:			
Net income (loss) applicable to common shareholders	\$ (316)	\$ (1,394)	\$ 1,500
Denominator:			
Beginning Allstate common shareholders' equity	\$15,518	\$22,974	\$28,247
Ending Allstate common shareholders' equity ⁽²⁾	15,769	15,518	22,974
Average Allstate common shareholders' equity	\$15,644	\$19,246	\$25,611
Return on Allstate common shareholders' equity	(2.0)%	(7.2)%	5.9%
	2023	2022⁽¹⁾	2021⁽¹⁾
Adjusted net income return on Allstate common shareholders' equity			
Numerator:			
Adjusted net income (loss)*	\$ 251	\$ (239)	\$ 4,048
Denominator:			
Beginning Allstate common shareholders' equity	\$15,518	\$22,974	\$28,247
Less: Unrealized net capital gains and losses	(2,255)	598	3,180
Adjusted beginning Allstate common shareholders' equity	17,773	22,376	25,067
Ending Allstate common shareholders' equity ⁽²⁾	15,769	15,518	22,974
Less: Unrealized net capital gains and losses	(604)	(2,255)	598
Adjusted ending Allstate common shareholders' equity	16,373	17,773	22,376
Average adjusted Allstate common shareholders' equity	\$17,073	\$20,075	\$23,722
Adjusted net income (loss) return on Allstate common shareholders' equity*	1.5%	(1.2)%	17.1%

⁽¹⁾ 2022 and 2021 periods have been recast to reflect the impact of the adoption of the FASB guidance revising the accounting for certain long-duration insurance contracts.

⁽²⁾ Excludes equity related to preferred stock of \$2,001 million as of December 31, 2023, and \$1,970 as of December 31, 2022 and 2021.

Appendix B – Categorical Standards of Independence

In accordance with the Director Independence Standards, the Board has determined that the nature of the following relationships with the corporation do not create a conflict of interest that would impair a director's independence.

1. An Allstate director's relationship arising from (i) only such director's position as a director of another corporation or organization; (ii) only such director's direct or indirect ownership of a 5% or less equity interest in another corporation or organization (other than a partnership); (iii) both such position and such ownership; or (iv) such director's position only as a limited partner in a partnership in which he or she has an interest of 5% or less.
2. An Allstate director's relationship arising from an interest of the director, or any entity in which the director is an employee, director, partner, shareholder or officer, in or under any standard-form insurance policy or other financial product offered by the Allstate Group in the ordinary course of business.
3. An Allstate director's relationship with another company that participates in a transaction with the Allstate Group (i) where the rates or charges involved are determined by competitive bid or (ii) where the transaction involves the rendering of services as a common or contract carrier (including any airline) or public utility at rates or charges fixed in conformity with law or governmental authority.
4. An Allstate director's relationship with another company that has made payments to, or received payments from, the Allstate Group for property or services in an amount which, in the last fiscal year, does not exceed the greater of \$1 million or 2% of such other company's consolidated gross revenues for such year.
5. An Allstate director's position as an executive officer of a tax-exempt organization to which the aggregate amount of discretionary contributions (other than employee matching contributions) made by the Allstate Group and The Allstate Foundation in any of the last three fiscal years of the tax-exempt organization were equal to or less than the greater of \$1 million or 2% of such organization's consolidated gross revenues for such year.
6. An Allstate director's relationship with another company (i) in which the Allstate Group makes investments or (ii) which invests in securities issued by the Allstate Group or securities backed by any product issued by the Allstate Group, all in the ordinary course of such entity's investment business and on terms and under circumstances similar to those available to or from entities unaffiliated with such director.

Appendix C – Executive Officers

The following table lists the names and titles of our executive officers as of April 1, 2024. AIC refers to Allstate Insurance Company.

Name	Principal Positions and Offices Held
Thomas J. Wilson	Chair of the Board, President and Chief Executive Officer of The Allstate Corporation and AIC.
Elizabeth A. Brady	Executive Vice President, Chief Marketing, Customer and Communications Officer of AIC.
Christine DeBiase	Executive Vice President, Chief Legal Officer, General Counsel, and Corporate Secretary of The Allstate Corporation and AIC.
Jesse E. Merten	Executive Vice President and Chief Financial Officer of The Allstate Corporation and AIC.
John E. Dugenske	President, Investments and Corporate Strategy of AIC.
Suren Gupta	President, Protection Products and Enterprise Services of AIC.
Zulfikar Jeevanjee	Executive Vice President, Chief Information Officer of AIC.
John C. Pintozzi	Senior Vice President, Controller and Chief Accounting Officer of The Allstate Corporation and of AIC.
Mark Q. Prindiville	Executive Vice President and Chief Risk Officer of AIC.
Mario Rizzo	President, Property-Liability of AIC.
Robert Toohey	Executive Vice President and Chief Human Resources Officer of AIC.

Helpful Links and Resources

About Allstate

Company Website

<https://www.allstate.com/>

The Allstate Foundation

https://allstatefoundation.org/?_ga=2.233644824.70414277.1634117375-1354564632.1627444396

Sustainability

<https://www.allstatesustainability.com/>

Governance

Overview

<https://www.allstateinvestors.com/governance>

Corporate Governance Guidelines

<https://www.allstateinvestors.com/static-files/b32c67db-6f4a-4afb-9c2d-ffe5d2b1b12a>

Bylaws of The Allstate Corporation

<https://www.allstateinvestors.com/static-files/dd3f893c-035f-4896-a82c-a3e5ae606a51>

Audit Committee Charter

<https://www.allstateinvestors.com/static-files/3dfddc3a-6f10-4c3e-b154-bd3db57aafc4>

Compensation and Human Capital Committee Charter

<https://www.allstateinvestors.com/static-files/3d99e53e-579a-4e46-9bdd-338c50702ec4>

Executive Committee Charter

<https://www.allstateinvestors.com/static-files/275b63c0-6823-4678-add2-9fcd161330fc>

Nominating, Governance and Social Responsibility Committee Charter

<https://www.allstateinvestors.com/static-files/94ae2405-05d8-4fab-b435-1798d7ab91ff>

Risk and Return Committee Charter

<https://www.allstateinvestors.com/static-files/140622f6-f4ca-4e14-9d40-cbd88a549f25>

Code of Conduct

<https://www.allstateinvestors.com/governance/code-conduct>

Sustainability

Overview

<https://www.allstatesustainability.com>

Sustainability Report

www.allstatesustainability.com/2023SR

TCFD Report

www.allstatesustainability.com/2023tcfdrpt

CDP Climate Response

www.allstatesustainability.com/2023cdp

GRI Index

www.allstatesustainability.com/reporting/gri

SASB Index

www.allstatesustainability.com/2023sasb

EEO-1 Report

www.allstatesustainability.com/2023eeo1

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Annual Report

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Business

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

Allstate protects people from life’s uncertainties with a wide array of protection for autos, homes and personal property. Allstate is primarily engaged in the property and casualty insurance business in the United States and Canada. Additionally, Allstate provides customers other protection solutions such as protection plans that cover consumer electronics, mobile phones and appliances, personal identity protection and accident and health insurance. On November 1, 2023, we announced that we are pursuing the sale of the Health and Benefits business.

The Allstate Corporation is one of the largest publicly held personal lines insurers in the United States. Allstate’s personal property-liability strategy is to increase market share by offering consumers a broad suite of protection solutions and a competitive value proposition across distribution channels. The Allstate brand is widely known through the “You’re In Good Hands With Allstate®” slogan. Allstate is the second largest personal property and casualty insurer in the United States on the basis of 2022 statutory direct premiums written according to A.M. Best.

Allstate also has strong market positions in other protection solutions. Allstate Protection Plans provides protection on a wide variety of consumer goods such as cell phones, tablets, computers, furniture and appliances, and has a leading position in distribution through major retailers. Allstate Identity Protection has a leading position in identity protection through workplace benefit programs. In total, Allstate had 194 million policies in force (“PIF”) as of December 31, 2023. Allstate Health and Benefits provides accident, health and life insurance through employers, independent agents and direct-to-consumer, and is one of the top voluntary benefits carriers in the market.

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

Strategy, Transformative Growth, Our Shared Purpose and Segment Information

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

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

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



Our Shared Purpose

As the good hands...	our values	our operating standards	our behaviors
<ul style="list-style-type: none"> • We empower customers with protection to help them achieve their hopes and dreams. • We provide affordable, simple and connected protection solutions. • We create opportunity for our team, economic value for our shareholders and improve communities. 	<ul style="list-style-type: none"> • Integrity is non-negotiable. • Inclusive Diversity & Equity values and leverages unique identities with equitable opportunity and rewards. • Collective Success is achieved through empathy and prioritizing enterprise outcomes ahead of individuals. 	<ul style="list-style-type: none"> • Focus on Customers by anticipating and exceeding service expectations at low costs. • Be the Best at protecting customers, developing talent and running our businesses. • Be Bold with original ideas using speed and conviction to beat the competition. • Earn Attractive Returns by providing customer value, proactively accepting risk and using analytics. 	<ul style="list-style-type: none"> • Collaborate early and often to develop and implement comprehensive solutions and share learnings. • Challenge Ideas to leverage collective expertise, evaluate multiple alternatives and create the best path forward. • Provide Clarity for expected outcomes, decision authority and accountability. • Provide Feedback that is candid, actionable, independent of hierarchy and safe.

Reportable segments

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

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

Allstate Protection Segment

Our Allstate Protection segment accounted for 92.2% of Allstate’s 2023 consolidated insurance premiums and contract charges and 19.4% of Allstate’s December 31, 2023 PIF. This segment includes private passenger auto, homeowners, other personal lines and commercial insurance products offered through agents and directly through contact centers and online. Our strategy is to offer products that allow customers to interact with us when, where and how they want with affordable, simple and connected protection products.

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

- Improving customer value by making it easier to do business with us, providing competitive prices and differentiated products and experiences
- Expanding customer access to Allstate and National General products and services through the methods of interaction customers want
- Increasing sophistication and investment in customer acquisition
- Deploying new technology ecosystems that are more flexible and enable an enhanced customer experience
- Driving organizational transformation

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



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

Transformative Growth	
Improve Customer Value	Improving the competitive prices of products through lower costs, increased pricing sophistication and telematics
	Expanding the use of telematics and broadening the benefits of being connected with the Allstate Mobile app
	Providing additional protection solutions that enable simpler consumer-friendly experiences
Expand Customer Access	Transforming our Allstate agent sales system to enable more growth at a lower cost, while expanding our distribution capacity through new agent models
	Increasing direct channel distribution through improved online experience and data-driven insights to enhance call center sales
	Growing National General by leveraging Allstate brand capabilities and data to expand product offerings and fully utilize our independent agency relationships
Increase Sophistication and Investment in Customer Acquisition	Improving the effectiveness of customer acquisition by expanding lead management, building data capabilities and utilizing household insights
Deploy New Technology Ecosystem	Deploying a new technology ecosystem to deliver affordable, simple, and connected experiences and products at a lower cost. This effort will also lead to the retirement of legacy systems
Drive Organizational Transformation	Deliver an exceptional customer experience enabled by enhanced human resource tools and technology, an engaged and high performing global workforce, and organizational designs for efficiency

Additional Information and Strategy Updates

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

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

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

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

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

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

Property catastrophe exposure is managed with the goal of providing shareholders an acceptable return on the risks assumed in the property business, and reducing variability of earnings, while providing protection to our customers. Catastrophe exposure management includes purchasing reinsurance to provide coverage for known exposure to hurricanes, earthquakes and fires following earthquakes, wildfires and other catastrophes.

Our current catastrophe reinsurance program supports the Company's risk and return framework which incorporates our robust economic capital model and is informed by catastrophe risk models including

hurricanes, earthquakes and wildfires and adjusts based on premium and insured value growth. These reinsurance agreements are part of our capital models and our catastrophe risk management framework. As of December 31, 2023, the modeled 1-in-100 probable maximum loss for hurricane, wildfire and earthquake perils is approximately \$2.5 billion, net of reinsurance. We continually review our aggregate risk appetite and the cost and availability of reinsurance to optimize the risk and return profile of this exposure.

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

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

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

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

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

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

Commercial lines strategy The Allstate brand commercial insurance strategy is being advanced through an equity investment and commercial partnership with NEXT Insurance, a high-growth, digital platform for small business insurance. This partnership will expand the availability of our commercial lines offerings via the NEXT product portfolio, which complements the Allstate commercial auto product suite, across a wider distribution network.







Profit improvement actions continue for our Allstate brand traditional legacy commercial lines insurance products, emphasizing pricing, claims, operational improvements and non-renewal of policies where we are unable to meet our profit target. In 2023, Allstate brand began exiting traditional commercial insurance in five states, which is expected to be completed by mid-year 2025. These five states combined made up 36% of 2022 Allstate brand

commercial net written premium. Additionally, as of the fourth quarter of 2022, coverage is no longer offered to transportation network companies unless the contracts utilize telematics-based pricing. National General commercial auto product lines are expected to continue organic growth as well as expand to new geographies.

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

Products and distribution

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

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

⁽¹⁾ Insurance products are primarily offered by the Allstate and National General brands.

Distribution	
Allstate brand	In the U.S., we offer products through over 6,400 Allstate exclusive agents operating in approximately 7,100 locations, supported by 20,200 licensed sales professionals and 700 exclusive financial specialists. We also offer products through approximately 400 market sales associates, 7,900 independent agents, 500 direct auto representatives, 600 sales representatives in contact centers and online. In Canada, we offer Allstate brand products through approximately 500 employee sales agents.
National General (including Encompass)	Distributed through over 43,000 independent agent locations, approximately 520 retail stores, contact centers and online.
Answer Financial	Comparison quotes and sales offered to customers online or through contact centers.

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

Exclusive agent compensation structure The compensation structure for Allstate exclusive agents rewards them for delivering high value to customers and achieving certain business outcomes such as profitable growth and household penetration. Allstate

exclusive agent remuneration comprises a base commission, variable compensation and a bonus.

- Agents receive a monthly base commission payment as a percentage of their total eligible written premium.
- Variable compensation rewards agents for acquiring new customers by exceeding a base production goal.

Business Segment Information

- Bonus compensation is based on a percentage of premiums and can be earned by agents who are meeting certain sales goals and selling additional policies to meet customer needs profitably.

We are addressing a challenging economic environment with modifications to agent compensation by reducing the emphasis on new business growth in select geographies. Allstate exclusive agent remuneration in select geographies comprises a base commission and renewal bonus for eligible agents that can be earned by profitably retaining customers.

When an Allstate product is not available, agents have the ability to earn commissions and additional bonuses on non-proprietary products provided to customers through Ivantage, a leading provider of property and casualty brokerage services, and arrangements with other companies, agencies, and brokers. As of December 31, 2023, Ivantage had \$2.19 billion non-proprietary premiums under management, consisting of approximately \$1.93 billion

of personal insurance premiums primarily related to property business in hurricane exposed areas, and approximately \$259 million of commercial insurance premiums.

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

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

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

Innovative product offerings and features

Market-leading solutions

Allstate brand	Your Choice Auto [®]	Qualified customers choose from a variety of options, such as Accident Forgiveness, Deductible Rewards [®] , Safe Driving Bonus [®] and New Car Replacement.
	Allstate House and Home [®]	Featured options include Claim RateGuard [®] , Claim-Free Bonus, Deductible Rewards [®] and flexibility in options and coverages, including graduated roof coverage and pricing based on roof type and age for damage related to wind and hail events.
	Bundling Benefits	Auto customers with a qualifying property policy are provided an auto renewal guarantee and a deductible waiver (when the same event, with the same covered cause of loss, damages both auto and property). Offered in 47 states and District of Columbia ("D.C.") as of December 31, 2023.
	Auto Replacement Protection	Replaces a qualifying customer's vehicle involved in a total loss accident with a newer vehicle with fewer miles. Offered in 48 states and D.C. as of December 31, 2023.
	New experience and product suite	Reimagined insurance experience and products, making them affordable, simple and connected. Examples include fewer questions for customers to answer before getting a quote, easy-to-understand coverage descriptions and an industry-leading rating plan. Offered through the web and direct to consumers in seven states for auto and 17 states for renters as of December 31, 2023.
National General	Custom360 SM	Endorsements and coverage amounts can be scaled up or down to create a custom, needs-based insurance solution for customers at all stages in life. Offered in 16 states as of December 31, 2023.

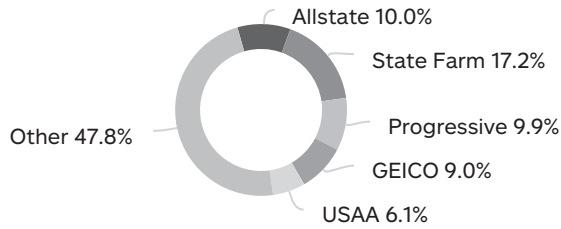
Telematics solutions

Allstate brand	Drivewise [®]	Telematics-based program, available in 48 states and D.C. as of December 31, 2023, that uses a mobile application or an in-vehicle device to capture driving behaviors and encourage safe driving. It provides customers with information, tools and more accurate individual pricing.
	Milewise [®]	Usage-based insurance product, available in 17 states as of December 31, 2023, that gives customers flexibility to customize their insurance and pay based on the number of miles they drive.
National General	DynamicDrive SM	Mobile-based telematics application, available in 40 states as of December 31, 2023, used to capture driving behaviors and to more accurately rate customers.

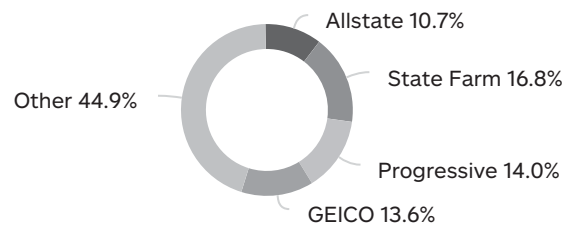
Competition

The personal lines insurance markets, including private passenger auto and homeowners insurance, are highly competitive. The following charts provide Allstate Protection’s combined market share compared to our principal U.S. competitors using statutory direct written premium for the year ended December 31, 2022, according to A.M. Best.

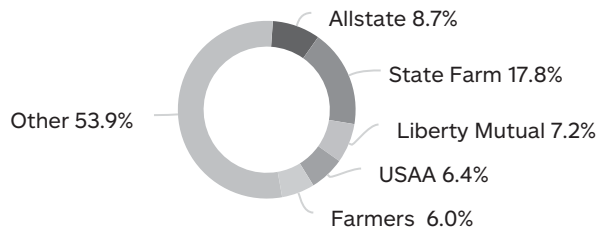
Personal lines insurance



Private passenger auto insurance



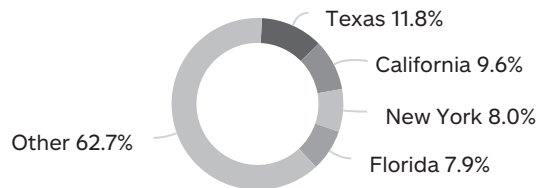
Homeowners insurance



Geographic markets

We primarily operate in the U.S. (all 50 states and D.C.) and Canada. Our top geographic markets based on 2023 statutory direct premiums are reflected below.

Top geographic markets



Protection Services Segment

Our Protection Services segment accounted for 4.6% of Allstate's 2023 consolidated total revenue and 78.5% of Allstate's December 31, 2023 PIF. Protection Services includes Allstate Protection Plans, Allstate Dealer Services, Allstate Roadside, Arity and Allstate Identity Protection, which offer a broad range of products and services that expand and enhance customer value propositions.

Strategy - Protection Services' strategy is to innovate new products and services, expand distribution and provide affordable, simple and connected protection solutions.

Allstate Protection Plans	Expand distribution and product breadth of consumer protection plans through new and existing retailers and mobile operators across North America, Europe, Asia and Australia.
Allstate Dealer Services	Expand distribution of Allstate branded protection and insurance products through auto dealerships, business partnerships and direct to consumer.
Allstate Roadside	Modernize the roadside assistance business through technology and enhance capabilities to deliver a superior customer experience.
Arity	Provide industry leading telematics and mobility insights to insurance companies, the transportation industry and location-enabled consumer apps. Services include: telematics-enabled mobility insights for consumers and businesses, driving behavior data and scores (Arity IQ) to deliver personalized insurance pricing, and marketing services including lead generation and advertising technology integrations to optimize advertising investments.
Allstate Identity Protection	Create a leading position in the identity protection market, offering full-service identity protection and expand partnership and direct to consumer distribution channels.

Products and distribution

Products and services

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

Distribution channels

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

Geographic markets

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

Competition

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

Allstate Health and Benefits Segment

Strategy

Allstate Health and Benefits segment accounted for 4.2% of Allstate's 2023 consolidated total revenue and 2.1% of Allstate's December 31, 2023 PIF. The Allstate Health and Benefits segment provides consumers with financial protection against the risk of accidents, illness and mortality. We are among the industry leaders in the growing and highly competitive voluntary benefits market, offering a broad range of accident, health and life products through workplace enrollment. Our life insurance portfolio includes individual and group permanent life solutions. We also provide stop-loss and fully insured group health products to employers and short-term medical and medicare supplement insurance to individuals. Target customers are consumers with family and financial protection needs. Allstate Health and Benefits is well represented in all market segments and is a leader in the large and mega (over 10,000 employees) market segments.

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

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

On November 1, 2023, we announced that we are pursuing the sale of the Health and Benefits business.

Products and distribution

Health and benefits products

Employer voluntary benefits

Group health

Individual health

Distribution channels

Over 8,000 independent agents and benefits brokers and Allstate exclusive agents, focusing on workplace benefits for small employers, specifically employer voluntary benefits and group health

Over 33,000 independent agents, in-house agencies, direct-to-consumer marketing, wholesaling, worksite marketing and the internet for individual health

Competition

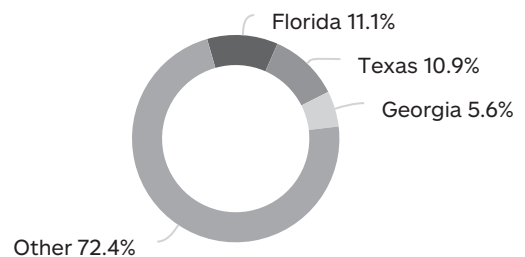
We compete on a wide variety of factors, including product offerings, brand recognition, financial strength and ratings, price, distribution and customer service.

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

Geographic markets

We primarily operate in the U.S. (all 50 states and D.C.) and Canada. The top geographic markets based on 2023 statutory direct premiums are reflected below.

Top geographic markets



Other Business Segments

Run-off Property-Liability Segment

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

Strategy Management of this segment has been assigned to a designated group of professionals with expertise in claims handling, policy coverage interpretation, exposure identification, litigation and reinsurance collection. We may pursue settlement agreements including policy buybacks on direct excess commercial business when appropriate to improve the certainty of the liabilities. Settlement agreements are negotiated contracts between Allstate and third parties that generally set forth the rights and obligations of the parties, including terms of payment for claims. At the end of 2023, 68% of the gross case reserves, excluding incurred but not reported, on the run-off direct excess commercial business were attributable to settlement agreements. This group also manages other direct commercial and assumed reinsurance business in runoff and engages in reinsurance ceded and assumed commutations as required or when considered economically advantageous.

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

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

Corporate and Other Segment

Our Corporate and Other segment is comprised of debt service, holding company activities and certain non-insurance operations, including expenses associated with strategic initiatives, such as our Avail peer-to-peer car-sharing initiative.

Forward-Looking Statements

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

Insurance and Financial Services (1) actual claim costs exceeding current reserves; (2) unexpected increases in claim frequency or severity; (3) catastrophes and severe weather events; (4) limitations in analytical models used for loss cost estimates; (5) price competition and changes in regulation and underwriting standards; (6) market risk, inflation, and declines in credit quality of our investment portfolios; (7) our subjective determination of fair value and amount of credit losses for investments; (8) our participation in indemnification programs, including state industry pools and facilities; (9) inability to mitigate the impact associated with changes in capital requirements; (10) a downgrade in financial strength ratings;

Business, Strategy and Operations (11) operations in markets that are highly competitive; (12) changing consumer preferences; (13) new or changing technologies; (14) implementation of our Transformative Growth strategy; (15) our catastrophe management strategy; (16) restrictions on our subsidiaries’ ability to pay dividends; (17) restrictions under terms of certain of our securities on our ability to pay dividends or repurchase our stock; (18) the availability of reinsurance at current levels and prices; (19) counterparty risk related to reinsurance; (20) acquisitions and divestitures of businesses; (21) intellectual property infringement, misappropriation and third-party claims; (22) vendor-related business disruptions or failure of a vendor to provide and protect data, confidential and proprietary information, or personal information of our customers, claimants or employees; (23) our ability to attract, develop and retain talent;

Macro, Regulatory and Risk Environment (24) conditions in the global economy and capital markets; (25) a large-scale pandemic, the occurrence of terrorism, military actions or social unrest; (26) the failure in cyber or other information security controls, as well as the occurrence of events unanticipated in our disaster recovery processes and business continuity planning; (27) changing climate and weather conditions; (28) evolving environmental, social and governance standards and expectations; (29) restrictive regulations and regulatory reforms in the U.S. and internationally; (30) regulatory limitations on rate increases and requirements to underwrite business and participate in loss sharing arrangements; (31) losses from legal and regulatory actions; (32) changes in or the application of accounting standards and changes in tax laws; and (33) misconduct or fraudulent acts by employees, agents and third parties.

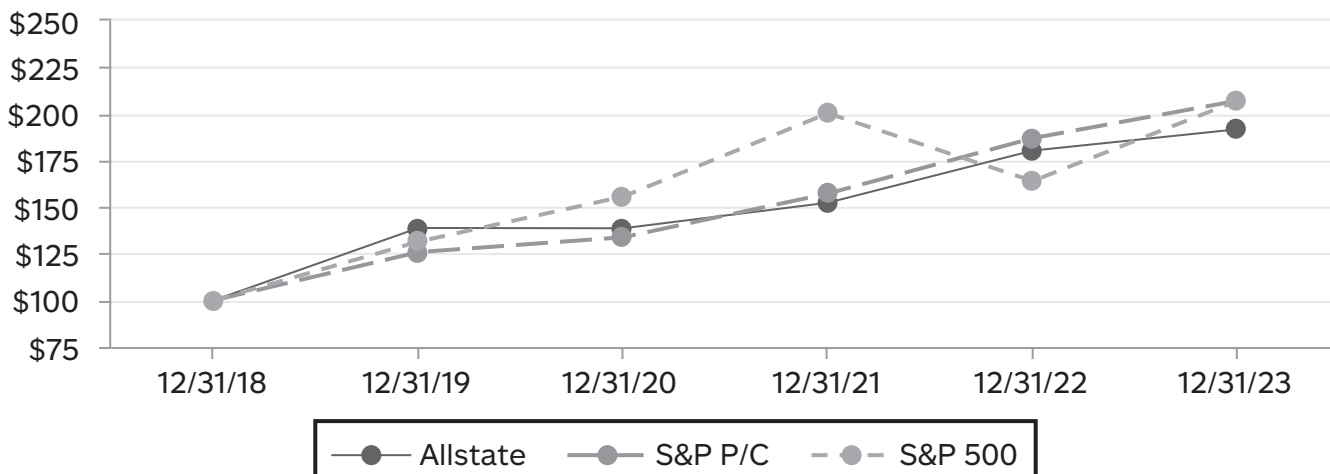
Additional information concerning these and other factors may be found in our filings with the Securities and Exchange Commission, including the “Risk Factors” section in our most recent annual report on Form 10-K.

Common stock performance graph

The following performance graph compares the cumulative total shareholder return on Allstate common stock for a five-year period (December 31, 2018 to December 31, 2023) with the cumulative total return of the S&P Property and Casualty Insurance Index (S&P P/C) and the S&P 500 stock index.

**Value at Each Year-End
of \$100 Initial Investment Made on December 31, 2018**

Allstate v. Published Indices



Value at each year-end of \$100 initial investment made on December 31, 2018

	12/31/2018	12/31/2019	12/31/2020	12/31/2021	12/31/2022	12/31/2023
Allstate	\$ 100.00	\$ 138.82	\$ 138.65	\$ 152.35	\$ 180.29	\$ 191.72
S&P P/C	\$ 100.00	\$ 125.87	\$ 133.84	\$ 157.27	\$ 186.95	\$ 207.04
S&P 500	\$ 100.00	\$ 131.47	\$ 155.65	\$ 200.29	\$ 163.98	\$ 207.04

Management's Discussion and Analysis of Financial Condition and Results of Operations

2023 Highlights

Overview

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

A discussion of strategy, including updates to the multi-year Transformative Growth initiative, can be found in Strategy and Segment Information.

This section of this 2023 Annual Report generally discusses 2023 and 2022 results and year-to-year comparisons between 2023 and 2022. Discussions of 2021 results and year-to-year comparisons between 2022 and 2021 that are not included in this report can be found in Management's Discussion and Analysis (“MD&A”) in Part II, Item 7 of our annual report on Form 10-K for 2022, filed February 16, 2023. Certain amounts have been reclassified or recast to reflect the application of the new guidance to all in-scope long-duration insurance contracts and to conform to current year presentation.

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

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

Measuring segment profit or loss

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

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

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

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

Macroeconomic Impacts

Macroeconomic factors have and may continue to impact the results of our operations, financial condition and liquidity, such as U.S. government fiscal and monetary policies, banking system instability, the Russia/Ukraine and Israel/Hamas conflicts and the remaining impacts of the Novel Coronavirus Pandemic or COVID-19 (“Coronavirus”), such as supply chain disruptions, labor shortages and other macroeconomic factors that have increased inflation.

Inflation continues to remain elevated, which led to increases in interest rates by the Federal Reserve and many foreign governmental authorities and central banks. These actions could create significant economic uncertainty. Market volatility resulting from these factors and from disruptions in the banking industry have and may continue to impact our investment valuations and returns.

These factors have affected our operations and may continue to significantly affect our results of operations, financial condition and liquidity and should be considered when comparing the current period to prior periods. Macroeconomic impacts are disclosed in Form 10-K Part 1 “Item 1A. Risk Factors”, including the risk factors titled “*A large-scale pandemic, the occurrence of terrorism, military actions, social unrest or other actions may have an adverse effect on our business*” and “*Conditions in the global economy and capital markets could adversely affect our business and*

results of operations”. This is not inclusive of all potential impacts and should not be treated as such. Within the MD&A, we have included further disclosures related to macroeconomic impacts on our 2023 results.

Israel/Hamas Conflict

As of December 31, 2023, we have approximately \$47 million investment exposure in the Middle East, of which approximately \$43 million is held in Israel, which is primarily indirect exposure through funds managed by external asset managers.

Russia/Ukraine Conflict

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

2023 Operating Priorities and Results

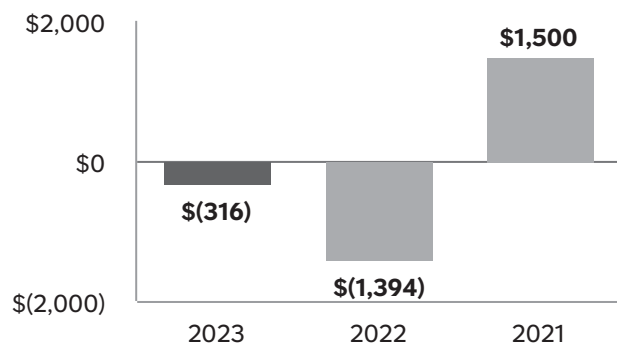
Allstate continued to focus on its operating priorities while executing a comprehensive plan to improve auto insurance profitability. The table below summarizes the results of our 2023 Operating Priorities.

2023 Operating Priorities ⁽¹⁾	
Improve Customer Value	Enterprise Net Promoter Score, which measures how likely customers are to recommend Allstate, finished below the prior year, reflecting the impact of substantial price increases necessary to offset higher loss costs.
Grow Customer Base	Consolidated policies in force reached 194 million, a 2.8% increase from prior year. Property-Liability policies in force decreased by 2.0% compared to the prior year, as continued growth at National General was more than offset by the Allstate brand and renewals declined in the auto insurance business. Protection Services policies in force increased 4.3%, primarily due to growth at Allstate Protection Plans.
Achieve Target Economic Returns on Capital	Return on average Allstate common shareholders' equity was (2.0)% in 2023. The Property-Liability combined ratio of 104.5 for the full year decreased compared to the prior year primarily reflecting increased premiums earned, partially offsetting continued high loss costs. A comprehensive profitability plan is being executed.
Proactively Manage Investments	Net investment income of \$2.48 billion in 2023 was \$75 million higher than prior year as higher market-based investment income was partially offset by lower performance-based results. Total return on the \$66.68 billion investment portfolio was 6.7% in 2023. Proactive portfolio management repositioned the fixed income portfolio into longer duration and higher-yielding assets that sustainably increase income.
Execute Transformative Growth	Allstate made substantial progress in advancing Transformative Growth in 2023, including continued cost reductions, deploying a new property-liability technology platform and a new Affordable, Simple and Connected auto insurance offering in seven states. National General is building a strong competitive position in independent agent distribution. Build a digital enterprise by expanding utilization of machine-based learning and artificial intelligence.

⁽¹⁾ 2024 operating priorities will remain mostly consistent with the 2023 priorities.

Consolidated net income (loss) applicable to common shareholders

(\$ in millions)

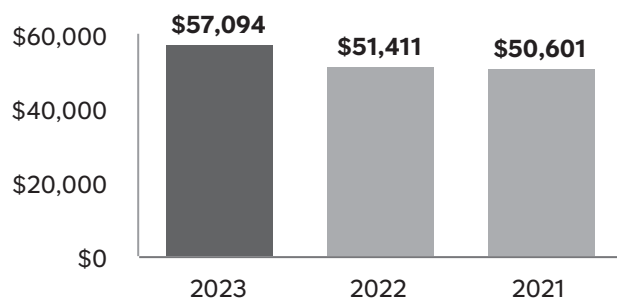


Consolidated net loss applicable to common shareholders was \$316 million in 2023 compared to net loss of \$1.39 billion in 2022, primarily due to improved underwriting results and net gains on equity valuations compared to losses in 2022.

For the twelve months ended December 31, 2023, return on Allstate common shareholders' equity was (2.0)% compared to (7.2)% for the twelve months ended December 31, 2022.

Total revenue

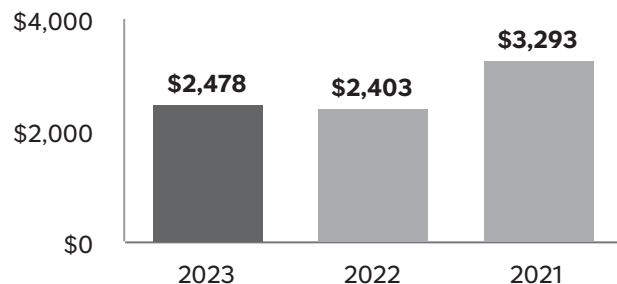
(\$ in millions)



Total revenue increased 11.1% to \$57.09 billion in 2023 compared to 2022, primarily due to a 10.4% increase in property and casualty insurance premiums earned and net gains on equity valuations in 2023 compared to losses in 2022.

Net investment income

(\$ in millions)



Net investment income increased \$75 million to \$2.48 billion in 2023 compared to 2022, primarily due to higher market-based income reflecting increased fixed income portfolio yields and investment balances, partially offset by lower performance-based investment results.

Summarized financial results

(\$ in millions)	Years Ended December 31,		
	2023	2022	2021
Revenues			
Property and casualty insurance premiums	\$ 50,670	\$ 45,904	\$ 42,218
Accident and health insurance premiums and contract charges	1,846	1,832	1,834
Other revenue	2,400	2,344	2,172
Net investment income	2,478	2,403	3,293
Net gains (losses) on investments and derivatives	(300)	(1,072)	1,084
Total revenues	57,094	51,411	50,601
Costs and expenses			
Property and casualty insurance claims and claims expense	(41,070)	(37,264)	(29,318)
Shelter-in-Place Payback expense	—	—	(29)
Accident, health and other policy benefits	(1,071)	(1,042)	(1,060)
Amortization of deferred policy acquisition costs	(7,278)	(6,634)	(6,236)
Operating, restructuring and interest expenses	(7,685)	(7,832)	(7,760)
Pension and other postretirement rereasurement gains (losses)	(9)	(116)	644
Amortization of purchased intangibles	(329)	(353)	(376)
Total costs and expenses	(57,442)	(53,241)	(44,135)
(Loss) income from operations before income tax expense	(348)	(1,830)	6,466
Income tax benefit (expense)	135	488	(1,292)
Net (loss) income from continuing operations	(213)	(1,342)	5,174
Loss from discontinued operations, net of tax	—	—	(3,593)
Net (loss) income	(213)	(1,342)	1,581
Less: Net loss attributable to noncontrolling interest	(25)	(53)	(33)
Net (loss) income attributable to Allstate	(188)	(1,289)	1,614
Preferred stock dividends	(128)	(105)	(114)
Net (loss) income applicable to common shareholders	\$ (316)	\$ (1,394)	\$ 1,500

Segment Highlights

Allstate Protection underwriting loss was \$2.09 billion in 2023 compared to underwriting loss of \$2.78 billion in 2022, due to increased premiums earned and lower unfavorable non-catastrophe reserve reestimates, partially offset by higher incurred losses and higher catastrophe losses of \$5.64 billion in 2023 compared to \$3.11 billion in 2022.

Premiums written increased 10.0% to \$50.35 billion in 2023 compared to \$45.79 billion in 2022, reflecting higher premiums in both Allstate and National General brands.

Protection Services adjusted net income was \$106 million in 2023 compared to \$169 million in 2022. The decrease in 2023 was due to higher appliance and furniture claim severity at Allstate Protection Plans and lower third-party lead sales at Arity, partially offset by improved margins at Allstate Roadside and lower expenses at Allstate Identity Protection. Adjusted net income was also impacted by an increase in state income taxes and deferred tax liabilities for Allstate Dealer Services.

Premiums and other revenues increased 9.4% or \$220 million to \$2.56 billion in 2023 from \$2.34 billion in 2022 primarily due to Allstate Protection Plans.

Allstate Health and Benefits adjusted net income was \$242 million in 2023 compared to \$245 million in 2022. The decrease was primarily due to a decline in employer voluntary benefits, partially offset by increases in individual and group health.

Premiums and contract charges totaled \$1.85 billion in 2023, an increase of 0.8% from \$1.83 billion in 2022 primarily due to growth in group health, partially offset by a decline in employer voluntary benefits and individual health.

Income Taxes

The effective tax rate is the ratio of income tax (benefit) expense divided by (loss) income from operations before income tax expense. The effective tax rate for 2023 was 38.8% compared to 26.7% in 2022 due to the total income tax benefit measured against a lower loss from operations before income tax expense of \$348 million in 2023 compared to a loss of \$1.83 billion in 2022.

In both years, the effective tax rate was higher than the 21% federal statutory income tax rate, primarily due to tax credits, tax-exempt interest income and excess tax benefits on shared-based payments, offset by a change in valuation allowance and uncertain tax positions. In addition, in 2023, the Company recorded an additional tax benefit arising from the liquidation of a foreign subsidiary and the rereasurement of state deferred income taxes. The

impact of the state deferred income taxes was not material to the consolidated results of operations but resulted in a tax expense to Protection Services and a tax benefit to Allstate Protection.

For additional information, see Note 16 of the consolidated financial statements.

Financial Highlights

Investments totaled \$66.68 billion as of December 31, 2023, increasing from \$61.83 billion as of December 31, 2022.

Allstate shareholders' equity was \$17.77 billion as of December 31, 2023 and \$17.49 billion as of December 31, 2022. The increase is primarily due to lower unrealized net capital losses on investments, partially offset by dividends paid to shareholders, common share repurchases and a net loss.

Book value per diluted common share (ratio of Allstate common shareholders' equity to total common shares outstanding and dilutive potential common shares outstanding) was \$59.39 as of December 31, 2023, an increase of 2.2% from \$58.12 as of December 31, 2022.

Return on average common Allstate shareholders' equity For the twelve months ended December 31, 2023, return on Allstate common shareholders' equity was (2.0)%, an increase of 5.2 points from (7.2)% for the twelve months ended December 31, 2022, primarily due to lower net loss applicable to common shareholders.

Pension and other postretirement remeasurement gains and losses We recorded pension and other postretirement remeasurement losses of \$9 million in 2023, primarily related to losses on the remeasurement of the projected benefit obligation driven by a decrease in the liability discount rate, partially offset by gains due to favorable asset performance compared to expected return on plan assets. See Note 18 of the consolidated financial statements and Application of Critical Accounting Estimates section of the MD&A for further information.

Adopted accounting standard

Accounting for Long-Duration Insurance Contracts Effective January 1, 2023, the Company adopted the Financial Accounting Standards Board ("FASB") guidance revising the accounting for certain long-duration insurance contracts using the modified retrospective approach to the transition date of January 1, 2021.

Under the new guidance, measurement assumptions, including those for mortality, morbidity and policy lapses, are required to be reviewed at least annually, and updated as appropriate. In addition, reserves under the new guidance are required to be discounted using an upper-medium grade fixed income instrument yield that is updated through other comprehensive income ("OCI") at each reporting date. Additionally, deferred policy acquisition costs ("DAC") for all long-duration products are amortized on a simplified basis. Also, the Company's reserve for future policy benefits and DAC are subject to new disclosure guidance.

In addition, the Company met the conditions included in Accounting Standards Update No. 2022-05, *Transition for Sold Contracts*, and elected to not apply the new guidance for contracts that were part of the 2021 sales of Allstate Life Insurance Company ("ALIC") and Allstate Life Insurance Company of New York ("ALNY").

After-tax cumulative effect of change in accounting principle on transition date	
(\$ in millions)	January 1, 2021
Decrease in retained income	\$ 21
Decrease in accumulated other comprehensive income ("AOCI")	277
Total decrease in equity	\$ 298

The decrease in AOCI was primarily attributable to a change in the discount rate used in measuring the reserve for future policy benefits for traditional life contracts and other long-term products with guaranteed terms from a portfolio-based rate at contract issuance to an upper-medium grade fixed income-based rate at the transition date. The decrease in retained income primarily related to certain cohorts of long-term contracts whose expected net premiums exceeded expected gross premiums which resulted in an increase in reserves and a decrease in retained income equal to the present value of expected future benefits less the present value of expected future premiums at the transition date.

Property-Liability Operations

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

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

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

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

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

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

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

- *PIF*: policy counts are based on items rather than customers. A multi-car customer would generate multiple item (policy) counts, even if all cars were insured under one policy. Commercial lines PIF counts for shared economy agreements typically reflect contracts that cover multiple rather than individual drivers. Lender-placed policies are excluded from policy counts because relationships are with the lenders.
- *New issued applications*: item counts of automobile or homeowner insurance applications for insurance policies that were issued during the period, regardless of whether the customer was previously insured by another Allstate brand.
- *Average premium-gross written* ("average premium"): gross premiums written divided by issued item count. Gross premiums written include the impacts from discounts, surcharges and ceded reinsurance premiums and exclude the impacts from mid-term premium adjustments and premium refund accruals. Average premiums represent the appropriate policy term for each line.
- *Renewal ratio*: renewal policy item counts issued during the period, based on contract effective dates, divided by the total policy item counts issued generally 6 months prior for auto or 12 months prior for homeowners.
- *Implemented rate changes*: represents the impact in the locations (U.S. states, the District of Columbia or Canadian provinces) where rate changes were implemented during the period as a percentage of total brand prior year-end premiums written.

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

- *Gross claim frequency* is calculated as annualized notice counts, excluding counts associated with catastrophe events, received in the period divided by the average of PIF with the applicable coverage during the period. Gross claim frequency includes all actual notice counts, regardless of their current status (open or closed) or their ultimate disposition (closed with a payment or closed without payment).
- *Report year incurred claim severity* is calculated by dividing the sum of recorded estimated incurred losses and allocated loss adjustment expenses, excluding catastrophes, by the reported notice counts during that report year. Report year incurred claim severity does not include incurred

but not reported (“IBNR”) losses or benefits from subrogation and salvage.

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

same period in the prior year divided by the prior year gross claim frequency or paid claim severity.

- *Percent change in report year incurred claim severity statistic* is calculated as the amount of increase or decrease in report year incurred claim severity recorded in the current year divided by the current estimate of the prior report year incurred claim severity.

Underwriting results			
(\$ in millions, except ratios)	2023	2022	2021
Premiums written	\$ 50,347	\$ 45,787	\$ 41,358
Premiums earned	\$ 48,427	\$ 43,909	\$ 40,454
Other revenue	1,545	1,416	1,437
Claims and claims expense	(40,453)	(36,732)	(28,876)
Shelter-in-Place Payback expense	—	—	(29)
Amortization of DAC	(6,070)	(5,570)	(5,313)
Other costs and expenses	(5,255)	(5,650)	(5,622)
Restructuring and related charges ⁽¹⁾	(143)	(44)	(145)
Amortization of purchased intangibles	(235)	(240)	(241)
Underwriting (loss) income	\$ (2,184)	\$ (2,911)	\$ 1,665
Catastrophe losses			
Catastrophe losses, excluding reserve reestimates	\$ 5,660	\$ 3,094	\$ 3,541
Catastrophe reserve reestimates ⁽²⁾	(24)	18	(202)
Total catastrophe losses	\$ 5,636	\$ 3,112	\$ 3,339
Non-catastrophe reserve reestimates ⁽²⁾	\$ 574	\$ 1,726	\$ 326
Prior year reserve reestimates ⁽²⁾	550	1,744	124
GAAP operating ratios			
Loss ratio	83.5	83.6	71.4
Expense ratio ⁽³⁾	21.0	23.0	24.5
Combined ratio	104.5	106.6	95.9
Effect of catastrophe losses on combined ratio	11.6	7.1	8.3
Effect of prior year reserve reestimates on combined ratio	1.2	3.9	0.3
Effect of catastrophe losses included in prior year reserve reestimates on combined ratio	—	—	(0.5)
Effect of restructuring and related charges on combined ratio ⁽¹⁾	0.3	0.1	0.4
Effect of amortization of purchased intangibles on combined ratio	0.5	0.5	0.6
Effect of Shelter-in-Place Payback expense on combined and expense ratios	—	—	0.1
Effect of Run-off Property-Liability business on combined ratio	0.2	0.3	0.3

⁽¹⁾ Restructuring and related charges in 2023 primarily relate to implementing actions to streamline the organization and outsource operations, and real estate costs related to facilities being vacated. See Note 14 of the consolidated financial statements for additional details.

⁽²⁾ Favorable reserve reestimates are shown in parentheses.

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

Allstate Protection Segment



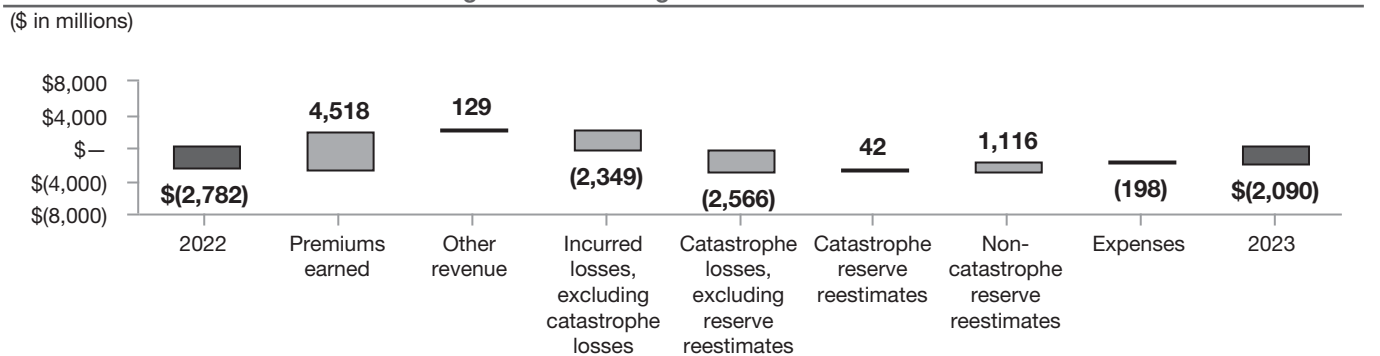
Private passenger auto, homeowners, and other personal lines insurance products are offered to consumers through agents, directly through contact centers and online. Our strategy is to offer products that allow customers to interact with us when, where and how they want with affordable, simple and connected protection products. Additional information on our strategy and outlook can be found in Strategy and Segment Information.

Underwriting results

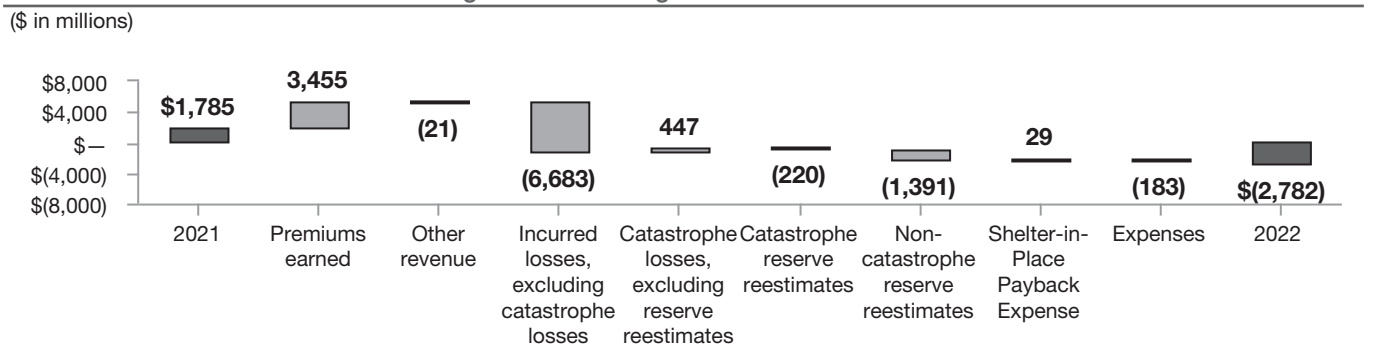
(\$ in millions)	For the years ended December 31,		
	2023	2022	2021
Premiums written	\$ 50,347	\$ 45,787	\$ 41,358
Premiums earned	\$ 48,427	\$ 43,909	\$ 40,454
Other revenue	1,545	1,416	1,437
Claims and claims expense	(40,364)	(36,607)	(28,760)
Shelter-in-Place Payback expense	—	—	(29)
Amortization of DAC	(6,070)	(5,570)	(5,313)
Other costs and expenses	(5,251)	(5,646)	(5,618)
Restructuring and related charges	(142)	(44)	(145)
Amortization of purchased intangibles	(235)	(240)	(241)
Underwriting (loss) income	\$ (2,090)	\$ (2,782)	\$ 1,785
Catastrophe losses	\$ 5,636	\$ 3,112	\$ 3,339

Underwriting loss improved to \$2.09 billion in 2023 compared to \$2.78 billion in 2022, primarily due to increased premiums earned and lower unfavorable non-catastrophe reserve reestimates, partially offset by higher losses. We are executing a comprehensive plan to improve auto insurance profitability, by raising rates, reducing operating expenses and advertising, implementing underwriting restrictions in underperforming states and enhancing claims processes to manage loss costs.

Change in underwriting results from 2022 to 2023



Change in underwriting results from 2021 to 2022



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

(\$ in millions)	For the years ended December 31,								
	Allstate Brand			National General			Allstate Protection		
	2023	2022	2021	2023	2022	2021	2023	2022	2021
Auto ⁽¹⁾	\$ (829)	\$ (2,846)	\$ 1,208	\$ (280)	\$ (168)	\$ 54	\$ (1,109)	\$ (3,014)	\$ 1,262
Homeowners ⁽²⁾	(624)	701	411	(179)	(30)	(98)	(803)	671	313
Other personal lines ⁽³⁾	(37)	(85)	216	(2)	(3)	17	(39)	(88)	233
Commercial lines	(277)	(478)	(158)	12	14	—	(265)	(464)	(158)
Other business lines ⁽⁴⁾	106	95	115	9	10	6	115	105	121
Answer Financial	—	—	—	—	—	—	11	8	14
Total	\$ (1,661)	\$ (2,613)	\$ 1,792	\$ (440)	\$ (177)	\$ (21)	\$ (2,090)	\$ (2,782)	\$ 1,785

⁽¹⁾ 2021 results include certain National General commercial lines insurance products.

⁽²⁾ 2021 results include National General packaged policies, which include auto, and commercial lines insurance products.

⁽³⁾ Include renters, condominium, landlord and other personal lines products.

⁽⁴⁾ Primarily represents revenue and direct operating expenses of Ivantage, distribution of non-proprietary life and annuity products and lender-placed products. Ivantage, a general agency for Allstate exclusive agents, provides agents a solution for their customers when coverage through Allstate brand underwritten products is not available. In the first quarter of 2023, National General lender-placed products results were reclassified to other business lines. Historical results have been updated to conform with this presentation.

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

Premiums written by brand and line of business

(\$ in millions)	For the years ended December 31,								
	Allstate Brand			National General			Allstate Protection		
	2023	2022	2021	2023	2022	2021	2023	2022	2021
Auto	\$ 27,894	\$ 25,946	\$ 24,102	\$ 6,064	\$ 4,720	\$ 3,763	\$ 33,958	\$ 30,666	\$ 27,865
Homeowners	11,018	9,936	8,717	1,566	1,273	1,365	12,584	11,209	10,082
Other personal lines	2,290	2,096	2,001	229	153	155	2,519	2,249	2,156
Commercial lines	473	917	848	247	207	—	720	1,124	848
Other business lines	—	—	—	566	539	407	566	539	407
Total premiums written	\$ 41,675	\$ 38,895	\$ 35,668	\$ 8,672	\$ 6,892	\$ 5,690	\$ 50,347	\$ 45,787	\$ 41,358

Premiums earned by brand and line of business

(\$ in millions)	For the years ended December 31,								
	Allstate Brand			National General			Allstate Protection		
	2023	2022	2021	2023	2022	2021	2023	2022	2021
Auto	\$ 27,384	\$ 25,286	\$ 24,088	\$ 5,556	\$ 4,429	\$ 3,535	\$ 32,940	\$ 29,715	\$ 27,623
Homeowners	10,333	9,249	8,272	1,406	1,169	1,280	11,739	10,418	9,552
Other personal lines	2,179	2,016	1,925	208	143	152	2,387	2,159	2,077
Commercial lines	593	919	827	218	204	—	811	1,123	827
Other business lines	—	—	—	550	494	375	550	494	375
Total premiums earned	\$ 40,489	\$ 37,470	\$ 35,112	\$ 7,938	\$ 6,439	\$ 5,342	\$ 48,427	\$ 43,909	\$ 40,454

Reconciliation of premiums written to premiums earned

(\$ in millions)	For the years ended December 31,		
	2023	2022	2021
Total premiums written	\$ 50,347	\$ 45,787	\$ 41,358
Increase in unearned premiums	(2,004)	(1,776)	(1,143)
Other	84	(102)	239
Total premiums earned	\$ 48,427	\$ 43,909	\$ 40,454

Unearned premium balance by line of business

(\$ in millions)	As of December 31,	
	2023	2022
Allstate brand:		
Auto	\$ 7,569	\$ 7,039
Homeowners	6,187	5,495
Other personal lines	1,264	1,151
Commercial lines	194	314
Total Allstate brand	15,214	13,999
National General:		
Auto	2,547	2,017
Homeowners	799	651
Other personal lines	69	62
Commercial lines	155	129
Other business lines	317	294
Total National General	3,887	3,153
Allstate Protection unearned premiums	\$ 19,101	\$ 17,152

Policies in force by brand and by line of business

PIF (thousands)	Allstate brand			National General			Allstate Protection		
	2023	2022	2021	2023	2022	2021	2023	2022	2021
Auto	20,326	21,658	21,972	4,957	4,376	3,944	25,283	26,034	25,916
Homeowners	6,652	6,622	6,525	686	638	634	7,338	7,260	7,159
Other personal lines	4,522	4,636	4,578	341	300	288	4,863	4,936	4,866
Commercial lines	152	204	210	132	107	105	284	311	315
Total	31,652	33,120	33,285	6,116	5,421	4,971	37,768	38,541	38,256

Auto insurance premiums written increased 10.7% or \$3.29 billion in 2023 compared to 2022, primarily due to the following factors:

- Increased average premiums driven by 2022 and 2023 rate increases. In the year ended December 31, 2023:
 - Rate increases of 17.9% were taken for Allstate brand in 55 locations, resulting in total Allstate brand insurance premium impact of 16.4%
 - Rate increases of 18.8% were taken for National General brand in 48 locations, resulting in total National General brand insurance premium impact of 12.8%
- We expect to continue to pursue rate increases for both Allstate and National General brands into 2024 to improve auto insurance profitability
- PIF decreased 2.9% or 751 thousand to 25,283 thousand as of December 31, 2023 compared to December 31, 2022
- Renewal ratio decreased 1.6 points as of December 31, 2023 compared to December 31, 2022
- Decreased new issued applications driven by the direct and exclusive agency channels, partially offset by growth in the independent agency channel
- The impact of the ongoing rate increases, underwriting restrictions in markets with returns below target levels and temporary reductions in advertising have and may continue to have an adverse effect on the renewal ratio, premiums and future PIF growth

Auto premium measures and statistics

	2023	2022	2021	2023 vs. 2022	2022 vs. 2021
New issued applications (thousands)					
Allstate Protection by brand					
Allstate brand	2,915	3,644	3,616	(20.0)%	0.8 %
National General	3,000	2,677	2,057	12.1 %	30.1 %
Total new issued applications	5,915	6,321	5,673	(6.4)%	11.4 %
Allstate Protection by channel					
Exclusive agency channel	2,294	2,401	2,387	(4.5)%	0.6 %
Direct channel	1,632	2,202	1,773	(25.9)%	24.2 %
Independent agency channel	1,989	1,718	1,513	15.8 %	13.5 %
Total new issued applications	5,915	6,321	5,673	(6.4)%	11.4 %
Allstate brand average premium	\$ 757	\$ 659	\$ 605	14.9 %	8.9 %
Allstate brand renewal ratio (%)	85.4	87.0	87.0	(1.6)	—

Homeowners insurance premiums written increased 12.3% or \$1.38 billion in 2023 compared to 2022, primarily due to the following factors:

- Higher Allstate brand average premiums from implemented rate increases taken in 2022 and 2023 and inflation in insured home replacement costs, combined with policies in force growth
- In 2023 rate increases of 15.0% were taken for Allstate brand in 49 locations, resulting in total Allstate brand insurance premium impact of 11.3%
- National General policy growth may be negatively impacted in future quarters as we improve underwriting margins to targeted levels in the current books of business through underwriting and rate actions. In 2023 rate increases of 23.4% were taken for National General brand in 32 locations, resulting in total National General brand insurance premium impact of 11.0%
- Decreased new issued applications in the direct and exclusive agency channels, partially offset by growth in the independent agency channel
- Policy growth is being reduced in states and lines of business that are underperforming. We are no longer writing new homeowners business in California and Florida, and we are non-renewing certain policies in Florida to reduce our exposure, which have and will continue to negatively impact premiums
- The impact of the ongoing rate increases, underwriting restrictions in markets with returns below target levels and temporary reductions in advertising have and may continue to have an adverse effect on the renewal ratio, premiums and future PIF growth

Homeowners premium measures and statistics

	2023	2022	2021	2023 vs. 2022	2022 vs. 2021
New issued applications (thousands)					
Allstate Protection by brand					
Allstate brand	934	986	962	(5.3)%	2.5 %
National General	177	136	102	30.1 %	33.3 %
Total new issued applications	1,111	1,122	1,064	(1.0)%	5.5 %
Allstate Protection by channel					
Exclusive agency channel	800	826	840	(3.1)%	(1.7)%
Direct channel	79	94	84	(16.0)%	11.9 %
Independent agency channel	232	202	140	14.9 %	44.3 %
Total new issued applications	1,111	1,122	1,064	(1.0)%	5.5 %
Allstate brand average premium	\$ 1,812	\$ 1,614	\$ 1,426	12.3 %	13.2 %
Allstate brand renewal ratio (%)	86.7	86.8	87.1	(0.1)	(0.3)

Other personal lines premiums written increased 12.0% or \$270 million in 2023 compared to 2022, primarily due to increases in landlords, condominiums and personal umbrella for Allstate brand. We are no longer writing condominium new business in California and Florida and we are non-renewing certain policies in Florida, which will continue to negatively impact premiums.

Commercial lines premiums written decreased 35.9% or \$404 million in 2023 compared to 2022, due to profitability actions taken to no longer offer coverage to transportation network companies unless the contracts utilize telematics-based pricing and the Allstate brand exiting traditional commercial insurance in five states, which will continue to negatively impact premiums.

The Allstate brand commercial insurance strategy is being advanced through an equity investment and commercial partnership with NEXT Insurance, a high-growth, digital platform for small business insurance which will expand the availability of our commercial lines offerings via NEXT product portfolio.

Other business lines premiums written increased 5.0% or \$27 million in 2023 compared to 2022.

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

Combined ratios by line of business

	For the years ended December 31,								
	Loss ratio			Expense ratio ⁽¹⁾			Combined ratio		
	2023	2022	2021	2023	2022	2021	2023	2022	2021
Auto	82.8	87.2	70.5	20.6	22.9	24.9	103.4	110.1	95.4
<i>Impact of Shelter-in-Place Payback expense</i>				—	—	0.1	—	—	0.1
Homeowners	85.4	71.1	73.5	21.4	22.5	23.2	106.8	93.6	96.7
Other personal lines	82.0	79.7	62.9	19.6	24.4	25.9	101.6	104.1	88.8
Commercial lines	105.8	120.7	97.5	26.9	20.6	21.6	132.7	141.3	119.1
Other business lines	48.4	39.5	38.4	30.7	39.2	29.3	79.1	78.7	67.7
Total	83.3	83.3	71.1	21.0	23.0	24.5	104.3	106.3	95.6
<i>Impact of amortization of purchased intangibles</i>				0.5	0.5	0.6	0.5	0.5	0.6
<i>Impact of Shelter-in-Place Payback expense</i>				—	—	0.1	—	—	0.1
<i>Impact of restructuring and related charges</i>				0.3	0.1	0.4	0.3	0.1	0.4

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

Loss ratios by line of business

	For the years ended December 31,											
	Loss ratio			Effect of catastrophe losses			Effect of prior year reserve reestimates			Effect of catastrophe losses included in prior year reserve reestimates		
	2023	2022	2021	2023	2022	2021	2023	2022	2021	2023	2022	2021
Auto	82.8	87.2	70.5	2.1	1.7	1.7	0.7	4.0	0.5	(0.2)	(0.2)	(0.1)
Homeowners	85.4	71.1	73.5	38.6	21.6	27.2	0.8	1.9	(1.4)	0.3	0.7	(1.7)
Other personal lines	82.0	79.7	62.9	14.6	12.3	11.0	0.8	(1.5)	(5.1)	(0.8)	0.1	(0.5)
Commercial lines	105.8	120.7	97.5	3.7	2.5	2.9	10.4	24.2	14.4	1.0	(0.1)	0.4
Other business lines	48.4	39.5	38.4	7.5	9.1	5.3	2.2	(1.2)	(4.8)	—	0.8	0.3
Total	83.3	83.3	71.1	11.6	7.1	8.3	1.0	3.6	—	—	—	(0.5)

Auto underwriting results

(\$ in millions, except ratios)	For the periods ended											
	2023				2022				2021			
	Q4	Q3	Q2	Q1	Q4	Q3	Q2	Q1	Q4	Q3	Q2	Q1
Underwriting income (loss)	\$ 93	\$(178)	\$(678)	\$(346)	\$(974)	\$(1,315)	\$(578)	\$(147)	\$(300)	\$(159)	\$394	\$1,327
Loss ratio	78.5	81.4	87.9	83.4	90.6	95.3	84.9	77.6	78.9	76.9	68.7	57.2
Effect of prior year non-catastrophe reserve reestimates	1.7	0.3	1.4	(0.1)	2.3	8.5	3.8	2.1	2.1	1.1	(0.4)	(0.2)

Frequency and severity are influenced by:

- Supply chain disruptions and labor shortages
- Mix of repairable losses and total losses
- Value of total losses due to changes in used car prices
- Changes in medical inflation and consumption
- Number of claims with attorney representation
- Labor and part costs
- Changes in commuting activity
- Driving behavior (e.g., speed, time of day) impacting severity and mix of claim types
- Organizational and process changes impacting claim opening and closing practices and shifts in timing, if any, can impact comparisons to prior periods

The quarterly auto loss ratio has been more variable due to these and additional factors discussed below.

Auto loss ratio decreased 4.4 points in 2023 compared to 2022 driven by increased earned premium compared to the prior year. Estimated report year 2023 incurred claim severity for Allstate brand, excluding Esurance and Canada, had a weighted average increase of between 8% to 9% compared to report year 2022 for major coverages due to higher part costs and labor rates for repairable vehicles, a higher mix of total losses, higher costs for claims with attorney representation, higher medical consumption and inflation. Gross claim frequency increased relative to the prior year. We are enhancing our claims practices to manage loss costs by increasing resources and expanding re-inspections, accelerating resolution of bodily injury claims, and negotiating improved vendor services and parts agreements.

Homeowners loss ratio increased 14.3 points in 2023 compared to 2022, primarily due to higher catastrophe losses and severity, partially offset by increased premiums earned.

Allstate brand homeowners frequency and severity statistics (excluding catastrophe losses)

(% change year-over-year)

For the year ended December 31, 2023

Gross claim frequency	(4.2)%
Paid claim severity	11.8

Gross claim frequency decreased in 2023 compared to 2022 primarily due to fire and water perils. Paid claim severity increased in 2023 compared to 2022 due to inflationary loss cost pressure driven by increases in labor and materials costs. Homeowner paid claim severity can be impacted by both the mix of perils and the magnitude of specific losses paid during the period.

Other personal lines loss ratio increased 2.3 points in 2023 compared to 2022, primarily due to higher catastrophe losses and increased severity, partially offset by increased premiums earned.

Commercial lines loss ratio decreased 14.9 points in 2023 compared to 2022 primarily due to the result of profitability actions taken and lower unfavorable reserve reestimates, partially offset by continued elevated frequency and severity.

Other business lines loss ratio increased 8.9 points in 2023 compared to 2022 primarily due to higher non-catastrophe losses and unfavorable prior year reserve reestimates.

Catastrophe losses increased 81.1% or \$2.52 billion in 2023 compared to 2022 primarily related to an increased number of wind/hail events and larger losses per event.

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

We define a “catastrophe” as an event that produces pre-tax losses before reinsurance in excess of \$1 million and involves multiple first party policyholders, or a winter weather event that produces a number of claims in excess of a preset, per-event threshold of average claims in a specific area, occurring within a certain amount of time following the event. Catastrophes are caused by various natural events including high winds, winter storms and freezes, tornadoes, hailstorms, wildfires, tropical storms, tsunamis, hurricanes, earthquakes and volcanoes.

We are also exposed to man-made catastrophic events, such as certain types of terrorism, civil unrest, wildfires or industrial accidents. The nature and level of catastrophes in any period cannot be reliably predicted.

Catastrophe losses by the type of event

(\$ in millions)	For the years ended December 31,					
	Number of events	2023	Number of events	2022	Number of events	2021
Hurricanes/tropical storms	3	\$ 66	2	\$ 399	6	\$ 742
Tornadoes	4	189	4	192	3	107
Wind/hail	136	5,065	106	1,936	85	1,878
Wildfires	4	335	9	52	5	269
Freeze/other events	2	5	3	515	2	611
Prior year reserve reestimates		(24)		28		35
Prior year aggregate reinsurance recoveries		—		(10)		(237)
Current year aggregate reinsurance recoveries		—		—		(66)
Total catastrophe losses ⁽¹⁾	149	\$ 5,636	124	\$ 3,112	101	\$ 3,339

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

Catastrophe management

Historical catastrophe experience For the last ten years, the average annual impact of catastrophes on our loss ratio was 8.3 points, but it has varied from 5.7 points to 11.6 points. The average annual impact of catastrophes on the homeowners loss ratio for the last ten years was 27.1 points. Over time, we have limited our aggregate insurance exposure to catastrophe losses in certain regions of the country that are subject to high levels of natural catastrophes by our participation in various state facilities. For further discussion of these facilities, see Note 15 of the consolidated financial statements. However, the impact of these actions may be diminished by the growth in insured values, the effect of state insurance

laws and regulations and we may not be able to maintain our current level of reinsurance or purchase new reinsurance protection in amounts we consider sufficient at acceptable prices. In addition, in various states we are required to participate in assigned risk plans, reinsurance facilities and joint underwriting associations that provide insurance coverage to individuals or entities that otherwise are unable to purchase such coverage from private insurers. Because of our participation in these and other state facilities such as wind pools, we may be exposed to losses that surpass the capitalization of these facilities and to assessments from these facilities.

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

- Continuing to limit or not offer new homeowners, manufactured home and landlord package policy business in certain coastal geographies. Additionally, we:
 - Wrote a limited number of homeowners policies in select areas of California from 2016 to 2022, but are no longer writing new homeowners and condominium business in the state of California. We may take further action to reduce our exposure.
 - Reduced our exposure to high risk areas, including California and Florida. Since December 31, 2022, PIF has declined by an average of approximately 7% in those two states.
 - Write homeowners coverage, excluding in Florida, through our excess and surplus lines carrier, North Light Specialty Insurance Company (“North Light”), which includes earthquake coverage (other than fire following earthquakes) that is currently ceded via quota share reinsurance.
- Increased capacity in our brokerage platform for customers not offered an Allstate policy. As of December 31, 2023, Ivantage had \$2.19 billion non-proprietary premiums under management.
- Ceded wind exposure related to insured property located in wind pool eligible areas in certain states.
- Generally require higher deductibles for tropical cyclone than all peril deductibles and are in place for a large portion of coastal insured properties.
- Include coverage for flood-related losses for auto comprehensive damage coverage since we have additional catastrophe exposure, beyond the property lines, for auto customers who have purchased comprehensive damage coverage.
- Offer a homeowners policy in 43 states. Allstate Home and Home[®] provides options of coverage for roof damage, including graduated coverage and pricing based on roof type and age. In 2023, premiums written totaled \$6.84 billion or 54.3% of homeowners premiums written compared to \$5.60 billion or 49.9% in 2022.

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

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

Earthquakes We do not offer earthquake coverage in most states. We retain approximately 25,000 PIF with earthquake coverage, with the largest number of policies located in Kentucky, due to regulatory and other reasons. We purchase reinsurance in Kentucky and enter into arrangements in many states to make earthquake coverage available through our brokerage platform.

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

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

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

To manage the exposure, we may implement further actions, similar to those already taken, in geographies where we are not achieving appropriate returns. However, we may maintain or opportunistically

increase our presence in areas where adequate risk adjusted returns can be achieved.

Catastrophe reinsurance The total cost of our property catastrophe reinsurance programs, excluding reinstatement premiums, during 2023 was \$1.02 billion compared to \$788 million during 2022. Catastrophe placement premiums are a reduction of premium with approximately 74% related to homeowners. The increases were driven by higher Nationwide program

costs. A description of our current catastrophe reinsurance program appears in Note 11 of the consolidated financial statements.

Expense ratio decreased 2.0 points in 2023 compared to 2022, primarily due to higher earned premium growth relative to fixed costs and lower advertising costs, partially offset by higher restructuring costs.

Impact of specific costs and expenses on the expense ratio

(\$ in millions, except ratios)	For the years ended December 31,				
	2023	2022	2021	2023 vs 2022	2022 vs 2021
Amortization of DAC	\$ 6,070	\$ 5,570	\$ 5,313	\$ 500	\$ 257
Advertising expense	638	934	1,249	(296)	(315)
Amortization of purchased intangibles	235	240	241	(5)	(1)
Other costs and expenses, net of other revenue	3,068	3,296	2,952	(228)	344
Restructuring and related charges	142	44	145	98	(101)
Shelter-in-Place Payback expense	—	—	29	—	(29)
Allstate Special Payment plan bad debt expense	—	—	(20)	—	20
Total underwriting expenses	\$ 10,153	\$ 10,084	\$ 9,909	\$ 69	\$ 175
Premiums earned	\$ 48,427	\$ 43,909	\$ 40,454	\$ 4,518	\$ 3,455
Expense ratio					
Amortization of DAC	12.5	12.7	13.1	(0.2)	(0.4)
Advertising expense	1.3	2.2	3.1	(0.9)	(0.9)
Other costs and expenses	6.4	7.5	7.2	(1.1)	0.3
Subtotal	20.2	22.4	23.4	(2.2)	(1.0)
Amortization of purchased intangibles	0.5	0.5	0.6	—	(0.1)
Restructuring and related charges	0.3	0.1	0.4	0.2	(0.3)
Shelter-in-Place Payback expense	—	—	0.1	—	(0.1)
Allstate Special Payment plan bad debt expense	—	—	—	—	—
Total expense ratio	21.0	23.0	24.5	(2.0)	(1.5)

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

DAC balance as of December 31 by product type

(\$ in millions)	2023	2022
Auto	\$ 1,207	\$ 1,089
Homeowners	890	788
Other personal lines	177	164
Commercial lines	42	54
Other business lines	63	51
Total DAC	\$ 2,379	\$ 2,146

Run-off Property-Liability Segment

The Run-off Property-Liability segment includes results from property and casualty insurance coverage that primarily relates to policies written during the 1960s through the mid-1980s. Our exposure to asbestos, environmental and other run-off lines claims arises principally from direct excess commercial insurance, assumed reinsurance coverage, direct primary commercial insurance and other businesses in run-off. We may pursue settlement agreements including policy buybacks on direct excess commercial business when appropriate to improve the certainty of the liabilities. Settlement agreements are negotiated contracts between Allstate and third parties that generally set forth the rights and obligations of the parties, including terms of payment for claims. Additional information on our strategy and outlook can be found in Strategy and Segment Information.

Underwriting results	For the years ended December 31,		
	2023	2022	2021
(\$ in millions)			
Claims and claims expense			
Asbestos claims	\$ (44)	\$ (34)	\$ (63)
Environmental claims	(18)	(56)	(40)
Other run-off lines	(27)	(35)	(13)
Total claims and claims expense	(89)	(125)	(116)
Operating costs and expenses	(5)	(4)	(4)
Underwriting loss	\$ (94)	\$ (129)	\$ (120)

Underwriting losses in 2023 and 2022 primarily related to our annual reserve review using established industry and actuarial best practices. The annual review resulted in unfavorable reserve reestimates totaling \$80 million and \$118 million in 2023 and 2022, respectively. The reserve reestimates are included as part of claims and claims expense.

The reserve reestimates in 2023 primarily related to new reported information and defense costs for asbestos and other run-off exposures and higher than expected environmental reported losses. The reserve reestimates in 2022 primarily related to new reported information and defense costs for asbestos and higher than expected reported losses for environmental and other run-off exposures.

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

Reserves for asbestos, environmental and other run-off claims before and after the effects of reinsurance		
(\$ in millions)	December 31, 2023	December 31, 2022
Asbestos claims		
Gross reserves	\$ 1,166	\$ 1,190
Reinsurance	(362)	(379)
Net reserves	804	811
Environmental claims		
Gross reserves	331	328
Reinsurance	(64)	(61)
Net reserves	267	267
Other run-off claims		
Gross reserves	445	437
Reinsurance	(72)	(64)
Net reserves	373	373
Total		
Gross reserves	1,942	1,955
Reinsurance	(498)	(504)
Net reserves	\$ 1,444	\$ 1,451

Reserves by type of exposure before and after the effects of reinsurance		
(\$ in millions)	December 31, 2023	December 31, 2022
Direct excess commercial insurance		
Gross reserves	\$ 1,114	\$ 1,106
Reinsurance	(382)	(385)
Net reserves	732	721
Assumed reinsurance coverage		
Gross reserves	603	618
Reinsurance	(54)	(56)
Net reserves	549	562
Direct primary commercial insurance		
Gross reserves	140	148
Reinsurance	(61)	(62)
Net reserves	79	86
Other run-off business		
Gross reserves	1	1
Reinsurance	—	—
Net reserves	1	1
Unallocated loss adjustment expenses		
Gross reserves	84	82
Reinsurance	(1)	(1)
Net reserves	83	81
Total		
Gross reserves	1,942	1,955
Reinsurance	(498)	(504)
Net reserves	\$ 1,444	\$ 1,451

Percentage of gross and ceded reserves by case and IBNR

	December 31, 2023		December 31, 2022	
	Case	IBNR	Case	IBNR
Direct excess commercial insurance				
Gross reserves ⁽¹⁾	57 %	43 %	58 %	42 %
Ceded ⁽²⁾	63	37	63	37
Assumed reinsurance coverage				
Gross reserves	32	68	31	69
Ceded	43	57	33	67
Direct primary commercial insurance				
Gross reserves	59	41	57	43
Ceded	83	17	81	19

⁽¹⁾ Approximately 68% and 64% of gross case reserves as of December 31, 2023 and December 31, 2022, respectively, are subject to settlement agreements.

⁽²⁾ Approximately 72% and 70% of ceded case reserves as of December 31, 2023 and December 31, 2022, respectively, are subject to settlement agreements.

(\$ in millions)	For the years ended December 31,	
	2023	2022
Gross payments from case reserves by type of exposure		
Direct excess commercial insurance		
Gross ⁽¹⁾	\$ 72	\$ 82
Ceded ⁽²⁾	(27)	(35)
Assumed reinsurance coverage		
Gross	45	35
Ceded	(8)	(3)
Direct primary commercial insurance		
Gross	7	7
Ceded	—	(1)

⁽¹⁾ In 2023 and 2022, 85% and 88% of payments related to settlement agreements, respectively.

⁽²⁾ In 2023 and 2022, 83% and 94% of payments related to settlement agreements, respectively.

Total net reserves as of December 31, 2023, included \$762 million or 53% of estimated IBNR reserves compared to \$765 million or 53% of estimated IBNR reserves as of December 31, 2022.

Total gross payments were \$124 million and \$125 million for 2023 and 2022, respectively. Payments primarily related to settlement agreements reached with several insureds on large claims, mainly asbestos related losses, where the scope of coverages has been agreed upon. The claims associated with these settlement agreements are expected to be substantially paid out over the next several years as qualified claims are submitted by these insureds.

Reinsurance collections were \$35 million and \$37 million for 2023 and 2022, respectively. The allowance for uncollectible reinsurance recoverables was \$59 million and \$58 million as of December 31, 2023 and 2022, respectively. The allowance represents 10.3% and 10.0% of the related reinsurance recoverable balances as of December 31, 2023 and 2022, respectively.

Protection Services Segment



Protection Services comprise Allstate Protection Plans, Allstate Dealer Services, Allstate Roadside, Arity and Allstate Identity Protection. In 2023, Protection Services represented 78.5% of total PIF and 5.0% of premiums written. We offer consumer product protection plans, protection and insurance products (including vehicle service contracts, guaranteed asset protection, road hazard tire and wheel and paintless dent repair protection), roadside assistance, device and mobile data collection services and analytic solutions using automotive telematics information, identity theft protection and remediation services. Additional information on our strategy and outlook can be found in Strategy and Segment Information.

Summarized financial information

(\$ in millions)	For the years ended December 31,		
	2023	2022	2021
Premiums written	\$ 2,663	\$ 2,699	\$ 2,642
Revenues			
Premiums	\$ 2,243	\$ 1,995	\$ 1,764
Other revenue	319	347	354
Intersegment insurance premiums and service fees ⁽¹⁾	138	149	175
Net investment income	73	48	43
Costs and expenses			
Claims and claims expense	(632)	(532)	(458)
Amortization of DAC	(1,058)	(928)	(795)
Operating costs and expenses	(889)	(874)	(837)
Restructuring and related charges	(6)	(2)	(14)
Income tax expense on operations	(83)	(35)	(52)
Less: noncontrolling interest	(1)	(1)	1
Adjusted net income	\$ 106	\$ 169	\$ 179
Allstate Protection Plans	\$ 117	\$ 150	\$ 142
Allstate Dealer Services	(15)	35	34
Allstate Roadside	24	7	7
Arity	(18)	(11)	3
Allstate Identity Protection	(2)	(12)	(7)
Adjusted net income	\$ 106	\$ 169	\$ 179
Allstate Protection Plans	145,292	138,726	141,073
Allstate Dealer Services	3,776	3,865	3,956
Allstate Roadside	553	531	525
Allstate Identity Protection	2,884	3,112	2,802
Policies in force as of December 31 (in thousands)	152,505	146,234	148,356

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

Adjusted net income decreased 37.3% or \$63 million in 2023 compared to 2022, due to an increase in state income taxes and deferred tax liabilities for Allstate Dealer Services, higher appliance and furniture claim severity at Allstate Protection Plans and lower third-party lead sales at Arity, partially offset by improved margins at Allstate Roadside and lower expenses at Allstate Identity Protection.

Premiums written decreased 1.3% or \$36 million in 2023 compared to 2022, primarily due to a decrease at Allstate Dealer Services and lower rescue volumes at

Allstate Roadside, partially offset by international growth at Allstate Protection Plans.

PIF increased 4.3% or 6 million in 2023 compared to 2022 due to an increase at Allstate Protection Plans.

Other revenue decreased 8.1% or \$28 million in 2023 compared to 2022, primarily due to reductions in third-party lead sales at Arity.

Intersegment premiums and service fees decreased 7.4% to \$138 million in 2023 compared to 2022, driven by decreased device sales for the

Protection Services

Drivewise® offering at Arity due to a shift from devices to a lower cost mobile phone program.

Claims and claims expense increased 18.8% or \$100 million in 2023 compared to 2022, primarily driven by higher levels of claims at Allstate Protection Plans driven by growth in the business and higher severity at both Allstate Protection Plans and Allstate Dealer Services, partially offset by lower frequency at Allstate Roadside.

Amortization of DAC increased 14.0% or \$130 million in 2023 compared to 2022, driven by revenue growth at both Allstate Protection Plans and Allstate Dealer Services.

Operating costs and expenses increased 1.7% or \$15 million in 2023 compared to 2022, primarily due to growth at Allstate Protection Plans, partially offset by lower expenses at Arity.

Restructuring and related charges increased \$4 million in 2023 compared to 2022, primarily due to restructuring charges at Allstate Roadside.

Property and Casualty Insurance Claims and Claims Expense Reserves

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

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

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

Total reserves, net of recoverables ("net reserves"), as of December 31			
(\$ in millions)	2023	2022	2021
Allstate Protection	\$ 29,969	\$ 26,876	\$ 22,124
Run-off Property-Liability	1,444	1,451	1,421
Total Property-Liability	31,413	28,327	23,545
Protection Services	49	38	36
Total net reserves	\$ 31,462	\$ 28,365	\$ 23,581
Reserve for property and casualty insurance claims and claims expense	\$ 39,858	\$ 37,541	\$ 33,060
Less: reinsurance and indemnification recoverables ⁽¹⁾	8,396	9,176	9,479
Total net reserves	\$ 31,462	\$ 28,365	\$ 23,581

⁽¹⁾ Includes \$6.36 billion, \$6.66 billion and \$6.64 billion of unpaid indemnification recoverables related to the Michigan Catastrophic Claims Association ("MCCA") as of December 31, 2023, 2022 and 2021, respectively.

Impact of reserve reestimates by brand on combined ratio and net income applicable to common shareholders ^{(1) (2)}						
(\$ in millions, except ratios)	2023		2022		2021	
	Reserve reestimates	Effect on combined ratio	Reserve reestimates	Effect on combined ratio	Reserve reestimates	Effect on combined ratio
Allstate Protection	\$ 461	0.9	\$ 1,619	3.6	\$ 8	—
Run-off Property-Liability	89	0.2	125	0.3	116	0.3
Total Property-Liability	550	1.1	1,744	3.9	124	0.3
Protection Services	(1)	—	(3)	—	(2)	—
Total	\$ 549		\$ 1,741		\$ 122	
Reserve reestimates, after-tax	\$ 434		\$ 1,375		\$ 96	
Consolidated net (loss) income applicable to common shareholders	\$ (316)		\$ (1,394)		\$ 1,500	
Reserve reestimates as a % impact on consolidated net (loss) income applicable to common shareholders	NM		(98.6)%		(6.4)%	
Property-Liability prior year reserve reestimates included in catastrophe losses	\$ (24)		\$ 18		\$ (202)	

⁽¹⁾ Favorable reserve reestimates are shown in parentheses.

⁽²⁾ Ratios are calculated using property and casualty premiums earned.

NM = not meaningful

Property and Casualty Insurance Claims and Claims Expense Reserves

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

Prior year reserve reestimates						
(\$ in millions)						
2023	2018 & prior	2019	2020	2021	2022	Total
Allstate Protection	\$ 230	\$ 130	\$ 84	\$ 401	\$ (384)	\$ 461
Run-off Property-Liability	89	—	—	—	—	89
Total Property-Liability	319	130	84	401	(384)	550
Protection Services	—	—	—	—	(1)	(1)
Total	\$ 319	\$ 130	\$ 84	\$ 401	\$ (385)	\$ 549
2022	2017 & prior	2018	2019	2020	2021	Total
Allstate Protection	\$ 27	\$ 161	\$ 294	\$ 345	\$ 792	\$ 1,619
Run-off Property-Liability	125	—	—	—	—	125
Total Property-Liability	152	161	294	345	792	1,744
Protection Services	—	—	—	—	(3)	(3)
Total	\$ 152	\$ 161	\$ 294	\$ 345	\$ 789	\$ 1,741
2021	2016 & prior	2017	2018	2019	2020	Total
Allstate Protection	\$ (130)	\$ 100	\$ (67)	\$ 231	\$ (126)	\$ 8
Run-off Property-Liability	116	—	—	—	—	116
Total Property-Liability	(14)	100	(67)	231	(126)	124
Protection Services	—	—	—	—	(2)	(2)
Total	\$ (14)	\$ 100	\$ (67)	\$ 231	\$ (128)	\$ 122

Allstate Protection

The tables below show Allstate Protection net reserves representing the estimated cost of outstanding claims as they were recorded at the beginning of years 2023, 2022, and 2021, and the effect of reestimates in each year.

Net reserves by line			
(\$ in millions)	January 1 reserves		
	2023	2022	2021
Auto ⁽¹⁾	\$ 19,365	\$ 16,078	\$ 14,164
Homeowners ⁽¹⁾	3,520	2,731	2,315
Other personal lines	1,653	1,844	1,463
Commercial lines and other ⁽²⁾	2,338	1,471	1,194
Total Allstate Protection	\$ 26,876	\$ 22,124	\$ 19,136

⁽¹⁾ 2022 includes a \$944 million reclassification of reserves from homeowners to auto.

⁽²⁾ 2023 and 2022 include the unamortized fair value adjustment related to the acquisition of National General.

Impact of reserve reestimates by line on combined ratio and underwriting income						
(\$ in millions, except ratios)	2023		2022		2021	
	Reserve reestimates	Effect on combined ratio	Reserve reestimates	Effect on combined ratio	Reserve reestimates	Effect on combined ratio
Auto	\$ 244	0.5	\$ 1,185	2.7	\$ 149	0.4
Homeowners	102	0.2	200	0.4	(135)	(0.3)
Other personal lines	19	0.1	(32)	(0.1)	(107)	(0.3)
Commercial lines	84	0.2	272	0.6	119	0.3
Other business lines	12	—	(6)	—	(18)	(0.1)
Total Allstate Protection	\$ 461	1.0	\$ 1,619	3.6	\$ 8	—
Underwriting (loss) income	\$ (2,090)		\$ (2,782)		\$ 1,785	
Reserve reestimates as a % impact on underwriting (loss) income - favorable (unfavorable)	(22.1)%		(58.2)%		(0.4)%	

Unfavorable reserve reestimates in 2023 were primarily due to National General personal auto lines, homeowners and commercial lines.

Unfavorable reserve reestimates for personal auto in 2022 were primarily from bodily injury and physical damage coverages. Increases in injury coverages reflected recent data and updated assumptions related to severity of third-party bodily injury claims,

increased claims with attorney representation, litigation costs, increased medical treatment utilization and higher medical inflation. Increases in physical damage reflected the ongoing inflationary factors and supply chain shortages impacting used vehicle and parts prices, labor rates and length of claim resolution. Delays in the receipt of claims, including third-party carrier claims also contributed to the adverse development of claims reported in prior years. Unfavorable reserve reestimates for commercial were primarily from auto injury coverages for both shared economy and traditional segments with a large portion of the traditional segment increase related to states where the Company will no longer be selling new business.

Run-off Property-Liability

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

Run-off Property-Liability net reserve reestimates

(\$ in millions)	2023		2022		2021	
	January 1 reserves	Reserve reestimates	January 1 reserves	Reserve reestimates	January 1 reserves	Reserve reestimates
Asbestos claims	\$ 811	\$ 44	\$ 828	\$ 34	\$ 827	\$ 63
Environmental claims	267	18	226	56	206	40
Other run-off lines	373	27	367	35	375	13
Total	\$ 1,451	\$ 89	\$ 1,421	\$ 125	\$ 1,408	\$ 116
Underwriting loss		\$ (94)		\$ (129)		\$ (120)

Reserve reestimates in 2023 primarily related to new reported information and defense costs for asbestos and other run-off exposures and higher than expected environmental reported losses.

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

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

(\$ in millions, except ratios)	2023		2022		2021	
	Gross	Net	Gross	Net	Gross	Net
Asbestos claims						
Beginning reserves	\$ 1,190	\$ 811	\$ 1,210	\$ 828	\$ 1,204	\$ 827
Incurred claims and claims expense	56	44	59	34	100	63
Claims and claims expense paid	(80)	(51)	(79)	(51)	(94)	(62)
Ending reserves	\$ 1,166	\$ 804	\$ 1,190	\$ 811	\$ 1,210	\$ 828
Annual survival ratio	14.6	15.8	15.1	15.9	12.9	13.4
3-year survival ratio	13.8	14.8	13.1	14.0	11.1	12.0
Environmental claims						
Beginning reserves	\$ 328	\$ 267	\$ 273	\$ 226	\$ 249	\$ 206
Incurred claims and claims expense	23	18	79	56	50	40
Claims and claims expense paid	(20)	(18)	(24)	(15)	(26)	(20)
Ending reserves	\$ 331	\$ 267	\$ 328	\$ 267	\$ 273	\$ 226
Annual survival ratio	16.6	14.8	13.7	17.8	10.5	11.3
3-year survival ratio	14.4	15.1	14.5	15.4	10.6	10.6
Combined environmental and asbestos claims						
Annual survival ratio	15.0	15.5	14.7	16.3	12.4	12.9
3-year survival ratio	13.9	14.8	13.3	14.3	11.0	11.7
Percentage of IBNR in ending reserves		55.7 %		55.9 %		54.8 %

Property and Casualty Insurance Claims and Claims Expense Reserves

The survival ratio is calculated by taking our ending reserves divided by payments made during the year. This is a commonly used but simplistic and imprecise approach to measuring the adequacy of asbestos and environmental reserve levels. Many factors, such as mix of business, level of coverage provided and settlement procedures have significant impacts on the amount of environmental and asbestos claims and claims expense reserves, claim payments and the resultant ratio. As payments result in corresponding reserve reductions, survival ratios can be expected to vary over time. The asbestos and environmental net 3-year survival ratio in 2023 increased from 2022 due to lower average payments.

Net asbestos reserves by type of exposure and total reserve additions						
(\$ in millions)	December 31, 2023		December 31, 2022		December 31, 2021	
	Net reserves	% of reserves	Net reserves	% of reserves	Net reserves	% of reserves
Direct:						
Primary	\$ 9	1 %	\$ 9	1 %	\$ 8	1 %
Excess	263	33	257	32	275	33
Total direct	272	34	266	33	283	34
Assumed reinsurance	91	11	97	12	104	13
IBNR	441	55	448	55	441	53
Total net reserves	\$ 804	100 %	\$ 811	100 %	\$ 828	100 %
Total reserve additions	\$ 44		\$ 34		\$ 63	

IBNR net reserves decreased \$7 million as of December 31, 2023 compared to December 31, 2022. IBNR provides for reserve development of known claims and future reporting of additional unknown claims from current policyholders and ceding companies.

Reinsurance and indemnification programs We utilize reinsurance to reduce exposure to catastrophe risk and manage capital, and to support the required statutory surplus and the insurance financial strength ratings of certain subsidiaries such as Castle Key Insurance Company (“CKIC”) and Allstate New Jersey Insurance Company (“ANJ”). We purchase significant reinsurance to manage our aggregate countrywide exposure to an acceptable level. The price and terms of reinsurance and the credit quality of the reinsurer are considered in the purchase process. We have also purchased reinsurance to mitigate exposures in our long-tail liability lines, including environmental, asbestos and other run-off lines as well as our commercial lines, including shared economy. We also participate in various indemnification mechanisms,

including state-based industry pool or facility programs mandating participation by insurers offering certain coverage in their state and the federal government National Flood Insurance Program (“NFIP”). See Note 11 of the consolidated financial statements for additional details on these programs.

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

Catastrophe reinsurance We anticipate completing the placement of our 2024 nationwide catastrophe reinsurance program in the first half of 2024. For further details of the existing 2023 program, see Note 11 of the consolidated financial statements.

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

(\$ in millions)	S&P financial strength rating ⁽¹⁾	A.M. Best financial strength rating ⁽¹⁾	Reinsurance or indemnification recoverables on paid and unpaid claims, net	
			2023	2022
Indemnification programs				
<i>State-based industry pool or facility programs</i>				
MCCA ⁽²⁾	N/A	N/A	\$ 6,424	\$ 6,722
New Jersey Property-Liability Insurance Guaranty Association ("PLIGA")	N/A	N/A	326	330
North Carolina Reinsurance Facility ("NCRF")	N/A	N/A	382	292
Florida Hurricane Catastrophe Fund ("FHCF")	N/A	N/A	82	96
Other			32	7
<i>Federal Government - NFIP</i>	N/A	N/A	76	145
Subtotal			7,322	7,592
Catastrophe reinsurance recoverables				
Swiss Reinsurance America Corporation	AA-	A+	37	64
Sanders RE II LTD.	N/A	N/A	36	85
Renaissance Reinsurance Limited	A+	A+	31	56
Other			246	558
Subtotal			350	763
Other reinsurance recoverables, net ⁽³⁾				
Lloyd's of London ("Lloyd's")	AA-	A	180	180
Aleka Insurance Inc.	N/A	N/A	113	183
Pacific Valley Insurance Company, Inc.	N/A	N/A	67	88
Swiss Reinsurance America Corporation	AA-	A+	47	67
Other, including allowance for credit losses			545	575
Subtotal			952	1,093
Total Property-Liability			8,624	9,448
Protection Services			26	19
Total			\$ 8,650	\$ 9,467

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

⁽²⁾ As of December 31, 2023 and 2022, MCCA includes \$62 million of reinsurance recoverable on paid claims and \$6.36 billion and \$6.66 billion of reinsurance recoverable on unpaid claims, respectively.

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

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

uncollectible reinsurance is also an inherently uncertain process involving estimates. Changes in estimates could result in additional changes to the Consolidated Statements of Operations.

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

The allowance for uncollectible reinsurance relates to other reinsurance programs primarily related to our Run-off Property-Liability segment. The allowance was \$62 million as of December 31, 2023 and 2022.

The allowance is based upon our ongoing review of amounts outstanding, length of collection periods, changes in reinsurer credit standing, and other relevant factors. In addition, in the ordinary course of

Property and Casualty Insurance Claims and Claims Expense Reserves

business, we may become involved in coverage disputes with certain of our reinsurers that may ultimately result in lawsuits and arbitrations brought by or against such reinsurers to determine the parties' rights and obligations under the various reinsurance agreements. We employ dedicated specialists to manage reinsurance collections and disputes. We also consider recent developments in commutation activity between reinsurers and cedents, and recent trends in arbitration and litigation outcomes in disputes between cedents and reinsurers in seeking to maximize our reinsurance recoveries.

Adverse developments in the insurance industry have led to a decline in the financial strength of some of our reinsurance carriers, causing amounts

recoverable from them and future claims ceded to them to be considered a higher risk. There has also been consolidation activity in the industry, which causes reinsurance risk across the industry to be concentrated among fewer companies.

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

For further details related to our reinsurance and indemnification recoverables, see the Form 10-K Regulation section in Part I and Note 11 of the consolidated financial statements.

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

(\$ in millions)	For the years ended December 31,		
	2023	2022	2021
Allstate Protection - Premiums			
Indemnification programs			
<i>State-based industry pool or facility programs</i>			
NCRF	\$ 323	\$ 300	\$ 310
MCCA	29	18	20
PLIGA	7	7	7
FHCF	28	24	15
Other	1	—	420
<i>Federal Government - NFIP</i>	327	319	350
Catastrophe reinsurance	995	764	541
Other reinsurance programs	110	261	60
Total Allstate Protection	1,820	1,693	1,723
Run-off Property-Liability	—	—	—
Total Property-Liability	1,820	1,693	1,723
Protection Services	169	176	181
Total effect on premiums earned	\$ 1,989	\$ 1,869	\$ 1,904
Allstate Protection - Claims			
Indemnification programs			
<i>State-based industry pool or facility programs</i>			
MCCA	\$ (185)	\$ 116	\$ 611
NCRF	379	294	279
PLIGA	14	(24)	—
FHCF	(6)	74	13
Other	1	—	359
<i>Federal Government - NFIP</i>	102	435	267
Catastrophe reinsurance	32	298	1,719
Other reinsurance programs	151	261	85
Total Allstate Protection	488	1,454	3,333
Run-off Property-Liability	29	50	60
Total Property-Liability	517	1,504	3,393
Protection Services	116	96	91
Total effect on claims and claims expense	\$ 633	\$ 1,600	\$ 3,484

In 2023, ceded premiums earned increased primarily due to catastrophe reinsurance. In 2022, ceded premiums earned decreased primarily due to the expiration of legacy National General reinsurance programs.

In 2023, ceded claims and claims expenses decreased \$967 million primarily due to lower amounts related to NFIP, and a reduction in gross reserves for

Michigan personal injury protection coverage. In 2022, ceded claims and claims expenses decreased \$1.88 billion primarily due to higher gross catastrophe losses in 2021 that resulted in reinsurance activity. For further discussion of these items, see Form 10-K Regulation, Indemnification Programs and Note 11 of the consolidated financial statements.

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

(\$ in millions)	For the years ended December 31,					
	2023		2022		2021	
	Gross	Net	Gross	Net	Gross	Net
Beginning reserves	\$ 7,393	\$ 735	\$ 7,387	\$ 747	\$ 6,282	\$ 670
National General acquisition as of January 4, 2021	—	—	—	—	566	31
Incurred claims and claims expense - current year	307	102	451	175	398	132
Incurred claims and claims expense - prior years	(455)	(60)	(159)	(15)	403	59
Claims and claims expense paid - current year ⁽¹⁾	(21)	(20)	(26)	(26)	(35)	(35)
Claims and claims expense paid - prior years ⁽¹⁾	(221)	(116)	(260)	(146)	(227)	(110)
Ending reserves ⁽²⁾	\$ 7,003	\$ 641	\$ 7,393	\$ 735	\$ 7,387	\$ 747

⁽¹⁾ Paid claims and claims expenses reported in the table for the current and prior years, recovered from the MCCA totaled \$106 million, \$114 million and \$117 million in 2023, 2022 and 2021, respectively.

⁽²⁾ Gross reserves for the year ended December 31, 2023, comprise 77% case reserves and 23% IBNR. Gross reserves for the year ended December 31, 2022, comprise 76% case reserves and 24% IBNR. Gross reserves for the year ended December 31, 2021, comprise 74% case reserves and 26% IBNR. The MCCA does not require member companies to report ultimate case reserves.

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

As of December 31, 2023, approximately 1,350 of our catastrophic claims that are eligible for reimbursement are pending with the MCCA, of which approximately 80% represents claims that occurred more than 5 years ago. There are 74 claims with reserves in excess of \$15 million as of December 31, 2023, which comprise approximately 30% of the gross ending reserves in the table above. As a result, significant developments with a single claimant can result in volatility in prior year incurred claims.

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

Number of claims ⁽¹⁾	For the years ended December 31,		
	2023	2022	2021
Pending, beginning of year	5,568	5,421	4,857
National General acquisition as of January 4, 2021	—	—	525
New	6,496	8,059	8,616
Closed	(7,338)	(7,912)	(8,577)
Pending, end of year	4,726	5,568	5,421

⁽¹⁾ Total claims includes those covered and not covered by the MCCA indemnification.

Allstate Health and Benefits Segment

Allstate Health and Benefits offers employer voluntary benefits, group health and individual health products, including life, accident, critical illness, hospital indemnity, short-term disability and other health products.

In 2023, Allstate Health and Benefits represented 2.1% of total PIF. Our target customers are consumers with family and financial protection needs. Additional information on our strategy and outlook can be found in Strategy and Segment Information.

Effective January 1, 2023, we adopted the FASB guidance revising the accounting for certain long-duration insurance contracts in the Allstate Health and Benefits segment using the modified retrospective approach at the transition date of January 1, 2021. See Note 2 of the consolidated financial statements for further information regarding the impact of the adopted accounting standard on our consolidated financial statements.

Summarized financial information

(\$ in millions)	For the years ended December 31,		
	2023	2022	2021
Revenues			
Accident and health insurance premiums and contract charges	\$ 1,846	\$ 1,832	\$ 1,834
Other revenue	447	402	359
Net investment income	82	69	74
Costs and expenses			
Accident, health and other policy benefits	(1,071)	(1,042)	(1,060)
Amortization of DAC	(150)	(136)	(128)
Operating costs and expenses	(842)	(814)	(787)
Restructuring and related charges	(7)	(2)	(9)
Income tax expense on operations	(63)	(64)	(60)
Adjusted net income	\$ 242	\$ 245	\$ 223
Benefit ratio ⁽¹⁾	56.2	55.1	55.9
Employer voluntary benefits ⁽²⁾	3,590	3,783	3,804
Group health ⁽³⁾	136	119	122
Individual health ⁽⁴⁾	417	394	407
Policies in force as of December 31 (in thousands)	4,143	4,296	4,333

⁽¹⁾ Benefit ratio is calculated as accident, health and other policy benefits less interest credited to contractholder funds of \$33 million, \$33 million, and \$34 million for the years ended December 31, 2023, 2022, and 2021, respectively, divided by premiums and contract charges.

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

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

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

Adjusted net income decreased \$3 million in 2023 compared to 2022, primarily due to a decline in employer voluntary benefits, partially offset by increases in individual and group health.

Premiums and contract charges increased 0.8% or \$14 million in 2023 compared to 2022, primarily due to growth in group health, partially offset by a decline in employer voluntary benefits and individual health.

Premiums and contract charges by line of business

(\$ in millions)	For the years ended December 31,		
	2023	2022	2021
Employer voluntary benefits	\$ 1,001	\$ 1,033	\$ 1,040
Group health	440	385	350
Individual health	405	414	444
Premiums and contract charges	\$ 1,846	\$ 1,832	\$ 1,834

New annualized premium sales (annualized premiums at initial employer voluntary benefits customer enrollment or health policy sale) decreased by \$2 million to \$732 million in 2023. The decrease in 2023 primarily relates to a decline in employer voluntary benefits, partially offset by growth in group health and individual health businesses.

Other revenue increased \$45 million in 2023 compared to 2022, primarily due to an increase in group health administrative fees.

Accident, health and other policy benefits increased 2.8% or \$29 million in 2023 compared to 2022, primarily due to growth in group health, partially offset by lower benefit utilization in individual health.

Accident, health and other policy benefits include changes in the reserve for future policy benefits,

expected development on reported claims, and reserves for incurred but not reported claims as shown in Note 10 of the consolidated financial statements.

Benefit ratio increased 1.1 points to 56.2 in 2023 compared to 55.1 in 2022, primarily due to higher benefit utilization in employer voluntary benefits and group health, partially offset by lower benefit utilization in individual health.

Amortization of DAC increased 10.3% or \$14 million in 2023 compared to 2022, primarily due to higher amortization related to growth in individual health. For information on changes in DAC, see Note 12 of the consolidated financial statements.

Operating costs and expenses

(\$ in millions)	For the years ended December 31,		
	2023	2022	2021
Non-deferrable commissions	\$ 319	\$ 321	\$ 316
General and administrative expenses	523	493	471
Total operating costs and expenses	\$ 842	\$ 814	\$ 787

Operating costs and expenses increased \$28 million in 2023 compared to 2022, primarily due to growth in group health and investments in the employer voluntary benefits business.

Allstate Health and Benefits reinsurance ceded

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

Reinsurance recoverables by reinsurer, net

(\$ in millions)	S&P financial strength rating	A.M. Best financial strength rating	Reinsurance recoverable on paid and unpaid benefits	
			As of December 31,	
			2023	2022
Mutual of Omaha Insurance	A+	A+	\$ 70	\$ 65
Everlake Life Insurance Company	NR	A+	33	35
Argo Capital Group Ltd.	NR	NR	24	20
General Re Life Corporation	AA+	A++	15	13
Midlands Casualty Insurance Company	NR	NR	15	16
Other ⁽¹⁾			5	6
Credit loss allowance			(3)	(3)
Total			\$ 159	\$ 152

⁽¹⁾ As of December 31, 2023, the other category includes \$4 million and \$5 million of recoverables due from reinsurers rated A- or better by S&P and A.M. Best, respectively. As of December 31, 2022, the other category includes \$3 million and \$4 million of recoverables due from reinsurers rated A- or better by S&P and A.M. Best, respectively.

We continuously monitor the creditworthiness of reinsurers in order to determine our risk of recoverability on an individual and aggregate basis. No reinsurance recoverables have been written off in the three-years ended December 31, 2023.

Investments

Overview and strategy

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

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

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

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

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

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

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

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

Investments in the Middle East As of December 31, 2023, we have approximately \$47 million investment exposure in the Middle East, of which approximately \$43 million is held in Israel, which is primarily indirect exposure through funds managed by external asset managers.

Investments in Russia and Ukraine As of December 31, 2023, we do not have any direct or indirect investments in Russia, Belarus or Ukraine.

Investments Outlook

We plan to focus on the following priorities:

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

We utilize our integrated enterprise risk and return management framework to determine the amount of investment risk we are willing to accept. After reducing interest rate risk by shortening the portfolio duration beginning in late 2021, during 2023 we extended the fixed income portfolio duration as the sustained higher

market yields provide an opportunity to increase risk-adjusted returns. As recession risks remain elevated, we also retained defensive positioning to equity risk and credit risk in the portfolio through a reduced allocation to public equity, high yield bonds and bank loans. We expect to maintain performance-based investments in our portfolio, consistent with our strategy to have a greater proportion of return derived from idiosyncratic assets or operating performance.

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

(\$ in millions)	Fixed income securities	
	Carrying value	Investment yield
2024	\$ 3,374	3.0 %
2025	6,288	3.5
2026	5,565	3.5

Portfolio composition and strategy by reporting segment⁽¹⁾

As of December 31, 2023

(\$ in millions)	Property-Liability	Protection Services	Allstate Health and Benefits	Corporate and Other	Total
Fixed income securities ⁽²⁾	\$ 43,466	\$ 1,796	\$ 1,806	\$ 1,797	\$ 48,865
Equity securities ⁽³⁾	1,516	254	44	597	2,411
Mortgage loans, net	701	—	121	—	822
Limited partnership interests	8,366	—	—	14	8,380
Short-term investments ⁽⁴⁾	4,555	130	92	367	5,144
Other investments, net	936	—	119	—	1,055
Total	\$ 59,540	\$ 2,180	\$ 2,182	\$ 2,775	\$ 66,677
Percentage to total	89.3 %	3.3 %	3.3 %	4.1 %	100.0 %
Market-based	\$ 50,019	\$ 2,180	\$ 2,182	\$ 2,553	\$ 56,934
Performance-based	9,521	—	—	222	9,743
Total	\$ 59,540	\$ 2,180	\$ 2,182	\$ 2,775	\$ 66,677

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

⁽²⁾ Fixed income securities are carried at fair value. Amortized cost, net for these securities was \$44.06 billion, \$1.85 billion, \$1.91 billion, \$1.83 billion and \$49.65 billion for Property-Liability, Protection Services, Allstate Health and Benefits, Corporate and Other, and in total, respectively.

⁽³⁾ Equity securities are carried at fair value. The fair value of equity securities held as of December 31, 2023 was \$167 million in excess of cost. These net gains were primarily concentrated in the technology and banking sectors. Equity securities include \$1.02 billion of funds with underlying investments in fixed income securities as of December 31, 2023.

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

Investments totaled \$66.68 billion as of December 31, 2023, increasing from \$61.83 billion as of December 31, 2022, primarily due to positive operating cash flows, higher fixed income valuations and to support higher reserves, partially offset by dividends paid to shareholders and common share repurchases.

Portfolio composition by investment strategy

As of December 31, 2023

(\$ in millions)	As of December 31, 2023		
	Market-based	Performance-based	Total
Fixed income securities	\$ 48,749	\$ 116	\$ 48,865
Equity securities	1,768	643	2,411
Mortgage loans, net	822	—	822
Limited partnership interests	141	8,239	8,380
Short-term investments	5,144	—	5,144
Other investments, net	310	745	1,055
Total	\$ 56,934	\$ 9,743	\$ 66,677
Percent to total	85.4 %	14.6 %	100.0 %
Unrealized net capital gains and losses			
Fixed income securities	\$ (784)	\$ —	\$ (784)
Limited partnership interests	—	(4)	(4)
Short-term investments	(1)	—	(1)
Other investments	(2)	—	(2)
Total	\$ (787)	\$ (4)	\$ (791)

During 2023, strategic actions focused on optimizing portfolio yield, return and risk in the more volatile and rising interest rate environment. The sustained higher market yields provide an opportunity to increase risk-adjusted returns, so we extended the fixed income portfolio duration to 4.8 years (including the effect of interest rate derivatives and any call

features associated with the securities) during 2023 from 3.4 years as of December 31, 2022. Considering the ongoing risk of recession, we retained a lower allocation to high-yield bonds, bank loans and public equity relative to year-end 2022. We maintained performance-based investments in the Property-Liability portfolio.

Fixed income securities**Fixed income securities by type**

(\$ in millions)	Fair value as of December 31,	
	2023	2022
U.S. government and agencies	\$ 8,619	\$ 7,898
Municipal	6,006	6,210
Corporate	31,205	26,263
Foreign government	1,290	957
Asset-backed securities ("ABS")	1,745	1,157
Total fixed income securities	\$ 48,865	\$ 42,485

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

As a result of time lags between the funding of investments, the finalization of legal documents, and the completion of the SVO filing process, the portfolio includes certain securities that have not yet been designated by the SVO as of each balance sheet date

and the categorization of these securities is based on the expected ratings indicated by internal analysis.

As of December 31, 2023, 91.5% of the consolidated fixed income securities portfolio was rated investment grade. Credit ratings below these designations are considered lower credit quality or below investment grade, which includes high yield bonds.

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

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

our fixed income portfolio monitoring process, see Note 5 of the consolidated financial statements.

The following table presents total fixed income securities by the applicable NAIC designation and comparable S&P rating.

Fair value and unrealized net capital gains (losses) for fixed income securities by credit rating						
December 31, 2023						
(\$ in millions)	NAIC 1 A and above		NAIC 2 BBB		NAIC 3 BB	
	Fair value	Unrealized gain (loss)	Fair value	Unrealized gain (loss)	Fair value	Unrealized gain (loss)
U.S. government and agencies	\$ 8,619	\$ (5)	\$ —	\$ —	\$ —	\$ —
Municipal	5,963	(43)	34	(1)	7	—
Corporate						
Public	7,019	(55)	15,560	(392)	611	(28)
Privately placed	1,651	(54)	2,867	(92)	1,890	(45)
Total corporate	8,670	(109)	18,427	(484)	2,501	(73)
Foreign government	1,289	4	1	—	—	—
ABS	1,669	(1)	16	—	10	—
Total fixed income securities	\$ 26,210	\$ (154)	\$ 18,478	\$ (485)	\$ 2,518	\$ (73)
	NAIC 4 B		NAIC 5-6 CCC and lower		Total	
	Fair value	Unrealized gain (loss)	Fair value	Unrealized gain (loss)	Fair value	Unrealized gain (loss)
U.S. government and agencies	\$ —	\$ —	\$ —	\$ —	\$ 8,619	\$ (5)
Municipal	—	—	2	1	6,006	(43)
Corporate						
Public	108	(3)	—	—	23,298	(478)
Privately placed	1,358	(59)	141	(18)	7,907	(268)
Total corporate	1,466	(62)	141	(18)	31,205	(746)
Foreign government	—	—	—	—	1,290	4
ABS	—	—	50	7	1,745	6
Total fixed income securities	\$ 1,466	\$ (62)	\$ 193	\$ (10)	\$ 48,865	\$ (784)

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

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

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

Our \$7.91 billion portfolio of privately placed securities, primarily 144A bonds, is diversified by issuer, industry sector and country. The portfolio is made up of 455 issuers. Privately placed corporate obligations may contain structural security features such as financial covenants and call protections that provide investors greater protection against credit deterioration, reinvestment risk or fluctuations in interest rates than those typically found in publicly registered debt

securities. Additionally, investments in these securities are made after fundamental analysis of issuers and sectors along with macro and asset class views. Ongoing monitoring includes continuous assessment of operating performance and financial position. Every issue not rated by an independent rating agency is internally rated with a formal rating affirmation at least once a year. Liquidity of securities issued by public entities in unregistered form is similar to public debt markets.

Our corporate bond portfolio includes \$4.11 billion of below investment grade bonds, \$3.39 billion of which are privately placed, primarily 144A bonds. These securities are diversified by issuer and industry sector. The below investment grade corporate bonds portfolio is made up of 317 issuers. We employ fundamental analyses of issuers and sectors along with macro and asset class views to identify investment opportunities. This results in a portfolio with broad exposure to the high yield market with an emphasis on idiosyncratic positions reflective of our views of market conditions and opportunities.

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

Investments

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

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

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

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

Equity securities of \$2.41 billion primarily include common stocks, exchange traded and mutual funds, non-redeemable preferred stocks and real estate investment trust (“REIT”) equity investments. Certain exchange traded and mutual funds have fixed income securities as their underlying investments.

Mortgage loans of \$822 million mainly comprise loans secured by first mortgages on developed commercial real estate. Key considerations used to manage our

exposure include property type and geographic diversification. For further detail on our mortgage loan portfolio, see Note 5 of the consolidated financial statements.

Limited partnership interests include \$7.15 billion of interests in private equity funds, \$1.09 billion of interests in real estate funds and \$141 million of interests in other funds as of December 31, 2023. We have commitments to invest additional amounts in limited partnership interests totaling \$2.94 billion as of December 31, 2023.

Private equity limited partnerships by sector	
(% of carrying value)	December 31, 2023
Industrial	20.8 %
Healthcare	12.5
Information technology	11.3
Consumer discretionary	10.9
Consumer staples	8.8
Other	35.7
Total	100.0 %

Real estate limited partnerships by sector	
(% of carrying value)	December 31, 2023
Industrial	28.8 %
Residential	19.1
Data centers	19.0
Healthcare	11.4
Consumer staples	5.1
Other	16.6
Total	100.0 %

Short-term investments of \$5.14 billion primarily comprise money market funds, commercial paper, U.S. Treasury bills and other short-term investments, including securities lending collateral of \$1.59 billion.

Other investments primarily comprise \$224 million of bank loans, \$709 million of real estate, \$119 million of policy loans and \$1 million of derivatives as of December 31, 2023. For further detail on our use of derivatives, see Note 7 of the consolidated financial statements.

Direct real estate investments by sector	
(% of carrying value)	December 31, 2023
Agriculture	28.6 %
Industrial	23.7
Residential	20.6
Retail	18.5
Other	8.6
Total	100.0 %

Unrealized net capital gains (losses)

(\$ in millions)	As of December 31,	
	2023	2022
U.S. government and agencies	\$ (5)	\$ (225)
Municipal	(43)	(290)
Corporate	(746)	(2,299)
Foreign government	4	(40)
ABS	6	(31)
Fixed income securities	(784)	(2,885)
Short-term investments	(1)	(1)
Derivatives	(2)	(3)
Equity method of accounting ("EMA") limited partnerships	(4)	2
Unrealized net capital gains and losses, pre-tax	\$ (791)	\$ (2,887)

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

(\$ in millions)	Amortized cost, net	As of December 31, 2023		Fair value
		Gross unrealized		
		Gains	Losses	
Corporate				
Banking ⁽¹⁾	\$ 4,189	\$ 31	\$ (135)	\$ 4,085
Basic industry	1,007	7	(42)	972
Capital goods	2,800	33	(97)	2,736
Communications	2,767	33	(115)	2,685
Consumer goods (cyclical and non-cyclical)	6,813	93	(251)	6,655
Financial services	2,111	17	(88)	2,040
Energy	2,645	35	(63)	2,617
Technology	2,800	21	(153)	2,668
Transportation	1,104	13	(45)	1,072
Utilities	5,330	109	(123)	5,316
Other	385	5	(31)	359
Total corporate fixed income portfolio	31,951	397	(1,143)	31,205
U.S. government and agencies	8,624	114	(119)	8,619
Municipal	6,049	109	(152)	6,006
Foreign government	1,286	17	(13)	1,290
ABS	1,739	13	(7)	1,745
Total fixed income securities	\$ 49,649	\$ 650	\$ (1,434)	\$ 48,865

⁽¹⁾ As of December 31, 2023, we have exposure of approximately \$90 million to regional banks primarily through investment grade corporate bonds.

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

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

Equity securities by sector						
(\$ in millions)	December 31, 2023			December 31, 2022		
	Cost	Over (under)		Cost	Over (under)	
		cost	Fair value		cost	Fair value
Banking	\$ 30	\$ 38	\$ 68	\$ 135	\$ 56	\$ 191
Basic Industry	9	2	11	57	16	73
Capital Goods	77	(27)	50	196	3	199
Energy	32	3	35	110	44	154
Funds						
Equities	258	12	270	904	(19)	885
Fixed income	1,038	(15)	1,023	1,067	(84)	983
Other	58	5	63	3	—	3
Total funds	1,354	2	1,356	1,974	(103)	1,871
Transportation	16	\$ 23	39	48	19	67
Utilities	59	1	60	67	12	79
Other ⁽¹⁾	667	125	792	1,666	267	1,933
Total equity securities	\$ 2,244	\$ 167	\$ 2,411	\$ 4,253	\$ 314	\$ 4,567

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

Net investment income	For the years ended December 31,		
	2023	2022	2021
(\$ in millions)			
Fixed income securities	\$ 1,761	\$ 1,255	\$ 1,148
Equity securities	75	132	100
Mortgage loans	35	33	43
Limited partnership interests	499	985	1,973
Short-term investments	253	82	5
Other investments	169	162	195
Investment income, before expense	2,792	2,649	3,464
Investment expense			
Investee level expenses	(79)	(68)	(60)
Securities lending expense	(93)	(30)	—
Operating costs and expenses	(142)	(148)	(111)
Total investment expense	(314)	(246)	(171)
Net investment income	\$ 2,478	\$ 2,403	\$ 3,293
Property-Liability	\$ 2,218	\$ 2,190	\$ 3,118
Protection Services	73	48	43
Allstate Health and Benefits	82	69	74
Corporate and Other	105	96	58
Net investment income	\$ 2,478	\$ 2,403	\$ 3,293
Market-based	\$ 2,219	\$ 1,566	\$ 1,429
Performance-based	573	1,083	2,035
Investment income, before expense	\$ 2,792	\$ 2,649	\$ 3,464

Net investment income increased 3.1% or \$75 million in 2023 compared to 2022, primarily due to higher market-based results driven by reinvesting into fixed income securities with higher yields and to a lesser extent, the reinvestment of proceeds from sales of equity securities into fixed income securities, partially offset by lower performance-based results, mainly from limited partnerships.

Performance-based investment income	For the years ended December 31,		
	2023	2022	2021
(\$ in millions)			
Private equity	\$ 414	\$ 798	\$ 1,660
Real estate	159	285	375
Total performance-based income before investee level expenses	\$ 573	\$ 1,083	\$ 2,035
Investee level expenses ⁽¹⁾	(74)	(59)	(55)
Total performance-based income	\$ 499	\$ 1,024	\$ 1,980

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

Performance-based investment income decreased 51.3% or \$525 million in 2023 compared to 2022, primarily due to lower valuation increases compared to the prior year and lower income from the sales of underlying investments.

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

Components of net gains (losses) on investments and derivatives and the related tax effect			
(\$ in millions)	For the year December 31,		
	2023	2022	2021
Sales	\$ (433)	\$ (832)	\$ 578
Credit losses	(99)	(54)	(42)
Valuation change of equity investments - appreciation (decline):			
Equity securities	239	(772)	544
Equity fund investments in fixed income securities	43	(128)	(24)
Limited partnerships ⁽¹⁾	34	(160)	(21)
Total valuation of equity investments	316	(1,060)	499
Valuation change and settlements of derivatives	(84)	874	49
Net gains (losses) on investments and derivatives, pre-tax	(300)	(1,072)	1,084
Income tax benefit (expense)	63	230	(237)
Net gains (losses) on investments and derivatives, after-tax	\$ (237)	\$ (842)	\$ 847
Property-Liability	\$ (230)	\$ (688)	\$ 798
Protection Services	—	(40)	19
Allstate Health and Benefits	2	(35)	5
Corporate and Other	(9)	(79)	25
Net gains (losses) on investments and derivatives, after-tax	\$ (237)	\$ (842)	\$ 847
Market-based	\$ (352)	\$ (1,083)	\$ 917
Performance-based	52	11	167
Net gains (losses) on investments and derivatives, pre-tax	\$ (300)	\$ (1,072)	\$ 1,084

⁽¹⁾ Relates to limited partnerships where the underlying assets are predominately public equity securities.

Net losses on investments and derivatives in 2023 related primarily to losses on sales, partially offset by higher valuation on equity investments. Net losses on investments and derivatives in 2022 related primarily to decreased valuation on equity investments and losses on sales of fixed income securities, partially offset by increased valuation change and settlements of derivatives.

Net losses on sales in 2023 and 2022 related primarily to sales of fixed income securities in connection with ongoing portfolio management.

Net losses on valuation change and settlements of derivatives of \$84 million in 2023 primarily related to net losses on equity futures used to manage equity exposure, losses on credit default swaps used to reduce credit risk and losses on foreign currency contracts used to manage foreign currency risk. Net gains in 2022 primarily comprised of gains on interest rate futures used to mitigate the impact of increases in interest rates, gains on foreign currency contracts due to the strengthening of the U.S. dollar and gains on equity futures used to manage exposure to equity markets.

Net gains (losses) on performance-based investments and derivatives			
(\$ in millions)	For the years ended December 31,		
	2023	2022	2021
Sales	\$ 76	\$ 29	\$ 111
Credit losses	(68)	(30)	(43)
Valuation change of equity investments	58	(35)	71
Valuation change and settlements of derivatives	(14)	47	28
Total performance-based	\$ 52	\$ 11	\$ 167

Net gains on performance-based investments and derivatives in 2023 primarily related to gains on sales and increased valuation of equity investments, partially offset by increased credit losses. 2022 primarily related to increased valuation change and settlements of derivatives and gains on sales, partially offset by decreased valuation of equity investments.

Market Risk

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

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

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

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

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

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

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

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

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

Market Risk

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

Our assessment of interest rate risk reflects the effect of changing risk-free interest rates on interest-sensitive assets, including investments with callable or prepayable features. As of December 31, 2023, the fixed income portfolio duration⁽¹⁾ was 4.8 compared to 3.4 as of December 31, 2022.

Change in fair value of interest-sensitive assets ⁽¹⁾⁽²⁾		
(\$ in millions)	As of December 31,	
	2023	2022
-100 bps change	\$ 2,530	\$ 1,549
+100 bps change	(2,314)	(1,471)
+200 bps change	(4,410)	(2,864)

⁽¹⁾ Includes the effects of interest rate derivatives and any call features associated with the securities.

⁽²⁾ Represents an immediate, parallel increase or decrease based on information and assumptions used in the duration calculations.

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

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

As of December 31, 2023, the spread duration⁽¹⁾ was 4.7 compared to 4.0 as of December 31, 2022.

Change in fair value of spread-sensitive assets ⁽¹⁾⁽²⁾		
(\$ in millions)	As of December 31,	
	2023	2022
+100 bps change	\$ (1,898)	\$ (1,462)

⁽¹⁾ Includes the effects of credit derivatives and any call features associated with the securities.

⁽²⁾ Represents an immediate, parallel increase based on information and assumptions used in the spread duration calculations.

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

Equity investments⁽¹⁾ As of December 31, 2023, we held \$1.52 billion in equity investments that comprise equity securities, excluding those with fixed income securities as their underlying investments, and including limited partnership interests where the underlying assets are predominately public equity securities, compared to \$4.06 billion as of December 31, 2022.

Change in fair value of equity investments ⁽¹⁾⁽²⁾		
(\$ in millions)	As of December 31,	
	2023	2022
-10% change in equity valuations	\$ (127)	\$ (402)

⁽¹⁾ Includes the effects of equity derivatives.

⁽²⁾ Represents an immediate change in equity valuations for investments.

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

Limited partnership interests As of December 31, 2023, we held \$8.24 billion in limited partnership interests excluding those limited partnership interests where the underlying assets are predominately public equity securities compared to \$7.64 billion as of December 31, 2022. These illiquid investments are primarily comprised of private equity and real estate funds, with valuation changes typically reflecting the idiosyncratic performance of the underlying asset.

Change in fair value of limited partnership interests ⁽¹⁾		
(\$ in millions)	As of December 31,	
	2023	2022
-10% change in private market valuations	\$ (824)	\$ (764)

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

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

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

As of December 31, 2023, we had \$3.56 billion in foreign currency denominated investments, including the effects of foreign currency derivative contracts, and \$1.25 billion net investment in our foreign subsidiaries, primarily related to our Canada operations. These amounts were \$3.10 billion and \$1.14 billion, respectively, as of December 31, 2022.

Change in fair value of foreign currency denominated investments⁽¹⁾

(\$ in millions)	As of December 31,	
	2023	2022
-10% change in foreign currency exchange rates	\$ (356)	\$ (310)
-10% change in net investments in foreign subsidiaries	(125)	(114)

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

Capital Resources and Liquidity

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

(\$ in millions)	As of December 31,		
	2023	2022	2021
Preferred stock, common stock, treasury stock, retained income and other shareholders' equity items	\$ 18,470	\$ 19,880	\$ 24,518
Accumulated other comprehensive income (loss)	(700)	(2,392)	426
Total Allstate shareholders' equity	17,770	17,488	24,944
Debt	7,942	7,964	7,976
Total capital resources	\$ 25,712	\$ 25,452	\$ 32,920
Ratio of debt to Allstate shareholders' equity	44.7 %	45.5 %	32.0 %
Ratio of debt to capital resources	30.9 %	31.3 %	24.2 %

Allstate shareholders' equity increased in 2023, primarily due to lower unrealized net capital losses on investments, partially offset by dividends paid to shareholders, common share repurchases and a net loss. In 2023, we paid dividends of \$925 million and \$107 million related to our common and preferred shares, respectively. Allstate shareholders' equity decreased in 2022, primarily due to net unrealized capital losses on investments in 2022 compared to gains in 2021, common share repurchases, a net loss and dividends paid to shareholders. In 2022, we paid dividends of \$926 million and \$105 million related to our common and preferred shares, respectively.

Repayment of debt On March 29, 2023, the Company repaid, at maturity, \$250 million of Floating Rate Senior Notes that bear interest at a floating rate equal to three-month London Interbank Offered Rate ("LIBOR") plus 0.63% per year. On June 15, 2023, the Company repaid, at maturity, \$500 million of 3.15% Senior Notes.

Issuance of debt On March 31, 2023, the Company issued \$750 million of 5.25% Senior Notes due 2033. Interest on the Senior Notes is payable semi-annually in arrears on March 30 and September 30 of each year, beginning on September 30, 2023. The Senior Notes are redeemable at any time at the applicable redemption price prior to the maturity date. The net proceeds of this issuance were used to repay the \$500 million senior debt maturity and for general corporate purposes.

Redemption of preferred stock On April 17, 2023, the Company redeemed all 23,000 shares of Fixed Rate Noncumulative Preferred Stock, Series G, par value \$1.00 per share and liquidation preference \$25,000 per share, and the corresponding depository shares for a total redemption payment of \$575 million. The Company recognized \$18 million of original issuance costs in preferred stock dividends on the Consolidated Statements of Operations and Consolidated Statements of Shareholders' Equity.

Issuance of preferred stock On May 18, 2023, the Company issued 24,000 shares of Fixed Rate Noncumulative Preferred Stock, Series J, par value

\$1.00 per share and liquidation preference amount of \$25,000 per share, and the corresponding depository shares for gross proceeds of \$600 million. The preferred stock is perpetual and has no maturity date. The preferred stock is redeemable at the Company's option in whole or in part, on or after July 15, 2028 at a redemption price of \$25,000 per share, plus declared and unpaid dividends. Prior to July 15, 2028, the preferred stock is redeemable at the Company's option, in whole but not in part, within 90 days of the occurrence of certain rating agency events at a redemption price equal to \$25,500 per share, plus declared and unpaid dividends, or in whole but not in part, within 90 days after the occurrence of a regulatory capital event, at a redemption price equal to \$25,000 per share, plus declared and unpaid dividends.

Common share repurchases In July 2023, we suspended repurchasing shares under the current authorization. As of December 31, 2023, there was \$472 million remaining of the \$5.00 billion program. The authorization for the share repurchase program expires on March 31, 2024.

During 2023, we repurchased 2.8 million common shares, or 1.1% of total common shares outstanding as of December 31, 2022, for \$330 million.

Since 1995, we have acquired 792 million shares of our common stock at a cost of \$43.18 billion, primarily as part of various stock repurchase programs. We have reissued 156 million common shares since 1995, primarily associated with our equity incentive plans, the 1999 acquisition of American Heritage Life Investment Corporation and the 2001 redemption of certain mandatorily redeemable preferred securities. Since 1995, total common shares outstanding has decreased by 636 million shares or 70.8%, primarily due to our repurchase programs.

Common shareholder dividends On January 3, 2023, April 3, 2023, July 3, 2023 and October 2, 2023, we paid a common shareholder dividend of \$0.85, \$0.89, \$0.89 and \$0.89, respectively. On November 15, 2023, we declared a common shareholder dividend of \$0.89 payable on January 2, 2024.

Financial ratings and strength

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

	As of December 31, 2023		
	Moody's	S&P Global Ratings	A.M. Best
The Allstate Corporation (debt)	A3	BBB+	a-
The Allstate Corporation (short-term issuer)	P-2	A-2	AMB-1
Allstate Insurance Company (insurance financial strength)	Aa3	A+	A+

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

The Allstate Corporation (the "Corporation") and Allstate Insurance Company ("AIC") In March 2023, Moody's affirmed The Allstate Corporation's (the "Corporation") senior debt and short-term issuer ratings of A3 and P-2, respectively, and AIC's insurance financial strength rating of Aa3. The outlook for the ratings was changed from stable to negative.

In August 2023, A.M. Best downgraded the Corporation's senior debt and short-term issuer ratings to a- and AMB-1, respectively, and affirmed AIC's insurance financial strength rating of A+. The outlook for the ratings is stable.

In August 2023, S&P downgraded the Corporation's senior debt rating to BBB+ and affirmed the short-term issuer rating of A-2, and downgraded AIC's insurance financial strength rating to A+. The outlook for the ratings changed from negative to stable.

American Heritage Life ("AHL") In August 2023, A.M. Best affirmed the insurance financial strength rating of A+ for AHL. The outlook for the rating is stable.

Other property and casualty companies We have distinct and separately capitalized groups of subsidiaries licensed to sell property and casualty insurance that maintain separate group ratings. The ratings of these groups are influenced by the risks that relate specifically to each group. Many mortgage companies require property owners to have insurance from an insurance carrier with a secure financial strength rating from an accredited rating agency.

In August 2023, A.M. Best affirmed the insurance financial strength rating of A of the members of Allstate New Jersey Group (Allstate New Jersey Insurance Company, Allstate New Jersey Property and Casualty Insurance Company, Encompass Insurance Company of New Jersey, Encompass Property and

Casualty Insurance Company of New Jersey, Esurance Insurance Company of New Jersey). The outlook for the rating changed from stable to negative. ANJ writes auto and homeowners insurance in New Jersey. Allstate New Jersey Insurance Company also has a financial strength rating of A+ from Demotech, which was affirmed in December 2023.

In August 2023, A.M. Best affirmed the insurance financial strength rating of A+ for North Light, our excess and surplus lines carrier. The outlook for the North Light rating is stable.

In August 2023, A.M. Best downgraded the insurance financial strength ratings of the members of Castle Key Group (Castle Key Insurance Company, Castle Key Indemnity Company, Encompass Floridian Insurance Company, Encompass Floridian Indemnity Company) to B. The outlook for the ratings changed from negative to stable. CKIC also has a financial strength rating of A+ from Demotech that was affirmed in December 2023.

ANJ and North Light do not have support agreements with AIC.

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

The property and casualty business is comprised of 59 insurance companies as of December 31, 2023, each of which has individual company dividend limitations. As of December 31, 2023, total statutory surplus is \$14.56 billion compared to \$15.28 billion as of December 31, 2022. Property and casualty subsidiaries surplus was \$14.25 billion as of December 31, 2023, compared to \$15.00 billion as of December 31, 2022. Life, accident and health insurance subsidiaries surplus was \$310 million as of December 31, 2023, compared to \$279 million as of December 31, 2022.

The NAIC has developed financial relationships or tests known as the Insurance Regulatory Information System to assist state insurance regulators in monitoring the financial condition of insurance companies and identifying companies that require special attention or actions by state insurance regulators. The NAIC analyzes financial data provided by insurance companies using prescribed ratios, each

Capital Resources and Liquidity

with defined “usual ranges”. Additional regulatory scrutiny may occur if a company’s ratios fall outside the usual ranges for four or more of the ratios. Nine of our domestic insurance companies have four or more

ratios outside the usual ranges due to higher written premiums and net losses in 2023.

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

Activities for potential sources of funds	<i>Property-Liability</i>	<i>Protection Services</i>	<i>Allstate Health and Benefits</i>	<i>Corporate and Other</i>
Receipt of insurance premiums	✓	✓	✓	
Recurring service fees	✓	✓	✓	
Contractholder fund deposits			✓	
Reinsurance and indemnification program recoveries	✓	✓	✓	
Receipts of principal, interest and dividends on investments	✓	✓	✓	✓
Sales of investments	✓	✓	✓	✓
Funds from securities lending, commercial paper and line of credit agreements	✓			✓
Intercompany loans	✓	✓	✓	✓
Capital contributions from parent ⁽¹⁾	✓	✓	✓	✓
Dividends or return of capital from subsidiaries	✓	✓	✓	✓
Tax refunds/settlements	✓	✓	✓	✓
Funds from periodic issuance of additional securities				✓
Receipt of intercompany settlements related to employee benefit plans				✓

⁽¹⁾ Capital support is generally at management’s discretion unless contractual commitments are in place.

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

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

contractual commitments that require cash needs beyond 12 months.

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

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

As of December 31, 2023, we held \$16.20 billion of cash, U.S. government and agencies fixed income securities, public equity securities and short-term investments, which we would expect to be able to liquidate within one week. In addition, we regularly estimate how much of the total portfolio, which includes high quality corporate fixed income and municipal holdings, can be reasonably liquidated within one quarter. These estimates are subject to considerable uncertainty associated with evolving market conditions. As of December 31, 2023, cash and estimated liquidity available within one quarter, under normal market conditions and at current market prices, was \$23.52 billion.

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

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

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

Parent company capital capacity At the parent holding company level, we have deployable assets totaling \$3.41 billion as of December 31, 2023, primarily comprised of cash and short-term, fixed income and equity securities that are generally saleable within one quarter. The earnings capacity of the operating subsidiaries is the primary source of capital generation for the Corporation.

The payment of dividends by AIC to The Allstate Corporation is limited by Illinois insurance law to formula amounts based on statutory net income and statutory surplus, as well as the timing and amount of dividends paid in the preceding twelve months. The maximum amount of dividends that AIC will be able to pay, without prior Illinois Department of Insurance approval, at a given point in time in 2024, based on 10% of actual 2023 statutory surplus, is estimated at \$1.20 billion, less dividends paid during the preceding twelve months measured at that point in time. For the year ended December 31, 2023, the maximum amount of dividends allowed to be paid by AIC was \$1.22 billion. No dividends were paid in 2023. Notification and approval of intercompany lending activities are also required by the Illinois Department of Insurance for those transactions that exceed formula amounts based on statutory admitted assets and statutory surplus.

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

Intercompany dividends were paid in 2023, 2022 and 2021 between the following companies: AIC, Allstate Insurance Holdings, LLC ("AIH"), the Corporation, ALIC, American Heritage Life Insurance Company ("AHL") and Allstate Financial Insurance Holdings Corporation ("AFIHC").

Intercompany dividends			
(\$ in millions)	2023	2022	2021
AIC to AIH	\$ —	\$ 4,203	\$ 5,946
AIH to the Corporation	—	4,205	5,586
ALIC to AIC	—	—	1,642
AHL to AFIHC	40	110	90
AFIHC to the Corporation	50	112	128

There were no capital contributions paid by the Corporation to AIC in 2023, 2022 or 2021.

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

The terms of our outstanding subordinated debentures also prohibit us from declaring or paying any dividends or distributions on our common or preferred stock or redeeming, purchasing, acquiring, or making liquidation payments on our common stock or preferred stock if we have elected to defer interest payments on the subordinated debentures, subject to certain limited exceptions. In 2023, we did not defer interest payments on the subordinated debentures.

Capital Resources and Liquidity

Additional resources to support liquidity are as follows:

- The Corporation and AIC have access to a \$750 million unsecured revolving credit facility that is available for short-term liquidity requirements. In November 2022, the maturity date of this facility was extended to November 2027 and the U.S. dollar benchmark rate was amended from London Interbank Offered Rate to Secured Overnight Financing Rate. The facility is fully subscribed among 11 lenders with the largest commitment being \$95 million. The commitments of the lenders are several and no lender is responsible for any other lender's commitment if such lender fails to make a loan under the facility. This facility contains an increase provision that would allow up to an additional \$500 million of borrowing, subject to the lenders' commitment. This facility has a financial covenant requiring that we not exceed a 37.5% debt to capitalization ratio as defined in the agreement. This ratio was 23.4% as of December 31, 2023. Although the right to borrow under the facility is not subject to a minimum rating requirement, the costs of maintaining the facility and borrowing under it are based on the ratings of our senior unsecured, unguaranteed long-term debt. There were no borrowings under the credit facility during 2023.
- To cover short-term cash needs, the Corporation has access to a commercial paper facility with a borrowing capacity limited to any undrawn credit facility balance up to \$750 million.
- As of December 31, 2023, there were no balances outstanding for the credit facility or the commercial paper facility and therefore the remaining borrowing capacity was \$750 million under each facility.
- The Corporation has access to a universal shelf registration statement with the Securities and Exchange Commission that expires in 2024. We can use this shelf registration to issue an unspecified amount of debt securities, common stock (including 638 million shares of treasury stock as of December 31, 2023), preferred stock, depository shares, warrants, stock purchase contracts, stock purchase units and securities of trust subsidiaries. The specific terms of any securities we issue under this registration statement will be provided in the applicable prospectus supplements.

Long-term contractual obligations

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

Note 18 of the consolidated financial statements for further information.

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

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

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

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

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

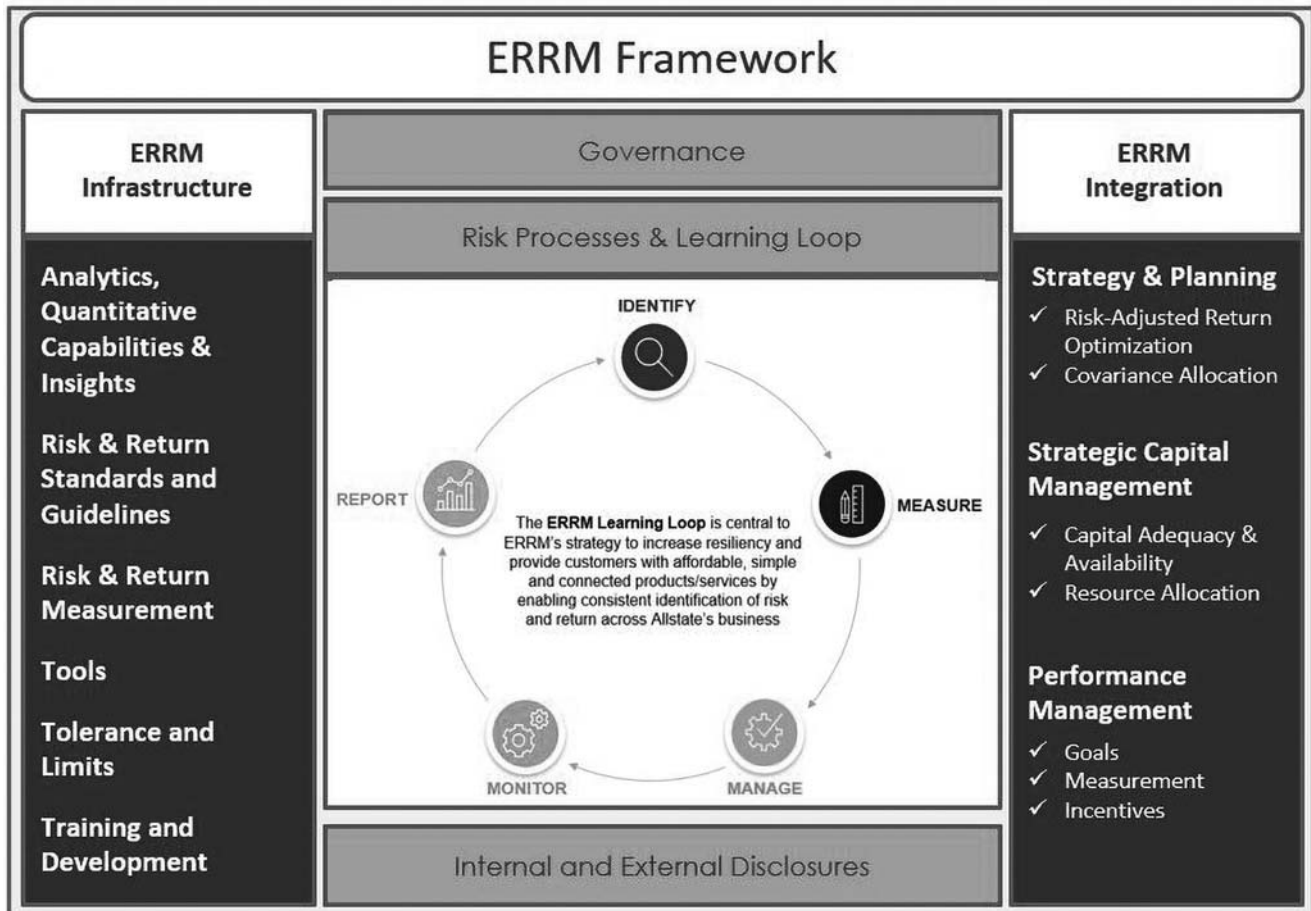
Enterprise Risk and Return Management

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

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

Allstate manages these risks through an Enterprise Risk and Return Management (“ERRM”) framework that includes governance, processes, culture, and activities

that are performed on an integrated, enterprise-wide basis, following our risk and return principles. Our legal and capital structures are designed to manage capital and solvency on a legal entity basis. Our risk-return principles define how we operate and guide risk and return decision making. These principles state that our priority is to maintain a strong foundation by protecting solvency, complying with laws and acting with integrity. We strive to build strategic value and optimize risk and return.



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

- The Allstate Corporation Board of Directors (“Allstate Board”) has overall responsibility for oversight of management’s design and implementation of ERRM.
- The Risk and Return Committee (“RRC”) of the Allstate Board oversees effectiveness of the ERRM program, governance structure and risk-related decision-making, while focusing on the Company’s overall risk profile.
- The Audit Committee oversees the effectiveness of internal controls over financial reporting, disclosure controls and procedures as well as

management’s risk control framework and cybersecurity program.

- The ERRC directs ERRM activities by establishing risk and return targets, determining economic capital levels and monitoring integrated strategies and actions from an enterprise risk and return perspective. The ERRC consists of Allstate’s chief executive officer, chief financial officer, chief risk officer, chief legal officer and other senior leaders.
- Other key committees work with the ERRC to direct ERRM activities, including the Operating Committee, the Operational Risk and Return Council, the Information Security Council, the Internal Compliance and Control Committee, the Environmental, Social, and Governance (“ESG”)

Steering Committee, liability governance committees, and investment committees.

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

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

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

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

Allstate's risk appetite is measured through our economic capital framework. The enterprise risk appetite is cascaded into individual risk limits which set boundaries on the amount of risk we are willing to accept from one specific risk category before escalating for further management discussion and action. Risk limits are established based upon expected returns, volatility, potential tail losses and impact on the enterprise portfolio. To effectively

operate within risk limits and for risk-return optimization, Allstate establishes risk limits and capital targets specific to each business unit. Allstate's risk management strategies adapt to changes in business and market environments.

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

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

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

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

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

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

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

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

event scenarios across risk categories and time periods.

Investment risk and return management

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

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

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

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

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

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

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

We generally assess solvency on a statutory accounting basis, but also consider holding company capital and liquidity needs. Capital at the insurance companies significantly exceeds regulatory risk-based capital requirements and capital levels at the parent holding company provide liquidity and financial flexibility to meet enterprise capital and liquidity requirements.

Operational risk and return management

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

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

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

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

Culture is managed using a set of cultural risk categories established as a basis for assessment and measurement, and the Learning Loop is applied to ensure continuous improvement. Culture risk assessments, informed by both quantitative metrics and qualitative judgment, are shared and discussed with the ERRC, RRC and Compensation and Human Capital Committee throughout the year. To strengthen oversight, the Culture Risk and Return Management (“CRRM”) team partners with Human Resources and the broader organization to enhance the sophistication of the CRRM framework, including the following key components:

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

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

Application of Critical Accounting Estimates

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

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

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

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

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

Valuation service providers typically obtain data about market transactions and other key valuation model inputs from multiple sources and, through the use of proprietary models, produce valuation information in the form of a single fair value for individual fixed income and other securities for which a fair value has been requested under the terms of our agreements. The inputs used by the valuation service providers include, but are not limited to, market prices from recently completed transactions and transactions of comparable securities, interest rate yield curves, credit spreads, liquidity spreads, currency rates, and

other information, as applicable. Credit and liquidity spreads are typically implied from completed transactions and transactions of comparable securities. Valuation service providers also use proprietary discounted cash flow models that are widely accepted in the financial services industry and similar to those used by other market participants to value the same financial instruments. The valuation models take into account, among other things, market observable information (as described above) as of the measurement date, as well as the specific attributes of the security being valued including its term, interest rate, credit rating, industry sector, and where applicable, collateral quality and other issue or issuer specific information. Executing valuation models effectively requires seasoned professional judgment and experience. For certain equity securities, valuation service providers provide market quotations for completed transactions on the measurement date. In cases where market transactions or other market observable data is limited, the extent to which judgment is applied varies inversely with the availability of market observable information.

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

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

For most of our financial assets measured at fair value, all significant inputs are based on or corroborated by market observable data, and

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

We gain assurance that our financial assets are appropriately valued through the execution of various processes and controls designed to ensure the overall reasonableness and consistent application of valuation methodologies, including inputs and assumptions, and compliance with accounting standards. For fair values received from third parties or internally estimated, our processes and controls are designed to ensure that the valuation methodologies are appropriate and consistently applied, the inputs and assumptions are reasonable and consistent with the objective of determining fair value, and the fair values are accurately recorded. For example, on a continuing basis, we assess the reasonableness of individual fair values that have stale security prices or that exceed certain thresholds as compared to previous fair values received from valuation service providers or brokers or derived from internal models. We perform procedures to understand and assess the methodologies, processes and controls of valuation service providers. In addition, we may validate the reasonableness of fair values by comparing information obtained from

valuation service providers or brokers to other third-party valuation sources for selected securities. We perform ongoing price validation procedures such as back-testing of actual sales, which corroborate the various inputs used in internal models to market observable data. When fair value determinations are expected to be more variable, we validate them through reviews by members of management who have relevant expertise and who are independent of those charged with executing investment transactions.

During periods of high volatility or market disruption, we may perform an analysis to determine whether there has been a significant decrease in the volume and level of activity for the asset when compared to normal market activity, and if so, whether transactions may not be orderly. Among the indicators we consider in determining whether a significant decrease in the volume and level of market activity for a specific asset has occurred include the level of new issuances in the primary market, trading volume in the secondary market, level of credit spreads over historical levels, bid-ask spread, and price consensus among market participants and sources. If evidence indicates that prices are based on transactions that are not orderly, we place little, if any, weight on the transaction price and will estimate fair value using an internal model. As of December 31, 2023 and 2022, we did not adjust fair values provided by our valuation service providers or brokers or substitute them with an internal model for such securities.

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

(\$ in millions)	December 31, 2023	
	Fair value	Percent to total
Fair value based on internal sources	\$ 424	0.8 %
Fair value based on external sources ⁽¹⁾	55,996	99.2
Total	\$ 56,420	100.0 %

⁽¹⁾ Includes \$21 million that are valued using broker quotes and \$354 million that are valued using quoted prices or quoted net asset values from deal sponsors.

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

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

For each fixed income security in an unrealized loss position, we assess whether management with the

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

If we have not made the decision to sell the fixed income security and it is not more likely than not we will be required to sell the fixed income security before recovery of its amortized cost basis, we evaluate whether we expect to receive cash flows sufficient to recover the entire amortized cost basis of the security. We calculate the estimated recovery value based on the best estimate of future cash flows considering past events, current conditions and reasonable and supportable forecasts. The estimated future cash flows are discounted at the security's current effective rate, and are compared to the amortized cost of the

Application of Critical Accounting Estimates

security. The determination of cash flow estimates is inherently subjective, and methodologies may vary depending on facts and circumstances specific to the security. All reasonably available information relevant to the collectability of the security are considered when developing the estimate of cash flows expected to be collected. That information generally includes, but is not limited to, as applicable, the remaining payment terms of the security, prepayment speeds, the financial condition and future earnings potential of the issue or issuer, expected defaults, expected recoveries, the value of underlying collateral, origination vintage year, geographic concentration of underlying collateral, available reserves or escrows, current subordination levels, third-party guarantees and other credit enhancements. Other information, such as industry analyst reports and forecasts, sector credit ratings, financial condition of the bond insurer for insured fixed income securities, and other market data relevant to the realizability of contractual cash flows, may also be considered. The estimated fair value of collateral will be used to estimate recovery value if we determine that the security is dependent on the liquidation of collateral for ultimate settlement.

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

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

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

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

The goodwill balance was \$3.50 billion at both December 31, 2023 and 2022.

Upon acquisition, the purchase price of the acquired business is assumed to be its fair value. Subsequently, we estimate the fair value of our businesses in each goodwill reporting unit, utilizing a

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

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

The most significant assumptions utilized in the determination of the estimated fair value of the Protection Services reporting unit are the earnings growth rate and discount rate. The earnings growth rate in the DCF projection period is based on the business strategy for the reporting unit.

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

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

Reserve for property and casualty insurance claims and claims expense estimation Reserves are established to provide for the estimated costs of paying claims and claims expenses under insurance policies we have issued. These reserves are an estimate of amounts necessary to settle all outstanding claims, including estimates of all expenses associated with processing and settling incurred claims and IBNR, less the amount of paid losses, as of the financial statement date. Total reserves comprise three major components: case (established by claim adjusters), supplemental, and IBNR. Estimating the ultimate cost of claims and claims expenses is an inherently uncertain and complex process involving a high degree of judgment and is subject to the evaluation of numerous variables. Underwriting results are significantly influenced by estimates of property and casualty insurance claims and claims expense reserves.

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

We update most of our reserve estimates quarterly and as new data and information become available or as events emerge that may affect the resolution of unsettled claims. Changes in prior reserve estimates (reserve reestimates), which may be material, are determined by comparing updated estimates of ultimate losses to prior estimates, with the differences recorded as property and casualty insurance claims and claims expense in the Consolidated Statements of Operations in the period such changes are determined.

The actuarial methods used to develop reserve estimates Reserve estimates are derived by using several different actuarial estimation methods that are variations on one primary actuarial technique. The actuarial technique is known as a "chain ladder" estimation process in which historical loss patterns are applied to actual paid losses and reported losses (paid losses plus individual case reserves established by claim adjusters) for an accident year or a report year to create an estimate of how losses are likely to develop over time. An accident year refers to classifying claims based on the year in which the claims occurred. A report year refers to classifying claims based on the year in which the claims are reported. Both

classifications are used to prepare estimates of required reserves for payments to be made in the future. The key assumptions affecting our reserve estimates comprise data elements including claim counts, paid losses, case reserves, and development factors calculated with this data.

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

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

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

insurance claims and claims expense in the Consolidated Statements of Operations. A more detailed discussion of reserve reestimates is presented

in the Property and Casualty Insurance Claims and Claims Expense Reserves section of the MD&A.

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

(\$ in millions)	As of December 31,		
	2023	2022	2021
Allstate Protection			
Auto	\$ 21,286	\$ 19,365	\$ 16,078
Homeowners	4,754	3,520	2,731
Other lines ⁽¹⁾	3,929	3,991	3,315
Total Allstate Protection	29,969	26,876	22,124
Run-off Property-Liability			
Asbestos	804	811	828
Environmental	267	267	226
Other run-off lines	373	373	367
Total Run-off Property-Liability	1,444	1,451	1,421
Total Protection Services	49	38	36
Total net claims and claims expense reserves	\$ 31,462	\$ 28,365	\$ 23,581

⁽¹⁾ Includes the unamortized fair value adjustment related to the acquisition of National General.

Reserve reestimates			
(\$ in millions)	2023	2022	2021
Reserve reestimates, after-tax ⁽¹⁾	\$ 434	\$1,375	\$ 96
Percentage impact on net income (loss) applicable to common shareholders - favorable (unfavorable)	NM	(98.6)%	(6.4)%

⁽¹⁾ Favorable reserve reestimates are shown in parentheses.

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

	2023
Allstate Protection	2.6 %
Run-off Property-Liability	7.6
Protection Services	(4.9)

⁽¹⁾ Favorable reserve reestimates are shown in parentheses.

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

Allstate Protection reserve estimate

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

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

Case and supplemental reserves

- As claims are reported, for certain liability claims of sufficient size and complexity, the field adjusting staff establishes case reserve estimates of ultimate cost, based on their assessment of facts and circumstances related to each individual claim.
- For other claims which occur in large volumes and settle in a relatively short time frame, it is not practical or efficient to set case reserves for each claim, and a statistical case reserve is set for these claims based on estimation techniques described above.
- In the normal course of business, we may also supplement our claims processes by utilizing third-party adjusters, appraisers, engineers, inspectors, and other professionals and information sources to assess and settle catastrophe and non-catastrophe related claims.

- Historically, the case reserves set by the field adjusting staff have not proven to be an entirely accurate estimate of the ultimate cost of claims. To provide for this, a development reserve is estimated using the processes described above and allocated to pending claims as a supplement to case reserves.
- Typically, the case, including statistical case, and supplemental development reserves comprise about 90% of total reserves.

Incurred but not reported (“IBNR”)

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

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

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

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

As loss experience for the current year develops for each type of loss, it is monitored relative to initial assumptions until it is judged to have sufficient statistical credibility. From that point in time forward,

reserves are reestimated using statistical actuarial processes to reflect the impact actual loss trends have on development factors incorporated into the actuarial estimation processes.

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

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

Reserves for catastrophe losses Catastrophe losses are an inherent risk of the property and casualty insurance industry that have contributed, and will continue to contribute, to potentially material year-to-year fluctuations in our results of operations and financial position. We define a “catastrophe” as an event that produces pre-tax losses before reinsurance in excess of \$1 million and involves multiple first party policyholders, or a winter weather event that produces a number of claims in excess of a preset, per-event threshold of average claims in a specific area, occurring within a certain amount of time following the event. Catastrophes are caused by various natural events including high winds, winter storms and freezes, tornadoes, hailstorms, wildfires, tropical storms, tsunamis, hurricanes, earthquakes and volcanoes.

We are also exposed to man-made catastrophic events, such as certain types of terrorism, civil unrest, wildfires or industrial accidents. The nature and level of

Application of Critical Accounting Estimates

catastrophes in any period cannot be reliably predicted.

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

Potential variability in reserve estimates Reserve estimates, by their nature, are very complex to determine, subject to significant judgment, and represent approximations rather than an exact determination for each outstanding claim, including claims incurred but not reported. Accordingly, as actual claims, paid losses, and case reserve results emerge, our estimate of the ultimate cost to settle will differ from previous estimates.

The reserve liability recorded in the Consolidated Statements of Financial Position represents the aggregation of numerous analyses by each business segment, line of insurance, major types of losses (such as coverages and perils), and individual states or groups of states for reported losses and IBNR. Because of this detailed approach to our reserve analysis, there is not a single set of assumptions that determines our reserve estimates at the consolidated level or that management believes can produce a statistically credible or reliable actuarial reserve range that would be meaningful.

To develop a statistical indication of potential reserve variability within reasonably likely possible outcomes, an actuarial technique (stochastic modeling) is applied to the countrywide consolidated data elements for paid losses and paid losses combined

with case reserves separately for injury losses, auto physical damage losses, and homeowners insurance losses excluding catastrophe losses. Based on the combined historical variability of the development factors calculated for these data elements, an estimate of the standard error or standard deviation around these reserve estimates is calculated within each accident year for the last twelve years for each type of loss. The variability of these reserve estimates within one standard deviation of the mean (a measure of frequency of dispersion often viewed to be an acceptable level of accuracy) is believed by management to represent a reasonable and statistically probable measure of potential variability. Based on our products and coverages, historical experience, the statistical credibility of our extensive data and stochastic modeling of actuarial chain ladder methodologies used to develop reserve estimates, we have derived the potential standard deviation and impact to net income to our Allstate Protection reserves, excluding catastrophe losses, as shown below. Catastrophe losses are also an inherent risk of the property and casualty insurance industry that have contributed, and will continue to contribute, to potentially material year-to-year fluctuations in our results of operations and financial position.

Reserve estimate variability

December 31, 2023			
(\$ in millions)	Carried reserves ⁽¹⁾	Standard deviation	Net income effect, pre-tax
Auto insurance - liability coverage	\$ 27,730	7.0 %	\$ 1,941
Auto insurance - physical damage coverage	846	14.0	118
Homeowners insurance	3,342	8.5	284

⁽¹⁾ Excludes reserves related to catastrophes.

Although this evaluation reflects most reasonably likely outcomes, it is possible the final outcome may fall below or above these amounts. Historical variability of reserve estimates is reported in the Property and Casualty Insurance Claims and Claims Expense Reserves section of the MD&A.

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

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

The process employed to estimate MCCA covered losses involves a number of activities including the comprehensive review and interpretation of MCCA actuarial reports, other MCCA members' reports and our personal injury protection loss trends which have increased in severity over time. A significant portion of incurred claim reserves can be attributed to a small number of catastrophic claims and thus a large portion of the recoverable is similarly concentrated. We conduct comprehensive claim file reviews to develop case reserve type estimates of specific claims, which inform our view of future claim development and longevity of claimants. Each year, we update the actuarial estimate of our ultimate reserves and recoverables. We report our paid and unpaid claims based on MCCA requirements. The MCCA develops its own reserving estimates based on its own reserve methodologies, which may not align with our estimations. The MCCA does not provide member companies with its estimate of a company's claim costs.

We provide similar personal injury protection coverage in New Jersey for auto policies issued or renewed in New Jersey prior to 1991 that is administered by PLIGA. We use similar actuarial estimating techniques as for the MCCA exposures to estimate loss reserves for unlimited personal injury protection coverage for policies covered by PLIGA. Unlimited coverage was not offered after 1991; therefore, no new claimants are being added.

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

For additional information related to indemnification recoverables, see Form 10-K Item 1 - Regulation, Indemnification Programs and Note 11 of the consolidated financial statements.

Adequacy of reserve estimates We believe our net claims and claims expense reserves are appropriately established based on available methodologies, facts, laws and regulations. Additionally, we rely on historical claims experience to inform the level of the recorded reserve. We calculate and record a single best reserve estimate, in conformance with generally accepted actuarial standards and practices, for each line of insurance, its components (coverages and perils) and state, for reported losses and for IBNR losses, and as a

result we believe that no other estimate is better than our recorded amount. Due to the uncertainties involved, the ultimate cost of losses may vary materially from recorded amounts, which are based on our best estimates.

Run-off Property-Liability reserve estimates

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

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

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

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

Our assumed reinsurance business involved writing generally small participations in other insurers' reinsurance programs. The reinsured losses in which we participate may be a proportion of all eligible losses or eligible losses in excess of defined retentions. Of the

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majority of our assumed reinsurance exposure, approximately 85%, is for excess of loss coverage, while the remaining 15% is for pro-rata coverage.

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

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

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

Evaluation of both the insureds' estimated liabilities and our exposure to the insureds depends heavily on an analysis of the relevant legal issues and litigation environment. This analysis is conducted by our specialized claims adjusting staff and legal counsel. Based on these evaluations, case reserves are established by claims adjusting staff and actuarial analysis is employed to develop an IBNR reserve, which includes estimated potential reserve development and claims that have occurred but have not been reported. As of December 31, 2023 and 2022, IBNR was 55.7% and 55.9%, respectively, of combined net asbestos and environmental reserves.

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

characteristics of specific individual coverage exposures.

Potential reserve estimate variability Establishing net loss reserves for asbestos, environmental and other run-off claims is subject to uncertainties that are much greater than those presented by other types of property and casualty claims. Among the complications are lack of historical data, long reporting delays, uncertainty as to the number and identity of insureds with potential exposure and unresolved legal issues regarding policy coverage; unresolved legal issues regarding the determination, availability and timing of exhaustion of policy limits; plaintiffs' evolving and expanding theories of liability; availability and collectability of recoveries from reinsurance; retrospectively determined premiums and other contractual agreements; estimates of the extent and timing of any contractual liability; the impact of bankruptcy protection sought by various asbestos producers and other asbestos defendants; and other uncertainties. There are also complex legal issues concerning the interpretation of various insurance policy provisions and whether those losses are covered, or were ever intended to be covered, and could be recoverable through retrospectively determined premium, reinsurance or other contractual agreements. Courts have reached different and sometimes inconsistent conclusions as to when losses are deemed to have occurred and which policies provide coverage; what types of losses are covered; whether there is an insurer obligation to defend; how policy limits are determined; how policy exclusions and conditions are applied and interpreted; and whether clean-up costs represent insured property damage. Our reserves for asbestos, environmental and other run-off exposures could be affected by tort reform, class action litigation, and other potential legislation and judicial decisions. Environmental exposures could also be affected by a change in the existing federal Superfund law and similar state statutes. There can be no assurance that any reform legislation will be enacted or that any such legislation will provide for a fair, effective and cost-efficient system for settlement of asbestos or environmental claims. We believe these issues are not likely to be resolved in the near future, and the ultimate costs may vary materially from the amounts currently recorded resulting in material changes in loss reserves. Historical variability of reserve estimates is demonstrated in the Property and Casualty Insurance Claims and Claims Expense Reserves section of the MD&A.

Adequacy of reserve estimates Management believes its net loss reserves for asbestos, environmental and other run-off claims exposures are appropriately established based on available facts, laws, regulations, and assessments of other pertinent factors and characteristics of exposure (i.e. claim activity, potential liability, jurisdiction, products versus non-products exposure) presented by individual policyholders, assuming no change in the legal, legislative or economic environment. Due to the uncertainties and factors described above, management believes it is not practicable to develop a

meaningful range for any such additional net loss reserves that may be required.

For further discussion of these estimates and quantification of the impact of reserve estimates, reserve reestimates and assumptions, see Note 9 and Note 15 of the consolidated financial statements and the Property and Casualty Insurance Claims and Claims Expense Reserves section of the MD&A.

Pension and other postretirement plans net costs and assumptions Our defined benefit pension plans cover most U.S. employees. Benefits are provided to plan participants based on a cash balance formula. Certain participants also have a significant portion of their benefits attributable to a former final average pay formula. 79% of the projected benefit obligation (“PBO”) of our primary qualified employee plan is related to the former final average pay formula. See Note 18 of the consolidated financial statements for a discussion of these plans and their effect on the consolidated financial statements.

Our pension and other postretirement benefit costs are calculated using various actuarial assumptions and methodologies. These assumptions include discount rates, health care cost trend rates, inflation, expected returns on plan assets, mortality and other factors. The assumptions utilized in recording the obligations under our pension plans represent our best estimates and we believe they are reasonable based on information as to historical experience and performance as well as other factors that might cause future expectations to differ from past trends.

Net costs for our defined benefit plans are recognized on the Consolidated Statements of Operations and consist of two elements: 1) costs comprised of service and interest costs, expected return of plan assets, amortization of prior service credit and curtailment gains and losses which are reported in property and casualty claims and claims expense, operating costs and expenses, net

investment income and, if applicable, restructuring and related charges and 2) rereasurement gains and losses comprised of changes in actuarial assumptions and the difference between actual and expected returns on plan assets which are recognized immediately in earnings as part of pension and other postretirement rereasurement gains and losses.

We recognize expected returns on plan assets using an unadjusted fair value method. Our policy is to rereasure our pension and postretirement plans on a quarterly basis. We immediately recognize the rereasurement of the projected benefit obligation and plan assets in earnings as it provides greater transparency of our economic obligations in accounting results and better aligns the recognition of the effects of economic and interest rate changes on pension and other postretirement plan assets and liabilities in the year in which the gains and losses are incurred.

Differences in actual experience and changes in other assumptions affect our pension and other postretirement obligations and expenses. Differences between expected and actual returns on plan assets affect rereasurement gains and losses. The primary factors contributing to pension and postretirement rereasurement gains and losses are: 1) changes in the discount rate used to value pension and postretirement obligations as of the measurement date; 2) differences between the expected and the actual return on plan assets; 3) changes in demographic assumptions, including mortality and participant experience; and 4) changes in lump sum interest rates used to value pension obligations as of the measurement date.

Pension and other postretirement service cost, interest cost, expected return on plan assets and amortization of prior service credits are allocated to our reportable segments. The pension and other postretirement rereasurement gains and losses are reported in the Corporate and Other segment.

Pension and postretirement benefits rereasurement gains and losses

(\$ in millions)	For the years ended December 31,		
	2023	2022	2021
Rereasurement of projected benefit obligation (gains) losses:			
Discount rate	\$ 104	\$ (1,268)	\$ (285)
Other assumptions	17	(176)	(40)
Rereasurement of plan assets (gains) losses	(112)	1,560	(319)
Rereasurement (gains) losses	\$ 9	\$ 116	\$ (644)

Impact of assumption changes to net cost for pension and other postretirement plans
Rereasurement losses in 2023 primarily related to losses on the rereasurement of the projected benefit obligation driven by a decrease in the liability discount rate, partially offset by gains due to favorable asset performance compared to expected return on plan assets. Rereasurement losses in 2022 primarily related to unfavorable asset performance compared to the expected return on plan assets, partially offset by a reduction in the projected benefit obligation due to an increase in the liability discount rate and changes in

other assumptions, primarily related to an increase in the long-term lump sum interest rate.

The discount rate is based on rates at which expected pension benefits attributable to past employee service could effectively be settled on a present value basis at the measurement date. We develop the assumed discount rate by utilizing the weighted average yield of a theoretical dedicated portfolio derived from non-callable bonds and callable bonds with a make-whole provision available in the Bloomberg corporate bond universe having ratings of at least “AA” by S&P or at least “Aa” by Moody’s on the

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measurement date with cash flows that match expected plan benefit requirements. Significant changes in discount rates, such as those caused by changes in the credit spreads, yield curve, the mix of bonds available in the market, the duration of selected bonds and expected benefit payments, may result in volatility in pension cost. The weighted average discount rate used to measure the benefit obligation decreased to 5.35% at December 31, 2023 compared to 5.64% at December 31, 2022, resulting in remeasurement losses for 2023.

The expected long-term rate of return on plan assets reflects the average rate of earnings expected on plan assets. While this rate reflects long-term assumptions and is consistent with long-term historical returns, sustained changes in the market or changes in the mix of plan assets may lead to revisions in the assumed long-term rate of return on plan assets that may result in variability of pension cost. Differences between the actual return on plan assets and the expected long-term rate of return on plan assets are immediately recognized through earnings upon remeasurement. Short-term asset performance can differ significantly from the expected rate of return, especially in volatile markets. In 2023, the actual return on plan assets was higher than the expected return

primarily due to positive equity returns and higher fixed income valuations from lower interest rates and tighter credit spreads. In 2022, the actual return on plan assets was lower than the expected return primarily due to higher interest rates, widening credit spreads and weak equity market performance.

We complete periodic evaluations of demographic information and historical experience that affects our pension and other postretirement obligations to identify any required changes to long-term actuarial assumptions and methodologies. Demographic assumptions affect both our pension and postretirement plans and include elements such as retirement rates and participation rates in our postretirement programs, among other factors.

These actuarial assumption updates affect our pension and other postretirement obligations and are incorporated into our best estimates of these assumptions. Remeasurement losses for other assumptions in 2023 primarily related to a decrease in the long-term lump sum interest rate, partially offset by gains from mortality updates. Remeasurement gains for other assumptions in 2022 primarily related to an increase in the long-term lump sum interest rate.

Impact of assumption changes to net periodic pension cost as of December 31, 2023

(\$ in millions)	Basis/percentage point change	Increase (decrease) to net cost, pre-tax
Pension plans discount rate	+100 basis points	\$ (398)
	-100 basis points	476
Expected long-term rate of return on assets	+100 basis points	(42)
	-100 basis points	42

Regulation and Legal Proceedings

We are subject to extensive regulation and we are involved in various legal and regulatory actions, all of which have an effect on specific aspects of our business. For a detailed discussion of the legal and regulatory actions in which we are involved, see Note 15 of the consolidated financial statements.

Pending Accounting Standards

There are pending accounting standards that we have not implemented because the implementation dates have not yet occurred. For a discussion of these pending standards, see Note 2 of the consolidated financial statements.

The effect of implementing certain accounting standards on our financial results and financial condition is often based in part on market conditions at the time of implementation of the standard and other factors we are unable to determine prior to implementation. For this reason, we are sometimes unable to estimate the effect of certain pending accounting standards until the relevant authoritative body finalizes these standards or until we implement them.

The Allstate Corporation and Subsidiaries
Consolidated Statements of Operations

(In millions, except per share data)	Years Ended December 31,		
	2023	2022	2021
Revenues			
Property and casualty insurance premiums	\$ 50,670	\$ 45,904	\$ 42,218
Accident and health insurance premiums and contract charges	1,846	1,832	1,834
Other revenue	2,400	2,344	2,172
Net investment income	2,478	2,403	3,293
Net gains (losses) on investments and derivatives	(300)	(1,072)	1,084
Total revenues	57,094	51,411	50,601
Costs and expenses			
Property and casualty insurance claims and claims expense	41,070	37,264	29,318
Shelter-in-Place Payback expense	—	—	29
Accident, health and other policy benefits (including remeasurement (gains) losses of \$0, \$(4), and \$(11))	1,071	1,042	1,060
Amortization of deferred policy acquisition costs	7,278	6,634	6,236
Operating costs and expenses	7,137	7,446	7,260
Pension and other postretirement remeasurement (gains) losses	9	116	(644)
Restructuring and related charges	169	51	170
Amortization of purchased intangibles	329	353	376
Interest expense	379	335	330
Total costs and expenses	57,442	53,241	44,135
(Loss) income from operations before income tax expense	(348)	(1,830)	6,466
Income tax (benefit) expense	(135)	(488)	1,292
Net (loss) income from continuing operations	(213)	(1,342)	5,174
Loss from discontinued operations, net of tax	—	—	(3,593)
Net (loss) income	(213)	(1,342)	1,581
Less: Net loss attributable to noncontrolling interest	(25)	(53)	(33)
Net (loss) income attributable to Allstate	(188)	(1,289)	1,614
Less: Preferred stock dividends	128	105	114
Net (loss) income applicable to common shareholders	\$ (316)	\$ (1,394)	\$ 1,500
Earnings per common share applicable to common shareholders			
Basic			
Continuing operations	\$ (1.20)	\$ (5.14)	\$ 17.28
Discontinued operations	—	—	(12.19)
Total	\$ (1.20)	\$ (5.14)	\$ 5.09
Diluted			
Continuing operations	\$ (1.20)	\$ (5.14)	\$ 17.03
Discontinued operations	—	—	(12.02)
Total	\$ (1.20)	\$ (5.14)	\$ 5.01
Weighted average common shares - Basic	262.5	271.2	294.8
Weighted average common shares - Diluted	262.5	271.2	299.1

See notes to consolidated financial statements.

The Allstate Corporation and Subsidiaries
Consolidated Statements of Comprehensive Income (Loss)

(\$ in millions)	Years Ended December 31,		
	2023	2022	2021
Net (loss) income	\$ (213)	\$ (1,342)	\$ 1,581
Other comprehensive income (loss), after-tax			
Changes in:			
Unrealized net capital gains and losses	1,651	(2,853)	(2,583)
Unrealized foreign currency translation adjustments	67	(150)	(8)
Unamortized pension and other postretirement prior service credit	(16)	(43)	(59)
Discount rate for reserve for future policy benefits	(10)	228	49
Other comprehensive income (loss), after-tax	1,692	(2,818)	(2,601)
Comprehensive income (loss)	1,479	(4,160)	(1,020)
Less: Comprehensive loss attributable to noncontrolling interest	(15)	(73)	(36)
Comprehensive income (loss) attributable to Allstate	\$ 1,494	\$ (4,087)	\$ (984)

See notes to consolidated financial statements.

The Allstate Corporation and Subsidiaries
Consolidated Statements of Financial Position

(\$ in millions, except par value data)	December 31,	
	2023	2022
Assets		
Investments		
Fixed income securities, at fair value (amortized cost, net \$49,649 and \$45,370)	\$ 48,865	\$ 42,485
Equity securities, at fair value (cost \$2,244 and \$4,253)	2,411	4,567
Mortgage loans, net	822	762
Limited partnership interests	8,380	8,114
Short-term, at fair value (amortized cost \$5,145 and \$4,174)	5,144	4,173
Other investments, net	1,055	1,728
Total investments	66,677	61,829
Cash	722	736
Premium installment receivables, net	10,044	9,165
Deferred policy acquisition costs	5,940	5,442
Reinsurance and indemnification recoverables, net	8,809	9,619
Accrued investment income	539	423
Deferred income taxes	219	382
Property and equipment, net	859	987
Goodwill	3,502	3,502
Other assets, net	6,051	5,904
Total assets	103,362	97,989
Liabilities		
Reserve for property and casualty insurance claims and claims expense	39,858	37,541
Reserve for future policy benefits	1,347	1,322
Contractholder funds	888	879
Unearned premiums	24,709	22,299
Claim payments outstanding	1,353	1,268
Other liabilities and accrued expenses	9,635	9,353
Debt	7,942	7,964
Total liabilities	85,732	80,626
Commitments and Contingent Liabilities (Note 7, 9 and 15)		
Shareholders' equity		
Preferred stock and additional capital paid-in, \$1 par value, 25 million shares authorized, 82.0 thousand and 81.0 thousand shares issued and outstanding, \$2,050 and \$2,025 aggregate liquidation preference	2,001	1,970
Common stock, \$.01 par value, 2.0 billion shares authorized and 900 million issued, 262 million and 263 million shares outstanding	9	9
Additional capital paid-in	3,854	3,788
Retained income	49,716	50,970
Treasury stock, at cost (638 million and 637 million shares)	(37,110)	(36,857)
Accumulated other comprehensive income:		
Unrealized net capital gains and losses	(604)	(2,255)
Unrealized foreign currency translation adjustments	(98)	(165)
Unamortized pension and other postretirement prior service credit	13	29
Discount rate for reserve for future policy benefits	(11)	(1)
Total accumulated other comprehensive loss	(700)	(2,392)
Total Allstate shareholders' equity	17,770	17,488
Noncontrolling interest	(140)	(125)
Total equity	17,630	17,363
Total liabilities and equity	\$ 103,362	\$ 97,989

See notes to consolidated financial statements.

The Allstate Corporation and Subsidiaries
Consolidated Statements of Shareholders' Equity

(\$ in millions, except per share data)	Years Ended December 31,		
	2023	2022	2021
Preferred stock par value	\$ —	\$ —	\$ —
Preferred stock additional capital paid-in			
Balance, beginning of year	1,970	1,970	1,970
Acquisition	—	—	450
Preferred stock issuance, net of issuance costs	587	—	—
Preferred stock redemption	(556)	—	(450)
Balance, end of year	2,001	1,970	1,970
Common stock par value	9	9	9
Common stock additional capital paid-in			
Balance, beginning of year	3,788	3,722	3,498
Forward contract on accelerated share repurchase agreement	—	—	113
Equity incentive plans activity, net	66	66	111
Balance, end of year	3,854	3,788	3,722
Retained income			
Balance, beginning of year	50,970	53,288	52,767
Cumulative effect of change in accounting principle	—	—	(21)
Net (loss) income	(188)	(1,289)	1,614
Dividends on common stock (declared per share of \$3.56, \$3.40 and \$3.24)	(938)	(924)	(958)
Dividends on preferred stock	(128)	(105)	(114)
Balance, end of year	49,716	50,970	53,288
Treasury stock			
Balance, beginning of year	(36,857)	(34,471)	(31,331)
Shares acquired	(332)	(2,496)	(3,262)
Shares reissued under equity incentive plans, net	79	110	122
Balance, end of year	(37,110)	(36,857)	(34,471)
Accumulated other comprehensive income (loss)			
Balance, beginning of year	(2,392)	426	3,304
Cumulative effect of change in accounting principle	—	—	(277)
Change in unrealized net capital gains and losses	1,651	(2,853)	(2,583)
Change in unrealized foreign currency translation adjustments	67	(150)	(8)
Change in unamortized pension and other postretirement prior service credit	(16)	(43)	(59)
Change in discount rate for reserve for future policy benefits	(10)	228	49
Balance, end of year	(700)	(2,392)	426
Total Allstate shareholders' equity	17,770	17,488	24,944
Noncontrolling interest			
Balance, beginning of year	(125)	(52)	—
Acquisition	—	—	(16)
Change in unrealized net capital gains and losses	10	(20)	(3)
Noncontrolling loss	(25)	(53)	(33)
Balance, end of year	(140)	(125)	(52)
Total equity	\$ 17,630	\$ 17,363	\$ 24,892

See notes to consolidated financial statements.

The Allstate Corporation and Subsidiaries Consolidated Statements of Cash Flows

(\$ in millions)	Years Ended December 31,		
	2023	2022	2021
Cash flows from operating activities			
Net (loss) income	\$ (213)	\$ (1,342)	\$ 1,581
Adjustments to reconcile net income (loss) to net cash provided by operating activities:			
Depreciation, amortization and other non-cash items	704	847	1,086
Net (gains) losses on investments and derivatives	300	1,072	(1,279)
Pension and other postretirement remeasurement (gains) losses	9	116	(644)
Amortization of deferred gain on reinsurance	—	—	(4)
Loss on disposition of operations, net of tax	—	—	4,031
Changes in:			
Policy benefits and other insurance reserves	2,202	4,445	2,444
Unearned premiums	2,385	2,539	1,608
Deferred policy acquisition costs	(489)	(713)	(624)
Premium installment receivables, net	(861)	(1,038)	(498)
Reinsurance recoverables, net	807	451	(1,570)
Income taxes	(229)	(715)	353
Other operating assets and liabilities	(387)	(541)	(1,368)
Net cash provided by operating activities	4,228	5,121	5,116
Cash flows from investing activities			
Proceeds from sales			
Fixed income securities	22,973	31,494	31,774
Equity securities	5,400	10,969	4,513
Limited partnership interests	710	970	886
Other investments	594	1,071	1,406
Investment collections			
Fixed income securities	1,641	728	2,284
Mortgage loans	81	163	860
Other investments	152	167	550
Investment purchases			
Fixed income securities	(29,431)	(36,920)	(33,857)
Equity securities	(2,935)	(9,294)	(6,409)
Limited partnership interests	(890)	(1,258)	(1,766)
Mortgage loans	(145)	(104)	(221)
Other investments	(292)	(295)	(1,647)
Change in short-term and other investments, net	(617)	792	4,017
Purchases of property and equipment, net	(267)	(420)	(345)
Proceeds from sale of property and equipment	27	209	—
Acquisition of operations, net of cash acquired	—	—	(3,593)
Proceeds from disposition of operations, net of cash transferred	—	—	2,058
Net cash (used in) provided by investing activities	(2,999)	(1,728)	510
Cash flows from financing activities			
Proceeds from issuance of debt	743	—	—
Redemption and repayment of debt	(750)	—	(436)
Proceeds from issuance of preferred stock	587	—	—
Redemption of preferred stock	(575)	—	(450)
Contractholder fund deposits	130	133	826
Contractholder fund withdrawals	(35)	(49)	(1,140)
Dividends paid on common stock	(925)	(926)	(885)
Dividends paid on preferred stock	(107)	(105)	(114)
Treasury stock purchases	(335)	(2,520)	(3,120)
Shares reissued under equity incentive plans, net	73	82	114
Other	(49)	(35)	(35)
Net cash used in financing activities	(1,243)	(3,420)	(5,240)
Net (decrease) increase in cash, including cash classified as assets held for sale	(14)	(27)	386
Cash from continuing operations at beginning of period	736	763	311
Cash classified as assets held for sale at beginning of period	—	—	66
Less: Cash classified as assets held for sale at end of period	—	—	—
Cash from continuing operations at end of period	\$ 722	\$ 736	\$ 763

See notes to consolidated financial statements.

Notes to Consolidated Financial Statements

Note 1 General

Basis of presentation

The accompanying consolidated financial statements include the accounts of The Allstate Corporation (the "Corporation") and its wholly owned subsidiaries, primarily Allstate Insurance Company ("AIC"), a property and casualty insurance company (collectively referred to as the "Company" or "Allstate") and variable interest entities ("VIEs") in which the Company is considered a primary beneficiary. These consolidated financial statements have been prepared in conformity with accounting principles generally accepted in the United States of America ("GAAP"). All significant intercompany accounts and transactions have been eliminated. Certain amounts have been reclassified or recast to reflect the application of the new guidance to all in-scope long-duration insurance contracts to conform to current year presentation. Additional details of the new guidance are included in Note 2.

The preparation of financial statements in conformity with GAAP requires management to make estimates and assumptions that affect the amounts reported in the consolidated financial statements and accompanying notes. Actual results could differ from those estimates.

Nature of operations

Allstate is engaged, principally in the United States, in the property and casualty insurance business. Allstate is one of the country's largest personal property and casualty insurers and is organized into five reportable segments: Allstate Protection, Run-off Property-Liability, Protection Services, Allstate Health and Benefits, and Corporate and Other.

Allstate's primary business is the sale of private passenger auto and homeowners insurance. The Company also offers several other personal property and casualty insurance products, select commercial property and casualty coverages, consumer product protection plans, device and mobile data collection services and analytic solutions using automotive telematics information, roadside assistance, protection and insurance products, employer voluntary benefits and group accident and health insurance and identity protection. Allstate primarily distributes its products through exclusive agents, financial specialists, independent agents and brokers, major retailers, contact centers and the internet.

On November 1, 2023, the Company announced that it is pursuing the sale of the Health and Benefits business.

Discontinued Operations and Held for Sale

A business is classified as held for sale when management having the authority to approve the action commits to a plan to sell the business, the sale is probable to occur during the next 12 months at a price that is reasonable in relation to its current fair value and certain other criteria are met. A business classified as held for sale is recorded at the lower of its carrying amount or estimated fair value less cost to sell. When the carrying amount of the business exceeds its estimated fair value less cost to sell, a loss is recognized and updated each reporting period as appropriate.

The Company completed its sale of the life and annuity business in 2021.

The results of operations of business classified as held for sale are reported as discontinued operations if the disposal represents a strategic shift that will have a major effect on the entity's operations and financial results. The disposal of a reportable segment generally qualifies for discontinued operations presentation.

When a business is identified for discontinued operations reporting:

- Results for prior periods are retrospectively reclassified as discontinued operations
- Results of operations are reported in a single line, net of tax, in the Consolidated Statements of Operations
- Assets and liabilities are reported as held for sale in the Consolidated Statements of Financial Position in the period in which the business is classified as held for sale

Additional details by major classification of operating results are included in Note 3.

Risks and uncertainties

Allstate has exposure to catastrophic events, including wind/hail, wildfires, tornadoes, hurricanes, tropical storms, earthquakes, severe freeze events, volcanic eruptions, terrorism and industrial accidents.

Catastrophes, an inherent risk of the property and casualty insurance business, have contributed, and will continue to contribute, to material year-to-year fluctuations in the Company's results of operations and financial position (see Note 9). The nature and level of catastrophic loss experienced in any period cannot be predicted and could be material to results of operations and financial position.

The Company considers the following categories and locations to be the greatest areas of potential catastrophe losses:

- Wildfires — California, Hawaii, Colorado, Oregon and Texas
- Hurricanes — Major metropolitan centers in counties along the eastern and gulf coasts of the United States
- Wind/Hail, Rain and Tornado — Texas, Illinois, Georgia and Colorado
- Earthquakes and fires following earthquakes — Major metropolitan areas near fault lines in the states of California, Oregon, Washington, South Carolina and Kentucky

Note 2 Summary of Significant Accounting Policies

Investments

Fixed income securities include bonds and asset-backed securities (“ABS”). Fixed income securities, which may be sold prior to their contractual maturity, are designated as available-for-sale (“AFS”) and are carried at fair value. The difference between amortized cost, net of credit loss allowances (“amortized cost, net”) and fair value, net of deferred income taxes, is reflected as a component of accumulated other comprehensive income (“AOCI”). The Company excludes accrued interest receivable from the amortized cost basis of its AFS fixed income securities. Cash received from calls and make-whole payments is reflected as a component of proceeds from sales and cash received from maturities and pay-downs is reflected as a component of investment collections within the Consolidated Statements of Cash Flows.

Equity securities primarily include common stocks, exchange traded and mutual funds, non-redeemable preferred stocks and real estate investment trust equity investments. Certain exchange traded and mutual funds have fixed income securities as their underlying investments. Equity securities are carried at fair value. Equity securities without readily determinable or estimable fair values are measured using the measurement alternative, which is cost less impairment, if any, and adjustments resulting from observable price changes in orderly transactions for the identical or similar investment of the same issuer.

Mortgage loans and bank loans are carried at amortized cost, net, which represent the amount expected to be collected. The Company excludes accrued interest receivable from the amortized cost basis of its mortgage and bank loans. Credit loss allowances are estimates of expected credit losses, established for loans upon origination or purchase, and are established considering all relevant information available, including past events, current conditions, and reasonable and supportable forecasts over the life of the loans. Loans are evaluated on a pooled basis when they share similar risk characteristics; otherwise, they are evaluated individually.

Investments in limited partnership interests are primarily accounted for in accordance with the equity method of accounting (“EMA”) and include interests in private equity funds, real estate funds and other funds. Investments in limited partnership interests purchased prior to January 1, 2018, where the Company’s interest is so minor that it exercises virtually no influence over operating and financial policies, are accounted for at

fair value primarily utilizing the net asset value (“NAV”) as a practical expedient to determine fair value.

Short-term investments, including money market funds, commercial paper, U.S. Treasury bills and other short-term investments, are carried at fair value. Other investments primarily consist of bank loans, policy loans, real estate and derivatives. Bank loans are primarily senior secured corporate loans. Policy loans are carried at unpaid principal balances. Real estate is carried at cost less accumulated depreciation. Derivatives are carried at fair value.

Investment income primarily consists of interest, dividends, income from limited partnership interests, rental income from real estate, and income from certain derivative transactions.

Interest is recognized on an accrual basis using the effective yield method and dividends are recorded at the ex-dividend date. Interest income for ABS is determined considering estimated pay-downs, including prepayments, obtained from third-party data sources and internal estimates. Actual prepayment experience is periodically reviewed, and effective yields are recalculated when differences arise between the prepayments originally anticipated and the actual prepayments received and currently anticipated. For ABS of high credit quality with fixed interest rates, the effective yield is recalculated on a retrospective basis. For all others, the effective yield is generally recalculated on a prospective basis. Net investment income for AFS fixed income securities includes the impact of accreting the credit loss allowance for the time value of money. Accrual of income is suspended for fixed income securities when the timing and amount of cash flows expected to be received is not probable. Accrual of income is suspended for mortgage loans and bank loans that are in default or when full and timely collection of principal and interest payments is not probable. Accrued income receivable is monitored for recoverability, and when not expected to be collected, is written off through net investment income. Cash receipts on investments on nonaccrual status are generally recorded as a reduction of amortized cost.

Income from limited partnership interests carried at fair value is recognized based upon the changes in fair value of the investee’s equity primarily determined using NAV. Income from EMA limited partnership interests is recognized based on the Company’s share of the partnerships’ earnings. Income from EMA limited partnership interests is generally recognized on a three

month delay due to the availability of the related financial statements from investees.

Net gains and losses on investments and derivatives include gains and losses on investment sales, changes in the credit loss allowances related to fixed income securities, mortgage loans and bank loans, impairments, valuation changes of equity investments, including equity securities and certain limited partnerships where the underlying assets are predominately public equity securities, and periodic changes in fair value and settlements of certain derivatives, including hedge ineffectiveness. Net gains and losses on sales of investments and derivatives are determined on a specific identification basis and are net of credit losses already recognized through an allowance.

Derivative and embedded derivative financial instruments

Derivative financial instruments include interest rate swaps, credit default swaps, futures (interest rate and equity), options (including swaptions), warrants and stock rights, foreign currency forwards and total return swaps.

All derivatives are accounted for on a fair value basis and reported as other investments, other assets and other liabilities and accrued expenses. Embedded derivative instruments subject to bifurcation are also accounted for on a fair value basis and are reported together with the host contract. Cash flows from other derivatives are reported in cash flows from investing activities within the Consolidated Statements of Cash Flows.

For derivatives for which hedge accounting is not applied, the income statement effects, including fair value gains and losses and accrued periodic settlements, are reported either in net gains and losses on investments and derivatives or in a single line item together with the results of the associated asset or liability for which risks are being managed.

Securities loaned

The Company's business activities include securities lending transactions, which are used primarily to generate net investment income. The proceeds received in conjunction with securities lending transactions can be reinvested in short-term investments or fixed income securities. These transactions are short-term in nature, usually 30 days or less.

The Company receives cash collateral for securities loaned in an amount generally equal to 102% and 105% of the fair value of domestic and foreign securities, respectively, and records the related obligations to return the collateral in other liabilities and accrued expenses. The carrying value of these obligations approximates fair value because of their relatively short-term nature. The Company monitors the market value of securities loaned on a daily basis and obtains additional collateral as necessary under the terms of the agreements to mitigate counterparty credit risk.

The Company maintains the right and ability to repossess the securities loaned on short notice.

Recognition of premium revenues and contract charges, and related benefits and interest credited

Property and casualty insurance premiums include premiums from personal lines policies, protection plans, other contracts (primarily protection and insurance products) and roadside assistance.

Personal lines insurance premiums are deferred and earned on a pro-rata basis over the terms of the policies, typically periods of six or twelve months.

Revenues related to protection plans, other contracts (primarily protection and insurance products) and roadside assistance are deferred and earned over the term of the contract in a manner that recognizes revenue as obligations under the contracts are fulfilled. Revenues from these products are classified as premiums as the products are backed by insurance. Protection plans and protection and insurance premiums are recognized using a cost-based incurrence method over the term of the contracts, which is generally one to five years. Roadside assistance premiums are recognized evenly over the term of the contract as performance obligations are fulfilled.

The portion of premiums written applicable to the unexpired terms of the policies is recorded as unearned premiums.

Unearned premiums		
	December 31,	
(\$ in millions)	2023	2022
Allstate Protection	\$ 19,542	\$ 17,538
Protection Services	5,150	4,745
Total	\$ 24,692	\$ 22,283

Protection Services For the year ended December 31, 2023, the Company recognized \$1.74 billion of property and casualty insurance premiums for Protection Services that were included in the unearned premium balance as of December 31, 2022.

For the year ended December 31, 2022, the Company recognized \$1.46 billion of property and casualty insurance premiums for Protection Services that were included in the unearned premium balance as of December 31, 2021.

The Company expects to recognize approximately \$1.85 billion, \$1.43 billion and \$1.87 billion of the December 31, 2023 unearned premium balance in 2024, 2025 and thereafter, respectively.

Health and benefits Voluntary accident and health insurance products are expected to remain in force for an extended period and therefore are primarily classified as long-duration contracts. Traditional life insurance products consist principally of products with fixed and guaranteed premiums and benefits, primarily term and whole life insurance products. Premiums from these products are recognized as revenue when due from policyholders, net of any credit loss allowance for uncollectible premiums. Benefits are reflected in

accident, health and other policy benefits and recognized over the life of the policy in relation to premiums.

Interest-sensitive life contracts, such as universal life, are insurance contracts whose terms are not fixed and guaranteed. The terms that may be changed include premiums paid by the contractholder, interest credited to the contractholder account balance and contract charges assessed against the contractholder account balance. Premiums from these contracts are reported as contractholder fund deposits. Contract charges consist of fees assessed against the contractholder account balance for the cost of insurance (mortality risk), contract administration and surrender of the contract prior to contractually specified dates. These contract charges are recognized as revenue when assessed against the contractholder account balance. Benefit payments in excess of the contractholder account balance are reflected in accident, health and other policy benefits.

Interest credited to contractholder funds, which are reported in accident, health and other policy benefits, represents interest accrued or paid on interest-sensitive life contracts. Crediting rates for interest-sensitive life contracts are adjusted periodically by the Company to reflect current market conditions subject to contractually guaranteed minimum rates.

Premium installment receivables represent premiums written and not yet collected, net of the credit loss allowance for uncollectible premiums. These receivables are primarily outstanding for one year or less. The Company utilizes historical internal data including aging analyses to estimate allowances under current conditions and for the forecast period. The Company regularly evaluates and updates the data and adjusts its allowance as appropriate.

Rollforward of credit loss allowance for premium installment receivables

(\$ in millions)	For the years ended December 31,	
	2023	2022
Beginning balance	\$ (132)	\$ (107)
Increase in the provision for credit losses	(348)	(313)
Write-off of uncollectible premium installment receivable amounts	342	288
Ending balance	\$ (138)	\$ (132)

Other revenue

Other revenue represents fees collected from policyholders relating to premium installment payments, commissions on sales of non-proprietary products, sales of identity protection services, fee-based services and other revenue transactions. Other revenue is recognized when performance obligations are fulfilled.

The Company collects service fees in the form of commission and general agent fees by selling policies

issued by third-party insurance companies. The Company recognizes Medicare-related and other accident and health commission revenues equal to the estimated lifetime value of the revenues at the time when the policy is sold, net of an allowance for estimated policy cancellations, as no further performance obligations exist. The allowance for estimated third-party cancellations is periodically evaluated and adjusted as necessary.

Deferred policy acquisition costs

Deferred policy acquisition costs ("DAC") are related directly to the successful acquisition of new or renewal insurance contracts and are deferred and recognized as an expense over the life of the related contracts. These costs are principally agent and broker remuneration, premium taxes and certain underwriting expenses and are included in amortization of deferred policy acquisition costs on the Consolidated Statements of Operations. All other acquisition costs are expensed as incurred and included in operating costs and expenses.

Customers of the Company may exchange one insurance policy for another offered by the Company, or make modifications to an existing life, accident and health or property and casualty contract issued by the Company. These transactions are identified as internal replacements for accounting purposes. Internal replacement transactions determined to result in replacement contracts that are substantially unchanged from the replaced contracts are accounted for as continuations of the replaced contracts. Unamortized DAC related to the replaced contracts continue to be deferred and amortized in connection with the replacement contracts. For traditional life, accident and health and property and casualty insurance policies, any changes to unamortized DAC that result from replacement contracts are treated as prospective revisions and any costs associated with the issuance of replacement contracts are characterized as maintenance costs and expensed as incurred.

Property and casualty insurance For property and casualty insurance, DAC is amortized into income as premiums are earned pro rata over the period of the policy. DAC associated with property and casualty insurance is periodically reviewed for recoverability and adjusted if necessary. Future investment income is considered in determining the recoverability of DAC.

Long-duration voluntary accident and health insurance, traditional life insurance contracts, and interest-sensitive life insurance contracts Voluntary accident and health insurance and traditional life insurance contracts are grouped by product and issue year into cohorts consistent with the cohorts used to calculate the reserve for future policy benefits ("RFPB"). Interest-sensitive life insurance contracts are grouped into cohorts by issue year, and the issue year is determined based on contract issue date. DAC is amortized on a constant level basis over the expected contract term. The constant level basis used for all cohorts is based on policies-in-force. The expected contract term and mortality, morbidity, and lapse

assumptions are used to calculate both DAC amortization and the RFPB. If actual contract lapses are greater than expected lapses for any cohort, each affected cohort's DAC balance will be reduced in the current period based on the difference between the actual and expected lapses. No adjustments to DAC amortization are recorded if actual contract lapses are less than expected lapses for any cohort. If the Company makes an update to any of its mortality, morbidity, or lapse assumptions, the Company will use the assumptions prospectively to amortize any cohort's remaining DAC over the remaining expected contract term.

Present value of future profits The costs assigned to the right to receive future cash flows from certain business purchased from other insurers are also classified as DAC in the Consolidated Statements of Financial Position. The costs capitalized represent the present value of future profits expected to be earned over the lives of the contracts acquired.

The Company amortizes the present value of future profits for long-duration voluntary accident and health insurance, traditional life insurance contracts and interest-sensitive life insurance contracts using the same methodology and assumptions as the amortization of DAC. The present value of future profits for these products is subject to premium deficiency testing.

For property and casualty insurance, these costs are amortized as profits emerge over the lives of the acquired business and are periodically evaluated for recoverability.

The present value of future profits was \$8 million and \$10 million as of December 31, 2023 and 2022, respectively. Amortization expense of the present value of future profits was \$2 million, \$11 million and \$324 million in 2023, 2022 and 2021, respectively.

Reinsurance and indemnification

Reinsurance In the normal course of business, the Company seeks to limit aggregate and single exposure to losses on large risks by purchasing reinsurance. The Company has also used reinsurance to affect the disposition of certain blocks of business. Reinsurance does not extinguish the Company's primary liability under the policies written. Therefore, in addition to establishing allowances as appropriate after evaluating reinsurers' activities related to claims settlement practices and commutations, the Company evaluates reinsurer counterparty credit risk and records reinsurance recoverables net of credit loss allowances. The Company assesses counterparty credit risk for individual reinsurers separately when more relevant or on a pooled basis when shared risk characteristics exist. The evaluation considers the credit quality of the reinsurer and the period over which the recoverable balances are expected to be collected. The Company considers factors including past events, current conditions and reasonable and supportable forecasts in the development of the estimate of credit loss allowances.

Allowances for property and casualty and accident and health reinsurance recoverables are established primarily through risk-based evaluations.

The property and casualty recoverable evaluation considers the credit rating of the reinsurer, the period over which the reinsurance recoverable balances are expected to be recovered and other relevant factors including historical experience of reinsurer failures. Reinsurers in liquidation or in default status are evaluated individually using the Company's historical liquidation recovery assumptions and any other relevant information available including the most recent public information related to the financial condition or liquidation status of the reinsurer. For accident and health reinsurance recoverables, the Company uses a probability of default and loss given default model developed independently of the Company to estimate current expected credit losses. The accident and health reinsurance recoverable evaluation utilizes factors including historical industry factors based on the probability of liquidation, and incorporates current loss given default factors reflective of the industry.

The Company monitors the credit ratings of reinsurer counterparties and evaluates the circumstances surrounding credit rating changes as inputs into its credit loss assessments. Uncollectible reinsurance recoverable balances are written off against the allowances when there is no reasonable expectation of recovery.

The changes in the allowances are reported in property and casualty insurance claims and claims expense and accident, health and other policy benefits.

Indemnification The Company also participates in various indemnification mechanisms, including industry pools and facilities, which are reimbursement mechanisms that assess participating insurers for expected insured claims, reimburse participating insurers for qualifying paid claims and permit participating insurers to recoup amounts assessed directly from insureds. Indemnification recoverables are backed by the financial resources of the property and casualty insurance company market participants.

The design and function of these indemnification programs does not result in the retention of insurance or reinsurance risk by the indemnitee. Based on the Company's evaluation of these programs on an individual basis, the establishment of credit loss allowances is not warranted at this time. The Company has not experienced any historical credit losses related to its indemnification programs. The Company continues to monitor these programs to determine whether any changes from historical experience have emerged or are expected to emerge or whether there have been any changes in the design or administration of the programs that would require establishment of credit loss allowances.

Revenue recognition The amounts reported as reinsurance and indemnification recoverables include amounts paid and due from reinsurers and indemnitors as well as estimates of amounts expected to be

recovered from reinsurers and indemnitors on insurance liabilities that have been incurred but not yet paid. Reinsurance and indemnification recoverables on unpaid losses are estimated based upon assumptions consistent with those used in establishing the liabilities related to the underlying contract. Reinsurance and indemnification premiums are generally reflected in income in a manner consistent with the recognition of premiums on the associated contracts. For catastrophe coverage, the cost of reinsurance premiums is recognized ratably over the contract period to the extent coverage remains available. Certain catastrophe agreements are subject to reinstatement premiums which are recorded as catastrophe losses when earned.

Goodwill

Goodwill represents the excess of amounts paid for acquiring businesses over the fair value of the net assets acquired, less any impairment of goodwill recognized. The Company's goodwill reporting units are equivalent to its reportable segments to which goodwill has been assigned: Allstate Protection, Protection Services, and Allstate Health and Benefits.

Goodwill by reporting unit

(\$ in millions)	December 31,	
	2023	2022
Allstate Protection	\$ 1,563	\$ 1,563
Protection Services	1,494	1,494
Allstate Health and Benefits	445	445
Total	\$ 3,502	\$ 3,502

Goodwill is recognized when acquired and allocated to reporting units based on which unit is expected to benefit from the synergies of the business combination. Goodwill is not amortized but is tested for impairment at least annually. The Company performs its annual goodwill impairment testing during the fourth quarter of each year based upon data as of the close of the third quarter. Goodwill impairment is measured and recognized as the amount by which a reporting unit's carrying value, including goodwill, exceeds its fair value, not to exceed the carrying amount of goodwill allocated to the reporting unit. The Company also reviews goodwill for impairment whenever events or changes in circumstances, such as deteriorating or adverse market conditions, indicate that it is more likely than not that the carrying amount of the reporting unit including goodwill may exceed the fair value of the reporting unit. The goodwill impairment analysis is performed at the reporting unit level.

As of December 31, 2023 and 2022, the fair value of the Company's goodwill reporting units exceeded their carrying values.

Intangible assets

Intangible assets (reported in other assets) consist of capitalized costs primarily related to acquired distribution and customer relationships, trade names and licenses, technology and other assets. The estimated useful lives of distribution and customer relationships, technology and other intangible assets

are generally 10 years, 5 years and 5 years, respectively. Intangible assets are carried at cost less accumulated amortization.

(\$ in millions)	December 31,	
	2023	2022
Distribution and customer relationships	\$ 515	\$ 697
Trade names and licenses	159	179
Technology and other	292	301
Total	\$ 966	\$ 1,177

Amortization expense is calculated using an accelerated amortization method. Amortization expense on intangible assets was \$329 million, \$353 million and \$376 million in 2023, 2022 and 2021, respectively.

Amortization expense of intangible assets for the next five years and thereafter

(\$ in millions)	
2024	\$ 271
2025	215
2026	147
2027	98
2028	54
Thereafter	42
Total amortization	\$ 827

Accumulated amortization of intangible assets was \$1.80 billion and \$1.48 billion as of December 31, 2023 and 2022, respectively.

Trade names and licenses are considered to have an indefinite useful life and are reviewed for impairment at least annually or more frequent if circumstances arise that indicate an impairment may have occurred. An impairment is recognized if the carrying amount of the asset exceeds its estimated fair value.

Property and equipment

Property and equipment is carried at cost less accumulated depreciation. Included in property and equipment are capitalized costs related to computer software licenses and software developed for internal use. These costs generally consist of certain external payroll and payroll related costs. Property and equipment depreciation is calculated using the straight-line method over the estimated useful lives of the assets, generally 3 to 10 years for equipment and 40 years for real property. Depreciation expense is reported in operating costs and expenses. Accumulated depreciation on property and equipment was \$2.59 billion and \$2.45 billion as of December 31, 2023 and 2022, respectively. Depreciation expense on property and equipment was \$343 million, \$335 million and \$411 million in 2023, 2022 and 2021, respectively. The Company reviews its property and equipment for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable.

Income taxes

Income taxes are accounted for using the asset and liability method under which deferred tax assets and liabilities are recognized for temporary differences between the financial reporting and tax bases of assets and liabilities at the enacted tax rates. A deferred tax asset valuation allowance is established when it is more likely than not such assets will not be realized. The Company recognizes interest expense related to income tax matters in income tax expense and penalties in operating costs and expenses.

Reserve for property and casualty insurance claims and claims expense

The reserve for property and casualty insurance claims and claims expense is the estimate of amounts necessary to settle all reported and unreported incurred claims for the ultimate cost of insured property and casualty losses, based upon the facts of each case and the Company's experience with similar cases. Estimated amounts of salvage and subrogation are deducted from the reserve for claims and claims expense. The establishment of appropriate reserves, including reserves for catastrophe losses, is an inherently uncertain and complex process. Reserve estimates are primarily derived using an actuarial estimation process in which historical loss patterns are applied to actual paid losses and reported losses (paid losses plus individual case reserves established by claim adjusters) for an accident or report year to create an estimate of how losses are likely to develop over time. Development factors are calculated quarterly and periodically throughout the year for data elements such as claims reported and settled, paid losses, and paid losses combined with case reserves.

When the Company experiences changes in the mix or type of claims or changing claim settlement patterns or data, it applies actuarial judgment in the determination and selection of development factors to develop reserve liabilities. The effects of inflation are implicitly considered in the reserving process as a development factor using historic data incorporated as a reasonable estimate of future inflation. The historical development patterns for these data elements are used as the assumptions to calculate reserve estimates, including the reserves for reported and unreported claims; however, when the Company experiences changes it may lead to historical development trends being less predictive of future loss development, potentially creating additional reserve variability. Reserve estimates are regularly reviewed and updated, using the most current data and information available. Any resulting reestimates are reflected in current results of operations.

Reserve for future policy benefits

Long-duration voluntary accident and health insurance and traditional life insurance contracts The reserve for future policy benefits ("RFPB") is calculated using the net premium reserving model, which uses the present value of insurance contract benefits less the present value of net premiums. Under the net premium reserving model, the Company computes a net

premium ratio which is the present value of insurance contract benefits divided by the present value of gross premiums. The present value of contract benefits and gross premiums are determined using the discount rate at contract inception. The net premium ratio is applied to premiums due on a periodic basis to compute the RFPB. The net premium ratio is recomputed at least annually using both actual historical cash flows and future cash flows anticipated over the life of the cohort of contracts subject to measurement. Assumptions including mortality, morbidity, and lapses affect the timing and amount of estimated cash flows used to calculate the RFPB.

The Company has grouped contracts into cohorts based on product type and issue year. Examples of insurance product types include whole life, term life, critical illness and disability. Issue year is based on the issuance date of the contract to the policyholder, except in the case of contracts acquired in a business combination, where the issue date is based on the acquisition date of the business combination. The RFPB is calculated for contracts in force at the end of each period, which results in the Company recognizing the effects of actual experience in the period it occurs.

Annually, in the third quarter, the Company obtains historical premiums and benefits information and evaluates future cash flow assumptions that include mortality, morbidity, and lapses, and updates cash flow assumptions as necessary. The Company has elected to not update the expense assumption when annually reviewing and updating future cash flow assumptions. Actual premiums and benefits and any updates to future cash flow assumptions are incorporated into the calculation of an updated net premium ratio. Updates for actual premiums and benefits and changes to future cash flow assumptions will result in a liability remeasurement gain or loss. The first step to determining the liability remeasurement gain or loss is to calculate the RFPB using revised net premiums discounted at the locked-in discount rate set at contract issuance. The result of the first step is then compared to the carrying amount of the RFPB before the updates for actual experience and changes to future cash flow assumptions. The decrease (gain) or increase (loss) in the RFPB is reported as liability remeasurement gain or loss in net income and presented parenthetically as part of accident, health and other policy benefits on the Consolidated Statements of Operations. The updated net premium ratio is used in future quarters to measure the RFPB until the next annual update or an earlier date if the Company determines it is necessary to revise future cash flow assumptions based on available evidence, including actual experience.

The discount rate assumption is determined using a yield curve approach. The yield curve consists of U.S. dollar-denominated senior unsecured fixed-income securities issued by U.S. companies that have an A credit rating based on the ratings provided by nationally recognized rating agencies that include Moody's, Standard & Poor's, and Fitch. For points on the yield curve that do not have observable yields, the Company uses linear interpolation which calculates the

unobservable yield based on the two nearest observable yields, except for any points beyond the last observable yield at 30 years, where interest rates are held constant with the last observable point on the yield curve. The Company updates the current discount rate quarterly and the change in the RFPB resulting from the updated current discount rate is recognized in other comprehensive income (“OCI”).

Accident and health short-duration contracts The RFPB includes unpaid losses and loss adjustment expense (“LAE”) reserves for individual and certain voluntary accident and health short-duration contracts and is an estimate of the Company’s liability from incurred claims at the end of the reporting period. The unpaid losses and LAE reserves are the result of an ongoing analysis of recent loss development trends and emerging historical experience. Original estimates are increased or decreased as additional information becomes known regarding individual claims. In setting its reserves, the Company reviews its loss data to estimate expected loss development. Management believes that its use of standard actuarial methodology applied to its analyses of its historical experience provides a reasonable estimate of future losses. However, actual future losses may differ from the Company’s estimate, and may be affected by future events, including inflation and changes in law and judicial interpretations, which would favorably or unfavorably impact the ultimate settlement of the Company’s losses and LAE.

The anticipated effect of inflation is implicitly considered when estimating liabilities for losses and LAE. In addition to inflation, the average severity of claims is affected by a number of factors that may vary by types and features of policies written. Future average severities are projected from historical trends, adjusted for implemented changes in underwriting standards and policy provisions, as well as general economic trends. These estimated trends are monitored and revised as necessary based on actual development.

Unpaid losses include a provision for incurred-but-not-reported (“IBNR”) reserve estimates representing claims that have occurred but have not yet been reported, some of which are not yet known to the insured, as well as a provision for future development on reported claims. IBNR reserves are generally calculated by first projecting the ultimate cost of all claims that have occurred and then subtracting reported losses and loss expenses. Reported losses include cumulative paid losses and loss expenses plus case reserves.

Contractholder funds

Contractholder funds represent interest-bearing liabilities arising primarily from the sale of interest-sensitive life insurance contracts. Contractholder funds primarily comprise cumulative deposits received and interest credited to the contractholder less cumulative contract benefits, surrenders, withdrawals and contract charges for mortality or administrative expenses.

Pension and other postretirement remeasurement gains and losses

The Company’s policy is to remeasure its pension and postretirement plans on a quarterly basis. Pension and other postretirement gains and losses represent the remeasurement of projected benefit obligations and differences between the expected and actual return on plan assets, which are immediately recognized in earnings and are referred to as pension and other postretirement remeasurement gains and losses on the Consolidated Statements of Operations.

The primary factors contributing to pension and postretirement remeasurement gains and losses are:

- Changes in the discount rate used to value pension and postretirement obligations as of the measurement date
- Differences between the expected and the actual return on plan assets
- Changes in demographic assumptions, including mortality and participant experience
- Changes in lump sum interest rates used to value pension obligations as of the measurement date

Differences in actual experience and changes in other assumptions affect the Company’s pension and other postretirement obligations and expenses.

Pension and other postretirement service cost, interest cost, expected return on plan assets and amortization of prior service credits are allocated to the Company’s reportable segments. The pension and other postretirement remeasurement gains and losses are reported in the Corporate and Other segment.

Legal contingencies

The Company reviews its lawsuits, regulatory inquiries, and other legal proceedings on an ongoing basis. The Company establishes accruals for such matters at management’s best estimate when the Company assesses that it is probable that a loss has been incurred and the amount of the loss can be reasonably estimated. The Company’s assessment of whether a loss is reasonably possible or probable is based on its assessment of the ultimate outcome of the matter following all appeals. The Company does not include potential recoveries in its estimates of reasonably possible or probable losses. Legal fees are expensed as incurred.

Debt

Debt includes senior notes, senior debentures, subordinated debentures and junior subordinated debentures issued by the Corporation. Unamortized debt issuance costs and fair value adjustments are reported in debt and are amortized over the expected period the debt will remain outstanding.

Equity incentive plans

The Company has equity incentive plans under which it grants nonqualified stock options, restricted stock units and performance stock awards (“equity awards”) to certain employees and directors of the Company. The Company measures the fair value of equity awards at the grant date and recognizes the

expense over the shorter of the period in which the requisite service is rendered or retirement eligibility is attained. The expense for performance stock awards with no market condition is adjusted each period to reflect the performance factor most likely to be achieved at the end of the performance period. The expense for performance stock awards with a market condition is based on the fair value of the awards at the grant date which incorporates the probability of achieving the market condition. In the event the market condition is not met, any previously recognized expense is not reversed. The Company uses a binomial lattice model to determine the fair value of employee stock options. The Company uses a Monte Carlo simulation model to determine the fair value of performance stock awards with a market condition.

Measurement of credit losses

The Company carries an allowance for expected credit losses for all financial assets measured at

amortized cost on the Consolidated Statements of Financial Position. The Company considers past events, current conditions, and reasonable and supportable forecasts in estimating an allowance for credit losses. The Company also carries a credit loss allowance for fixed income securities where applicable and, when amortized cost is reported, it is net of credit loss allowances. For additional information, refer to the Investments, Reinsurance and indemnification or Recognition of premium revenues and contract charges topics of this section.

The Company also estimates a credit loss allowance for commitments to fund mortgage loans and bank loans unless they are unconditionally cancellable by the Company. The related allowance is reported in other liabilities and accrued expenses.

Allowance for credit losses

(\$ in millions)	As of December 31,	
	2023	2022
Fixed income securities	\$ 36	\$ 13
Mortgage loans	11	7
Bank loans	22	57
Investments	69	77
Premium installment receivables	138	132
Reinsurance recoverables	65	65
Other assets	18	19
Assets	290	293
Commitments to fund mortgage loans and bank loans	1	—
Liabilities	1	—
Total	\$ 291	\$ 293

Leases

The Company has certain operating leases for office facilities, computer and office equipment, and vehicles. The Company's leases have remaining lease terms of generally 1 year to 10 years, some of which include options to extend the leases for up to 20 years, and some of which include options to terminate the leases within 45 days.

The Company determines if an arrangement is a lease at inception. Leases with an initial term less than one year are not recorded on the balance sheet and the lease costs for these leases are recorded as an expense on a straight-line basis over the lease term. Operating leases with terms greater than one year result in a lease liability recorded in other liabilities and accrued expenses with a corresponding right-of-use ("ROU") asset recorded in other assets on the Consolidated Statements of Financial Position. As of December 31, 2023 and 2022, the Company had \$265 million and \$343 million in lease liabilities and \$163 million and \$234 million in ROU assets, respectively.

Operating lease liabilities are recognized at the commencement date based on the present value of future minimum lease payments over the lease term. ROU assets are recognized based on the

corresponding lease liabilities adjusted for qualifying initial direct costs, prepaid or accrued lease payments and unamortized lease incentives. As most of the Company's leases do not disclose the implicit interest rate, the Company uses collateralized incremental borrowing rates based on information available at lease commencement when determining the present value of future lease payments. The Company has lease agreements with lease and non-lease components, which are accounted for as a single lease. Lease terms may include options to extend or terminate the lease which are incorporated into the Company's measurements when it is reasonably certain that the Company will exercise the option.

Operating lease costs are recognized on a straight-line basis over the lease term and include interest expense on the lease liability and amortization of the ROU asset. Variable lease costs are expensed as incurred and include maintenance costs and real estate taxes. Lease costs are reported in operating costs and expenses and totaled \$102 million, \$131 million and \$162 million, including \$19 million, \$23 million and \$30 million of variable lease costs in 2023, 2022 and 2021, respectively.

Other information related to operating leases		
	December 31,	
	2023	2022
Weighted average remaining lease term (years)	3	4
Weighted average discount rate	3.48 %	3.08 %

Maturity of lease liabilities	
(\$ in millions)	Operating leases
2024	\$ 92
2025	77
2026	48
2027	30
2028	18
Thereafter	20
Total lease payments	\$ 285
Less: interest	(20)
Present value of lease liabilities	\$ 265

Variable interest entities

A VIE is a legal entity that does not have sufficient equity at risk to finance its activities without additional financial support or is structured such that equity investors lack the ability to make significant decisions relating to the entity's operations through voting rights or do not participate in the gains and losses of the entity. The Company consolidates VIEs in which the Company is deemed the primary beneficiary. The primary beneficiary is the entity that has both (1) the obligation to absorb losses or the right to receive benefits that could potentially be significant to the VIE and (2) the power to direct the activities of the VIE that most significantly affect that entity's economic performance.

Foreign currency translation

The local currency of the Company's foreign subsidiaries is deemed to be the functional currency of the country in which these subsidiaries operate. The financial statements of the Company's foreign subsidiaries are translated into U.S. dollars at the exchange rate in effect at the end of a reporting period for assets and liabilities and at average exchange rates during the period for results of operations.

The unrealized gains and losses from the translation of the net assets are recorded as unrealized foreign currency translation adjustments and included in AOCI. Changes in unrealized foreign currency translation adjustments are included in OCI. Gains and losses from foreign currency transactions are reported in operating costs and expenses and have not been material.

Earnings per common share

Basic earnings per common share is computed using the weighted average number of common shares outstanding, including vested unissued participating restricted stock units. Diluted earnings per common share is computed using the weighted average number of common and dilutive potential common shares outstanding.

For the Company, dilutive potential common shares consist of outstanding stock options and unvested non-participating restricted stock units and contingently issuable performance stock awards. The effect of dilutive potential common shares does not include options with an anti-dilutive effect on earnings per common share because their exercise prices exceed the average market price of Allstate common shares during the period or for which the unrecognized compensation cost would have an anti-dilutive effect.

Computation of basic and diluted earnings per common share

(\$ in millions, except per share data)	For the years ended December 31,		
	2023	2022	2021
Numerator:			
Net (loss) income from continuing operations	\$ (213)	\$ (1,342)	\$ 5,174
Less: Net loss attributable to noncontrolling interest	(25)	(53)	(33)
Net (loss) income from continuing operations attributable to Allstate	(188)	(1,289)	5,207
Less: Preferred stock dividends	128	105	114
Net (loss) income from continuing operations applicable to common shareholders	(316)	(1,394)	5,093
Income (loss) from discontinued operations, net of tax	—	—	(3,593)
Net (loss) income applicable to common shareholders	\$ (316)	\$ (1,394)	\$ 1,500
Denominator:			
Weighted average common shares outstanding	262.5	271.2	294.8
Effect of dilutive potential common shares ⁽¹⁾ :			
Stock options	—	—	2.7
Restricted stock units (non-participating) and performance stock awards	—	—	1.6
Weighted average common and dilutive potential common shares outstanding	262.5	271.2	299.1
Earnings per share applicable to common shareholders			
Basic			
Continuing operations	\$ (1.20)	\$ (5.14)	\$ 17.28
Discontinued operations	—	—	(12.19)
Total	\$ (1.20)	\$ (5.14)	\$ 5.09
Diluted ⁽¹⁾			
Continuing operations	\$ (1.20)	\$ (5.14)	\$ 17.03
Discontinued operations	—	—	(12.02)
Total	\$ (1.20)	\$ (5.14)	\$ 5.01
Anti-dilutive options excluded from diluted earnings per common share	3.0	1.7	1.3
Weighted average dilutive potential common shares excluded due to net loss applicable to common shareholders ⁽¹⁾	2.2	3.1	—

⁽¹⁾ As a result of the net loss reported for the years ended December 31, 2023 and 2022, weighted average shares for basic earnings per share is also used for calculating diluted earnings per share because all dilutive potential common shares are anti-dilutive and are therefore excluded from the calculation.

Adopted accounting standard

Accounting for Long-Duration Insurance Contracts
Effective January 1, 2023, the Company adopted the Financial Accounting Standards Board ("FASB") guidance revising the accounting for certain long-duration insurance contracts using the modified retrospective approach to the transition date of January 1, 2021.

Under the new guidance, measurement assumptions, including those for mortality, morbidity and policy lapses, are required to be reviewed at least annually, and updated as appropriate. In addition, reserves under the new guidance are required to be discounted using an upper-medium grade fixed income instrument yield that is updated through OCI at each reporting date. Additionally, DAC for all long-duration products are amortized on a simplified basis. Also, the Company's reserve for future policy benefits and DAC are subject to new disclosure guidance.

In addition, the Company met the conditions included in Accounting Standards Update No. 2022-05, *Transition for Sold Contracts*, and elected to not apply the new guidance for contracts that were part of the 2021 sales of Allstate Life Insurance Company ("ALIC") and Allstate Life Insurance Company of New York ("ALNY").

Transition disclosures The following tables summarize the balance of and changes in the reserve for future policy benefits and DAC on January 1, 2021 upon the adoption of the guidance.

Impact of adoption for reserve for future policy benefits

(\$ in millions)	Accident and health	Traditional life	Total
Pre-adoption 12/31/2020 balance ⁽¹⁾	\$ 728	\$ 311	\$ 1,039
Adjustments:			
Effect of the remeasurement of the reserve at upper-medium grade fixed income-based rate ⁽²⁾	232	153	385
Adjustments for contracts with net premiums in excess of gross premiums ⁽³⁾	77	—	77
Total adjustments	309	153	462
Post-adoption 1/1/2021 balance	1,037	464	1,501
Less: reinsurance recoverables ⁽⁴⁾	159	3	162
Post-adoption 1/1/2021 balance, after reinsurance recoverables	\$ 878	\$ 461	\$ 1,339

⁽¹⁾ Traditional life includes \$11 million in reserves related to riders of traditional life insurance products reclassified from contractholder funds.

⁽²⁾ Adjustment reflected with a corresponding decrease to AOCI.

⁽³⁾ Adjustment reflected with a corresponding decrease to retained income.

⁽⁴⁾ Represents post-adoption January 1, 2021 balance of reinsurance recoverables. Adjustments to reinsurance recoverables for accident and health products increased January 1, 2021 AOCI by \$33 million due to the remeasurement of the reserve at upper-medium grade fixed income based rate and increased January 1, 2021 retained income by \$51 million due to adjustments for contracts with net premiums in excess of gross premiums.

Impact of adoption for DAC

(\$ in millions)	Accident and health	Traditional life	Interest- sensitive life	Total
Pre-adoption 12/31/2020 balance	\$ 343	\$ 32	\$ 95	\$ 470
Adjustment for removal of impact of unrealized gains or losses ⁽¹⁾	—	—	2	2
Post-adoption 1/1/2021 balance	\$ 343	\$ 32	\$ 97	\$ 472

⁽¹⁾ Adjustment reflected with a corresponding increase to AOCI.

After-tax cumulative effect of change in accounting principle on transition date

(\$ in millions)	January 1, 2021
Decrease in retained income	\$ 21
Decrease in AOCI	277
Total decrease in equity	\$ 298

The decrease in AOCI was primarily attributable to a change in the discount rate used in measuring the reserve for future policy benefits for traditional life contracts and other long-term products with guaranteed terms from a portfolio-based rate at contract issuance to an upper-medium grade fixed income-based rate. The decrease in retained income primarily related to certain cohorts of long-term contracts whose expected net premiums exceeded expected gross premiums which resulted in an increase in reserves and a decrease in retained income equal to the present value of expected future benefits less the present value of expected future premiums at the transition date.

Impacts of the adoption on the financial statements

Consolidated Statements of Operations (\$ in millions, except per share data)	As reported	Impact of change	As adjusted
	Year ended December 31, 2022		
Revenues			
Accident and health insurance premiums and contract charges	\$ 1,833	\$ (1)	\$ 1,832
Total revenues	51,412	(1)	51,411
Costs and expenses			
Accident, health and other policy benefits	1,061	(19)	\$ 1,042
Amortization of deferred policy acquisition costs	6,644	(10)	\$ 6,634
Total costs and expenses	53,270	(29)	53,241
Loss from operations before income tax expense	(1,858)	28	(1,830)
Income tax benefit	(494)	6	(488)
Net loss	(1,364)	22	(1,342)
Net loss attributable to Allstate	(1,311)	22	(1,289)
Net loss applicable to common shareholders	\$ (1,416)	\$ 22	\$ (1,394)
Earnings per common share:			
Net loss applicable to common shareholders per common share - Basic	\$ (5.22)	\$ 0.08	\$ (5.14)
Net loss applicable to common shareholders per common share - Diluted	(5.22)	0.08	(5.14)
	Year ended December 31, 2021		
Revenues			
Accident and health insurance premiums and contract charges	\$ 1,821	\$ 13	\$ 1,834
Total revenues	50,588	13	50,601
Costs and expenses			
Accident, health and other policy benefits	1,049	11	1,060
Amortization of deferred policy acquisition costs	6,252	(16)	6,236
Total costs and expenses	44,140	(5)	44,135
Income from operations before income tax expense	6,448	18	6,466
Income tax benefit	1,289	3	1,292
Net income from continuing operations	5,159	15	5,174
Net income	1,566	15	1,581
Net income attributable to Allstate	1,599	15	1,614
Net income applicable to common shareholders	\$ 1,485	\$ 15	\$ 1,500
Earnings per common share:			
Net income from continuing operations applicable to common shareholders per common share - Basic	\$ 17.23	\$ 0.05	\$ 17.28
Net income applicable to common shareholders per common share - Basic	5.04	0.05	5.09
Net income from continuing operations applicable to common shareholders per common share - Diluted	16.98	0.05	17.03
Net income applicable to common shareholders per common share - Diluted	4.96	0.05	5.01

Consolidated Statements of Comprehensive Income (Loss)

(\$ in millions)	As reported	Impact of change	As adjusted
	Year ended December 31, 2022		
Net loss	\$ (1,364)	\$ 22	\$ (1,342)
Other comprehensive loss, after-tax			
Changes in:			
Unrealized net capital gains and losses	(2,851)	(2)	(2,853)
Discount rate for reserve for future policy benefits	—	228	228
Other comprehensive loss, after-tax	(3,044)	226	(2,818)
Comprehensive loss	(4,408)	248	(4,160)
Comprehensive loss attributable to Allstate	\$ (4,335)	\$ 248	\$ (4,087)
	Year ended December 31, 2021		
Net income	\$ 1,566	\$ 15	\$ 1,581
Other comprehensive loss, after-tax			
Changes in:			
Unrealized net capital gains and losses	(2,582)	(1)	(2,583)
Discount rate for reserve for future policy benefits	—	49	49
Other comprehensive loss, after-tax	(2,649)	48	(2,601)
Comprehensive loss	(1,083)	63	(1,020)
Comprehensive loss attributable to Allstate	\$ (1,047)	\$ 63	\$ (984)

Consolidated Statements of Financial Position

(\$ in millions)	As reported	Impact of change	As adjusted
	December 31, 2022		
Assets			
Deferred policy acquisition costs	\$ 5,418	\$ 24	\$ 5,442
Reinsurance and indemnification recoverables, net	9,606	13	9,619
Deferred income taxes	386	(4)	382
Other assets, net	5,905	(1)	5,904
Total assets	97,957	32	97,989
Liabilities			
Reserve for future policy benefits	1,273	49	1,322
Contractholder funds	897	(18)	879
Unearned premiums	22,311	(12)	22,299
Total liabilities	80,607	19	80,626
Equity			
Retained income	50,954	16	50,970
Accumulated other comprehensive income (loss):			
Unrealized net capital gains and losses	(2,253)	(2)	(2,255)
Discount rate for reserve for future policy benefits	—	(1)	(1)
Total AOCI	(2,389)	(3)	(2,392)
Total Allstate shareholders' equity	17,475	13	17,488
Total equity	17,350	13	17,363
Total liabilities and equity	\$ 97,957	\$ 32	\$ 97,989

Consolidated Statements of Shareholders' Equity

(\$ in millions)	As reported	Impact of change	As adjusted
Year ended December 31, 2022			
Retained income			
Balance, beginning of period	\$ 53,294	\$ (6)	\$ 53,288
Net loss	(1,311)	22	(1,289)
Balance, end of period	50,954	16	50,970
Accumulated other comprehensive income (loss)			
Balance, beginning of period	655	(229)	426
Change in unrealized net capital gains and losses	(2,851)	(2)	(2,853)
Change in discount rate for reserve for future policy benefits	—	228	228
Balance, end of period	(2,389)	(3)	(2,392)
Total Allstate shareholders' equity	17,475	13	17,488
Total equity	\$ 17,350	\$ 13	\$ 17,363
Year ended December 31, 2021			
Retained income			
Balance, beginning of period	\$ 52,767	\$ —	\$ 52,767
Cumulative effect of change in accounting principle	—	(21)	(21)
Net income	1,599	15	1,614
Balance, end of period	53,294	(6)	53,288
Accumulated other comprehensive income (loss)			
Balance, beginning of period	3,304	—	3,304
Cumulative effect of change in accounting principle	—	(277)	(277)
Change in unrealized net capital gains and losses	(2,582)	(1)	(2,583)
Change in discount rate for reserve for future policy benefits	—	49	49
Balance, end of period	655	(229)	426
Total Allstate shareholders' equity	25,179	(235)	24,944
Total equity	\$ 25,127	\$ (235)	\$ 24,892

Consolidated Statements of Cash Flows

(\$ in millions)	As reported	Impact of change	As adjusted
Year ended December 31, 2022			
Cash flows from operating activities			
Net loss	\$ (1,364)	\$ 22	\$ (1,342)
Adjustments to reconcile net income (loss) to net cash provided by operating activities:			
Changes in:			
Policy benefits and other insurance reserves	4,503	(58)	4,445
Unearned premiums	2,541	(2)	2,539
Deferred policy acquisition costs	(702)	(11)	(713)
Reinsurance recoverables, net	408	43	451
Income taxes	(721)	6	(715)
Net cash provided by operating activities	\$ 5,121	\$ —	\$ 5,121

Consolidated Statements of Cash Flows

(\$ in millions)	As reported	Impact of change	As adjusted
	Year ended December 31, 2021		
Cash flows from operating activities			
Net income	\$ 1,566	\$ 15	\$ 1,581
Adjustments to reconcile net income (loss) to net cash provided by operating activities:			
Changes in:			
Policy benefits and other insurance reserves	2,432	12	2,444
Unearned premiums	1,618	(10)	1,608
Deferred policy acquisition costs	(608)	(16)	(624)
Reinsurance recoverables, net	(1,565)	(5)	(1,570)
Income taxes	349	4	353
Net cash provided by operating activities	\$ 5,116	\$ —	\$ 5,116

Pending accounting standards

Accounting for joint ventures In August 2023, the FASB issued guidance requiring a joint venture to initially measure assets contributed and liabilities assumed at fair value as of the formation date. The new guidance will be applied prospectively for joint ventures with a formation date on or after January 1, 2025. The impact of the adoption is not expected to be material to the Company's results of operations or financial position.

Segment reporting In November 2023, the FASB issued guidance expanding segment disclosures by requiring disclosure of significant segment expenses that are regularly provided to the chief operating decision maker and included within each reported measure of segment profit or loss, an amount and description of its composition for other segment items, and interim disclosures of reportable segments' profit or loss and assets. The guidance is effective for annual periods beginning after December 15, 2023 and interim periods beginning after December 15, 2024 and is to be applied retrospectively, with early adoption permitted. The Company is currently evaluating the impact of adopting the guidance on its disclosures.

Income tax disclosures In December 2023, the FASB issued guidance enhancing various aspects of income tax disclosures. The guidance now requires a tabular reconciliation between statutory and effective income tax expense (benefit) with both amounts and percentages for a list of required categories. For certain required categories where an individual category is at least five percent of the statutory tax amount, the required category must be further broken out by nature and, for foreign tax effects, jurisdiction. Additionally, entities must disclose income taxes paid, net of refunds received, broken out between federal, state and foreign, and amounts paid, net of refunds received, to an individual jurisdiction when five percent or more of the total income taxes paid, net of refunds received.

All disclosure requirements in the guidance are annual in nature, and the guidance is effective for annual reporting periods beginning after December 15, 2024, with early adoption permitted. The guidance only affects disclosures and will have no impact on the Company's consolidated financial statements. The Company is currently evaluating the impact of adopting the guidance on its disclosures.

Note 3 Dispositions

Life and annuity business On October 1, 2021, the Company closed the sale of Allstate Life Insurance Company of New York ("ALNY") to Wilton Reassurance Company for \$400 million. On November 1, 2021, the Company closed the sale of Allstate Life Insurance Company ("ALIC") and certain affiliates to entities managed by Blackstone for total proceeds of \$4 billion, including a pre-close dividend of \$1.25 billion paid by ALIC.

In connection with the sale of ALIC and certain affiliates, the sale agreement included a provision related to contingent consideration that may be earned over a ten-year period with the first potential payment date commencing on January 1, 2026 and a final potential payment date of January 1, 2035. The contingent consideration is determined annually based on the average ten-year Treasury rate over the preceding three-year period compared to a designated rate. The contingent consideration meets the definition

of a derivative and is accounted for on a fair value basis with periodic changes in fair value reflected in earnings. There are no collateral requirements related to the contingent consideration. See Note 7 for further details.

In 2021, the loss on disposition was \$4.09 billion, after-tax, and reflects purchase price adjustments associated with certain pre-close transactions specified in the stock purchase agreements, changes in statutory capital and surplus prior to the closing date and the closing date equity of the sold entities determined under GAAP, excluding AOCI derecognized related to the dispositions.

Beginning in the first quarter of 2021, the assets and liabilities of the business were reclassified as held for sale and results are presented as discontinued operations. This change was applied on a retrospective basis.

Financial results from discontinued operations	
(\$ in millions)	For the year ended December 31, 2021
Revenues	
Life premiums and contract charges	\$ 1,109
Net investment income	1,336
Net gains (losses) on investments and derivatives	195
Total revenues	2,640
Costs and expenses	
Life contract benefits	1,315
Interest credited to contractholder funds	414
Amortization of DAC	87
Operating costs and expenses	163
Restructuring and related charges	31
Total costs and expenses	2,010
Amortization of deferred gain on reinsurance	4
Income from discontinued operations before income tax expense	634
Income tax expense	136
Income from discontinued operations, net of tax	498
Loss on disposition of operations	(4,315)
Income tax benefit	(224)
Loss on disposition of operations, net of tax	(4,091)
(Loss) income from discontinued operations, net of tax	\$ (3,593)
Cash flows from discontinued operations	
(\$ in millions)	For the year ended December 31, 2021
Net cash provided by operating activities from discontinued operations	\$ 634
Net cash provided by investing activities from discontinued operations	984

Note 4 Reportable Segments

The Company's chief operating decision maker reviews financial performance and makes decisions about the allocation of resources for the five reportable segments. These segments are described below and align with the Company's key product and service offerings.

Allstate Protection principally offers private passenger auto and homeowners insurance in the United States and Canada, with earned premiums accounting for 84.8% of Allstate's 2023 consolidated revenues. Allstate Protection primarily operates in the U.S. (all 50 states and the District of Columbia ("D.C.)) and Canada. For 2023, the top geographic locations for statutory direct premiums for the Allstate Protection segment were Texas, California, New York and Florida. No other jurisdiction accounted for more than 5% of statutory direct premiums for Allstate Protection. Revenues from external customers generated outside

the United States were \$2.06 billion, \$1.94 billion and \$1.86 billion in 2023, 2022 and 2021, respectively.

Run-off Property-Liability includes results from property and casualty insurance coverage that primarily relates to policies written during the 1960s through the mid-1980s. Our exposure to asbestos, environmental and other run-off lines claims arises principally from direct excess commercial insurance, assumed reinsurance coverage, direct primary commercial insurance and other businesses in run-off.

Protection Services comprise Allstate Protection Plans, Allstate Dealer Services, Allstate Roadside, Arity and Allstate Identity Protection. Protection Services offer consumer product protection plans, protection and insurance products (including vehicle service contracts, guaranteed asset protection, road hazard tire and wheel and paintless dent repair protection), roadside assistance, device and mobile data collection

services and analytic solutions using automotive telematics information, identity theft protection and remediation services. Protection Services primarily operates in the U.S. and Canada, with Allstate Protection Plans also offering services in Europe, Australia and Asia. Revenues from external customers generated outside the United States were \$346 million, \$258 million and \$232 million in 2023, 2022 and 2021, respectively and relate to consumer product protection plans sold primarily in the European Union and Australia.

Allstate Health and Benefits offers employer voluntary benefits, group health and individual health products, including life, accident, critical illness, hospital indemnity, short-term disability and other health products. Allstate Health and Benefits primarily operates in the U.S. (all 50 states and D.C.) and Canada. For 2023, the top geographic locations for statutory direct accident, health and life insurance premiums were Florida, Texas, and Georgia. No other jurisdiction accounted for more than 5% of statutory direct accident, health and life insurance premiums. Revenues from external customers generated outside the United States relate to voluntary accident and health insurance sold in Canada and were not material.

Corporate and Other comprises debt service, other holding company activities and certain non-insurance operations, including expenses associated with strategic initiatives, such as the Avail peer-to-peer car-sharing initiative.

Allstate Protection and Run-off Property-Liability segments comprise Property-Liability. The Company does not allocate investment income, net gains and losses on investments and derivatives, or assets to the Allstate Protection and Run-off Property-Liability segments. Management reviews assets at the Property-Liability, Protection Services, Allstate Health and Benefits, and Corporate and Other levels for decision-making purposes.

The accounting policies of the reportable segments are the same as those described in Note 2. The effects of intersegment transactions are eliminated in the consolidated results. For segment results, services provided by Protection Services to Allstate Protection are not eliminated as management considers those transactions in assessing the results of the respective segments.

Measuring segment profit or loss

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

Underwriting income is calculated as premiums earned and other revenue, less claims and claims expenses ("losses"), Shelter-in-Place Payback expense, amortization of DAC, operating costs and expenses, amortization or impairment of purchased intangibles and restructuring and related charges as determined using GAAP.

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

-
- Net gains and losses on investments and derivatives

 - Pension and other postretirement rereasurement gains and losses

 - Business combination expenses and the amortization or impairment of purchased intangibles

 - Income or loss from discontinued operations

 - Gain or loss on disposition

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

 - Income tax expense or benefit on reconciling items

A reconciliation of these measures to net income (loss) applicable to common shareholders is provided below.

Reportable segments financial performance

(\$ in millions)	For the years ended December 31,		
	2023	2022	2021
Underwriting income (loss) by segment			
Allstate Protection	\$ (2,090)	\$ (2,782)	\$ 1,785
Run-off Property-Liability	(94)	(129)	(120)
Total Property-Liability	(2,184)	(2,911)	1,665
Adjusted net income (loss) by segment, after-tax			
Protection Services	106	169	179
Allstate Health and Benefits	242	245	223
Corporate and Other	(415)	(422)	(433)
Reconciling items			
Property-Liability net investment income	2,218	2,190	3,118
Net gains (losses) on investments and derivatives	(300)	(1,072)	1,084
Pension and other postretirement remeasurement gains (losses)	(9)	(116)	644
Business combination expenses and amortization of purchased intangibles ⁽¹⁾	(94)	(113)	(157)
Business combination fair value adjustment	—	—	6
Gain (loss) on disposition ⁽²⁾	4	89	—
Non-recurring costs ⁽³⁾	(90)	—	—
Income tax benefit (expense) on reconciling items ⁽⁴⁾	182	495	(1,270)
Total reconciling items	1,911	1,473	3,425
Income (loss) from discontinued operations	—	—	(3,612)
Income tax benefit from discontinued operations	—	—	19
Total from discontinued operations	\$ —	\$ —	\$ (3,593)
Less: Net loss attributable to noncontrolling interest ⁽⁵⁾	(24)	(52)	(34)
Net (loss) income applicable to common shareholders	\$ (316)	\$ (1,394)	\$ 1,500

⁽¹⁾ Excludes amortization or impairment of purchased intangibles in Property-Liability, which is included above in underwriting income.

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

⁽³⁾ Relates to settlement costs for non-recurring litigation that is outside of the ordinary course of business. See Note 15 for additional details.

⁽⁴⁾ The tax computation of the reporting segments and income tax benefit (expense) on reconciling items to net income (loss) are computed discretely based on the tax law of the jurisdictions applicable to the reporting entities.

⁽⁵⁾ Reflects net loss attributable to noncontrolling interest in Property-Liability.

Reportable segments revenue information

(\$ in millions)	For the years ended December 31,		
	2023	2022	2021
Property-Liability			
Insurance premiums			
Auto	\$ 32,940	\$ 29,715	\$ 27,623
Homeowners	11,739	10,418	9,552
Other personal lines	2,387	2,159	2,077
Commercial lines	811	1,123	827
Other business lines	550	494	375
Allstate Protection	48,427	43,909	40,454
Run-off Property-Liability	—	—	—
Total Property-Liability insurance premiums	48,427	43,909	40,454
Other revenue	1,545	1,416	1,437
Net investment income	2,218	2,190	3,118
Net gains (losses) on investments and derivatives	(292)	(877)	1,021
Total Property-Liability	51,898	46,638	46,030
Protection Services			
Protection Plans	1,540	1,307	1,132
Roadside assistance	195	202	192
Protection and insurance products	508	486	440
Intersegment premiums and service fees ⁽¹⁾	138	149	175
Other revenue	319	347	354
Net investment income	73	48	43
Net gains (losses) on investments and derivatives	—	(52)	25
Total Protection Services	2,773	2,487	2,361
Allstate Health and Benefits			
Employer voluntary benefits	1,001	1,033	1,040
Group health	440	385	350
Individual health	405	414	444
Other revenue	447	402	359
Net investment income	82	69	74
Net gains (losses) on investments and derivatives	3	(44)	7
Total Allstate Health and Benefits	2,378	2,259	2,274
Corporate and Other			
Other revenue	89	179	22
Net investment income	105	96	58
Net gains (losses) on investments and derivatives	(11)	(99)	31
Total Corporate and Other	183	176	111
Intersegment eliminations ⁽¹⁾	(138)	(149)	(175)
Consolidated revenues	\$ 57,094	\$ 51,411	\$ 50,601

⁽¹⁾ Intersegment insurance premiums and service fees are primarily related to Arity and Allstate Roadside and are eliminated in the consolidated financial statements.

Additional significant financial performance data

(\$ in millions)	For the years ended December 31,		
	2023	2022	2021
Amortization of DAC			
Property-Liability	\$ 6,070	\$ 5,570	\$ 5,313
Protection Services	1,058	928	795
Allstate Health and Benefits	150	136	128
Consolidated	\$ 7,278	\$ 6,634	\$ 6,236
Income tax expense (benefit)			
Property-Liability	\$ (136)	\$ (427)	\$ 1,151
Protection Services	66	5	39
Allstate Health and Benefits	57	45	53
Corporate and Other	(122)	(111)	49
Consolidated	\$ (135)	\$ (488)	\$ 1,292

Interest expense is primarily incurred in the Corporate and Other segment. Capital expenditures for long-lived assets are generally made in Property-Liability as the Company does not allocate assets to the Allstate Protection and Run-off Property-Liability segments. A portion of these long-lived assets are used by entities included in the Protection Services, Allstate Health and Benefits and Corporate and Other segments and, accordingly, are charged to expenses in proportion to their use.

Reportable segment total assets, investments and deferred policy acquisition costs

(\$ in millions)	As of December 31,	
	2023	2022
Assets		
Property-Liability	\$ 88,568	\$ 82,744
Protection Services	7,292	6,922
Allstate Health and Benefits	4,032	3,752
Corporate and Other	3,470	4,571
Consolidated	\$ 103,362	\$ 97,989
Investments ⁽¹⁾		
Property-Liability	\$ 59,540	\$ 54,011
Protection Services	2,180	1,917
Allstate Health and Benefits	2,182	1,872
Corporate and Other	2,775	4,029
Consolidated	\$ 66,677	\$ 61,829
Deferred policy acquisition costs		
Property-Liability	\$ 2,378	\$ 2,146
Protection Services	3,022	2,768
Allstate Health and Benefits	540	528
Consolidated	\$ 5,940	\$ 5,442

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

Note 5 Investments**Portfolio composition**

(\$ in millions)	As of December 31,	
	2023	2022
Fixed income securities, at fair value	\$ 48,865	\$ 42,485
Equity securities, at fair value	2,411	4,567
Mortgage loans, net	822	762
Limited partnership interests	8,380	8,114
Short-term investments, at fair value	5,144	4,173
Other investments, net	1,055	1,728
Total	\$ 66,677	\$ 61,829

Amortized cost, gross unrealized gains (losses) and fair value for fixed income securities

(\$ in millions)	Amortized cost, net	Gross unrealized		Fair value
		Gains	Losses	
December 31, 2023				
U.S. government and agencies	\$ 8,624	\$ 114	\$ (119)	\$ 8,619
Municipal	6,049	109	(152)	6,006
Corporate	31,951	397	(1,143)	31,205
Foreign government	1,286	17	(13)	1,290
ABS	1,739	13	(7)	1,745
Total fixed income securities	\$ 49,649	\$ 650	\$ (1,434)	\$ 48,865
December 31, 2022				
U.S. government and agencies	\$ 8,123	\$ 6	\$ (231)	\$ 7,898
Municipal	6,500	36	(326)	6,210
Corporate	28,562	46	(2,345)	26,263
Foreign government	997	—	(40)	957
ABS	1,188	4	(35)	1,157
Total fixed income securities	\$ 45,370	\$ 92	\$ (2,977)	\$ 42,485

Scheduled maturities for fixed income securities

(\$ in millions)	As of December 31, 2023		As of December 31, 2022	
	Amortized cost, net	Fair value	Amortized cost, net	Fair value
Due in one year or less	\$ 3,422	\$ 3,374	\$ 2,870	\$ 2,836
Due after one year through five years	23,218	22,614	26,546	25,217
Due after five years through ten years	12,553	12,273	11,035	9,870
Due after ten years	8,717	8,859	3,731	3,405
	47,910	47,120	44,182	41,328
ABS	1,739	1,745	1,188	1,157
Total	\$ 49,649	\$ 48,865	\$ 45,370	\$ 42,485

Actual maturities may differ from those scheduled as a result of calls and make-whole payments by the issuers. ABS is shown separately because of potential prepayment of principal prior to contractual maturity dates.

Net investment income

(\$ in millions)	For the years ended December 31,		
	2023	2022	2021
Fixed income securities	\$ 1,761	\$ 1,255	\$ 1,148
Equity securities	75	132	100
Mortgage loans	35	33	43
Limited partnership interests	499	985	1,973
Short-term investments	253	82	5
Other investments	169	162	195
Investment income, before expense	2,792	2,649	3,464
Investment expense	(314)	(246)	(171)
Net investment income	\$ 2,478	\$ 2,403	\$ 3,293

Net gains (losses) on investments and derivatives by asset type

(\$ in millions)	For the years ended December 31,		
	2023	2022	2021
Fixed income securities	\$ (540)	\$ (875)	\$ 425
Equity securities	282	(900)	520
Mortgage loans	(4)	(1)	20
Limited partnership interests	4	(191)	(52)
Derivatives	(84)	874	49
Other investments	42	21	122
Net gains (losses) on investments and derivatives	\$ (300)	\$ (1,072)	\$ 1,084

Net gains (losses) on investments and derivatives by transaction type

(\$ in millions)	For the years ended December 31,		
	2023	2022	2021
Sales	\$ (433)	\$ (832)	\$ 578
Credit losses	(99)	(54)	(42)
Valuation change of equity investments ⁽¹⁾	316	(1,060)	499
Valuation change and settlements of derivatives	(84)	874	49
Net gains (losses) on investments and derivatives	\$ (300)	\$ (1,072)	\$ 1,084

⁽¹⁾ Includes valuation change of equity securities and certain limited partnership interests where the underlying assets are predominately public equity securities.

Gross realized gains (losses) on sales of fixed income securities

(\$ in millions)	For the years ended December 31,		
	2023	2022	2021
Gross realized gains	\$ 115	\$ 136	\$ 587
Gross realized losses	(633)	(1,004)	(158)

Net appreciation (decline) recognized in net income for assets that are still held

(\$ in millions)	For the years ended December 31,		
	2023	2022	2021
Equity securities	\$ 151	\$ (466)	\$ 377
Limited partnership interests carried at fair value	85	(5)	435
Total	\$ 236	\$ (471)	\$ 812

Credit losses recognized in net income

(\$ in millions)	For the years ended December 31,		
	2023	2022	2021
Assets			
Fixed income securities:			
Corporate	\$ (24)	\$ (6)	\$ (5)
ABS	2	(1)	1
Total fixed income securities	(22)	(7)	(4)
Mortgage loans	(4)	(1)	18
Limited partnership interests	(25)	(4)	(34)
Other investments			
Bank loans	(18)	(26)	(22)
Real estate	(29)	(16)	—
Total credit losses by asset type	\$ (98)	\$ (54)	\$ (42)
Liabilities			
Commitments to fund commercial mortgage loans and bank loans	(1)	—	—
Total	\$ (99)	\$ (54)	\$ (42)

Unrealized net capital gains and losses included in AOCI				
(\$ in millions)	Fair value	Gross unrealized		Unrealized net gains (losses)
December 31, 2023		Gains	Losses	
Fixed income securities	\$ 48,865	\$ 650	\$ (1,434)	\$ (784)
Short-term investments	5,144	—	(1)	(1)
Derivative instruments	—	—	(2)	(2)
Limited partnership interests ⁽¹⁾				(4)
Unrealized net capital gains and losses, pre-tax				(791)
Reclassification of noncontrolling interest				13
Deferred income taxes				174
Unrealized net capital gains and losses, after-tax				\$ (604)
December 31, 2022				
Fixed income securities	\$ 42,485	\$ 92	\$ (2,977)	\$ (2,885)
Short-term investments	4,173	—	(1)	(1)
Derivative instruments	—	—	(3)	(3)
Limited partnership interests				2
Unrealized net capital gains and losses, pre-tax				(2,887)
Reclassification of noncontrolling interest				23
Deferred income taxes				609
Unrealized net capital gains and losses, after-tax				\$ (2,255)

⁽¹⁾ Unrealized net capital gains and losses for limited partnership interests represent the Company's share of EMA limited partnerships' OCI. Fair value and gross unrealized gains and losses are not applicable.

(\$ in millions)	For the years ended December 31,		
	2023	2022	2021
Fixed income securities	\$ 2,101	\$ (3,645)	\$ (1,771)
Short-term investments	—	(1)	—
Derivative instruments	1	—	—
Limited partnerships interests	(6)	3	—
Investments classified as held for sale	—	—	(2,369)
Total	2,096	(3,643)	(4,140)
Reclassification of noncontrolling interest and other ⁽¹⁾	(10)	19	864
Deferred income taxes	(435)	771	693
Increase (decrease) in unrealized net capital gains and losses, after-tax	\$ 1,651	\$ (2,853)	\$ (2,583)

⁽¹⁾ 2021 includes changes in amounts by which the amortization of DAC would increase or decrease if the unrealized gains or losses in the respective product portfolios were realized.

Mortgage loans The Company's mortgage loans are commercial mortgage loans collateralized by a variety of commercial real estate property types located across the United States and totaled \$822 million and \$762 million, net of credit loss allowance, as of December 31, 2023 and 2022, respectively. Substantially all of the commercial mortgage loans are non-recourse to the borrower.

Principal geographic distribution of commercial real estate exceeding 5% of the mortgage loans portfolio

(% of mortgage loan portfolio carrying value)	As of December 31,	
	2023	2022
California	21.9 %	24.9 %
Texas	17.9	16.3
Florida	7.5	6.4
Washington	5.8	7.3
Tennessee	5.6	6.1
Ohio	5.0	5.6

Types of properties collateralizing the mortgage loan portfolio

(% of mortgage loan portfolio carrying value)	As of December 31,	
	2023	2022
Apartment complex	30.6 %	30.2 %
Retail	25.0	27.4
Warehouse	20.0	16.0
Office	15.2	17.5
Other	9.2	8.9
Total	100.0 %	100.0 %

Contractual maturities of the mortgage loan portfolio

(\$ in millions)	As of December 31, 2023		
	Number of loans	Amortized cost, net	Percent
2024	5	\$ 88	10.7 %
2025	6	70	8.5
2026	11	166	20.2
2027	6	58	7.1
Thereafter	29	440	53.5
Total	57	\$ 822	100.0 %

Limited partnership interests include interests in private equity funds, real estate funds and other funds. Principal factors influencing carrying value appreciation or decline include operating performance, comparable public company earnings multiples, capitalization rates and the economic environment. For equity method limited partnerships, the Company recognizes an impairment loss when evidence demonstrates that the loss is other than temporary. Evidence of a loss in value that is other than temporary may include the absence of an ability to recover the carrying amount of the investment or the inability of the investee to sustain a level of earnings that would justify the carrying amount of the investment. Changes in fair value limited partnerships are recorded through net investment income and therefore are not tested for impairment.

Carrying value for limited partnership interests

(\$ in millions)	As of December 31, 2023			As of December 31, 2022		
	EMA	Fair Value	Total	EMA	Fair Value	Total
Private equity	\$ 6,015	\$ 1,139	\$ 7,154	\$ 5,372	\$ 1,217	\$ 6,589
Real estate	1,059	26	1,085	1,013	29	1,042
Other ⁽¹⁾	141	—	141	483	—	483
Total	\$ 7,215	\$ 1,165	\$ 8,380	\$ 6,868	\$ 1,246	\$ 8,114

⁽¹⁾ Other consists of certain limited partnership interests where the underlying assets are predominately public equity and debt securities.

Municipal bonds The Company maintains a diversified portfolio of municipal bonds, including tax exempt and taxable securities, which totaled \$6.01 billion and \$6.21 billion as of December 31, 2023 and 2022, respectively. The balance as of December 31, 2023 includes \$4.85 billion of tax exempt securities. The municipal bond portfolio includes general obligations of state and local issuers and revenue bonds (including pre-refunded bonds, which are bonds for which an irrevocable trust has been established to fund the remaining payments of principal and interest).

Principal geographic distribution of municipal bond issuers exceeding 5% of the portfolio

(% of municipal bond portfolio carrying value)	As of December 31,	
	2023	2022
Texas	12.8 %	9.6 %
California	7.7	8.5
New York	6.3	6.7
Illinois	5.4	5.6
Pennsylvania	5.4	5.4
Florida	4.8	5.0

Short-term investments Short-term investments, including money market funds, commercial paper, U.S. Treasury bills and other short-term investments, are carried at fair value. As of December 31, 2023 and 2022, the fair value of short-term investments totaled \$5.14 billion and \$4.17 billion, respectively.

Other investments Other investments primarily consist of bank loans, real estate, policy loans and derivatives. Bank loans are primarily senior secured corporate loans and are carried at amortized cost, net. Policy loans are carried at unpaid principal balances. Real estate is carried at cost less accumulated depreciation. Derivatives are carried at fair value.

Other investments by asset type

(\$ in millions)	As of December 31,	
	2023	2022
Bank loans, net	\$ 224	\$ 686
Real estate	709	813
Policy loans	119	120
Derivatives	1	1
Other	2	108
Total	\$ 1,055	\$ 1,728

Concentration of credit risk As of December 31, 2023, the Company is not exposed to any credit concentration risk of a single issuer and its affiliates greater than 10% of the Company's shareholders' equity, other than the U.S. government and its agencies.

Securities loaned The Company's business activities include securities lending programs with third parties, mostly large banks. As of December 31, 2023 and 2022, fixed income and equity securities with a carrying value of \$1.83 billion and \$1.93 billion, respectively, were on loan under these agreements. Interest income on collateral, net of fees, was zero, \$6 million and \$1 million in 2023, 2022 and 2021, respectively.

Other investment information Included in fixed income securities are below investment grade assets totaling \$4.18 billion and \$4.10 billion as of December 31, 2023 and 2022, respectively.

As of December 31, 2023, fixed income securities and short-term investments with a carrying value of \$201 million were on deposit with regulatory authorities as required by law.

As of December 31, 2023, the carrying value of fixed income securities and other investments that were non-income producing was \$92 million.

Portfolio monitoring and credit losses

Fixed income securities The Company has a comprehensive portfolio monitoring process to identify and evaluate each fixed income security that may require a credit loss allowance.

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

If the Company has not made the decision to sell the fixed income security and it is not more likely than not the Company will be required to sell the fixed income security before recovery of its amortized cost basis, the Company evaluates whether it expects to receive cash flows sufficient to recover the entire amortized cost basis of the security. The Company calculates the estimated recovery value based on the best estimate of future cash flows considering past events, current conditions and reasonable and supportable forecasts. The estimated future cash flows are discounted at the security's current effective rate and is compared to the amortized cost of the security.

The determination of cash flow estimates is inherently subjective, and methodologies may vary depending on facts and circumstances specific to the security. All reasonably available information relevant to the collectability of the security is considered when developing the estimate of cash flows expected to be collected. That information generally includes, but is not limited to, the remaining payment terms of the security, prepayment speeds, the financial condition and future earnings potential of the issue or issuer, expected defaults, expected recoveries, the value of underlying collateral, origination vintage year, geographic concentration of underlying collateral, available reserves or escrows, current subordination levels, third-party guarantees and other credit enhancements. Other information, such as industry analyst reports and forecasts, credit ratings, financial condition of the bond insurer for insured fixed income securities, and other market data relevant to the realizability of contractual cash flows, may also be considered. The estimated fair value of collateral will be used to estimate recovery value if the Company determines that the security is dependent on the liquidation of collateral for ultimate settlement.

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

When a security is sold or otherwise disposed or when the security is deemed uncollectible and written off, the Company removes amounts previously recognized in the credit loss allowance. Recoveries after write-offs are recognized when received. Accrued interest excluded from the amortized cost of fixed income securities totaled \$495 million and \$389 million as of December 31, 2023, and 2022, respectively, and is reported within the accrued investment income line of the Consolidated Statements of Financial Position. The Company monitors accrued interest and writes off amounts when they are not expected to be received.

The Company's portfolio monitoring process includes a quarterly review of all securities to identify instances where the fair value of a security compared to its amortized cost is below internally established thresholds. The process also includes the monitoring of other credit loss indicators such as ratings, ratings downgrades and payment defaults. The securities identified, in addition to other securities for which the Company may have a concern, are evaluated for potential credit losses using all reasonably available information relevant to the collectability or recovery of the security. Inherent in the Company's evaluation of credit losses for these securities are assumptions and estimates about the financial condition and future earnings potential of the issue or issuer. Some of the factors that may be considered in evaluating whether a decline in fair value requires a credit loss allowance are: 1) the financial condition, near-term and long-term prospects of the issue or issuer, including relevant industry specific market conditions and trends, geographic location and implications of rating agency actions and offering prices; 2) the specific reasons that a security is in an unrealized loss position, including overall market conditions which could affect liquidity; and 3) the extent to which the fair value has been less than amortized cost.

Rollforward of credit loss allowance for fixed income securities

(\$ in millions)	For the years ended December 31,		
	2023	2022	2021
Beginning balance	\$ (13)	\$ (6)	\$ (2)
Credit losses on securities for which credit losses not previously reported	(11)	(1)	(5)
Net (increases) decreases related to credit losses previously reported	(11)	(6)	1
(Increase) decrease of allowance related to sales and other	(1)	—	—
Write-offs	—	—	—
Ending balance	\$ (36)	\$ (13)	\$ (6)
Components of credit loss allowance as of December 31			
Corporate bonds	\$ (35)	\$ (11)	\$ (6)
ABS	(1)	(2)	—
Total	\$ (36)	\$ (13)	\$ (6)

Gross unrealized losses and fair value by type and length of time held in a continuous unrealized loss position⁽¹⁾

(\$ in millions)	Less than 12 months			12 months or more			Total unrealized losses
	Number of issues	Fair value	Unrealized losses	Number of issues	Fair value	Unrealized losses	
December 31, 2023							
Fixed income securities							
U.S. government and agencies	63	\$ 2,554	\$ (38)	117	\$ 2,513	\$ (81)	\$ (119)
Municipal	271	400	(4)	1,784	2,245	(148)	(152)
Corporate	251	2,225	(48)	2,106	17,319	(1,095)	(1,143)
Foreign government	7	31	—	75	356	(13)	(13)
ABS	19	64	(1)	150	584	(6)	(7)
Total fixed income securities	611	\$ 5,274	\$ (91)	4,232	\$23,017	\$ (1,343)	\$ (1,434)
Investment grade fixed income securities	568	\$ 5,061	\$ (83)	3,864	\$20,429	\$ (1,151)	\$ (1,234)
Below investment grade fixed income securities	43	213	(8)	368	2,588	(192)	(200)
Total fixed income securities	611	\$ 5,274	\$ (91)	4,232	\$23,017	\$ (1,343)	\$ (1,434)
December 31, 2022							
Fixed income securities							
U.S. government and agencies	112	\$ 4,900	\$ (138)	75	\$ 2,393	\$ (93)	\$ (231)
Municipal	3,015	3,944	(215)	507	740	(111)	(326)
Corporate	2,085	18,072	(1,389)	845	6,105	(956)	(2,345)
Foreign government	74	739	(22)	42	200	(18)	(40)
ABS	194	874	(27)	83	109	(8)	(35)
Total fixed income securities	5,480	\$28,529	\$ (1,791)	1,552	\$ 9,547	\$ (1,186)	\$ (2,977)
Investment grade fixed income securities	4,959	\$25,487	\$ (1,409)	1,437	\$ 8,791	\$ (1,009)	\$ (2,418)
Below investment grade fixed income securities	521	3,042	(382)	115	756	(177)	(559)
Total fixed income securities	5,480	\$28,529	\$ (1,791)	1,552	\$ 9,547	\$ (1,186)	\$ (2,977)

⁽¹⁾ Includes fixed income securities with fair values of \$32 million and \$10 million and unrealized losses of \$3 million and \$5 million with credit loss allowances of \$8 million and \$11 million as of December 31, 2023, and 2022, respectively.

Gross unrealized losses by unrealized loss position and credit quality as of December 31, 2023

(\$ in millions)	Investment grade	Below investment grade	Total
Fixed income securities with unrealized loss position less than 20% of amortized cost, net ^{(1) (2)}	\$ (1,167)	\$ (173)	\$ (1,340)
Fixed income securities with unrealized loss position greater than or equal to 20% of amortized cost, net ^{(3) (4)}	(67)	(27)	(94)
Total unrealized losses	\$ (1,234)	\$ (200)	\$ (1,434)

⁽¹⁾ Below investment grade fixed income securities include \$5 million that have been in an unrealized loss position for less than twelve months.

⁽²⁾ Related to securities with an unrealized loss position less than 20% of amortized cost, net, the degree of which suggests that these securities do not pose a high risk of having credit losses.

⁽³⁾ Below investment grade fixed income securities include \$25 million that have been in an unrealized loss position for a period of twelve or more consecutive months.

⁽⁴⁾ Evaluated based on factors such as discounted cash flows and the financial condition and near-term and long-term prospects of the issue or issuer and were determined to have adequate resources to fulfill contractual obligations.

Investment grade is defined as a security having a National Association of Insurance Commissioners (“NAIC”) designation of 1 or 2, which is comparable to a rating of Aaa, Aa, A or Baa from Moody’s or AAA, AA, A or BBB from S&P Global Ratings (“S&P”), or a comparable internal rating if an externally provided rating is not available. Market prices for certain securities may have credit spreads which imply higher or lower credit quality than the current third-party rating. Unrealized losses on investment grade securities are principally related to an increase in market yields which may include increased risk-free interest rates or wider credit spreads since the time of initial purchase. The unrealized losses are expected to reverse as the securities approach maturity.

ABS in an unrealized loss position were evaluated based on actual and projected collateral losses relative to the securities’ positions in the respective securitization trusts, security specific expectations of cash flows, and credit ratings. This evaluation also takes into consideration credit enhancement, measured in terms of (i) subordination from other classes of securities in the trust that are contractually obligated to absorb losses before the class of security the Company owns, and (ii) the expected impact of other structural features embedded in the securitization trust beneficial to the class of securities the Company owns, such as overcollateralization and excess spread. Municipal bonds in an unrealized loss position were evaluated based on the underlying credit quality of the primary obligor, obligation type and quality of the underlying assets.

As of December 31, 2023, the Company has not made the decision to sell and it is not more likely than not the Company will be required to sell fixed income securities with unrealized losses before recovery of the amortized cost basis.

Loans The Company establishes a credit loss allowance for mortgage loans and bank loans when they are originated or purchased, and for unfunded commitments unless they are unconditionally cancellable by the Company. The Company uses a probability of default and loss given default model for mortgage loans and bank loans to estimate current expected credit losses that considers all relevant information available including past events, current conditions, and reasonable and supportable forecasts over the life of an asset. The Company also considers such factors as historical losses, expected prepayments and various economic factors. For mortgage loans the Company considers origination vintage year and property level information such as debt service coverage, property type, property location and collateral value. For bank loans the Company considers the credit rating of the borrower, credit spreads and type of loan. After the reasonable and supportable forecast period, the Company’s model reverts to historical loss trends.

Loans are evaluated on a pooled basis when they share similar risk characteristics. The Company monitors loans through a quarterly credit monitoring process to determine when they no longer share similar risk characteristics and are to be evaluated individually when estimating credit losses.

Loans are written off against their corresponding allowances when there is no reasonable expectation of recovery. If a loan recovers after a write-off, the estimate of expected credit losses includes the expected recovery.

Accrual of income is suspended for loans that are in default or when full and timely collection of principal and interest payments is not probable. Accrued income receivable is monitored for recoverability and when not expected to be collected is written off through net investment income. Cash receipts on loans on non-accrual status are generally recorded as a reduction of amortized cost.

Accrued interest is excluded from the amortized cost of loans and is reported within the accrued investment income line of the Consolidated Statements of Financial Position.

Accrued interest	As of December 31,	
	2023	2022
(\$ in millions)		
Mortgage loans	\$ 3	\$ 3
Bank Loans	3	3

Mortgage loans When it is determined a mortgage loan shall be evaluated individually, the Company uses various methods to estimate credit losses on individual loans such as using collateral value less estimated costs to sell where applicable, including when foreclosure is probable or when repayment is expected to be provided substantially through the operation or sale of the collateral and the borrower is experiencing financial difficulty. When collateral value is used, the mortgage loans may not have a credit loss allowance when the fair value of the collateral exceeds the loan's

amortized cost. An alternative approach may be utilized to estimate credit losses using the present value of the loan's expected future repayment cash flows discounted at the loan's current effective interest rate.

Individual loan credit loss allowances are adjusted for subsequent changes in the fair value of the collateral less costs to sell, when applicable, or present value of the loan's expected future repayment cash flows.

Debt service coverage ratio is considered a key credit quality indicator when mortgage loan credit loss allowances are estimated. Debt service coverage ratio represents the amount of estimated cash flow from the property available to the borrower to meet principal and interest payment obligations. Debt service coverage ratio estimates are updated annually or more frequently if conditions are warranted based on the Company's credit monitoring process.

Mortgage loans amortized cost by debt service coverage ratio distribution and year of origination

(\$ in millions)	December 31, 2023						December 31, 2022	
	2018 and prior	2019	2020	2021	2022	Current	Total	Total
Below 1.0	\$ —	\$ —	\$ —	\$ —	\$ 13	\$ —	\$ 13	\$ 18
1.0 - 1.25	27	12	—	—	—	2	41	42
1.26 - 1.50	24	4	10	—	30	65	133	151
Above 1.50	65	220	42	184	59	76	646	558
Amortized cost before allowance	\$ 116	\$ 236	\$ 52	\$ 184	\$ 102	\$ 143	\$ 833	\$ 769
Allowance							(11)	(7)
Amortized cost, net							\$ 822	\$ 762

Mortgage loans with a debt service coverage ratio below 1.0 that are not considered impaired primarily relate to instances where the borrower has the financial capacity to fund the revenue shortfalls from the properties for the foreseeable term, the decrease in cash flows from the properties is considered

temporary, or there are other risk mitigating circumstances such as additional collateral, escrow balances or borrower guarantees. Payments on all mortgage loans were current as of December 31, 2023, 2022 and 2021.

Rollforward of credit loss allowance for mortgage loans

(\$ in millions)	For the years ended December 31,		
	2023	2022	2021
Beginning balance	\$ (7)	\$ (6)	\$ (67)
Net (increases) decreases related to credit losses	(4)	(1)	40
Reduction of allowance related to sales	—	—	21
Write-offs	—	—	—
Ending balance	\$ (11)	\$ (7)	\$ (6)

Bank loans When it is determined a bank loan shall be evaluated individually, the Company uses various methods to estimate credit losses on individual loans such as the present value of the loan's expected future repayment cash flows discounted at the loan's current effective interest rate.

Credit ratings of the borrower are considered a key credit quality indicator when bank loan credit loss allowances are estimated. The ratings are either received from the Securities Valuation Office of the NAIC based on availability of applicable ratings from rating agencies on the NAIC credit rating provider list or a comparable internal rating. The year of origination is determined to be the year in which the asset is acquired.

Bank loans amortized cost by credit rating and year of origination

(\$ in millions)	December 31, 2023							December 31, 2022	
	2018 and prior	2019	2020	2021	2022	Current	Total	Total	
NAIC 2 / BBB	\$ —	\$ —	\$ 2	\$ 6	\$ —	\$ 1	\$ 9	\$ 54	
NAIC 3 / BB	—	—	—	21	—	17	38	266	
NAIC 4 / B	—	17	1	33	16	86	153	329	
NAIC 5-6 / CCC and below	21	—	—	11	5	9	46	94	
Amortized cost before allowance	\$ 21	\$ 17	\$ 3	\$ 71	\$ 21	\$ 113	\$ 246	\$ 743	
Allowance							(22)	(57)	
Amortized cost, net							\$ 224	\$ 686	

Rollforward of credit loss allowance for bank loans

(\$ in millions)	For the years ended December 31,		
	2023	2022	2021
Beginning balance	\$ (57)	\$ (61)	\$ (67)
Net increases related to credit losses	(18)	(26)	(15)
Reduction of allowance related to sales	50	30	21
Write-offs	3	—	—
Ending balance	\$ (22)	\$ (57)	\$ (61)

Note 6 Fair Value of Assets and Liabilities

Fair value is defined as the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The hierarchy for inputs used in determining fair value maximizes the use of observable inputs and minimizes the use of unobservable inputs by requiring that observable inputs be used when available. Assets and liabilities recorded on the Consolidated Statements of Financial Position at fair value are categorized in the fair value hierarchy based on the observability of inputs to the valuation techniques as follows:

Level 1: Assets and liabilities whose values are based on unadjusted quoted prices for identical assets or liabilities in an active market that the Company can access.

Level 2: Assets and liabilities whose values are based on the following:

- Quoted prices for similar assets or liabilities in active markets;
- Quoted prices for identical or similar assets or liabilities in markets that are not active; or
- Valuation models whose inputs are observable, directly or indirectly, for substantially the full term of the asset or liability.

Level 3: Assets and liabilities whose values are based on prices or valuation techniques that require inputs that are both unobservable and significant to the overall fair value measurement. Unobservable inputs reflect the Company's estimates of the assumptions that market participants would use in valuing the assets and liabilities.

The availability of observable inputs varies by instrument. In situations where fair value is based on

internally developed pricing models or inputs that are unobservable in the market, the determination of fair value requires more judgment. The degree of judgment exercised by the Company in determining fair value is typically greatest for instruments categorized in Level 3. In many instances, valuation inputs used to measure fair value fall into different levels of the fair value hierarchy. The category level in the fair value hierarchy is determined based on the lowest level input that is significant to the fair value measurement in its entirety. The Company uses prices and inputs that are current as of the measurement date, including during periods of market disruption. In periods of market disruption, the ability to observe prices and inputs may be reduced for many instruments.

The Company is responsible for the determination of fair value and the supporting assumptions and methodologies. The Company gains assurance that assets and liabilities are appropriately valued through the execution of various processes and controls designed to ensure the overall reasonableness and consistent application of valuation methodologies, including inputs and assumptions, and compliance with accounting standards. For fair values received from third parties or internally estimated, the Company's processes and controls are designed to ensure that the valuation methodologies are appropriate and consistently applied, the inputs and assumptions are reasonable and consistent with the objective of determining fair value, and the fair values are accurately recorded. For example, on a continuing basis, the Company assesses the reasonableness of individual fair values that have stale security prices or that exceed certain thresholds as compared to previous fair values received from valuation service providers or brokers or derived from internal models.

The Company performs procedures to understand and assess the methodologies, processes and controls of valuation service providers. In addition, the Company may validate the reasonableness of fair values by comparing information obtained from valuation service providers or brokers to other third-party valuation sources for selected securities. The Company performs ongoing price validation procedures such as back-testing of actual sales, which corroborate the various inputs used in internal models to market observable data. When fair value determinations are expected to be more variable, the Company validates them through reviews by members of management who have relevant expertise and who are independent of those charged with executing investment transactions.

The Company has two types of situations where investments are classified as Level 3 in the fair value hierarchy:

- (1) Specific inputs significant to the fair value estimation models are not market observable. This primarily occurs in the Company's use of broker quotes to value certain securities where the inputs have not been corroborated to be market observable, and the use of valuation models that use significant non-market observable inputs.
- (2) Quotes continue to be received from independent third-party valuation service providers and all significant inputs are market observable; however, there has been a significant decrease in the volume and level of activity for the asset when compared to normal market activity such that the degree of market observability has declined to a point where categorization as a Level 3 measurement is considered appropriate. The indicators considered in determining whether a significant decrease in the volume and level of activity for a specific asset has occurred include the level of new issuances in the primary market, trading volume in the secondary market, the level of credit spreads over historical levels, applicable bid-ask spreads, and price consensus among market participants and other pricing sources.

Certain assets are not carried at fair value on a recurring basis, including mortgage loans, bank loans, real estate and policy loans and are only included in the fair value hierarchy disclosure when the individual investment is reported at fair value.

In determining fair value, the Company principally uses the market approach which generally utilizes market transaction data for the same or similar instruments. To a lesser extent, the Company uses the income approach which involves determining fair values from discounted cash flow methodologies. For the majority of Level 2 and Level 3 valuations, a combination of the market and income approaches is used.

Summary of significant inputs and valuation techniques for Level 2 and Level 3 assets and liabilities measured at fair value on a recurring basis

Level 2 measurements

- Fixed income securities:

U.S. government and agencies, municipal, corporate - public and foreign government: The primary inputs to the valuation include quoted prices for identical or similar assets in markets that are not active, contractual cash flows, benchmark yields and credit spreads.

Corporate - privately placed: Privately placed are valued using a discounted cash flow model that is widely accepted in the financial services industry and uses market observable inputs and inputs derived principally from, or corroborated by, observable market data. The primary inputs to the discounted cash flow model include an interest rate yield curve, as well as published credit spreads for similar assets in markets that are not active that incorporate the credit quality and industry sector of the issuer.

Corporate - privately placed also includes redeemable preferred stock that are valued using quoted prices for identical or similar assets in markets that are not active, contractual cash flows, benchmark yields, underlying stock prices and credit spreads.

ABS: The primary inputs to the valuation include quoted prices for identical or similar assets in markets that are not active, contractual cash flows, benchmark yields, collateral performance, and credit spreads. Certain ABS are valued based on non-binding broker quotes whose inputs have been corroborated to be market observable. Residential mortgage-backed securities, included in ABS, use prepayment speeds as a primary input for valuation.

- Equity securities: The primary inputs to the valuation include quoted prices or quoted net asset values for identical or similar assets in markets that are not active.
- Short-term: The primary inputs to the valuation include quoted prices for identical or similar assets in markets that are not active, contractual cash flows, benchmark yields and credit spreads.
- Other investments: Free-standing exchange listed derivatives that are not actively traded are valued based on quoted prices for identical instruments in markets that are not active.

Over-the-counter ("OTC") derivatives, including interest rate swaps, foreign currency swaps, total return swaps, foreign exchange forward contracts, certain options and certain credit default swaps, are valued using models that rely on inputs such as interest rate yield curves, implied volatilities, index price levels, currency rates, and credit spreads that are observable for substantially the full term of the contract. The valuation techniques underlying the

models are widely accepted in the financial services industry and do not involve significant judgment.

Level 3 measurements

- Fixed income securities:

Municipal: Comprise municipal bonds that are not rated by third-party credit rating agencies. The primary inputs to the valuation of these municipal bonds include quoted prices for identical or similar assets that are not market observable, contractual cash flows, benchmark yields and credit spreads. Also included are municipal bonds valued based on non-binding broker quotes where the inputs have not been corroborated to be market observable and municipal bonds in default valued based on the present value of expected cash flows.

Corporate - public and privately placed and ABS: Primarily valued based on non-binding broker quotes where the inputs have not been corroborated to be market observable. Other inputs for corporate fixed income securities include an interest rate yield curve, as well as published credit spreads for similar assets that incorporate the credit quality and industry sector of the issuer.

- Equity securities: The primary inputs to the valuation include quoted prices or quoted net asset values for identical or similar assets that are not market observable.
- Short-term: For certain short-term investments, amortized cost is used as the best estimate of fair value.
- Other investments: Certain OTC derivatives, such as interest rate caps, certain credit default swaps and certain options (including swaptions), are valued using models that are widely accepted in the financial services industry. These are categorized as Level 3 as a result of the significance of non-market observable inputs such as volatility. Other primary inputs include interest rate yield curves and credit spreads and quoted prices for identical or similar assets in markets that exhibit less liquidity relative to those markets supporting Level 2 fair value measurements.

- Other assets: Includes the contingent consideration provision in the sale agreement for ALIC which meets the definition of a derivative. This derivative is valued internally using a model that includes stochastically determined cash flows and inputs that include spot and forward interest rates, volatility, corporate credit spreads and a liquidity discount. This derivative is categorized as Level 3 due to the significance of non-market observable inputs.
- Assets held for sale: Comprise municipal, corporate and ABS fixed income securities and equity securities. The valuation is based on the respective asset type as described above.
- Liabilities held for sale: Comprise derivatives embedded in certain life and annuity contracts which are valued internally using models widely accepted in the financial services industry that determine a single best estimate of fair value for the embedded derivatives within a block of contractholder liabilities. The models primarily use stochastically determined cash flows based on the contractual elements of embedded derivatives, projected option cost and applicable market data, such as interest rate yield curves and equity index volatility assumptions. These are categorized as Level 3 as a result of the significance of non-market observable inputs.

Assets measured at fair value on a non-recurring basis

Comprise long-lived assets to be disposed of by sale, including real estate, that are written down to fair value less costs to sell and bank loans written down to fair value in connection with recognizing credit losses.

Investments excluded from the fair value hierarchy

Limited partnerships carried at fair value, which do not have readily determinable fair values, use NAV provided by the investees and are excluded from the fair value hierarchy. These investments are generally not redeemable by the investees and generally cannot be sold without approval of the general partner. The Company receives distributions of income and proceeds from the liquidation of the underlying assets of the investees, which usually takes place in years 4-9 of the typical contractual life of 10-12 years. As of December 31, 2023, the Company has commitments to invest \$175 million in these limited partnership interests.

Assets and liabilities measured at fair value

(\$ in millions)	December 31, 2023				
	Quoted prices in active markets for identical assets (Level 1)	Significant other observable inputs (Level 2)	Significant unobservable inputs (Level 3)	Counterparty and cash collateral netting	Total
Assets					
Fixed income securities:					
U.S. government and agencies	\$ 8,606	\$ 13	\$ —		\$ 8,619
Municipal	—	5,995	11		6,006
Corporate - public	—	23,272	26		23,298
Corporate - privately placed	—	7,849	58		7,907
Foreign government	—	1,290	—		1,290
ABS	—	1,687	58		1,745
Total fixed income securities	8,606	40,106	153		48,865
Equity securities ⁽¹⁾	1,656	203	402		2,261
Short-term investments	1,676	3,467	1		5,144
Other investments	—	3	2	\$ (2)	3
Other assets	3	—	118		121
Total recurring basis assets	11,941	43,779	676	(2)	56,394
Non-recurring basis	—	—	15		15
Total assets at fair value	\$ 11,941	\$ 43,779	\$ 691	\$ (2)	\$ 56,409
% of total assets at fair value	21.2 %	77.6 %	1.2 %	— %	100.0 %
Investments reported at NAV					1,165
Total					\$ 57,574
Liabilities					
Other liabilities	\$ (2)	\$ (10)	\$ —	\$ 8	\$ (4)
Total recurring basis liabilities	(2)	(10)	—	8	(4)
Total liabilities at fair value	\$ (2)	\$ (10)	\$ —	\$ 8	\$ (4)
% of total liabilities at fair value	50.0 %	250.0 %	— %	(200.0)%	100.0 %

⁽¹⁾ As of December 31, 2023, equity securities exclude \$150 million of preferred stock measured at cost.

Assets and liabilities measured at fair value

(\$ in millions)	December 31, 2022				
	Quoted prices in active markets for identical assets (Level 1)	Significant other observable inputs (Level 2)	Significant unobservable inputs (Level 3)	Counterparty and cash collateral netting	Total
Assets					
Fixed income securities:					
U.S. government and agencies	\$ 7,878	\$ 20	\$ —		\$ 7,898
Municipal	—	6,189	21		6,210
Corporate - public	—	18,547	69		18,616
Corporate - privately placed	—	7,592	55		7,647
Foreign government	—	957	—		957
ABS	—	1,129	28		1,157
Total fixed income securities	7,878	34,434	173		42,485
Equity securities	3,936	298	333		4,567
Short-term investments	508	3,659	6		4,173
Other investments	—	23	3	\$ (22)	4
Other assets	3	—	103		106
Total recurring basis assets	12,325	38,414	618	(22)	51,335
Non-recurring basis	—	—	23		23
Total assets at fair value	\$ 12,325	\$ 38,414	\$ 641	\$ (22)	\$ 51,358
% of total assets at fair value	24.0 %	74.8 %	1.2 %	— %	100.0 %
Investments reported at NAV					1,246
Total					\$ 52,604
Liabilities					
Other liabilities	\$ (1)	\$ (25)	\$ —	\$ 21	\$ (5)
Total recurring basis liabilities	(1)	(25)	—	21	(5)
Total liabilities at fair value	\$ (1)	\$ (25)	\$ —	\$ 21	\$ (5)
% of total liabilities at fair value	20.0 %	500.0 %	— %	(420.0)%	100.0 %

As of December 31, 2023 and 2022, Level 3 fair value measurements of fixed income securities total \$153 million and \$173 million, respectively, and include \$26 million and \$70 million, respectively, of securities valued based on non-binding broker quotes where the inputs have not been corroborated to be market observable and \$11 million and \$21 million, respectively, of municipal fixed income securities that are not rated

by third-party credit rating agencies. An increase (decrease) in credit spreads for fixed income securities valued based on non-binding broker quotes would result in a lower (higher) fair value, and an increase (decrease) in the credit rating of municipal bonds that are not rated by third-party credit rating agencies would result in a higher (lower) fair value.

Rollforward of Level 3 assets and liabilities held at fair value during the year ended December 31, 2023

(\$ in millions)	Balance as of December 31, 2022	Total gains (losses) included in:		Transfers		Purchases	Sales	Issues	Settlements	Balance as of December 31, 2023
		Net income	OCI	Into Level 3	Out of Level 3					
Assets										
Fixed income securities:										
Municipal	\$ 21	\$ 3	\$ (1)	\$ —	\$ —	\$ —	\$ (10)	\$ —	\$ (2)	\$ 11
Corporate - public	69	(1)	2	—	—	—	(44)	—	—	26
Corporate - privately placed	55	(12)	1	16	—	1	(3)	—	—	58
ABS	28	—	—	—	—	31	—	—	(1)	58
Total fixed income securities	173	(10)	2	16	—	32	(57)	—	(3)	153
Equity securities	333	36	—	—	—	77	(44)	—	—	402
Short-term investments	6	—	—	—	—	13	—	—	(18)	1
Other investments	3	(1)	—	—	—	—	—	—	—	2
Other assets	103	15	—	—	—	—	—	—	—	118
Total recurring Level 3 assets	618	40	2	16	—	122	(101)	—	(21)	676
Liabilities										
Total recurring Level 3 liabilities	\$ —	\$ —	\$ —	\$ —	\$ —	\$ —	\$ —	\$ —	\$ —	\$ —

Rollforward of Level 3 assets and liabilities held at fair value during the year ended December 31, 2022

(\$ in millions)	Balance as of December 31, 2021	Total gains (losses) included in:		Transfers		Purchases	Sales	Issues	Settlements	Balance as of December 31, 2022
		Net income	OCI	Into Level 3	Out of Level 3					
Assets										
Fixed income securities:										
Municipal	\$ 18	\$ —	\$ 1	\$ 2	\$ —	\$ 2	\$ —	\$ —	\$ (2)	\$ 21
Corporate - public	20	—	(5)	—	—	66	(10)	—	(2)	69
Corporate - privately placed	66	19	2	—	—	34	(65)	—	(1)	55
ABS	40	1	—	—	(28)	17	—	—	(2)	28
Total fixed income securities	144	20	(2)	2	(28)	119	(75)	—	(7)	173
Equity securities	349	16	—	—	—	13	(45)	—	—	333
Short-term investments	5	—	—	—	—	23	—	—	(22)	6
Other investments	2	2	—	—	—	—	(1)	—	—	3
Other assets	65	38	—	—	—	—	—	—	—	103
Total recurring Level 3 assets	565	76	(2)	2	(28)	155	(121)	—	(29)	618
Liabilities										
Total recurring Level 3 liabilities	\$ —	\$ —	\$ —	\$ —	\$ —	\$ —	\$ —	\$ —	\$ —	\$ —

Rollforward of Level 3 assets and liabilities held at fair value during the year ended December 31, 2021

(\$ in millions)	Balance as of December 31, 2020	Total gains (losses) included in:		Transfers		Purchases	Sales	Issues	Settlements	Balance as of December 31, 2021
		Net income	OCI	Into Level 3	Out of Level 3					
Assets										
Fixed income securities:										
Municipal	\$ 17	\$ —	\$ —	\$ 1	\$ —	\$ 3	\$ —	\$ —	\$ (3)	\$ 18
Corporate - public	67	1	(1)	—	—	13	(53)	—	—	20
Corporate - privately placed	63	(2)	3	10	—	6	(23)	—	(5)	66
ABS	79	—	1	4	(32)	47	(5)	—	(54)	40
Total fixed income securities	226	(1)	3	15	(32)	69	(81)	—	(62)	144
Equity securities	304	61	—	—	—	43	(160)	—	—	349
Short-term investments	35	—	—	—	—	5	—	—	(35)	5
Other investments	—	—	—	—	—	3	(1)	—	—	2
Other assets	—	65	—	—	—	—	—	—	—	65
Assets held for sale	267	3	(1)	17	(13)	4	(163)	—	(6)	—
Total recurring Level 3 assets	832	128	2	32	(45)	124	(405)	—	(103)	565
Liabilities										
Liabilities held for sale	(516)	35	—	—	—	—	492	(28)	17	—
Total recurring Level 3 liabilities	\$ (516)	\$ 35	\$ —	\$ —	\$ —	\$ —	\$ 492	\$ (28)	\$ 17	\$ —

Total Level 3 gains (losses) included in net income

(\$ in millions)	For the years ended December 31,		
	2023	2022	2021
Net investment income	\$ (1)	\$ 15	\$ 1
Net gains (losses) on investments and derivatives	41	61	124

Transfers into Level 3 during 2023 included situations where securities were written down utilizing an internal price where the inputs had not been corroborated to be market observable resulting in the security being classified as Level 3.

Transfers into Level 3 during 2022 and 2021 included situations where a quote was not provided by the Company's independent third-party valuation service provider and as a result the price was stale or had been replaced with a broker quote where the inputs had not been corroborated to be market observable resulting in the security being classified as Level 3.

There were no transfers out of Level 3 during 2023. Transfers out of Level 3 during 2022 and 2021 included situations where a broker quote was used in the prior period and a quote became available from the Company's independent third-party valuation service provider in the current period. A quote utilizing the new pricing source was not available as of the prior period, and any gains or losses related to the change in valuation source for individual securities were not significant.

Valuation changes included in net income and OCI for Level 3 assets and liabilities held as of December 31,			
(\$ in millions)	2023	2022	2021
Assets			
Fixed income securities:			
Corporate - privately placed	\$ (12)	\$ 1	\$ (2)
Total fixed income securities	(12)	1	(2)
Equity securities	35	14	28
Other investments	(1)	2	—
Other assets	15	38	65
Total recurring Level 3 assets	\$ 37	\$ 55	\$ 91
Total included in net income	\$ 37	\$ 55	\$ 91
Components of net income			
Net investment income	\$ (1)	\$ 14	\$ 1
Net gains (losses) on investments and derivatives	38	41	90
Total included in net income	\$ 37	\$ 55	\$ 91
Assets			
Municipal	\$ —	\$ 1	\$ —
Corporate - public	1	(5)	—
Corporate - privately placed	2	—	3
Changes in unrealized net capital gains and losses reported in OCI	\$ 3	\$ (4)	\$ 3

Financial instruments not carried at fair value

(\$ in millions)		December 31, 2023		December 31, 2022	
		Fair value level	Amortized cost, net	Fair value	Amortized cost, net
Financial assets					
Mortgage loans	Level 3	\$ 822	\$ 769	\$ 762	\$ 700
Bank loans	Level 3	224	238	686	686
Financial liabilities					
	Fair value level	Carrying value ⁽¹⁾	Fair value	Carrying value ⁽¹⁾	Fair value
Contractholder funds on investment contracts	Level 3	\$ 46	\$ 46	\$ 50	\$ 50
Debt	Level 2	7,942	7,655	7,964	7,449
Liability for collateral	Level 2	1,891	1,891	2,011	2,011

⁽¹⁾ Represents the amounts reported on the Consolidated Statements of Financial Position.

Note 7 Derivative Financial Instruments and Off-balance Sheet Financial Instruments

The Company uses derivatives for risk reduction and to increase investment portfolio returns through asset replication. Risk reduction activity is focused on managing the risks with certain assets and liabilities arising from the potential adverse impacts from changes in risk-free interest rates, changes in equity market valuations, increases in credit spreads and foreign currency fluctuations.

Asset replication refers to the “synthetic” creation of assets through the use of derivatives. The Company replicates fixed income securities using a combination of a credit default swap, index total return swap, options, futures, or a foreign currency forward contract and one or more highly rated fixed income securities, primarily investment grade host bonds, to synthetically replicate the economic characteristics of one or more cash market securities. The Company replicates equity securities using futures, index total return swaps, and options to increase equity exposure.

Property-Liability may use interest rate swaps, swaptions, futures and options to manage the interest rate risks of existing investments. These instruments are utilized to change the duration of the portfolio in order to offset the economic effect that interest rates would otherwise have on the fair value of its fixed income securities. Fixed income index total return swaps are used to offset valuation losses in the fixed income portfolio during periods of declining market values. Credit default swaps are typically used to mitigate the credit risk within the Property-Liability fixed income portfolio. Equity index total return swaps, futures and options are used by Property-Liability to offset valuation losses in the equity portfolio during periods of declining equity market values. In addition, equity futures are used to hedge the market risk related to deferred compensation liability contracts. Forward contracts are primarily used by Property-Liability to hedge foreign currency risk associated with holding foreign currency denominated investments and foreign operations.

In 2022, the Company also had a derivative embedded in a non-derivative host contract that was required to be separated from the host contract and accounted for at fair value with changes in fair value of the embedded derivative reported in net income.

When derivatives meet specific criteria, they may be designated as accounting hedges and accounted for as fair value, cash flow, foreign currency fair value or foreign currency cash flow hedges.

The notional amounts specified in the contracts are used to calculate the exchange of contractual

payments under the agreements and are generally not representative of the potential for gain or loss on these agreements. However, the notional amounts specified in credit default swaps where the Company has sold credit protection represent the maximum amount of potential loss, assuming no recoveries.

Fair value, which is equal to the carrying value, is the estimated amount that the Company would receive or pay to terminate the derivative contracts at the reporting date. The carrying value amounts for OTC derivatives are further adjusted for the effects, if any, of enforceable master netting agreements and are presented on a net basis, by counterparty agreement, in the Consolidated Statements of Financial Position.

For those derivatives which qualify and have been designated as fair value accounting hedges, net income includes the changes in the fair value of both the derivative instrument and the hedged risk. For cash flow hedges, gains and losses are amortized from AOCI and are reported in net income in the same period the forecasted transactions being hedged impact net income.

Non-hedge accounting is generally used for “portfolio” level hedging strategies where the terms of the individual hedged items do not meet the strict homogeneity requirements to permit the application of hedge accounting. For non-hedge derivatives, net income includes changes in fair value and accrued periodic settlements, when applicable. With the exception of non-hedge derivatives used for asset replication and non-hedge embedded derivatives, all of the Company’s derivatives are evaluated for their ongoing effectiveness as either accounting hedge or non-hedge derivative financial instruments on at least a quarterly basis.

In connection with the sale of ALIC and certain affiliates in 2021, the sale agreement included a provision related to contingent consideration that may be earned over a ten-year period with the first potential payment date commencing on January 1, 2026 and a final potential payment date of January 1, 2035. The contingent consideration is determined annually based on the average ten-year Treasury rate over the preceding three-year period compared to a designated rate. The contingent consideration meets the definition of a derivative and is accounted for on a fair value basis with periodic changes in fair value reflected in earnings. There are no collateral requirements related to the contingent consideration.

Summary of the volume and fair value positions of derivative instruments as of December 31, 2023

(\$ in millions, except number of contracts)	Balance sheet location	Volume ⁽¹⁾		Fair value, net	Gross asset	Gross liability
		Notional amount	Number of contracts			
Asset derivatives						
Derivatives not designated as accounting hedging instruments						
Interest rate contracts						
Futures	Other assets	n/a	20,479	\$ 2	\$ 2	\$ —
Equity and index contracts						
Options	Other investments	n/a	32	—	—	—
Futures	Other assets	n/a	1,305	1	1	—
Foreign currency contracts						
Foreign currency forwards	Other investments	\$ 278	n/a	(2)	2	(4)
Contingent consideration						
	Other assets	250	n/a	118	118	—
Credit default contracts						
Credit default swaps – buying protection	Other investments	34	n/a	(1)	—	(1)
Total asset derivatives		\$ 562	21,816	\$ 118	\$ 123	\$ (5)
Liability derivatives						
Derivatives not designated as accounting hedging instruments						
Interest rate contracts						
Futures	Other liabilities & accrued expenses	n/a	2,175	\$ (1)	\$ —	\$ (1)
Equity and index contracts						
Futures	Other liabilities & accrued expenses	n/a	980	(1)	—	(1)
Foreign currency contracts						
Foreign currency forwards	Other liabilities & accrued expenses	\$ 306	n/a	(3)	1	(4)
Credit default contracts						
Credit default swaps – buying protection	Other liabilities & accrued expenses	19	n/a	(1)	—	(1)
Total liability derivatives		325	3,155	(6)	\$ 1	\$ (7)
Total derivatives		\$ 887	24,971	\$ 112		

⁽¹⁾ Volume for OTC and cleared derivative contracts is represented by their notional amounts. Volume for exchange traded derivatives is represented by the number of contracts, which is the basis on which they are traded. (n/a = not applicable)

Summary of the volume and fair value positions of derivative instruments as of December 31, 2022

(\$ in millions, except number of contracts)	Balance sheet location	Volume ⁽¹⁾		Fair value, net	Gross asset	Gross liability
		Notional amount	Number of contracts			
Asset derivatives						
Derivatives not designated as accounting hedging instruments						
Interest rate contracts						
Futures	Other assets	n/a	24,380	\$ 3	\$ 3	\$ —
Equity and index contracts						
Futures	Other assets	n/a	343	—	—	—
Foreign currency contracts						
Foreign currency forwards	Other investments	\$ 354	n/a	1	14	(13)
Contingent consideration						
	Other assets	250	n/a	103	103	—
Credit default contracts						
Credit default swaps – buying protection	Other investments	24	n/a	—	1	(1)
Total asset derivatives		\$ 628	24,723	\$ 107	\$ 121	\$ (14)
Liability derivatives						
Derivatives not designated as accounting hedging instruments						
Interest rate contracts						
Futures	Other liabilities & accrued expenses	n/a	1,624	\$ —	\$ —	\$ —
Equity and index contracts						
Futures	Other liabilities & accrued expenses	n/a	1,229	(1)	—	(1)
Foreign currency contracts						
Foreign currency forwards	Other liabilities & accrued expenses	\$ 283	n/a	—	7	(7)
Credit default contracts						
Credit default swaps – buying protection	Other liabilities & accrued expenses	525	n/a	(3)	1	(4)
Total liability derivatives		808	2,853	(4)	\$ 8	\$ (12)
Total derivatives		\$ 1,436	27,576	\$ 103		

⁽¹⁾ Volume for OTC and cleared derivative contracts is represented by their notional amounts. Volume for exchange traded derivatives is represented by the number of contracts, which is the basis on which they are traded. (n/a = not applicable)

Gross and net amounts for OTC derivatives ⁽¹⁾

(\$ in millions)	Gross amount	Offsets			Net amount on balance sheet	Securities collateral (received) pledged	Net amount
		Counter-party netting	Cash collateral (received) pledged				
December 31, 2023							
Asset derivatives	\$ 3	\$ (6)	\$ 4	\$ 1	\$ —	\$ 1	
Liability derivatives	(10)	6	2	(2)	—	(2)	
December 31, 2022							
Asset derivatives	\$ 23	\$ (22)	\$ —	\$ 1	\$ —	\$ 1	
Liability derivatives	(22)	22	(1)	(1)	—	(1)	

⁽¹⁾ All OTC derivatives are subject to enforceable master netting agreements.

Gains (losses) from valuation and settlements reported on derivatives not designated as accounting hedges

(\$ in millions)	Net gains (losses) on investments and derivatives	Accident, health and other policy benefits	Operating costs and expenses	(Loss) income from discontinued operations	Total gain (loss) recognized in net income on derivatives
2023					
Interest rate contracts	\$ (8)	\$ —	\$ —	\$ —	\$ (8)
Equity and index contracts	(32)	—	28	—	(4)
Contingent consideration	—	—	15	—	15
Foreign currency contracts	(14)	—	—	—	(14)
Credit default contracts	(30)	—	—	—	(30)
Other contracts	—	—	(1)	—	(1)
Total	\$ (84)	\$ —	\$ 42	\$ —	\$ (42)
2022					
Interest rate contracts	\$ 737	\$ —	\$ —	\$ —	\$ 737
Equity and index contracts	94	—	(43)	—	51
Contingent consideration	—	—	38	—	38
Foreign currency contracts	47	—	(6)	—	41
Credit default contracts	(4)	—	—	—	(4)
Other contracts	—	—	(1)	—	(1)
Total	\$ 874	\$ —	\$ (12)	\$ —	\$ 862
2021					
Interest rate contracts	\$ 22	\$ —	\$ —	\$ —	\$ 22
Equity and index contracts	(7)	27	45	—	65
Contingent consideration	—	—	—	65	65
Foreign currency contracts	32	—	—	—	32
Credit default contracts	7	—	—	—	7
Total return swaps - fixed income	4	—	—	—	4
Total	\$ 58	\$ 27	\$ 45	\$ 65	\$ 195

The Company manages its exposure to credit risk by utilizing highly rated counterparties, establishing risk control limits, executing legally enforceable master netting agreements (“MNAs”) and obtaining collateral where appropriate. The Company uses MNAs for OTC derivative transactions that permit either party to net payments due for transactions and collateral is either pledged or obtained when certain predetermined exposure limits are exceeded.

OTC cash and securities collateral pledged

(\$ in millions)	December 31, 2023
Pledged by the Company	\$ 6
Pledged to the Company ⁽¹⁾	—

⁽¹⁾ \$5 million of collateral was posted under MNAs for contracts containing credit-risk-contingent provisions that are in a liability provision.

The Company has not incurred any losses on derivative financial instruments due to counterparty nonperformance. Other derivatives, including futures and certain option contracts, are traded on organized exchanges which require margin deposits and guarantee the execution of trades, thereby mitigating any potential credit risk.

Counterparty credit exposure represents the Company’s potential loss if all of the counterparties concurrently fail to perform under the contractual terms of the contracts and all collateral, if any, becomes worthless. This exposure is measured by the fair value of OTC derivative contracts with a positive fair value at the reporting date reduced by the effect, if any, of legally enforceable master netting agreements.

OTC derivatives counterparty credit exposure by counterparty credit rating								
(\$ in millions)								
December 31, 2023								
December 31, 2022								
Rating ⁽¹⁾	Number of counter-parties	Notional amount ⁽²⁾	Credit exposure ⁽²⁾	Exposure, net of collateral ⁽²⁾	Number of counter-parties	Notional amount ⁽²⁾	Credit exposure ⁽²⁾	Exposure, net of collateral ⁽²⁾
A+	—	\$ —	\$ —	\$ —	1	\$ 128	\$ 5	\$ —
A	—	—	—	—	1	192	7	—
Total	—	\$ —	\$ —	\$ —	2	\$ 320	\$ 12	\$ —

⁽¹⁾ Allstate uses the lower of S&P's or Moody's long-term debt issuer ratings.

⁽²⁾ Only OTC derivatives with a net positive fair value are included for each counterparty.

For certain exchange traded and cleared derivatives, margin deposits are required as well as daily cash settlements of margin accounts.

Exchange traded and cleared margin deposits	
(\$ in millions)	
December 31, 2023	
Pledged by the Company	\$ 66
Received by the Company	—

Market risk is the risk that the Company will incur losses due to adverse changes in market rates and prices. Market risk exists for all of the derivative financial instruments the Company currently holds, as these instruments may become less valuable due to adverse changes in market conditions. To limit this risk, the Company's senior management has established risk control limits. In addition, changes in fair value of the derivative financial instruments that the Company uses for risk management purposes are generally offset by the change in the fair value or cash flows of the hedged risk component of the related assets, liabilities or forecasted transactions.

Certain of the Company's derivative transactions contain credit-risk-contingent termination events and cross-default provisions. Credit-risk-contingent termination events allow the counterparties to terminate the derivative agreement or a specific trade on certain dates if AIC's financial strength credit ratings by Moody's or S&P fall below a certain level. Credit-risk-contingent cross-default provisions allow the counterparties to terminate the derivative agreement if the Company defaults by pre-determined threshold amounts on certain debt instruments.

The following table summarizes the fair value of derivative instruments with termination, cross-default or collateral credit-risk-contingent features that are in a liability position, as well as the fair value of assets and collateral that are netted against the liability in accordance with provisions within legally enforceable MNAs.

(\$ in millions)	December 31, 2023	December 31, 2022
Gross liability fair value of contracts containing credit-risk-contingent features	\$ 10	\$ 21
Gross asset fair value of contracts containing credit-risk-contingent features and subject to MNAs	(3)	(11)
Collateral posted under MNAs for contracts containing credit-risk-contingent features	(5)	(10)
Maximum amount of additional exposure for contracts with credit-risk-contingent features if all features were triggered concurrently	\$ 2	\$ —

Off-balance sheet financial instruments

Commitments to invest, commitments to purchase private placement securities, commitments to fund loans, financial guarantees and credit guarantees have off-balance sheet risk because their contractual amounts are not recorded in the Company's Consolidated Statements of Financial Position.

Contractual amounts of off-balance sheet financial instruments		
(\$ in millions)		
As of December 31,		
	2023	2022
Commitments to invest in limited partnership interests	\$ 2,941	\$ 2,778
Private placement commitments	62	114
Other loan commitments	18	10

In the preceding table, the contractual amounts represent the amount at risk if the contract is fully drawn upon, the counterparty defaults and the value of any underlying security becomes worthless. Unless noted otherwise, the Company does not require

collateral or other security to support off-balance sheet financial instruments with credit risk.

Commitments to invest in limited partnership interests represent agreements to acquire new or additional participation in certain limited partnership investments. The Company enters into these

agreements in the normal course of business. Because the investments in limited partnerships are not actively traded, it is not practical to estimate the fair value of these commitments.

Private placement commitments represent commitments to purchase private placement debt and private equity securities at a future date. The Company enters into these agreements in the normal course of business. The fair value of the debt commitments generally cannot be estimated on the date the commitment is made as the terms and conditions of the underlying private placement securities are not yet final. Because the private equity securities are not

actively traded, it is not practical to estimate fair value of the commitments.

Other loan commitments are agreements to lend to a borrower provided there is no violation of any condition established in the contract. The Company enters into these agreements to commit to future loan fundings at predetermined interest rates. Unless unconditionally cancellable, the Company recognizes a credit loss allowance on such commitments. Commitments have either fixed or varying expiration dates or other termination clauses. The fair value of these commitments is insignificant.

Note 8 Variable Interest Entities

Consolidated VIEs, of which the Company is the primary beneficiary, primarily include Adirondack Insurance Exchange, a New York reciprocal insurer, and New Jersey Skylands Insurance Association, a New Jersey reciprocal insurer (together "Reciprocal Exchanges"). The Reciprocal Exchanges are insurance carriers organized as unincorporated associations. The Company does not own the equity of the Reciprocal Exchanges, which is owned by their respective policyholders.

The Company manages the business operations of the Reciprocal Exchanges and has the power to direct their activities that most significantly impact their economic performance. The Company receives a management fee for the services provided to the Reciprocal Exchanges. In addition, as of both December 31, 2023 and 2022, the Company holds interests of \$123 million in the form of surplus notes included in other liabilities and expenses on the Statement of Assets and Liabilities of the Reciprocal Exchanges that provide capital to the Reciprocal Exchanges and would absorb any expected losses.

The Company is therefore the primary beneficiary. In addition, the Company provides quota share reinsurance to the Reciprocal Exchanges.

In the event of dissolution, policyholders would share any residual unassigned surplus but are not subject to assessment for any deficit in unassigned surplus of the Reciprocal Exchanges. The assets of the Reciprocal Exchanges can be used only to settle the obligations of the Reciprocal Exchanges and general creditors have no recourse to the Company.

The results of operations of the Reciprocal Exchanges are included in the Company's Allstate Protection segment and generated \$224 million, \$164 million and \$181 million of earned premiums in 2023, 2022 and 2021, respectively.

Total costs and expenses were \$251 million, \$244 million and \$248 million in 2023, 2022 and 2021, respectively.

Assets and liabilities of Reciprocal Exchanges

(\$ in millions)	December 31, 2023	December 31, 2022
Assets		
Fixed income securities	\$ 267	\$ 302
Short-term investments	7	13
Deferred policy acquisition costs	20	15
Premium installment and other receivables, net	40	43
Reinsurance recoverables, net	111	97
Other assets	54	90
Total assets	499	560
Liabilities		
Reserve for property and casualty insurance claims and claims expense	201	209
Unearned premiums	147	171
Other liabilities and expenses	296	311
Total liabilities	\$ 644	\$ 691

Nonconsolidated VIEs The Company makes investments in limited partnership interests and other alternative investments that may be issued by VIEs. These investments are generally accounted for under the equity method and are reported as limited partnership interests in the Company's Consolidated Statements of Financial Position. The Company does

not take an active role in management of these investments. Therefore, the Company has determined it is not the primary beneficiary as it has no ability to direct activities that could significantly affect the economic performance of the investments. The Company's maximum exposure to loss is limited to the investment carrying value and any unfunded

commitments. Neither the Company's carrying amounts nor the unfunded commitments related to these VIEs are material individually or in the aggregate.

In addition, the Company makes investments in structured securities issued by VIEs for which the Company is not the investment manager. These structured investments typically invest in fixed income securities and are managed by third parties and include ABS and collateralized debt obligations. The Company has not provided financial or other support other than its original investment. For these investments, the Company determined it is not the primary beneficiary due to the relative size of the

Company's investment in comparison to the principal amount of the structured securities issued by the VIEs, the Company's inability to direct the activities that most significantly impact the economic performance of the VIEs, and, where applicable, the level of credit subordination which reduces the Company's obligation to absorb losses or right to receive benefits. The Company's maximum exposure to loss on these investments is limited to the amount of the Company's investment. Neither the Company's carrying amounts nor the unfunded commitments related to these VIEs are material individually or in the aggregate.

Note 9 Reserve for Property and Casualty Insurance Claims and Claims Expense

The Company establishes reserves for claims and claims expense on reported and unreported claims of insured losses. The Company's reserving process considers known facts and interpretations of circumstances and factors including the Company's experience with similar cases, actual claims paid, historical trends involving claim payment patterns and pending levels of unpaid claims, loss management programs, product mix and contractual terms, changes in laws and regulations, judicial decisions, and economic conditions.

When the Company experiences changes in the mix or type of claims or changing claim settlement patterns or data, it applies actuarial judgment in the determination and selection of development factors to develop reserve liabilities. Supply chain disruptions and inflation have resulted in higher part costs, used car values and longer time to claim resolution, which have combined with labor shortages to increase physical damage loss costs. Medical inflation, treatment trends, attorney representation, litigation costs and more severe accidents have contributed to higher third-party bodily injury loss costs. The Company has also digitized and modified claim processes to increase effectiveness and efficiency. These factors may lead to historical development trends being less predictive of future loss development, potentially creating additional reserve variability. Generally, the initial reserves for a new accident year are established based on claim frequency and severity assumptions for different business segments, lines and coverages based on historical relationships to relevant inflation indicators. Reserves for prior accident years are statistically determined using several different actuarial estimation methods. Changes in auto claim frequency may result from changes in mix of business, driving behaviors, miles driven or other factors. Changes in auto current year claim severity are generally influenced by inflation in the medical and auto repair sectors, the effectiveness and efficiency of claim settlements and changes in mix of claim types. When changes in claim data occur, actuarial judgment is used to determine appropriate development factors to establish reserves. The Company's reserving process incorporates changes in loss patterns, operational statistics and changes in claims reporting processes to determine its best estimate of recorded reserves.

As part of the reserving process, the Company may also supplement its claims processes by utilizing third-party adjusters, appraisers, engineers, inspectors, and other professionals and information sources to assess and settle catastrophe and non-catastrophe related claims. The effects of inflation are implicitly considered in the reserving process.

Because reserves are estimates of unpaid portions of losses that have occurred, including IBNR losses, the establishment of appropriate reserves, including reserves for catastrophes, Run-off Property-Liability and reinsurance and indemnification recoverables, is an inherently uncertain and complex process. The ultimate cost of losses may vary materially from recorded amounts, which are based on management's best estimates.

The highest degree of uncertainty is associated with reserves for losses incurred in the initial reporting period as it contains the greatest proportion of losses that have not been reported or settled as well as heightened uncertainty for claims that involve litigation or take longer to settle during periods of rapidly increasing loss costs. The Company also has uncertainty in the Run-off Property-Liability reserves that are based on events long since passed and are complicated by lack of historical data, legal interpretations, unresolved legal issues and legislative intent based on establishment of facts.

The Company regularly updates its reserve estimates as new information becomes available and as events unfold that may affect the resolution of unsettled claims. Changes in reserve estimates, which may be material, are reported in property and casualty insurance claims and claims expense in the Consolidated Statements of Operations in the period such changes are determined.

Management believes that the reserve for property and casualty insurance claims and claims expense, net of recoverables, is appropriately established in the aggregate and adequate to cover the ultimate net cost of reported and unreported claims arising from losses which had occurred by the date of the Consolidated Statements of Financial Position based on available facts, laws and regulations.

Rollforward of reserve for property and casualty insurance claims and claims expense			
(\$ in millions)	2023	2022	2021
Balance as of January 1	\$ 37,541	\$ 33,060	\$ 27,610
Less recoverables ⁽¹⁾	(9,176)	(9,479)	(7,033)
Net balance as of January 1	28,365	23,581	20,577
National General acquisition as of January 4, 2021	—	—	1,797
SafeAuto acquisition as of October 1, 2021	—	—	134
Incurred claims and claims expense related to:			
Current year	40,521	35,523	29,196
Prior years	549	1,741	122
Total incurred	41,070	37,264	29,318
Claims and claims expense paid related to:			
Current year	(23,607)	(20,739)	(18,438)
Prior years	(14,366)	(11,741)	(9,807)
Total paid	(37,973)	(32,480)	(28,245)
Net balance as of December 31	31,462	28,365	23,581
Plus recoverables	8,396	9,176	9,479
Balance as of December 31	\$ 39,858	\$ 37,541	\$ 33,060

⁽¹⁾ Recoverables comprises reinsurance and indemnification recoverables. See Note 11 for further details.

(\$ in millions)	December 31, 2023	
	Incurred	Paid
Allstate Protection		
Auto insurance - liability coverage	\$ 15,752	\$ (13,032)
Auto insurance - physical damage coverage	9,128	(9,290)
Homeowners insurance	9,330	(8,225)
Total auto and homeowners insurance	34,210	(30,547)
Other personal lines	1,827	(1,632)
Commercial lines	784	(951)
Other business lines	148	(206)
Protection Services	533	(522)
Run-off Property-Liability	78	(89)
Unallocated loss adjustment expenses ("ULAE")	3,292	(3,269)
Claims incurred and paid from before 2019	243	(845)
Other ⁽¹⁾	(45)	88
Total	\$ 41,070	\$ (37,973)

⁽¹⁾ Paid and incurred amounts primarily related to the effect of foreign currency translation adjustments.

Incurred claims and claims expense represents the sum of paid losses, claim adjustment expenses and reserve changes in the calendar year. This expense includes losses from catastrophes of \$5.64 billion, \$3.11 billion and \$3.34 billion in 2023, 2022 and 2021, respectively, net of recoverables. Catastrophes are an inherent risk of the property and casualty insurance business that have contributed to, and will continue to contribute to, material year-to-year fluctuations in the Company's results of operations and financial position.

The Company calculates and records a single best reserve estimate for losses from catastrophes, in conformance with generally accepted actuarial standards. As a result, management believes that no other estimate is better than the recorded amount. Due to the uncertainties involved, including the factors described above, the ultimate cost of losses may vary materially from recorded amounts, which are based on management's best estimates.

Prior year reserve reestimates included in claims and claims expense ⁽¹⁾

(\$ in millions)	For the years ended December 31,								
	Non-catastrophe losses			Catastrophe losses			Total		
	2023	2022	2021	2023	2022	2021	2023	2022	2021
Auto	\$ 294	\$ 1,249	\$ 178	\$ (50)	\$ (64)	\$ (29)	\$ 244	\$ 1,185	\$ 149
Homeowners	66	123	31	36	77	(166)	102	200	(135)
Other personal lines	37	(34)	(96)	(18)	2	(11)	19	(32)	(107)
Commercial lines	76	273	116	8	(1)	3	84	272	119
Other business lines	12	(10)	(19)	—	4	1	12	(6)	(18)
Run-off Property-Liability ⁽²⁾	89	125	116	—	—	—	89	125	116
Protection Services	(1)	(3)	(2)	—	—	—	(1)	(3)	(2)
Total prior year reserve reestimates	\$ 573	\$ 1,723	\$ 324	\$ (24)	\$ 18	\$ (202)	\$ 549	\$ 1,741	\$ 122

⁽¹⁾ Favorable reserve reestimates are shown in parentheses.

⁽²⁾ The Company's 2023, 2022 and 2021 annual reserve review, using established industry and actuarial best practices, resulted in unfavorable reestimates of \$80 million, \$118 million and \$111 million, respectively.

The following presents information about incurred and paid claims development as of December 31, 2023, net of recoverables, as well as the cumulative number of reported claims and the total of IBNR reserves plus expected development on reported claims included in the net incurred claims amounts. See Note 2 for the accounting policy and methodology for determining reserves for claims and claims expense, including both reported and IBNR claims. The cumulative number of reported claims is identified by coverage and excludes reported claims for industry pools and facilities where information is not available. The information about incurred and paid claims development for the 2019 to 2023 years, and the average annual percentage payout of incurred claims by age as of December 31, 2023, is presented as required supplementary information.

Auto insurance – liability coverage

(\$ in millions, except number of reported claims)	Incurred claims and allocated claim adjustment expenses, net of recoverables					IBNR reserves plus expected development on reported claims	Cumulative number of reported claims	
	For the years ended December 31,							
Accident year	(unaudited) 2019	(unaudited) 2020	(unaudited) 2021	(unaudited) 2022	(unaudited) 2023	Prior year reserve reestimates	As of December 31, 2023	
2019	\$ 10,377	\$ 10,307	\$ 10,557	\$ 10,729	\$ 10,812	\$ 83	\$ 642	2,569,785
2020	—	8,651	8,631	8,871	8,904	33	997	1,898,342
2021	—	—	10,365	10,851	11,180	329	2,057	2,229,946
2022	—	—	—	13,321	13,263	(58)	4,202	2,401,908
2023	—	—	—	—	15,365	—	10,258	2,283,467
				Total	\$ 59,524	\$ 387		
<i>Reconciliation to total prior year reserve reestimates recognized by line</i>								
						229		
						6		
						—		
						\$ 622		

	Cumulative paid claims and allocated claims adjustment expenses, net of recoverables				
	For the years ended December 31,				
Accident year	(unaudited) 2019	(unaudited) 2020	(unaudited) 2021	(unaudited) 2022	(unaudited) 2023
2019	\$ 3,936	\$ 6,995	\$ 8,530	\$ 9,519	\$ 10,170
2020	—	3,111	5,796	7,089	7,907
2021	—	—	3,589	7,304	9,123
2022	—	—	—	4,424	9,061
2023	—	—	—	—	5,107
				Total	\$ 41,368
				All outstanding liabilities before 2019, net of recoverables	1,368
				Liabilities for claims and claim adjustment expenses, net of recoverables	\$ 19,524

	Average annual percentage payout of incurred claims by age, net of recoverables, as of December 31, 2023				
	1 year	2 years	3 years	4 years	5 years
Auto insurance – liability coverage	36.6 %	29.2 %	13.6 %	8.6 %	5.6 %

Auto insurance – physical damage coverage

(\$ in millions, except number of reported claims)	Incurred claims and allocated claim adjustment expenses, net of recoverables					Prior year reserve reestimates	IBNR reserves plus expected development on reported claims	Cumulative number of reported claims
	For the years ended December 31,							
Accident year	(unaudited) 2019	(unaudited) 2020	(unaudited) 2021	(unaudited) 2022	(unaudited) 2023	As of December 31, 2023		
2019	\$ 6,241	\$ 6,162	\$ 6,121	\$ 6,120	\$ 6,113	\$ (7)	\$ (11)	4,864,602
2020	—	5,484	5,393	5,369	5,359	(10)	(11)	3,989,262
2021	—	—	7,269	7,326	7,269	(57)	(25)	4,567,859
2022	—	—	—	9,286	9,004	(282)	(79)	4,904,706
2023	—	—	—	—	9,484		970	4,591,024
				Total	\$ 37,229	\$ (356)		
<i>Reconciliation to total prior year reserve reestimates recognized by line</i>								
Prior year reserve reestimates for pre-2019 accident years						(5)		
Prior year reserve reestimates for ULAE						(20)		
Other						3		
Total prior year reserve reestimates						\$ (378)		

Accident year	Cumulative paid claims and allocated claims adjustment expenses, net of recoverables				
	For the years ended December 31,				
	(unaudited) 2019	(unaudited) 2020	(unaudited) 2021	(unaudited) 2022	2023
2019	\$ 5,936	\$ 6,132	\$ 6,126	\$ 6,123	\$ 6,124
2020	—	5,119	5,405	5,378	5,370
2021	—	—	6,847	7,351	7,294
2022	—	—	—	8,243	9,083
2023	—	—	—	—	8,514
				Total	\$ 36,385
All outstanding liabilities before 2019, net of recoverables					—
Liabilities for claims and claim adjustment expenses, net of recoverables					\$ 844

Average annual percentage payout of incurred claims by age, net of recoverables, as of December 31, 2023	1 year	2 years	3 years	4 years	5 years
	Auto insurance – physical damage coverage	95.0 %	5.0 %	(0.4)%	(0.1)%

Homeowners insurance

(\$ in millions, except number of reported claims)	Incurred claims and allocated claim adjustment expenses, net of recoverables					Prior year reserve reestimates	IBNR reserves plus expected development on reported claims	Cumulative number of reported claims
	For the years ended December 31,							
Accident year	(unaudited) 2019	(unaudited) 2020	(unaudited) 2021	(unaudited) 2022	(unaudited) 2023	As of December 31, 2023		
2019	\$ 4,694	\$ 4,762	\$ 4,769	\$ 4,781	\$ 4,790	\$ 9	\$ 38	847,160
2020	—	5,626	5,680	5,773	5,824	51	83	977,647
2021	—	—	6,282	6,408	6,468	60	198	989,192
2022	—	—	—	6,537	6,489	(48)	567	784,867
2023	—	—	—	—	9,258		3,469	919,333
				Total	\$ 32,829	\$ 72		
<i>Reconciliation to total prior year reserve reestimates recognized by line</i>								
Prior year reserve reestimates for pre-2019 accident years						29		
Prior year reserve reestimates for ULAE						(17)		
Other						18		
Total prior year reserve reestimates						\$ 102		

	Cumulative paid claims and allocated claims adjustment expenses, net of recoverables				
	For the years ended December 31,				
Accident year	(unaudited) 2019	(unaudited) 2020	(unaudited) 2021	(unaudited) 2022	(unaudited) 2023
2019	\$ 3,414	\$ 4,432	\$ 4,621	\$ 4,699	\$ 4,752
2020	—	4,162	5,423	5,649	5,741
2021	—	—	4,449	6,035	6,270
2022	—	—	—	3,866	5,922
2023	—	—	—	—	5,789
				Total	\$ 28,474
All outstanding liabilities before 2019, net of recoverables					95
Liabilities for claims and claim adjustment expenses, net of recoverables					\$ 4,450

	Average annual percentage payout of incurred claims by age, net of recoverables, as of December 31, 2023				
	1 year	2 years	3 years	4 years	5 years
Homeowners insurance	70.8 %	22.5 %	2.8 %	0.8 %	0.9 %

Reconciliation of the net incurred and paid claims development tables above to the reserve for property and casualty insurance claims and claims expense

(\$ in millions)	As of December 31, 2023
Net outstanding liabilities	
Allstate Protection	
Auto insurance - liability coverage	\$ 19,524
Auto insurance - physical damage coverage	844
Homeowners insurance	4,450
Other personal lines	1,788
Commercial lines	1,745
Other business lines	17
Protection Services	46
Run-off Property-Liability ⁽¹⁾	1,361
ULAE	1,679
Other ⁽²⁾	8
Net reserve for property and casualty insurance claims and claims expense	31,462
Recoverables	
Allstate Protection	
Auto insurance - liability coverage	6,880
Auto insurance - physical damage coverage	22
Homeowners insurance	343
Other personal lines	243
Commercial lines	326
Other business lines	1
Protection Services	14
Run-off Property-Liability	497
ULAE	70
Total recoverables	8,396
Gross reserve for property and casualty insurance claims and claims expense	\$ 39,858

⁽¹⁾ Run-off Property-Liability includes business in run-off with most of the claims related to accident years more than 40 years ago. IBNR reserves represent \$762 million of the total reserves as of December 31, 2023.

⁽²⁾ Primarily related to the unamortized fair value adjustment related to the acquisition of National General.

Note 10 Reserve for Future Policy Benefits and Contractholder Funds

(\$ in millions)	Rollforward of reserve for future policy benefits ⁽¹⁾								
	For the years ended December 31,								
	Accident and health			Traditional life			Total		
	2023	2022	2021	2023	2022	2021	2023	2022	2021
Present value of expected net premiums									
Beginning balance	\$1,464	\$1,785	\$1,575	\$ 238	\$ 254	\$ 204	\$1,702	\$2,039	\$1,779
Beginning balance at original discount rate	1,549	1,604	1,307	246	215	154	1,795	1,819	1,461
Effect of changes in cash flow assumptions	(12)	—	—	34	—	—	22	—	—
Effect of actual variances from expected experience	(10)	(137)	(32)	2	36	(5)	(8)	(101)	(37)
Adjusted beginning balance	1,527	1,467	1,275	282	251	149	1,809	1,718	1,424
Issuances ⁽¹⁾	501	371	620	89	34	83	590	405	703
Interest accrual	69	48	52	11	4	7	80	52	59
Net premiums collected	(360)	(337)	(343)	(52)	(43)	(24)	(412)	(380)	(367)
Ending balance at original discount rate	1,737	1,549	1,604	330	246	215	2,067	1,795	1,819
Effect of changes in discount rate assumptions	(49)	(85)	181	(5)	(8)	39	(54)	(93)	220
Ending balance	1,688	1,464	1,785	325	238	254	2,013	1,702	2,039
Present value of expected future policy benefits									
Beginning balance	2,229	2,796	2,577	524	673	629	2,753	3,469	3,206
Beginning balance at original discount rate	2,316	2,426	2,070	534	511	426	2,850	2,937	2,496
Effect of changes in cash flow assumptions	21	(44)	(2)	30	—	—	51	(44)	(2)
Effect of actual variances from expected experience	(33)	(116)	(5)	1	24	4	(32)	(92)	(1)
Adjusted beginning balance	2,304	2,266	2,063	565	535	430	2,869	2,801	2,493
Issuances ⁽¹⁾	486	360	664	102	42	94	588	402	758
Interest accrual	103	76	80	25	12	21	128	88	101
Benefit payments	(398)	(386)	(381)	(36)	(55)	(34)	(434)	(441)	(415)
Ending balance at original discount rate	2,495	2,316	2,426	656	534	511	3,151	2,850	2,937
Effect of changes in discount rate assumptions	(42)	(87)	370	1	(10)	162	(41)	(97)	532
Ending balance	\$2,453	\$2,229	\$2,796	\$ 657	\$ 524	\$ 673	\$3,110	\$2,753	\$3,469
Net reserve for future policy benefits ⁽²⁾	\$ 765	\$ 765	\$1,011	\$ 332	\$ 286	\$ 419	\$1,097	\$1,051	\$1,430
Less: reinsurance recoverables	81	76	149	2	1	2	83	77	151
Net reserve for future policy benefits, after reinsurance recoverables	\$ 684	\$ 689	\$ 862	\$ 330	\$ 285	\$ 417	\$1,014	\$ 974	\$1,279

⁽¹⁾ 2021 includes assumed business from ALNY and business acquired from National General.

⁽²⁾ Excludes \$250 million, \$271 million, and \$265 million of reserves related to short-duration and other contracts as of December 31, 2023, 2022 and 2021, respectively.

Revenue and interest recognized in the consolidated statements of operations

(\$ in millions)	For the years ended December 31,		
	2023	2022	2021
Revenues ⁽¹⁾			
Accident and health	\$ 814	\$ 838	\$ 872
Traditional life	106	94	55
Total	\$ 920	\$ 932	\$ 927
Interest expense ⁽²⁾			
Accident and health	\$ 34	\$ 28	\$ 28
Traditional life	14	8	14
Total	\$ 48	\$ 36	\$ 42

⁽¹⁾ Total revenues reflects gross premiums used in the calculation for reserve for future policy benefits. Revenues included in Accident and health insurance premiums and contract charges on the Consolidated Statements of Operations reflect premium revenue recognized for traditional life insurance and long-duration and short-duration accident and health insurance contracts.

⁽²⁾ Total interest expense presented as part of Accident, health and other policy benefits on the Consolidated Statements of Operations.

The following table provides the amount of undiscounted and discounted expected gross premiums and expected future benefits and expenses for nonparticipating traditional and limited-payment contracts.

(\$ in millions)	As of December 31,					
	2023		2022		2021	
	Undiscounted	Discounted	Undiscounted	Discounted	Undiscounted	Discounted
Accident and health						
Expected future gross premiums	\$ 5,339	\$ 3,744	\$ 4,919	\$ 3,517	\$ 5,166	\$ 4,369
Expected future benefits and expenses	3,578	2,453	3,243	2,229	3,426	2,796
Traditional life						
Expected future gross premiums	896	623	679	465	614	505
Expected future benefits and expenses	1,301	657	978	524	940	673

Key assumptions used in calculating the reserve for future policy benefits

	As of December 31,			
	Accident and health		Traditional life	
	2023	2022	2023	2022
Weighted-average duration (in years)	4.0	3.6	15.0	13.8
Weighted-average interest rates				
Interest accretion rate (discount rate at contract issuance)	5.83 %	4.97 %	5.41 %	5.56 %
Current discount rate (upper-medium grade fixed income yield)	4.77	4.72	4.97	5.23

Significant assumptions To determine mortality and morbidity assumptions, the Company uses a combination of its historical experience and industry data. Mortality and morbidity are monitored throughout the year. Historical experience is obtained through annual Company experience studies in the third quarter that consider its historical claim patterns. The lapse assumption is determined based on historical lapses of the Company's insurance contracts.

The Company's annual review of the mortality, morbidity and lapse experience assumptions in 2023, 2022, and 2021 resulted in an increase of less than \$1 million, a decrease of \$4 million and a decrease of \$11 million respectively, to the reserve for future policy benefits.

The following table summarizes the ratio of actual to expected experience used in the determination of the reserve for future policy benefits.

Actual to expected experience	As of December 31,			
	Accident and health		Traditional life	
	2023	2022	2023	2022
Mortality	n/a	n/a	95 %	238 %
Morbidity	92 %	94 %	n/a	n/a
Lapses	110 %	112 %	78 %	61 %

n/a = not applicable

Contractholder funds

(\$ in millions)	For the years ended December 31,		
	2023	2022	2021
Contractholder funds activity			
Beginning balance	\$ 879	\$ 890	\$ 857
Deposits	130	133	118
Interest credited	34	32	34
Benefits	(14)	(21)	(41)
Surrenders and partial withdrawals	(21)	(28)	(23)
Contract charges	(119)	(117)	(111)
Other adjustments	(1)	(10)	56
Ending balance	\$ 888	\$ 879	\$ 890
Components of contractholder funds			
Interest-sensitive life insurance	\$ 842	\$ 829	\$ 835
Fixed annuities	46	50	55
Total	\$ 888	\$ 879	\$ 890
Weighted-average crediting rate	4.21 %	4.28 %	4.29 %
Net amount at risk ⁽¹⁾	\$ 11,359	\$ 11,610	\$ 11,682
Cash surrender value	726	719	725

⁽¹⁾ Guaranteed benefit amounts in excess of the current account balances.

Account values: comparison of current crediting rate to guaranteed minimum crediting rate ⁽¹⁾

(\$ in millions)	At guaranteed minimum	1-50 basis points above	Total
Range of guaranteed minimum crediting rates			
December 31, 2023			
Less than 3.00%	\$ —	\$ —	\$ —
3.00% - 3.49%	—	30	30
3.50% - 3.99%	11	—	11
4.00% - 4.49%	434	—	434
4.50% - 4.99%	262	—	262
5.00% or greater	67	—	67
Non-account balances ⁽²⁾			84
Total	\$ 774	\$ 30	\$ 888
December 31, 2022			
Less than 3.00%	\$ —	\$ —	\$ —
3.00% - 3.49%	—	16	16
3.50% - 3.99%	12	—	12
4.00% - 4.49%	429	—	429
4.50% - 4.99%	267	—	267
5.00% or greater	69	—	69
Non-account balances ⁽²⁾			86
Total	\$ 777	\$ 16	\$ 879

⁽¹⁾ Difference, in basis points, between rates being credited to contractholders and the respective guaranteed minimum crediting rates.

⁽²⁾ Non-account balances include unearned revenue and amounts related to policies where a claim is either in the course of settlement or IBNR. A claim on a life insurance policy results in the accrual of interest at a rate and over a period of time that is specified by state insurance regulations.

Accident and health short-duration contracts

The following presents information about incurred and paid claims development as of December 31, 2023, net of recoverables, as well as the cumulative number of reported claims and the total of IBNR reserves plus expected development on reported claims included in the net incurred claims amounts. See Note 2 for the accounting policy and methodology for determining reserves for future policy benefits, including both reported and IBNR claims. The Company's accident and health claims are counted by claim number assigned to each claimant per illness, injury or death, regardless of number of services rendered for each incident. Claims closed without payment are not included in the cumulative number of reported accident and health claims. The information about incurred and paid claims development for the 2019 to 2023 years, and the average annual percentage payout of incurred claims by age as of December 31, 2023, is presented as required supplementary information.

Group and individual accident and health

(\$ in millions, except number of reported claims)	Incurred claims and allocated claim adjustment expenses, net of recoverables					IBNR reserves plus expected development on reported claims	Cumulative number of reported claims
	For the years ended December 31,						
Accident year	(unaudited) 2019	(unaudited) 2020	(unaudited) 2021	(unaudited) 2022	2023		
2019	\$ 257	\$ 239	\$ 242	\$ 242	\$ 242	\$ —	313,017
2020	—	297	293	294	291	1	415,364
2021	—	—	424	420	415	2	677,649
2022	—	—	—	437	402	8	587,462
2023	—	—	—	—	476	164	413,651
				Total	\$ 1,826		
Cumulative paid claims and allocated claims adjustment expenses, net of recoverables							
For the years ended December 31,							
Accident year	(unaudited) 2019	(unaudited) 2020	(unaudited) 2021	(unaudited) 2022	2023		
2019	\$ 158	\$ 234	\$ 242	\$ 242	\$ 242		
2020	—	184	284	290	290		
2021	—	—	272	408	414		
2022	—	—	—	275	393		
2023	—	—	—	—	312		
				Total	\$ 1,651		
All outstanding liabilities before 2019, net of recoverables							—
Liabilities for claims and claim adjustment expenses, net of recoverables							\$ 175

Reconciliation of the net incurred and paid claims development tables above to the reserve for future policy benefits

(\$ in millions)	As of December 31, 2023
Net outstanding liabilities	
Group and individual accident and health short-duration contracts	\$ 175
Long-duration accident and health insurance	684
Long-duration traditional life insurance	330
Other contracts ⁽¹⁾	29
ULAE	9
Net reserve for future policy benefits	1,227
Recoverables	
Group and individual accident and health short-duration contracts	37
Other accident and health short-duration contracts	—
Insurance lines other than short-duration	83
ULAE	—
Gross reserve for future policy benefits	\$ 1,347

⁽¹⁾ Other includes short-duration contracts related to employer voluntary benefits and other contracts.

Average annual percentage payout of incurred claims by age, net of recoverables, as of December 31, 2023

	1 year	2 years	3 years	4 years	5 years
Group and individual accident and health	64.2 %	33.1 %	2.0 %	0.5 %	0.2 %

Note 11 Reinsurance and Indemnification**Effects of reinsurance and indemnification on property and casualty premiums written and earned and accident and health insurance premiums and contract charges**

(\$ in millions)	For the years ended December 31,		
	2023	2022	2021
Property and casualty insurance premiums written			
Direct	\$ 54,632	\$ 50,065	\$ 45,523
Assumed	396	245	213
Ceded	(2,018)	(1,824)	(1,736)
Property and casualty insurance premiums written, net of recoverables	\$ 53,010	\$ 48,486	\$ 44,000
Property and casualty insurance premiums earned			
Direct	\$ 52,301	\$ 47,552	\$ 43,944
Assumed	358	221	178
Ceded	(1,989)	(1,869)	(1,904)
Property and casualty insurance premiums earned, net of recoverables	\$ 50,670	\$ 45,904	\$ 42,218
Accident and health insurance premiums and contract charges			
Direct	\$ 1,865	\$ 1,838	\$ 1,892
Assumed	28	31	21
Ceded	(47)	(37)	(79)
Accident and health insurance premiums and contract charges, net of recoverables	\$ 1,846	\$ 1,832	\$ 1,834

Effects of reinsurance ceded and indemnification programs on property and casualty insurance claims and claims expense and accident, health and other policy benefits

(\$ in millions)	For the years ended December 31,		
	2023	2022	2021
Property and casualty insurance claims and claims expense ⁽¹⁾	\$ (633)	\$ (1,600)	\$ (3,484)
Accident, health and other policy benefits	(44)	15	(91)

⁽¹⁾ Includes approximately \$39 million of ceded losses related to the Nationwide Reinsurance Program for 2023.

Reinsurance and indemnification recoverables, net

(\$ in millions)	As of December 31,	
	2023	2022
Property and casualty		
Paid and due from reinsurers and indemnitors	\$ 254	\$ 291
Unpaid losses estimated (including IBNR)	8,396	9,176
Total property and casualty	\$ 8,650	\$ 9,467
Accident and health insurance	159	152
Total	\$ 8,809	\$ 9,619

Rollforward of credit loss allowance for reinsurance recoverables

(\$ in millions)	For the years ended December 31,	
	2023	2022
Property and casualty ^{(1) (2)}		
Beginning balance	\$ (62)	\$ (66)
Increase in the provision for credit losses	(1)	(5)
Write-offs	1	9
Ending balance	\$ (62)	\$ (62)
Accident and health insurance		
Beginning balance	\$ (3)	\$ (8)
Decrease/(Increase) in the provision for credit losses	—	5
Write-offs	—	—
Ending Balance	\$ (3)	\$ (3)

⁽¹⁾ Primarily related to Run-off Property-Liability reinsurance ceded.

⁽²⁾ Indemnification recoverables are considered collectible based on the industry pool and facility enabling legislation.

Property and casualty reinsurance and indemnifications recoverables

Property and casualty programs are grouped by the following characteristics:

1. Indemnification programs - industry pools, facilities or associations that are governed by state insurance statutes or regulations or the federal government.
2. Catastrophe reinsurance programs - reinsurance protection for catastrophe exposure nationwide and by specific states, as applicable.
3. Other reinsurance programs - reinsurance protection for asbestos, environmental and other liability exposures as well as commercial lines, including shared economy.

Property and casualty reinsurance is in place for the Allstate Protection, Run-off lines and Protection Services segments. The Company purchases reinsurance after evaluating the financial condition of the reinsurer as well as the terms and price of coverage.

Indemnification programs The Company participates in state-based industry pools or facilities mandating participation by insurers offering certain coverage in their state, including the Michigan Catastrophic Claims Association (“MCCA”), the New Jersey Property-Liability Insurance Guaranty Association (“PLIGA”), the North Carolina Reinsurance Facility (“NCRF”) and the Florida Hurricane Catastrophe Fund (“FHCF”). When the Company pays qualifying claims under the coverage indemnified by a state’s pool or facility, the Company is reimbursed for the qualifying claim losses and expenses. Each state pool or facility may assess participating companies to collect sufficient amounts to meet its total indemnification requirements. The enabling legislation for each state’s pool or facility compels the pool or facility only to indemnify participating companies for qualifying claim losses and expenses; the state pool or facility does not underwrite the coverage or take on the ultimate risk of the indemnified business. As a pass through, these pools or facilities manage the receipt of assessments paid by participating companies and payment of indemnified amounts for covered claims presented by participating companies. The Company has not had any credit losses related to these indemnification programs.

State-based industry pools or facilities

Michigan Catastrophic Claims Association The MCCA is a statutory indemnification mechanism for member insurers’ qualifying personal injury protection claims paid for the unlimited lifetime medical benefits above the applicable retention level for qualifying injuries from automobile, motorcycle and commercial vehicle accidents. Indemnification recoverables on paid and unpaid claims, including IBNR, as of December 31, 2023 and 2022 include \$6.42 billion and \$6.72 billion, respectively, from the MCCA for its indemnification obligation.

The MCCA is funded by annually assessing participating member companies actively writing motor vehicle coverage in Michigan on a per vehicle basis that is currently \$122 per vehicle insured for unlimited personal injury protection (“PIP”) coverage and \$48 per vehicle for other PIP coverage. The MCCA’s calculation of the annual assessment is based upon the total of members’ actuarially determined present value of expected payments on lifetime claims by all persons expected to be catastrophically injured in that year and ultimately qualify for MCCA reimbursement, its operating expenses, and adjustments for the amount of excesses or deficiencies in prior assessments. The assessment is incurred by the Company as policies are written and recovered as a component of premiums from the Company’s customers.

The MCCA indemnifies qualifying claims of all current and former member companies (whether or not actively writing motor vehicle coverage in Michigan) for qualifying claims and claims expenses incurred while the member companies were actively writing the mandatory PIP coverage in Michigan. Member companies actively writing automobile coverage in Michigan include the MCCA annual assessments in determining the level of premiums to charge insureds in the state.

As required for member companies by the MCCA, the Company reports covered paid and unpaid claims to the MCCA when estimates of loss for a reported claim are expected to exceed the retention level, the claims involve certain types of severe injuries, or there are litigation demands received suggesting the claim value exceeds certain thresholds. The retention level is adjusted upward every other MCCA fiscal year by the lesser of 6% or the increase in the consumer price index. The retention level is \$635 thousand per claim for the fiscal two-years ending June 30, 2025 compared to \$600 thousand per claim for the fiscal two-years ending June 30, 2023.

The MCCA is obligated to fund the ultimate liability of member companies’ qualifying claims and claim expenses. The MCCA does not underwrite the insurance coverage or hold any underwriting risk.

The MCCA indemnifies members as qualifying claims are paid and billed by members to the MCCA. Unlimited lifetime covered losses result in significant levels of ultimate incurred claim reserves being recorded by member companies along with offsetting indemnification recoverables. Disputes with claimants over coverage on certain reported claims can result in additional losses, which may be recoverable from the MCCA, excluding litigation expenses. There is currently no method by which insurers are able to obtain the benefit of managed care programs to reduce claims costs through the MCCA.

The MCCA annual assessments fund current operations and member company reimbursements. The MCCA prepares statutory-basis financial statements in conformity with accounting practices prescribed or permitted by the State of Michigan Department of Insurance and Financial Services (“MI

DOI”). The MI DOI has granted the MCCA a statutory permitted practice that expires in June 30, 2025 to discount its liabilities for loss and loss adjustment expense. As of June 30, 2023, the date of its most recent annual financial report, the MCCA had cash and invested assets of \$21.58 billion and an accumulated deficit of \$2.05 billion. The permitted practice reduced the accumulated deficit by \$44.95 billion. As a result of this deficit, the assessment includes an increase of \$48 per passenger and commercial vehicle and motorcycle insured beginning July 1, 2023, with varying assessments for commercial fleet and historical vehicles.

New Jersey Property-Liability Insurance Guaranty Association PLIGA serves as the statutory administrator of the Unsatisfied Claim and Judgment Fund (“UCJF”), Workers’ Compensation Security Fund and the New Jersey Surplus Lines Insurance Guaranty Fund.

In addition to its insolvency protection responsibilities, PLIGA reimburses insurers for unlimited excess medical benefits (“EMBs”) paid in connection with PIP claims in excess of \$75,000 for policies issued or renewed prior to January 1, 1991, and limited EMB claims in excess of \$75,000 and capped at \$250,000 for policies issued or renewed on or after January 1, 1991, to December 31, 2003.

A significant portion of the incurred claim reserves and the recoverables can be attributed to a small number of catastrophic claims. Assessments paid to PLIGA for the EMB program totaled \$7 million in 2023. The amounts of paid and unpaid recoverables as of December 31, 2023 and 2022 were \$326 million and \$330 million, respectively.

PLIGA annually assesses all admitted property and casualty insurers writing covered lines in New Jersey for PLIGA indemnification and expenses. PLIGA assessments may be recouped as a surcharge on premiums collected. PLIGA does not ultimately retain underwriting risk as it assesses member companies for their expected qualifying losses to provide funding for payment of its indemnification obligation to member companies for their actual losses. As a pass through, PLIGA facilitates these transactions of receipt of assessments paid by member companies and payment to member companies for covered claims presented by them for indemnification. As of December 31, 2022, the date of its most recent annual financial report, PLIGA had a fund balance of \$271 million.

As statutory administrator of the UCJF, PLIGA provides compensation to qualified claimants for personal injury protection, bodily injury, or death caused by private passenger automobiles operated by uninsured or “hit and run” drivers. The UCJF also provides private passenger pedestrian personal injury protection benefits when no other coverage is available.

PLIGA annually collects a UCJF assessment from all admitted property and casualty insurers writing motor vehicle liability insurance in New Jersey for UCJF indemnification and expenses. UCJF assessments can

be expensed as losses recoverable in rates as appropriate. As of December 31, 2022, the date of its most recent annual financial report, the UCJF fund had a balance of \$71 million.

North Carolina Reinsurance Facility The NCRF provides automobile liability insurance to drivers that private market insurers are not otherwise willing to insure. All insurers licensed to write automobile insurance in North Carolina are members of the NCRF. Premiums, losses and expenses are assigned to the NCRF. North Carolina law allows the NCRF to recoup operating losses for certain insureds through a surcharge to policyholders. As of September 30, 2023, the NCRF reported a deficit of \$122 million in members’ equity. The NCRF implemented a loss recoupment surcharge on all private passenger and commercial fleet policies effective October 1, 2023, through March 31, 2024. Member companies are assessed the recoupment surcharge. The loss recoupment surcharge will be adjusted on April 1, 2024 and discontinued once losses are recovered. The NCRF results are shared by the member companies in proportion to their respective North Carolina automobile liability writings. For the fiscal year ending September 30, 2023, net gain was \$25 million, including \$1.2 billion of earned premiums, \$364 million of certain private passenger auto risk recoupment and \$153 million of member loss recoupments. As of December 31, 2023, the NCRF recoverables on paid claims is \$83 million and recoverables on unpaid claims is \$299 million. Paid recoverable balances, if covered, are typically settled within sixty days of monthly filing.

Florida Hurricane Catastrophe Fund Allstate subsidiaries Castle Key Insurance Company (“CKIC”) and Castle Key Indemnity Company (“CKI”, and together with CKIC, “Castle Key”) participate in the mandatory coverage provided by the FHCF and therefore have access to reimbursement for certain qualifying Florida hurricane losses from the FHCF. Castle Key has exposure to assessments and pays annual premiums to the FHCF for this reimbursement protection. The FHCF has the authority to issue bonds to pay its obligations to participating insurers in excess of its capital balances. Payment of these bonds is funded by emergency assessments on all property and casualty premiums in the state, except workers’ compensation, medical malpractice, accident and health insurance and policies written under the National Flood Insurance Program (“NFIP”). The FHCF emergency assessments are limited to 6% of premiums per year beginning the first year in which reimbursements require bonding, and up to a total of 10% of premiums per year for assessments in the second and subsequent years, if required to fund additional bonding. The FHCF has not issued an emergency assessment since 2015.

Annual premiums earned and paid under the FHCF agreement were \$28 million, \$24 million and \$15 million in 2023, 2022 and 2021, respectively. Commuted contracts related to Hurricane Irma resulted in payments to the Company of \$6 million in 2023. Qualifying losses were \$74 million and \$13 million in 2022 and 2021, respectively. The Company has access

to reimbursement provided by the FHCF for 90% of qualifying personal property losses that exceed its current retention of \$152 million for the two largest hurricanes and \$51 million for other hurricanes, up to a maximum total of \$312 million, effective from June 1, 2023 to May 31, 2024. The amounts recoverable from the FHCF totaled \$82 million and \$96 million as of December 31, 2023 and 2022, respectively.

Federal Government - National Flood Insurance Program NFIP is a program administered by the Federal Emergency Management Agency (“FEMA”) whereby the Company sells and services NFIP flood insurance policies as an agent of FEMA and receives fees for its services. The Company is fully indemnified for claims and claim expenses and does not retain any ultimate risk for the indemnified business. The federal government is obligated to pay all claims and certain allocated loss adjustment expenses in accordance with the arrangement.

Congressional authorization for the NFIP is periodically evaluated and may be subjected to freezes, including when the federal government experiences a shutdown. FEMA has a NFIP reinsurance program to manage the future exposure of the NFIP through the transfer of risk to private reinsurance companies and capital market investors. Congress is evaluating the funding of the program as well as considering reforms to the program that would be incorporated in legislation to reauthorize the NFIP. As of September 30, 2023, the NFIP owes \$20.5 billion to the U.S. Treasury.

The amounts recoverable as of December 31, 2023 and 2022 were \$76 million and \$145 million, respectively. Premiums earned under the NFIP include \$327 million, \$319 million and \$350 million in 2023, 2022 and 2021, respectively. Qualifying losses incurred include \$102 million, \$435 million and \$267 million in 2023, 2022 and 2021, respectively.

Catastrophe reinsurance The Company’s reinsurance program is designed to provide reinsurance protection for catastrophes resulting from multiple perils including hurricanes, windstorms, hail, tornadoes, winter storms, wildfires, earthquakes and fires following earthquakes.

- The Company purchases reinsurance from traditional reinsurance companies as well as the insurance-linked securities (“ILS”) market.
- The majority of the Company’s program comprises multi-year contracts, primarily placed in the traditional reinsurance market, such that generally one-third of the program is renewed every year.
- Coverage is generally purchased on a broad geographic, product line and multiple peril loss basis.
- Florida personal lines property is covered by a separate agreement, as the risk of loss is different and the Company’s subsidiaries operating in this state are separately capitalized.
- When applicable, reinsurance reinstatement premiums are recognized in the same period as

the loss event that gave rise to the reinstatement premium and are recorded in claims and claims expense in the consolidated statements of operations.

The Company’s current catastrophe reinsurance program supports the Company’s risk and return framework which is intended to provide shareholders with an acceptable return on the risks assumed in the property business, and to reduce variability of earnings, while providing protection to customers. This framework incorporates the Company’s robust economic capital model and is informed by catastrophe risk models including hurricanes, earthquakes and wildfires and adjusts based on premium and insured value growth. The Company’s reinsurance agreements are part of its capital models and its catastrophe risk management strategy. As of December 31, 2023, the modeled 1-in-100 probable maximum loss for hurricane, earthquake and wildfire perils is approximately \$2.5 billion, net of reinsurance. The Company continually reviews its aggregate risk appetite and the cost and availability of reinsurance to optimize the risk and return profile of this exposure. The following catastrophe reinsurance agreements are in effect as of December 31, 2023.

The Nationwide Excess Catastrophe Reinsurance Program (the “Nationwide Program”) provides coverage up to \$6.92 billion of loss less retention of \$500 million to \$750 million, and is subject to the percentage of reinsurance placed in each of its agreements. Property business in the state of Florida is excluded from this program. Separate reinsurance agreements address the distinct needs of separately capitalized legal entities. The Nationwide Program includes reinsurance agreements with both the traditional and ILS markets as described below:

- *Core traditional market multi-year and per occurrence excess agreements* provide limits totaling \$4.69 billion for catastrophe losses arising out of multiple perils and are comprised of the following:
 - \$3.58 billion of placed limits exhausting at \$4.25 billion, with one annual reinstatement:
 - 31.6% of the coverage is provided in four multi-year contracts attaching at \$500 million.
 - 31.7% of the coverage is provided in five multi-year contracts with the first \$250 million in excess of \$500 million retained by Allstate.
 - 31.7% of the coverage is provided in one single-year contract providing \$250 million of placed limit in excess of a \$750 million retention and four multi-year contracts attaching at \$1.00 billion.
 - Three single-year contracts providing coverage between \$1.75 billion and \$4.25 billion, 4% placed.

- Two single-year contracts providing \$500 million of limits in excess of a \$4.25 billion retention, one 95% placed and one 4% placed.
- \$105 million of placed limits in excess of a \$4.75 billion retention and \$131 million of placed limits in excess of a \$5.54 billion retention, both with a 5% co-participation and one reinstatement of limits over its eight-year term.
- \$375 million of placed limits in single-year placements filling capacity around the multi-year and ILS placements:
 - One contract providing \$95 million of placed limits in excess of a \$4.75 billion retention, with two limits available in any one contract year.
 - One contract providing \$260 million of placed limits in excess of a \$4.75 billion retention, with no annual reinstatement.
 - One contract providing \$20 million of placed limits in excess of a \$6.82 billion retention, with no annual reinstatement.
- *ILS placements* provide \$1.80 billion of placed limits, with no reinstatement of limits, and are comprised of the following:
 - Six contracts providing occurrence coverage of \$1.05 billion of placed limits, reinsuring losses in all states except Florida caused by named storms, earthquakes and fire following earthquakes, severe weather, wildfires, and other naturally occurring or man-made events determined to be a catastrophe by the Company.
 - Three contracts providing occurrence and aggregate coverage of \$425 million of placed limits, also provide that for each annual period beginning April 1, Allstate declared catastrophes to personal lines property and automobile business can be aggregated to erode the aggregate retention and qualify for coverage under the aggregate limits. Recoveries are limited to the ultimate net loss from the reinsured event.
 - Two contracts, providing aggregate coverage of \$325 million of placed limits.

Florida program The Florida program provides coverage for property policies of CKIC and certain affiliate companies for Florida catastrophe events up to \$1.66 billion of a billion of losses less a \$40 million retention. The Florida program includes reinsurance agreements placed in the traditional market, the FHCF, the Florida Reinsurance to Assist Policyholders Program (“RAP”) and the ILS market as follows:

- Traditional market placements comprise reinsurance limits for losses to personal lines property in Florida arising out of multiple perils. These contracts provide a combined \$695 million of limits, with a portion of the traditional market

placements providing coverage for perils not covered by the FHCF and RAP contracts, which only cover hurricanes.

- Three FHCF contracts provide \$330 million of limits for qualifying losses to personal lines property in Florida caused by storms the National Hurricane Center declares to be hurricanes. The three contracts are 90% placed.
- Three RAP contracts provide \$49 million of limits for qualifying losses to personal lines property in Florida caused by storms the National Hurricane Center declares to be hurricanes. The three contracts are 90% placed.
- ILS placements provide \$620 million of reinsurance limits for qualifying losses to personal lines property in Florida caused by a named storm event, a severe weather event, an earthquake event, a fire event, a volcanic eruption event, or a meteorite impact event.

National General Lender Services Standalone Program is placed in the traditional market and provides \$255 million of coverage, subject to a \$60 million retention, with one reinstatement of limits. Inuring contracts include the National General Florida Hurricane Catastrophe Fund contract providing \$64 million of limits in excess of a \$33 million retention, 90% placed, and the National General RAP Contract providing \$10 million of limits in excess of a \$24 million retention, 90% placed.

National General Reciprocal Excess Catastrophe Reinsurance Contracts are placed in the traditional market and provide \$600 million of coverage, subject to a \$20 million retention, with one reinstatement of limits.

Kentucky Earthquake Excess Catastrophe Reinsurance Contract is placed in the traditional market and provides two limits of \$28 million, subject to a \$2 million retention with one reinstatement of limits.

Canada Catastrophe Excess of Loss Reinsurance Contract is placed in the traditional market and provides CAD 255 million of placed limits, subject to a CAD 75 million retention, with one reinstatement of limits.

The Company has not experienced credit losses on its catastrophe reinsurance programs. The total cost of the property catastrophe reinsurance program was \$1.02 billion, \$788 million and \$556 million in 2023, 2022 and 2021, respectively.

Other reinsurance programs The Company’s other reinsurance programs relate to commercial lines, including shared economy, and asbestos, environmental, and other liability exposures. The largest reinsurance recoverable balance the Company had outstanding was \$180 million from Lloyd’s of London as of December 31, 2023 and 2022. These programs also include reinsurance recoverables of \$113 million and \$183 million from Aleka Insurance Inc. as of December 31, 2023 and 2022, respectively.

Note 12 Deferred Policy Acquisition Costs**Deferred policy acquisition costs activity**

(\$ in millions)	Accident and health insurance long-duration contracts			Accident and health insurance short-duration contracts	Property and casualty	Total
	Accident and health	Traditional life	Interest-sensitive life			
Year ended December 31, 2023						
Beginning balance	\$ 322	\$ 79	\$ 101	\$ 26	\$ 4,914	\$ 5,442
Acquisition costs deferred	100	33	16	13	7,614	7,776
Amortization charged to income	(73)	(21)	(14)	(10)	(7,128)	(7,246)
Experience adjustment	(28)	(1)	(3)	—	—	(32)
Ending balance	\$ 321	\$ 90	\$ 100	\$ 29	\$ 5,400	\$ 5,940
Year ended December 31, 2022						
Beginning balance	\$ 339	\$ 47	\$ 90	\$ 17	\$ 4,245	\$ 4,738
Acquisition costs deferred	88	40	27	16	7,167	7,338
Amortization charged to income	(77)	(7)	(15)	(7)	(6,498)	(6,604)
Experience adjustment	(28)	(1)	(1)	—	—	(30)
Ending balance	\$ 322	\$ 79	\$ 101	\$ 26	\$ 4,914	\$ 5,442
Year ended December 31, 2021						
Beginning balance	\$ 333	\$ 32	\$ 97	\$ 10	\$ 3,304	\$ 3,776
Acquisitions ⁽¹⁾	3	—	—	—	321	324
Acquisition costs deferred	93	26	14	13	6,728	6,874
Amortization charged to income	(64)	(10)	(17)	(6)	(6,108)	(6,205)
Experience adjustment	(26)	(1)	(4)	—	—	(31)
Ending balance	\$ 339	\$ 47	\$ 90	\$ 17	\$ 4,245	\$ 4,738

⁽¹⁾ Represents value of business acquired from National General and SafeAuto.

Note 13 Capital Structure

Total debt outstanding

(\$ in millions)	As of December 31,	
	2023	2022
Floating Rate Senior Notes, due 2023 ⁽¹⁾	\$ —	\$ 250
3.150% Senior Notes, due 2023 ⁽²⁾	—	500
6.750% Senior Notes due 2024 ^{(2) (4)}	350	350
0.750% Senior Notes, due 2025 ⁽²⁾	600	600
3.280% Senior Notes, due 2026 ⁽²⁾	550	550
Due in one year through five years	1,500	2,250
1.450% Senior Notes, due 2030 ⁽²⁾	600	600
6.125% Senior Notes, due 2032 ⁽²⁾	159	159
5.250% Senior Notes due 2033 ⁽²⁾	750	—
5.350% Senior Notes due 2033 ⁽²⁾	323	323
Due after five years through ten years	1,832	1,082
5.550% Senior Notes due 2035 ⁽²⁾	546	546
5.950% Senior Notes, due 2036 ⁽²⁾	386	386
6.900% Senior Debentures, due 2038	165	165
5.200% Senior Notes, due 2042 ⁽²⁾	62	62
4.500% Senior Notes, due 2043 ⁽²⁾	500	500
4.200% Senior Notes, due 2046 ⁽²⁾	700	700
3.850% Senior Notes, due 2049 ⁽²⁾	500	500
Floating Rate Subordinated Debentures, due 2053 ⁽³⁾	500	500
Floating Rate Subordinated Debentures, due 2053 ⁽³⁾	800	800
6.500% Junior Subordinated Debentures, due 2067	500	500
Due after ten years	4,659	4,659
Long-term debt total principal	7,991	7,991
Fair value adjustments ⁽⁴⁾	7	26
Debt issuance costs	(56)	(53)
Total long-term debt	7,942	7,964
Short-term debt ⁽⁵⁾	—	—
Total debt	\$ 7,942	\$ 7,964

⁽¹⁾ 2023 Floating Rate Senior Notes were not redeemable prior to the applicable maturity dates and bear interest at a floating rate equal to three-month LIBOR, reset quarterly on each interest reset date, plus 0.63% per year.

⁽²⁾ Senior Notes are subject to redemption at the Company's option in whole or in part at any time at the greater of either 100% of the principal amount plus accrued and unpaid interest to the redemption date or the discounted sum of the present values of the remaining scheduled payments of principal and interest and accrued and unpaid interest to the redemption date.

⁽³⁾ 2053 Subordinated Debentures became floating rate in 2023.

⁽⁴⁾ Debt acquired as part of the National General acquisition completed on January 4, 2021.

⁽⁵⁾ The Company classifies any borrowings which have a maturity of twelve months or less at inception as short-term debt.

Debt maturities

Debt maturities for each of the next five years and thereafter (excluding issuance costs and other)	
(\$ in millions)	
2024	\$ 350
2025	600
2026	550
2027	—
2028	—
Thereafter	6,491
Total long-term debt principal	\$ 7,991

Repayment of debt On March 29, 2023, the Company repaid, at maturity, \$250 million of Floating Rate Senior Notes that bear interest at a floating rate equal to three-month London Interbank Offered Rate

("LIBOR") plus 0.63% per year. On June 15, 2023, the Company repaid, at maturity, \$500 million of 3.15% Senior Notes.

Issuance of debt On March 31, 2023, the Company issued \$750 million of 5.250% Senior Notes due 2033. Interest on the Senior Notes is payable semi-annually in arrears on March 30 and September 30 of each year, beginning on September 30, 2023. The Senior Notes are redeemable at any time at the applicable redemption price prior to the maturity date. The net proceeds of this issuance were used to repay the \$500 million senior debt maturity and for general corporate purposes.

LIBOR-linked debt The administrator of LIBOR ceased the publication of the U.S. dollar ("USD") LIBOR settings on June 30, 2023. LIBOR was used as a

benchmark or reference rate for Subordinated Debentures that the Company has issued.

Subordinated Debentures The Subordinated Debentures allow for the use of an alternative methodology to determine the interest rate if LIBOR is no longer available. The Federal Reserve Board adopted a final rule that implemented the Adjustable Interest Rate (LIBOR) Act on December 16, 2022. This guidance impacts the alternative rate methodology utilized by the Subordinated Debentures.

Both Subordinated Debentures replaced the three-month LIBOR with the CME Term SOFR Reference Rate published for a three-month tenor plus a spread adjustment of 0.26161% effective for interest paid under the terms of each of the Subordinated Debentures after June 30, 2023, as shown in the table below.

Interest rates for LIBOR-linked debt		
	5.100%	5.750%
	Subordinated Debentures, due 2053	Subordinated Debentures, due 2053
(\$ in millions)		
Debt outstanding	\$ 500	\$ 800
Dividend accrual date ⁽¹⁾	July 15, 2023	August 15, 2023
Rate following commencement date	3-month SOFR + 3.165% + 0.26161%	3-month SOFR + 2.938% + 0.26161%

⁽¹⁾ First dividend accrual date following the last published three-month LIBOR rate on June 30, 2023.

The Subordinated Debentures may be redeemed (i) in whole at any time or in part from time to time on or after January 15, 2023 for the 5.100% Subordinated Debentures and August 15, 2023 for the 5.750% Subordinated Debentures at their principal amount plus accrued and unpaid interest to, but excluding, the date of redemption; provided that if the Subordinated Debentures are not redeemed in whole, at least \$25 million aggregate principal amount must remain outstanding, or (ii) in whole, but not in part, prior to January 15, 2023 for the 5.100% Subordinated Debentures and August 15, 2023 for the 5.750% Subordinated Debentures, within 90 days after the occurrence of certain tax and rating agency events, at their principal amount or, if greater, a make-whole redemption price, plus accrued and unpaid interest to, but excluding, the date of redemption. The 5.750% Subordinated Debentures have this make-whole redemption price provision only when a reduction of equity credit assigned by a rating agency has occurred.

Interest on the 5.100% Subordinated Debentures was payable quarterly at the stated fixed annual rate to January 14, 2023, or any earlier redemption date, and then at an annual rate equal to the three-month LIBOR plus 3.165%. Interest on the 5.750% Subordinated Debentures was payable semi-annually at the stated fixed annual rate to August 14, 2023, or any earlier redemption date, and then quarterly at an annual rate equal to the three-month LIBOR plus 2.938%.

Junior Subordinated Debentures As of December 31, 2023, the Company had outstanding \$500 million of Series A 6.500% Fixed-to-Floating Rate Junior Subordinated Debentures (“Junior Subordinated Debentures”). The scheduled maturity date for the Debentures is May 15, 2057 with a final maturity date of May 15, 2067. The Junior Subordinated Debentures may be redeemed (i) in whole or in part, at any time on or after May 15, 2037 at the principal amount plus accrued and unpaid interest to the date of redemption, or (ii) in certain circumstances, in whole or in part, prior to May 15, 2037 at the principal amount plus accrued and unpaid interest to the date of redemption or, if greater, a make-whole price.

Interest on the Junior Subordinated Debentures is payable semi-annually at the stated fixed annual rate to May 15, 2037, and then payable quarterly at an annual rate equal to the three-month LIBOR plus 2.120%. The LIBOR Act guidance impacted the alternative rate methodology utilized by the Debentures. The Junior Subordinated Debentures replaced the three-month LIBOR with the CME Term SOFR Reference Rate published for a three-month tenor plus a spread adjustment of 0.26161%. The Company may elect at one or more times to defer payment of interest on the Junior Subordinated Debentures for one or more consecutive interest periods that do not exceed 10 years. Interest compounds during such deferral periods at the rate in effect for each period. The interest deferral feature obligates the Company in certain circumstances to issue common stock or certain other types of securities if it cannot otherwise raise sufficient funds to make the required interest payments. The Company has reserved 75 million shares of its authorized and unissued common stock to satisfy this obligation.

The terms of the Subordinated Debentures and Junior Subordinated Debentures prohibit the Company from declaring or paying any dividends or distributions on common or preferred stock or redeeming, purchasing, acquiring, or making liquidation payments on common stock or preferred stock if the Company has elected to defer interest payments on the Subordinated Debentures or Junior Subordinated Debentures, respectively, subject to certain limited exceptions.

In connection with the issuance of the Junior Subordinated Debentures, the Company entered into a replacement capital covenant (“RCC”). This covenant was not intended for the benefit of the holders of the Junior Subordinated Debentures and could not be enforced by them. Rather, it was for the benefit of holders of one or more other designated series of the Company’s indebtedness (“covered debt”), currently the \$800 million Floating Rate Subordinated Debentures due in 2053. Pursuant to the RCC, the Company has agreed that it will not repay, redeem, or purchase the Junior Subordinated Debentures on or before May 15, 2067 (or such earlier date on which the RCC terminates by its terms) unless, subject to certain limitations, the Company has received net cash proceeds in specified amounts from the sale of common stock or certain other qualifying securities.

The promises and covenants contained in the RCC will not apply if (i) S&P upgrades the Company's issuer credit rating to A or above, (ii) the Company redeems the Junior Subordinated Debentures due to a tax event, (iii) after notice of redemption has been given by the Company and a market disruption event occurs preventing the Company from raising proceeds in accordance with the RCC, or (iv) the Company repurchases or redeems up to 10% of the outstanding principal of the Junior Subordinated Debentures in any one-year period, provided that no more than 25% will be so repurchased, redeemed or purchased in any ten-year period.

The RCC terminates in 2067. The RCC will terminate prior to its scheduled termination date if (i) the Junior Subordinated Debentures are no longer outstanding and the Company has fulfilled its obligations under the RCC or it is no longer applicable, (ii) the holders of a majority of the then-outstanding principal amount of the then-effective series of covered debt consent to agree to the termination of the RCC, (iii) the Company does not have any series of outstanding debt that is eligible to be treated as covered debt under the RCC, (iv) the Junior Subordinated Debentures are accelerated as a result of an event of default, (v) certain rating agency or change in control events occur, (vi) S&P, or any successor thereto, no longer assigns a solicited rating on senior debt issued or guaranteed by the Company, or (vii) the termination of the RCC would have no effect on the equity credit provided by S&P with respect to the Junior Subordinated Debentures. An event of default, as defined by the supplemental indenture, includes default in the payment of interest or principal and bankruptcy proceedings.

Other capital resources To manage short-term liquidity, the Company maintains a commercial paper program and a credit facility as a potential source of funds. In November, 2020, the Company entered into a new unsecured revolving credit facility agreement with a borrowing limit of \$750 million. In November 2022, the maturity date was extended to November 2027 and the USD benchmark rate was amended from LIBOR to SOFR. This facility contains an increase provision that would allow up to an additional \$500 million of borrowing. This facility has a financial covenant requiring the Company not to exceed a 37.5% debt to capitalization ratio as defined in the agreement. Although the right to borrow under the facility is not subject to a minimum rating requirement, the costs of maintaining the facility and borrowing under it are based on the ratings of the Company's senior unsecured, unguaranteed long-term debt. The total amount outstanding at any point in time under

the combination of the commercial paper program and the credit facility cannot exceed the amount that can be borrowed under the credit facility. No amounts were outstanding under the credit facility as of December 31, 2023 or 2022. The Company had no commercial paper outstanding as of December 31, 2023 or 2022.

The Company paid \$355 million, \$323 million and \$321 million of interest on debt in 2023, 2022 and 2021, respectively.

The Company had \$209 million and \$371 million of investment-related debt that is reported in other liabilities and accrued expenses as of December 31, 2023 and 2022, respectively.

During 2021, the Company filed a universal shelf registration statement with the Securities and Exchange Commission ("SEC") that expires in 2024. The registration statement covers an unspecified amount of securities and can be used to issue debt securities, common stock, preferred stock, depositary shares, warrants, stock purchase contracts, stock purchase units and securities of trust subsidiaries.

Common stock The Company had 900 million shares of issued common stock of which 262 million shares were outstanding and 638 million shares were held in treasury as of December 31, 2023. In 2023, the Company acquired 3 million shares at an average cost of \$118.18 and reissued 2 million net shares under equity incentive plans.

Preferred stock All outstanding preferred stock represents noncumulative perpetual preferred stock with a \$1.00 par value per share and a liquidation preference of \$25,000 per share.

Redemption of preferred stock On April 17, 2023, the Company redeemed all 23,000 shares of Fixed Rate Noncumulative Preferred Stock, Series G, par value \$1.00 per share and liquidation preference amount of \$25,000 per share, and the corresponding depositary shares for a total redemption payment of \$575 million. The Company recognized \$18 million of original issuance costs in preferred stock dividends on the Consolidated Statements of Operations and Consolidated Statements of Shareholders' Equity.

Issuance of preferred stock On May 18, 2023, the Company issued 24,000 shares of Fixed Rate Noncumulative Preferred Stock, Series J, par value \$1.00 per share and liquidation preference amount of \$25,000 per share, and the corresponding depositary shares for gross proceeds of \$600 million.

Total preferred stock outstanding

	As of December 31,		Aggregate liquidation preference (\$ in millions)		Dividend rate	Dividend per depository share ⁽¹⁾			Aggregate dividend payment (\$ in millions)		
	2023	2022	2023	2022		2023	2022	2021	2023	2022	2021
	Series G ⁽²⁾	—	23,000	\$ —		\$ 575.0	5.625 %	\$0.70	\$1.41	\$1.41	\$ 16 ⁽³⁾
Series H	46,000	46,000	1,150.0	1,150.0	5.100 %	1.28	1.28	1.28	59	59	59
Series I	12,000	12,000	300.0	300.0	4.750 %	1.19	1.19	1.19	14	14	14
Series J	24,000	—	600.0	—	7.375 %	0.75	—	—	18	—	—
National General Series ⁽⁴⁾									—	—	9
Total	82,000	81,000	\$ 2,050	\$ 2,025					\$ 107	\$ 105	\$ 114

⁽¹⁾ Each depository share represents a 1/1,000th interest in a share of preferred stock.

⁽²⁾ On April 17, 2023, the Company redeemed all outstanding shares of Preferred Stock Series G.

⁽³⁾ Excludes \$18 million related to original issuance costs in preferred stock dividends on the Consolidated Statements of Operations and Consolidated Statements of Shareholders' Equity as a result of the preferred stock redemptions.

⁽⁴⁾ On February 2, 2021 and July 15, 2021, the Company redeemed all outstanding shares of National General Series A, B and D, and National General Preferred Stock Series C, respectively.

The preferred stock ranks senior to the Company's common stock with respect to the payment of dividends and liquidation rights. The Company will pay dividends on the preferred stock on a noncumulative basis only when, as and if declared by the Company's board of directors (or a duly authorized committee of the board) and to the extent that the Company has legally available funds to pay dividends. If dividends are declared on the preferred stock, they will be payable quarterly in arrears at an annual fixed rate. Dividends on the preferred stock are not cumulative. Accordingly, in the event dividends are not declared on the preferred stock for payment on any dividend payment date, then those dividends will cease to be payable. If the Company has not declared a dividend before the dividend payment date for any dividend period, the Company has no obligation to pay dividends for that dividend period, whether or not dividends are declared for any future dividend period. No dividends may be paid or declared on the Company's common stock and no shares of the Company's common stock may be repurchased unless the full dividends for the latest completed dividend period on the preferred stock have been declared and paid or provided for.

The preferred stock does not have voting rights except with respect to certain changes in the terms of the preferred stock, in the case of certain dividend nonpayments, certain other fundamental corporate events, mergers or consolidations and as otherwise provided by law. If and when dividends have not been declared and paid in full for at least six quarterly dividend periods or their equivalent (whether or not consecutive), the authorized number of directors then constituting the Company's board of directors will be increased by two. The holders of the preferred stock, together with the holders of all other affected classes and series of voting parity stock, voting as a single class, will be entitled to elect the two additional members of the board of directors of the Company, subject to certain conditions. The board of directors

shall at no time have more than two preferred stock directors.

The preferred stock is perpetual and has no maturity date. The preferred stock is redeemable at the Company's option in whole or in part, on or after October 15, 2024 for Series H, January 15, 2025 for Series I and July 15, 2028 for Series J at a redemption price of \$25,000 per share, plus declared and unpaid dividends. Prior to October 15, 2024 for Series H, January 15, 2025 for Series I and July 15, 2028 for Series J, the preferred stock is redeemable at the Company's option, in whole but not in part, within 90 days after the occurrence of certain regulatory capital events at a redemption price equal to \$25,000 per share or within 90 days after the occurrence of a certain rating agency event at a redemption price equal to \$25,500 per share, plus declared and unpaid dividends for Series H, I and J, respectively.

Note 14 Company Restructuring

The Company undertakes various programs to reduce expenses. These programs generally involve a reduction in staffing levels, and in certain cases, office closures. Restructuring and related charges primarily include the following costs related to these programs:

- *Employee* - severance and relocation benefits
- *Exit* - contract termination penalties and real estate costs primarily related to accelerated amortization of right-of-use assets and related leasehold improvements at facilities to be vacated

The expenses related to these activities are included in the Consolidated Statements of Operations as restructuring and related charges and totaled \$169 million, \$51 million and \$170 million in 2023, 2022 and 2021, respectively.

Restructuring expenses in 2023 primarily relate to implementing actions to streamline the organization and outsource operations, and real estate costs related to facilities being vacated. The Company continues to identify ways to improve operating efficiency and reduce cost which may result in additional restructuring charges in the future.

Organizational transformation

(\$ in millions)	
Expected program charges	\$ 95
2023 expenses	(91)
Remaining program charges	\$ 4

These charges are primarily recorded in the Allstate Protection segment. The actions related to the organizational transformation component of the Transformative Growth plan are substantially complete as of December 31, 2023.

Restructuring activity during the period

(\$ in millions)	Employee costs	Exit costs	Total liability
Restructuring liability as of December 31, 2022	\$ 27	\$ 7	\$ 34
Expense incurred	104	71	175
Adjustments to liability	—	(6)	(6)
Payments and non-cash charges	(91)	(71)	(162)
Restructuring liability as of December 31, 2023	\$ 40	\$ 1	\$ 41

As of December 31, 2023, the cumulative amount incurred to date for active programs related to employee severance, relocation benefits and exit expenses totaled \$103 million for employee costs and \$76 million for exit costs.

Note 15 Commitments, Guarantees and Contingent Liabilities

Shared markets and state facility assessments

The Company is required to participate in assigned risk plans, reinsurance facilities and joint underwriting associations in various states that provide insurance coverage to individuals or entities that otherwise are unable to purchase such coverage from private insurers.

The Company routinely reviews its exposure to assessments from these plans, facilities and government programs. Underwriting results related to these arrangements, which tend to be adverse, have been immaterial to the Company's results of operations in the last three years. Because of the Company's participation, it may be exposed to losses that surpass the capitalization of these facilities or assessments from these facilities.

Florida Citizens Castle Key is subject to assessments from Citizens Property Insurance Corporation in the state of Florida ("FL Citizens"), which was initially created by the state of Florida to provide insurance to property owners unable to obtain coverage in the private insurance market. FL Citizens, at the discretion and direction of its Board of Governors, can levy a regular assessment on assessable insurers and assessable insureds for a deficit in any calendar year up to a maximum of the

greater of: 2% of the projected deficit or 2% of the aggregate statewide direct written premium for the prior calendar year. The base of assessable insurers includes all property and casualty premiums in the state, except workers' compensation, medical malpractice, accident and health insurance and policies written under the NFIP. An insurer may recoup a regular assessment through a surcharge to policyholders. In order to recoup this assessment, an insurer must file for a policy surcharge with the Florida Office of Insurance Regulation at least fifteen days prior to imposing the surcharge on policies. If a deficit remains after the regular assessment, FL Citizens can also levy emergency assessments in the current and subsequent years. Companies are required to collect the emergency assessments directly from residential property policyholders and remit to FL Citizens as collected. Currently, the emergency assessment is zero for all policies issued or renewed on or after July 1, 2015.

Louisiana Citizens Louisiana Citizens Property Insurance Corporation ("LA Citizens") can levy a regular assessment on participating companies for a deficit in any calendar year up to a maximum of the greater of 10% of the calendar year deficit or 10% of Louisiana direct property premiums industry-wide for the prior calendar year. If the plan year deficit exceeds the

amount that can be recovered through regular assessments, LA Citizens may fund the remaining deficit by issuing revenue assessment bonds in the capital markets. LA Citizens then declares emergency assessments each year to provide debt service on the bonds until they are retired. Companies writing assessable lines must surcharge their policyholders emergency assessments in the percentage established annually by LA Citizens and must remit amounts collected to the bond trustee on a quarterly basis. Emergency assessments to pay off bonds issued in 2007 for the hurricanes of 2005 will continue until 2025.

Facilities such as FL Citizens and LA Citizens are generally designed so that the ultimate cost is borne by policyholders; however, the exposure to assessments from these facilities and the availability of recoupments or premium rate increases may not offset each other in the Company's financial statements. Moreover, even if they do offset each other, they may not offset each other in financial statements for the same fiscal period due to the ultimate timing of the assessments and recoupments or premium rate increases, as well as the possibility of policies not being renewed in subsequent years.

California Earthquake Authority Exposure to certain potential losses from earthquakes in California is limited by the Company's participation in the California Earthquake Authority ("CEA"), which provides insurance for California earthquake losses. The CEA is a privately-financed, publicly-managed state agency created to provide insurance coverage for earthquake damage. Insurers selling homeowners insurance in California are required to offer earthquake insurance to their customers either through their company or by participation in the CEA. The Company's homeowners policies continue to include coverages for losses caused by explosions, theft, glass breakage and fires following an earthquake, which are not underwritten by the CEA.

As of October 31, 2023, the CEA's capital balance was approximately \$6.00 billion. Should losses arising from an earthquake cause a deficit in the CEA, an additional \$2.10 billion would be obtained from the proceeds of revenue bonds the CEA may issue, an existing \$9.30 billion reinsurance layer, \$1.00 billion from policy surcharge, and finally, if needed, assessments on participating insurance companies. Participating insurers are required to pay an assessment, currently estimated not to exceed \$1.70 billion, if the capital of the CEA falls below \$350 million. Within the limits previously described, the assessment could be intended to restore the CEA's capital to a level of \$350 million. There is no provision that allows insurers to recover assessments through a premium surcharge or other mechanism. The CEA's projected aggregate claim paying capacity is \$20.10 billion as of October 31, 2023 and if an event were to result in claims greater than its capacity, affected policyholders may be paid a prorated portion of their covered losses, paid on an installment basis, or no payments may be made if the claim paying capacity of the CEA is insufficient.

All future assessments on participating CEA insurers are based on their CEA insurance market share as of December 31 of the preceding year. As of December 31, 2023, the Company's market share was 8.5%. The Company's market share will increase 0.3% with the addition of National General as a participating CEA insurer in 2023. At the current level, the Company's maximum possible CEA assessment was \$141 million during 2023. These amounts are re-evaluated by the board of directors of the CEA on an annual basis. Accordingly, assessments from the CEA for a particular quarter or annual period may be material to the results of operations and cash flows, but not the financial position of the Company. Management believes the Company's exposure to earthquake losses in California has been significantly reduced as a result of its participation in the CEA.

Texas Windstorm Insurance Association The Company participates as a member of the Texas Windstorm Insurance Association ("TWIA"), which provides wind and hail property coverage to coastal risks unable to procure coverage in the voluntary market. Wind and hail coverage is written on a TWIA-issued policy. TWIA follows a funding structure first utilizing currently available funds set aside from current and prior years. Under the current law, to the extent losses exceed premiums received from policyholders, TWIA utilizes a combination of reinsurance, TWIA issued securities, as well as member and policyholder assessments to fund loss payments.

Any assessments from TWIA for a particular quarter or annual period may be material to the results of operations and cash flows, but not to the financial position of the Company.

North Carolina Joint Underwriters Association The North Carolina Joint Underwriters Association ("NCJUA") was created to provide property insurance for properties, other than the state's beach and coastal areas, that insurers are not otherwise willing to insure. All insurers licensed to write property insurance in North Carolina are members of the NCJUA. Premiums, losses and expenses of the NCJUA are shared by the member companies in proportion to their respective North Carolina property insurance writings. Member companies participate in plan deficits or surpluses based on their participation ratios, which are determined annually. The Company had a \$7 million receivable from the NCJUA at December 31, 2023 representing its participation in the NCJUA's surplus of \$10 million for all open years.

North Carolina Insurance Underwriting Association The North Carolina Insurance Underwriting Association ("NCIU") provides property insurance, including windstorm and hail coverage, for properties located in the state's beach and coastal areas that insurers are not otherwise willing to insure. All insurers licensed to write residential and commercial property insurance in North Carolina are members of the NCIU. Members are assessed in proportion to their North Carolina residential and commercial property insurance writings, which is determined annually and varies by coverage, for plan deficits. As of December 31, 2023,

the NCIUA had a surplus of \$1.03 billion. No member company is entitled to the distribution of any portion of the NCIUA's surplus. The Company does not recognize any interest related to this surplus. Legislation in 2009 capped insurers' assessments for losses incurred in any calendar year at \$1.00 billion. Subsequent to an industry assessment of \$1.00 billion, if the plan continues to require funding, it may authorize insurers to assess a 10% catastrophe recovery charge on each property insurance policy statewide to be remitted to the plan.

Other programs The Company is also subject to assessments by the NCRF and the FHCF, which are described in Note 11.

Guaranty funds

Under state insurance guaranty fund laws, insurers doing business in a state can be assessed, up to prescribed limits, for certain obligations of insolvent insurance companies to policyholders and claimants. Amounts assessed to each company are typically related to its proportion of business written in each state. The Company's policy is to accrue assessments when the entity for which the insolvency relates has met its state of domicile's statutory definition of insolvency, the amount of the loss is reasonably estimable and the related premium upon which the assessment is based is written. In most states, the definition is met with a declaration of financial insolvency by a court of competent jurisdiction. In certain states there must also be a final order of liquidation. Since most states allow a credit against premium or other state related taxes for assessments, an asset is recorded based on paid and accrued assessments for the amount the Company expects to recover on the respective state's tax return and is realized over the period allowed by each state. As of December 31, 2023 and 2022, the liability balance included in other liabilities and accrued expenses was \$23 million and \$29 million, respectively. The related premium tax offsets included in other assets were \$5 million and \$6 million as of December 31, 2023 and 2022, respectively.

Guarantees

In the normal course of business, the Company provides standard indemnifications to contractual counterparties in connection with numerous transactions, including acquisitions and divestitures. The types of indemnifications typically provided include indemnifications for breaches of representations and warranties, taxes and certain other liabilities, such as third-party lawsuits. The indemnification clauses are often standard contractual terms and are entered into in the normal course of business based on an assessment that the risk of loss would be remote. The terms of the indemnifications vary in duration and nature. In many cases, the maximum obligation is not explicitly stated and the contingencies triggering the obligation to indemnify have not occurred and are not expected to occur. Consequently, the maximum amount of the obligation under such indemnifications is not determinable.

Historically, the Company has not made any material payments pursuant to these obligations.

Related to the sale of ALNY on October 1, 2021, AIC agreed to indemnify Wilton Reassurance Company in connection with certain representations, warranties and covenants of AIC, and certain liabilities specifically excluded from the transaction, subject to specific contractual limitations regarding AIC's maximum obligation. Management does not believe these indemnifications will have a material effect on results of operations, cash flows or financial position of the Company.

Related to the sale of ALIC and Allstate Assurance Company on November 1, 2021, AIC and Allstate Financial Insurance Holdings Corporation (collectively, the "Sellers") agreed to indemnify Everlake US Holdings Company in connection with certain representations, warranties and covenants of the Sellers, and certain liabilities specifically excluded from the transaction, subject to specific contractual limitations regarding the Sellers' maximum obligation. Management does not believe these indemnifications will have a material effect on results of operations, cash flows or financial position of the Company.

The aggregate liability balance related to all guarantees was not material as of December 31, 2023.

Regulation and compliance

The Company is subject to extensive laws, regulations, administrative directives, and regulatory actions. From time to time, regulatory authorities or legislative bodies seek to influence and restrict premium rates, require premium refunds to policyholders, require reinstatement of terminated policies, prescribe rules or guidelines on how affiliates compete in the marketplace, restrict the ability of insurers to cancel or non-renew policies, require insurers to continue to write new policies or limit their ability to write new policies, limit insurers' ability to change coverage terms or to impose underwriting standards, impose additional regulations regarding agency and broker compensation, regulate the nature of and amount of investments, impose fines and penalties for unintended errors or mistakes, impose additional regulations regarding cybersecurity and privacy, and otherwise expand overall regulation of insurance products and the insurance industry. In addition, the Company is subject to laws and regulations administered and enforced by federal agencies, international agencies, and other organizations, including but not limited to the Securities and Exchange Commission ("SEC"), the Financial Industry Regulatory Authority, the U.S. Equal Employment Opportunity Commission, and the U.S. Department of Justice. The Company has established procedures and policies to facilitate compliance with laws and regulations, to foster prudent business operations, and to support financial reporting. The Company routinely reviews its practices to validate compliance with laws and regulations and with internal procedures and policies. As a result of these reviews, from time to time the Company may decide to modify some of its procedures and policies. Such

modifications, and the reviews that led to them, may be accompanied by payments being made and costs being incurred. The ultimate changes and eventual effects of these actions on the Company's business, if any, are uncertain.

Legal and regulatory proceedings and inquiries

The Company and certain subsidiaries are involved in a number of lawsuits, regulatory inquiries, and other legal proceedings arising out of various aspects of its business.

Background These matters raise difficult and complicated factual and legal issues and are subject to many uncertainties and complexities, including the underlying facts of each matter; novel legal issues; variations between jurisdictions in which matters are being litigated, heard, or investigated; changes in assigned judges; differences or developments in applicable laws and judicial interpretations; judges reconsidering prior rulings; the length of time before many of these matters might be resolved by settlement, through litigation, or otherwise; adjustments with respect to anticipated trial schedules and other proceedings; developments in similar actions against other companies; the fact that some of the lawsuits are putative class actions in which a class has not been certified and in which the purported class may not be clearly defined; the fact that some of the lawsuits involve multi-state class actions in which the applicable law(s) for the claims at issue is in dispute and therefore unclear; and the challenging legal environment faced by corporations and insurance companies.

The outcome of these matters may be affected by decisions, verdicts, and settlements, and the timing of such decisions, verdicts, and settlements, in other individual and class action lawsuits that involve the Company, other insurers, or other entities and by other legal, governmental, and regulatory actions that involve the Company, other insurers, or other entities. The outcome may also be affected by future state or federal legislation, the timing or substance of which cannot be predicted.

In the lawsuits, plaintiffs seek a variety of remedies which may include equitable relief in the form of injunctive and other remedies and monetary relief in the form of contractual and extra-contractual damages. In some cases, the monetary damages sought may include punitive or treble damages. Often specific information about the relief sought, such as the amount of damages, is not available because plaintiffs have not requested specific relief in their pleadings. When specific monetary demands are made, they are often set just below a state court jurisdictional limit in order to seek the maximum amount available in state court, regardless of the specifics of the case, while still avoiding the risk of removal to federal court. In Allstate's experience, monetary demands in pleadings bear little relation to the ultimate loss, if any, to the Company.

In connection with regulatory examinations and proceedings, government authorities may seek various

forms of relief, including penalties, restitution, and changes in business practices. The Company may not be advised of the nature and extent of relief sought until the final stages of the examination or proceeding.

Accrual and disclosure policy The Company reviews its lawsuits, regulatory inquiries, and other legal proceedings on an ongoing basis and follows appropriate accounting guidance when making accrual and disclosure decisions. The Company establishes accruals for such matters at management's best estimate when the Company assesses that it is probable that a loss has been incurred and the amount of the loss can be reasonably estimated. The Company does not establish accruals for such matters when the Company does not believe both that it is probable that a loss has been incurred and the amount of the loss can be reasonably estimated. The Company's assessment of whether a loss is reasonably possible or probable is based on its assessment of the ultimate outcome of the matter following all appeals. The Company does not include potential recoveries in its estimates of reasonably possible or probable losses. Legal fees are expensed as incurred.

The Company continues to monitor its lawsuits, regulatory inquiries, and other legal proceedings for further developments that would make the loss contingency both probable and estimable, and accordingly accruable, or that could affect the amount of accruals that have been previously established. There may continue to be exposure to loss in excess of any amount accrued. Disclosure of the nature and amount of an accrual is made when there have been sufficient legal and factual developments such that the Company's ability to resolve the matter would not be impaired by the disclosure of the amount of accrual.

When the Company assesses it is reasonably possible or probable that a loss has been incurred, it discloses the matter. When it is possible to estimate the reasonably possible loss or range of loss above the amount accrued, if any, for the matters disclosed, that estimate is aggregated and disclosed. Disclosure is not required when an estimate of the reasonably possible loss or range of loss cannot be made.

For certain of the matters described below in the "Claims related proceedings" and "Other proceedings" subsections, the Company is able to estimate the reasonably possible loss or range of loss above the amount accrued, if any. In determining whether it is possible to estimate the reasonably possible loss or range of loss, the Company reviews and evaluates the disclosed matters, in conjunction with counsel, in light of potentially relevant factual and legal developments.

These developments may include information learned through the discovery process, rulings on dispositive motions, settlement discussions, information obtained from other sources, experience from managing these and other matters, and other rulings by courts, arbitrators or others. When the Company possesses sufficient appropriate information to develop an estimate of the reasonably possible loss or range of loss above the amount accrued, if any, that estimate is aggregated and disclosed below. There

may be other disclosed matters for which a loss is probable or reasonably possible, but such an estimate is not possible. Disclosure of the estimate of the reasonably possible loss or range of loss above the amount accrued, if any, for any individual matter would only be considered when there have been sufficient legal and factual developments such that the Company's ability to resolve the matter would not be impaired by the disclosure of the individual estimate.

The Company currently estimates that the aggregate range of reasonably possible loss in excess of the amount accrued, if any, for the disclosed matters where such an estimate is possible is zero to \$56 million, pre-tax. This disclosure is not an indication of expected loss, if any. Under accounting guidance, an event is "reasonably possible" if "the chance of the future event or events occurring is more than remote but less than likely" and an event is "remote" if "the chance of the future event or events occurring is slight." This estimate is based upon currently available information and is subject to significant judgment and a variety of assumptions and known and unknown uncertainties. The matters underlying the estimate will change from time to time, and actual results may vary significantly from the current estimate. The estimate does not include matters or losses for which an estimate is not possible. Therefore, this estimate represents an estimate of possible loss only for certain matters meeting these criteria. It does not represent the Company's maximum possible loss exposure. Information is provided below regarding the nature of all of the disclosed matters and, where specified, the amount, if any, of plaintiff claims associated with these loss contingencies.

Due to the complexity and scope of the matters disclosed in the "Claims related proceedings" and "Other proceedings" subsections below and the many uncertainties that exist, the ultimate outcome of these matters cannot be predicted and in the Company's judgment, a loss, in excess of amounts accrued, if any, is not probable. In the event of an unfavorable outcome in one or more of these matters, the ultimate liability may be in excess of amounts currently accrued, if any, and may be material to the Company's operating results or cash flows for a particular quarterly or annual period. However, based on information currently known to it, management believes that the ultimate outcome of all matters described below, as they are resolved over time, is not likely to have a material effect on the financial position of the Company.

Claims related proceedings The Company is managing various disputes in Florida that raise challenges to the Company's practices, processes, and procedures relating to claims for personal injury protection benefits under Florida auto policies. Medical providers continue to pursue litigation under various theories that challenge the amounts that the Company pays under the personal injury protection coverage, seeking additional benefit payments, as well as applicable interest, penalties and fees. There is a pending lawsuit, *Revival Chiropractic v. Allstate Insurance Company, et al.* (M.D. Fla. filed January 2019; appeal pending, Eleventh Circuit Court of Appeals),

where the federal district court denied class certification and plaintiff's request to file a renewed motion for class certification. In *Revival*, on June 2, 2022, the Eleventh Circuit certified to the Florida Supreme Court Allstate's appeal of the federal district court's interpretation of the state personal injury protection statute. The Eleventh Circuit is holding determination on plaintiff's class certification appeal pending the outcome of the Florida Supreme Court certification. The oral argument before the Florida Supreme Court was on March 8, 2023. The Company is also defending litigation involving individual plaintiffs.

The Company is defending putative class actions in various courts that raise challenges to the Company's depreciation practices in homeowner property claims. In these lawsuits, plaintiffs generally allege that, when calculating actual cash value, the costs of "non-materials" such as labor, general contractor's overhead and profit, and sales tax should not be subject to depreciation. The Company is currently defending the following lawsuits on this issue: *Sims, et al. v. Allstate Fire and Casualty Insurance Company, et al.* (W.D. Tex. filed June 2022); *Thompson, et al. v. Allstate Insurance Company* (Circuit Court of Cole Co., Mo. filed June 2022); *Hill v. Allstate Vehicle and Property Insurance Company* (Circuit Court of Cole Co., Mo. filed October 2022); *Tabuga v. Allstate Vehicle and Property Insurance Company* (D. Md. filed April 2023); and *Hernandez v. Allstate Vehicle and Property Insurance Company* (D. Ariz. filed April 2023) (the Shumway plaintiff was substituted with Hernandez). No classes have been certified in any of these matters.

The Company is defending putative class actions pending in multiple states alleging that the Company underpays total loss vehicle physical damage claims on auto policies. The alleged systematic underpayments result from the following theories: (a) the third-party valuation tool used by the Company as part of a comprehensive adjustment process is allegedly flawed, biased, or contrary to applicable law; and/or (b) the Company allegedly does not pay sales tax, title fees, registration fees, and/or other specified fees that are allegedly mandatory under policy language or state legal authority.

The Company is currently defending the following lawsuits: *Kronenberg v. Allstate Insurance Company and Allstate Fire and Casualty Insurance Company* (E.D.N.Y. filed December 2018); *Durgin v. Allstate Property and Casualty Insurance Company* (W.D. La. filed June 2019); *Golla v. Allstate Insurance Company* (N.D. Ohio filed June 2023); *Bibbs v. Allstate Insurance Company and Allstate Fire and Casualty Insurance Company* (N.D. Ohio filed August 2023); *Hail v. Allstate Property and Casualty Insurance Company* (State Court of Habersham Co., Ga. filed December 2023); and *Katz v. Esurance Property and Casualty Insurance Company and National General Insurance Company* (E.D.N.Y. filed February 2024). No classes have been certified in any of these matters.

Settlements in principle have been reached in the following cases: *Bass v. Imperial Fire and Casualty Insurance Company* (W.D. La. filed February 2022); and

Cummings v. Allstate Property and Casualty Insurance Company (M.D. La. filed April 2022).

The Company is defending putative class actions in Arizona federal court that are alleging underpayment of uninsured/underinsured motorist claims. The lawsuits are *Dorazio v. Allstate Fire and Casualty Insurance Company* (D. Ariz. filed December 2022) and *Loughran v. MIC General Insurance Corporation* (D. Ariz. filed December 2022). The plaintiffs allege that uninsured/underinsured motorist coverages must be stacked where the defendants allegedly did not include specified policy language and did not provide specified notice to policyholders. No classes have been certified in these matters. In July 2023, the Arizona Supreme Court issued a ruling in *Franklin v. CSAA General Insurance*, a matter involving another insurer. The *Franklin* decision held, under the factual circumstances of that case, that stacking of uninsured/underinsured motorist coverages was required because the insurer did not include specified policy language and did not issue specified notice.

The Company is currently defending its insureds against plaintiffs' bodily injury lawsuit stemming from a 2018 automobile accident, *Equihua v. Chausse and Nash* (Superior Court of Los Angeles Co., Cal. filed Jan. 2019). On August 18, 2021, a jury returned a verdict against the insureds. The Company then moved to intervene in the lawsuit on September 9, 2021 and together with the insureds, sought to vacate the judgment and to obtain a new trial. On November 2, 2021, the trial court denied the post-trial motions to vacate the judgment and for a new trial and the Company's motion to intervene. The Company and the insureds subsequently filed an appeal with the California Court of Appeal, Second District, which affirmed judgment in favor of plaintiffs on November 6, 2023. On December 18, 2023, the insureds filed a petition for review with the California Supreme Court. On February 14, 2024, the California Supreme Court entered an order denying the petition for review.

Other proceedings The Company has pending an investigatory hearing before the California Insurance Commissioner concerning the private passenger automobile insurance rating practices of Allstate Insurance Company and Allstate Indemnity Company in California. The investigatory hearing is captioned *In the Matter of the Rating Practices of Allstate Insurance Company and Allstate Indemnity Company*. Pursuant to the Notice of Hearing issued by the California Insurance Commissioner, the California Insurance Commissioner is investigating: (1) whether Allstate has potentially violated California insurance law by using illegal price optimization; (2) how Allstate implemented any such potentially illegal price optimization in its private passenger auto insurance rates and/or class plans; and (3) how such potentially illegal price optimization impacted Allstate's private passenger auto insurance policyholders. Fact discovery was completed in the investigatory hearing. Allstate and the California Department of Insurance have reached an agreement in principle to resolve the investigatory hearing. The May 22, 2023 hearing was continued. A new hearing date has not been set.

In re The Allstate Corp. Securities Litigation is a certified class action filed on November 11, 2016, in the United States District Court for the Northern District of Illinois against the Company and two of its officers asserting claims under the federal securities laws. Plaintiffs allege that they purchased Allstate common stock during the class period and suffered damages as the result of the conduct alleged. Plaintiffs seek an unspecified amount of damages, costs, attorney's fees, and other relief as the court deems appropriate. Plaintiffs allege that the Company and certain senior officers made allegedly material misstatements or omissions concerning claim frequency statistics and the reasons for a claim frequency increase for Allstate brand auto insurance between October 2014 and August 3, 2015.

Plaintiffs further allege that a senior officer engaged in stock option exercises during that time allegedly while in possession of material nonpublic information about Allstate brand auto insurance claim frequency. The Company, its chairman, president and chief executive officer, and its former president are the named defendants. After the court denied their motion to dismiss on February 27, 2018, defendants answered the complaint, denying plaintiffs' allegations that there was any misstatement or omission or other misconduct. On June 22, 2018, plaintiffs filed their motion for class certification. The court allowed the lead plaintiffs to amend their complaint to add the City of Providence Employee Retirement System as a proposed class representative and on September 12, 2018, the amended complaint was filed. A class was certified on March 26, 2019, vacated by the U.S. Court of Appeals for the Seventh Circuit on July 16, 2020 and remanded for further consideration by the district court. On December 21, 2020, the district court again granted plaintiffs' motion for class certification and certified a class consisting of all persons who purchased Allstate common stock between October 29, 2014 and August 3, 2015. Defendants' petition for permission to appeal this ruling was denied on January 28, 2021. Following the close of discovery, defendants moved for summary judgment on March 23, 2022. On July 26, 2022, the court entered its order granting summary judgment in part (as to plaintiffs' claims relating to certain statements made in October 2014) and denying it as to the remainder of plaintiffs' claims. On January 10, 2023, the parties filed a joint pre-trial order. A pre-trial conference did not occur. Subsequently, on June 28, 2023, the parties reached an agreement in principle to settle the action, without any admission of liability or wrongdoing. On September 26, 2023, an order was entered by the district court granting preliminary approval of the class settlement. On December 19, 2023, the district court granted final approval of the class settlement. No appeal was filed.

The Company is continuing to defend two putative class actions in California federal court, *Holland Hewitt v. Allstate Life Insurance Company* (E.D. Cal. filed May 2020) and *Farley v. Lincoln Benefit Life Company* (E.D. Cal. filed Dec. 2020), following the sale of ALIC. On April 19, 2023, the district court certified a class in *Farley*. LBL is appealing the district court's order in the Ninth Circuit Court of Appeals. There has been no ruling on

plaintiff's motion for class certification in *Hewitt*. In these cases, plaintiffs generally allege that the defendants failed to comply with certain California statutes which address contractual grace periods and lapse notice requirements for certain life insurance policies. Plaintiffs claim that these statutes apply to life insurance policies that existed before the statutes' effective date. The plaintiffs seek damages and injunctive relief. Similar litigation is pending against

other insurance carriers. In August 2021, the California Supreme Court in *McHugh v. Protective Life*, a matter involving another insurer, determined that the statutory notice requirements apply to life insurance policies issued before the statutes' effective date. The Company asserts various defenses to plaintiffs' claims and to class certification.

Note 16 Income Taxes

The Company and its eligible domestic subsidiaries file a U.S. consolidated federal income tax return. The Company also files tax returns in various states and foreign jurisdictions. Tax liabilities and benefits realized by the consolidated group are allocated as generated by the respective entities.

Deferred income taxes result from temporary differences between the tax basis of assets and liabilities and their reported amounts in the financial statements that will result in taxable or deductible amounts in future years. Deferred tax assets and liabilities are measured using enacted tax rates expected to apply to taxable income in years in which those temporary differences are expected to be recovered or settled. Deferred tax assets and liabilities are adjusted through income tax expense as changes in tax laws or rates are enacted.

Inflation Reduction Act of 2022 The Inflation Reduction Act of 2022 ("Act"), which contains several tax-related provisions, was signed into law on August 16, 2022. The Act created a 15% corporate alternative minimum tax ("CAMT") on certain large corporations and an excise tax of 1% on stock repurchases by publicly traded U.S. corporations, both effective after December 31, 2022. The excise tax on common stock repurchases is classified as an additional cost of the stock acquired included in treasury stock in shareholders' equity.

In addition, under the CAMT rules, the Company has determined that it is considered an "Applicable Corporation" which requires computation of federal income tax liability under two tax systems, the U.S. regular corporate tax and the CAMT. Although the CAMT may apply in any given year where the CAMT liability exceeds the regular tax liability, the CAMT would generate a non-expiring tax credit carryforward which would be accounted for as a deferred tax asset. The CAMT credit can be used to reduce regular tax in future years when the regular tax liability is greater than the CAMT liability.

The impact of a change in tax law is required to be recognized in the period of enactment. As such in assessing the realizability of our deferred tax assets, including determination of valuation allowance, the Company has made an accounting policy election to evaluate the realizability of deferred tax assets excluding the impact of the CAMT.

15% Global Minimum Tax The Organization for Economic Cooperation and Development ("OECD") secured agreement from nearly 140 countries to address how corporate profits are taxed for multinational enterprises ("MNEs"). OECD has released Pillar Two Model Rules, a 15% minimum effective tax rate (also known as the Global Anti-Base Erosion "GloBE" Rules), designed to ensure that large MNEs pay a minimum level of tax on the income arising in each jurisdiction where they operate and mandates sharing of certain company information with taxing authorities on a local and global basis.

Certain jurisdictions have enacted, and others have proposed, legislation to implement certain provisions of Pillar Two for fiscal years beginning on or after December 31, 2023. The Company is continuing to monitor the implications resulting from the potential enactment of Pillar Two rules in the jurisdictions where it operates.

Regulatory tax examinations On January 4, 2021 and October 1, 2021, the Company acquired National General and SafeAuto, respectively. For tax years prior to the acquisition, National General is under a separate audit by the Internal Revenue Service ("IRS"). The IRS has completed its exam of Allstate's tax years prior to 2017 and National General tax years prior to 2015. Currently, the Company is under exam for the 2017 and 2018 tax years and National General is under exam for the 2015 through 2019 tax years. The Company believes that adequate provision has been made in the consolidated financial statements for any potential adjustments that may result from IRS examinations or any other tax authorities related to all open tax years.

Unrecognized tax benefits The Company recognizes tax positions in the consolidated financial statements only when it is more likely than not that the position will be sustained on examination by the relevant taxing authority based on the technical merits of the position. A position that meets this standard is measured at the largest amount of benefit that will more likely than not be realized on settlement. A liability is established for differences between positions taken in a tax return and amounts recognized in the consolidated financial statements.

Reconciliation of the change in the amount of unrecognized tax benefits

(\$ in millions)	For the years ended December 31,		
	2023	2022	2021
Balance – beginning of year	\$ 17	\$ 17	\$ 12
Acquisitions	—	—	5
Increase for tax positions taken in a prior year	23	—	—
Increase for tax positions taken in the current year	5	—	—
Balance – end of year	\$ 45	\$ 17	\$ 17

The Company believes that it is reasonably possible that a portion of the unrecognized tax benefits could decrease within the next twelve months as a result of the lapse of the applicable statute of limitations, which is not expected to be material to the financial statements.

The Company recognizes interest expense related to uncertain tax benefits in income tax (benefit)

expense and penalties in operating costs and expenses. For the years ended December 31, 2023, 2022, and 2021, interest expense related to unrecognized tax benefits of \$7 million, \$3 million, and zero was recorded, respectively. The total accrued interest expense and penalties as of December 31, 2023 and 2022 were \$24 million and \$17 million, respectively.

Components of the deferred income tax assets and liabilities

(\$ in millions)	As of December 31,	
	2023	2022
Deferred tax assets		
Unearned premium reserves	\$ 897	\$ 815
Discount on loss reserves	269	228
Net operating loss carryover	258	97
Research & development capitalization	228	219
Unrealized net capital losses	174	609
Accrued compensation	121	128
General business credits carryover	110	—
Pension	26	10
Other postretirement benefits	13	15
Other	110	95
Total deferred tax assets before valuation allowance	2,206	2,216
Valuation allowance	(69)	(34)
Total deferred tax assets after valuation allowance	2,137	2,182
Deferred tax liabilities		
DAC	(1,075)	(1,018)
Investments	(455)	(431)
Intangible assets	(99)	(147)
Other	(289)	(204)
Total deferred tax liabilities	(1,918)	(1,800)
Net deferred tax assets	\$ 219	\$ 382

As of December 31, 2023, the Company has U.S. federal, state and foreign net operating loss (“NOL”) and general business credit carryforwards. In assessing the realizability of gross deferred tax assets, management considers whether it is more likely than not that some portion or all of the gross deferred tax assets will not be realized. Management considers the scheduled reversal of deferred tax liabilities, projected future taxable income and tax planning strategies in

making this assessment, as well as limitations on use in future periods. Accordingly, management believes that it is more likely than not that the benefit from certain NOL carryforwards will not be fully realized. The Company has a valuation allowance of \$69 million on the deferred tax assets related to these NOL carryforwards.

The following table sets forth the amounts and expiration dates of federal, foreign, state net operating loss carryforwards and tax credit carryforwards.

Components of the net operating loss carryforwards as of December 31, 2023

(\$ in millions)	20-Year Carryforward Expires in 2025-2043		20-Year Carryforward Expires in 2043		Various
		Indefinite			
U.S. Federal NOL	\$ 255	\$ 12	\$ —	\$ —	
Foreign NOL	—	398	—	—	
State NOL ⁽¹⁾	—	—	—	—	134
U.S. Federal general business credits	—	—	110	—	—

⁽¹⁾ Multiple state net operating loss carryforwards expiring in various periods, beginning in 2029.

Components of income tax expense

(\$ in millions)	For the years ended December 31,		
	2023	2022	2021
Current	\$ 114	\$ (35)	\$ 841
Deferred	(249)	(453)	451
Total income tax (benefit) expense	\$ (135)	\$ (488)	\$ 1,292

The Company received an income tax refund of \$45 million in 2023, and paid income taxes of \$95 million and \$1.05 billion in 2022 and 2021, respectively.

The Company had current income tax receivable of \$663 million and \$677 million as of December 31, 2023 and 2022, respectively.

Reconciliation of the statutory federal income tax rate to the effective income tax rate

(\$ in millions)	For the years ended December 31,					
	2023		2022		2021	
(Loss) income before income taxes	\$ (348)		\$ (1,830)		\$ 6,466	
Statutory federal income tax rate on income from operations	(73)	21.0 %	(384)	21.0 %	1,357	21.0 %
Tax credits	(47)	13.5	(55)	3.0	(42)	(0.6)
Tax-exempt income	(23)	6.6	(17)	0.9	(18)	(0.3)
U.S. shareholder's tax (benefit) expense	(17)	4.9	13	(0.7)	4	0.1
Share-based payments	(14)	4.0	(22)	1.2	(18)	(0.3)
State income taxes	(7)	2.0	—	—	13	0.2
Dividend received deduction	(4)	1.1	(7)	0.4	(5)	(0.1)
Uncertain tax positions	33	(9.5)	2	(0.1)	—	—
Change in valuation allowance	6	(1.7)	10	(0.6)	(3)	(0.1)
Other	11	(3.1)	(28)	1.6	4	0.1
Effective income tax rate on income from operations	\$ (135)	38.8 %	\$ (488)	26.7 %	\$ 1,292	20.0 %

Note 17 Statutory Financial Information and Dividend Limitations

Allstate's domestic property and casualty and life, accident and health insurance subsidiaries prepare their statutory-basis financial statements in conformity with accounting practices prescribed or permitted by the insurance department of the applicable state of domicile. Prescribed statutory accounting practices include a variety of publications of the NAIC, as well as state laws, regulations and general administrative rules. Permitted statutory accounting practices encompass all accounting practices not so prescribed.

All states require domiciled insurance companies to prepare statutory-basis financial statements in conformity with the NAIC Accounting Practices and Procedures Manual, subject to any deviations prescribed or permitted by the applicable insurance commissioner or director. Statutory accounting practices differ from GAAP primarily since they require charging policy acquisition costs to expense as incurred, establishing life insurance reserves based on different actuarial assumptions, and valuing certain investments and establishing deferred taxes on a different basis.

Statutory net income (loss) and capital and surplus of Allstate's domestic insurance subsidiaries					
(\$ in millions)	Net income (loss)			Capital and surplus	
	2023	2022	2021	2023	2022
Amounts by major business type:					
Property and casualty insurance	\$ (487)	\$ (1,653)	\$ 5,975	\$ 14,250	\$ 14,997
Life, accident and health insurance	61	70	96	310	279
Life and annuity business sold	—	—	1,642	—	—
Amount per statutory accounting practices	\$ (426)	\$ (1,583)	\$ 7,713	\$ 14,560	\$ 15,276

Dividend Limitations

There are no regulatory restrictions that limit the payment of dividends by the Corporation, except those generally applicable to corporations incorporated in Delaware. Dividends are payable only out of certain components of shareholders' equity as permitted by Delaware law. However, the ability of the Corporation to pay dividends is dependent on business conditions, income, cash requirements of the Company, receipt of dividends from AIC and other relevant factors.

The payment of shareholder dividends by AIC without the prior approval of the Illinois Department of Insurance ("IL DOI") is limited to formula amounts based on net income and capital and surplus, determined in conformity with statutory accounting practices, as well as the timing and amount of dividends paid in the preceding twelve months. There were no dividends paid by AIC in 2023. The maximum amount of dividends AIC will be able to pay without prior IL DOI approval at a given point in time during 2024 is \$1.20 billion, less dividends paid during the preceding twelve months measured at that point in time. The payment of a dividend in excess of this amount requires 30 days advance written notice to the IL DOI. The dividend is deemed approved, unless the IL DOI disapproves it within the 30-day notice period. Additionally, any dividend must be paid out of unassigned surplus excluding unrealized appreciation from investments, which for AIC totaled \$7.15 billion as of December 31, 2023, and cannot result in capital and surplus being less than the minimum amount required by law.

Under state insurance laws, insurance companies are required to maintain paid up capital of not less

Note 18 Benefit Plans

Pension and other postretirement plans

Defined benefit pension plans cover most U.S. employees. Benefits under the U.S. pension plans are based upon the employee's length of service, eligible annual compensation and, prior to January 1, 2014, either a cash balance or final average pay formula. A cash balance formula applies to all eligible employees hired after August 1, 2002. Eligible employees hired before August 1, 2002 chose between the cash balance formula and the final average pay formula. In July 2013, the Company amended its primary plans effective January 1, 2014 to introduce a new cash balance formula to replace the previous formulas (including the final average pay formula and the previous cash balance formula) under which eligible employees accrue benefits.

than the minimum capital requirement applicable to the types of insurance they are authorized to write. Insurance companies are also subject to risk-based capital ("RBC") requirements adopted by state insurance regulators. A company's "authorized control level RBC" is calculated using various factors applied to certain financial balances and activity. Companies that do not maintain adjusted statutory capital and surplus at a level in excess of the company action level RBC, which is two times authorized control level RBC, are required to notify and file a RBC remediation plan to the domiciliary regulator and provide a copy of the remediation plan to state insurance regulators in which the insurer is authorized to do business. Company action level RBC is significantly in excess of the minimum capital requirements. Total adjusted statutory capital and surplus and authorized control level RBC of AIC were \$11.99 billion and \$3.07 billion, respectively, as of December 31, 2023. Most of the Corporation's insurance subsidiaries are subsidiaries of or reinsure all of their business to AIC. AIC's subsidiaries are included as a component of AIC's total statutory capital and surplus.

The amount of restricted net assets, as represented by the Corporation's investment in its insurance subsidiaries, was \$21.18 billion as of December 31, 2023.

Intercompany transactions

Notification and approval of intercompany lending activities is also required by the IL DOI for transactions that exceed a level that is based on a formula using statutory admitted assets and statutory surplus.

The Company also provides a medical coverage subsidy for eligible employees hired before January 1, 2003, including their eligible dependents, when they retire and certain life insurance benefits for eligible retirees ("postretirement benefits"). Effective January 1, 2021, the Company eliminated the medical coverage subsidy for employees who were not eligible to retire as of December 31, 2020.

Certain employees may become eligible for a medical subsidy if they retire in accordance with the terms of the applicable plans and are insured under the Company's group plans or other approved plans in accordance with the plan's participation requirements. The Company shares the cost of retiree medical benefits with non Medicare-eligible retirees based on years of service, with the Company's share being

subject to a 5% limit on future annual medical cost inflation after retirement. For Medicare-eligible retirees, the Company provides a fixed Company contribution based on years of service and other factors, which is not subject to adjustments for inflation.

In July 2013, the Company amended the plan to eliminate the life insurance benefits effective January 1, 2014 for current eligible employees and effective January 1, 2016 for eligible retirees who retired after 1989. Subject to a court order, the Company paid life insurance premiums for certain retiree plaintiffs until their lawsuit seeking to keep their life insurance benefits intact was resolved. In September 2020, the court entered summary judgment in favor of the Company and dismissed the action, releasing the Company from the order requiring the continued payment of premiums for certain retirees. In December 2021, the Court of Appeals affirmed summary judgment in favor of the Company. In October 2022, the U.S. Supreme Court denied the plaintiffs' petition for appeal. On December 13, 2022, the trial court denied the plaintiffs' motions to vacate the summary judgment decision and seek further discovery. On December 15, 2023, the 11th Circuit Court of Appeals affirmed the trial court's denial of plaintiffs' motion to vacate. This decision is subject to any appeals.

The Company has reserved the right to modify or terminate its benefit plans at any time and for any reason.

Obligations and funded status

The Company calculates benefit obligations based upon generally accepted actuarial methodologies using the projected benefit obligation ("PBO") for pension plans and the accumulated postretirement benefit obligation ("APBO") for other postretirement plans. Pension costs and other postretirement obligations are determined using a December 31 measurement date. The benefit obligations represent the actuarial present value of all benefits attributed to employee service rendered as of the measurement date. The PBO is measured using the pension benefit formulas and assumptions. A plan's funded status is calculated as the difference between the benefit obligation and the fair value of plan assets. The Company's funding policy for the pension plans is to make contributions at a level in accordance with regulations under the Internal Revenue Code ("IRC") and generally accepted actuarial principles. The Company's other postretirement benefit plans are not funded.

Change in projected benefit obligation, plan assets and funded status

(\$ in millions)	As of December 31,			
	Pension benefits		Postretirement benefits	
	2023	2022	2023	2022
Change in projected benefit obligation				
Benefit obligation, beginning of year	\$ 4,511	\$ 6,500	\$ 203	\$ 284
Service cost	132	101	1	1
Interest cost	239	219	10	10
Participant contributions	—	—	16	16
Remeasurement of projected benefit obligation (gains) losses	125	(1,382)	(4)	(62)
Benefits paid	(379)	(894)	(42)	(42)
Translation adjustment and other	(44)	(33)	1	(4)
Benefit obligation, end of year	\$ 4,584	\$ 4,511	\$ 185	\$ 203
Change in plan assets				
Fair value of plan assets, beginning of year	\$ 4,430	\$ 6,525		
Actual return on plan assets	418	(1,189)		
Employer contribution	14	24		
Benefits paid	(379)	(894)		
Translation adjustment and other	(43)	(36)		
Fair value of plan assets, end of year	\$ 4,440	\$ 4,430		
Funded status ⁽¹⁾	\$ (144)	\$ (81)	\$ (185)	\$ (203)
Amounts recognized in AOCI				
Unamortized pension and other postretirement prior service credit	\$ —	\$ —	\$ (18)	\$ (39)

⁽¹⁾ The funded status is recorded within other assets or other liabilities and accrued expenses on the Consolidated Statements of Financial Position.

Changes in items not yet recognized as a component of net cost for pension and other postretirement plans

(\$ in millions)	Pension benefits	Postretirement benefits
Items not yet recognized as a component of net cost – December 31, 2022	\$ —	\$ (39)
Prior service credit amortized to net cost	—	21
Translation adjustment and other	—	—
Items not yet recognized as a component of net cost – December 31, 2023	\$ —	\$ (18)

The prior service credit is recognized as a component of net cost for pension and other postretirement plans amortized over the average remaining service period of active employees expected to receive benefits.

The accumulated benefit obligation (“ABO”) for all defined benefit pension plans was \$4.48 billion and \$4.42 billion as of December 31, 2023 and 2022, respectively. The ABO is the actuarial present value of all benefits attributed by the pension benefit formula to employee service rendered at the measurement date. However, it differs from the PBO due to the

exclusion of an assumption as to future compensation levels.

The PBO, ABO and fair value of plan assets for the Company’s pension plans with an ABO in excess of plan assets were \$4.27 billion, \$4.18 billion and \$4.09 billion, respectively, as of December 31, 2023 and \$84 million, \$83 million and zero, respectively, as of December 31, 2022. Included in the accrued benefit cost of the pension benefits are certain unfunded non-qualified plans with accrued benefit costs of \$78 million and \$84 million for 2023 and 2022, respectively.

Components of net cost (benefit) for pension and other postretirement plans

(\$ in millions)	For the years ended December 31,								
	Pension benefits			Postretirement benefits			Total pension and postretirement benefits		
	2023	2022	2021	2023	2022	2021	2023	2022	2021
Service cost	\$ 132	\$ 101	\$ 103	\$ 1	\$ 1	\$ 1	\$ 133	\$ 102	\$ 104
Interest cost	239	219	191	10	10	8	249	229	199
Expected return on plan assets	(306)	(371)	(445)	—	—	—	(306)	(371)	(445)
Amortization of prior service credit	—	(27)	(50)	(21)	(25)	(25)	(21)	(52)	(75)
Costs and expenses	65	(78)	(201)	(10)	(14)	(16)	55	(92)	(217)
Remeasurement of projected benefit obligation	125	(1,382)	(309)	(4)	(62)	(16)	121	(1,444)	(325)
Remeasurement of plan assets	(112)	1,560	(319)	—	—	—	(112)	1,560	(319)
Remeasurement (gains) losses	13	178	(628)	(4)	(62)	(16)	9	116	(644)
Total net (benefit) cost	\$ 78	\$ 100	\$ (829)	\$ (14)	\$ (76)	\$ (32)	\$ 64	\$ 24	\$ (861)

The service cost component is the actuarial present value of the benefits attributed by the plans’ benefit formula to services rendered by the employees during the period.

Interest cost is the increase in the PBO in the period due to the passage of time at the discount rate.

Interest cost fluctuates as the discount rate changes and is also impacted by the related change in the size of the PBO.

The expected return on plan assets is determined as the product of the expected long-term rate of return on plan assets and the fair value of plan assets.

Pension and other postretirement service cost, interest cost, expected return on plan assets, amortization of prior service credit and curtailment gains and losses are reported in property and casualty insurance claims and claims expense, operating costs and expenses, net investment income and (if applicable) restructuring and related charges on the Consolidated Statements of Operations.

Remeasurement gains and losses relate to changes in discount rates, the differences between actual return on plan assets and the expected long-term rate of return on plan assets, and differences between actual plan experience and actuarial assumptions.

Weighted average assumptions used to determine net pension cost and net postretirement benefit cost

	For the years ended December 31,					
	Pension benefits			Postretirement benefits		
	2023	2022	2021	2023	2022	2021
Discount rate	5.65 %	4.27 %	2.84 %	5.66 %	4.24 %	2.75 %
Expected long-term rate of return on plan assets	7.35	7.06	7.06	n/a	n/a	n/a
Cash balance interest credit rate	4.05	2.74	2.04	n/a	n/a	n/a

Weighted average assumptions used to determine benefit obligations

	As of December 31,			
	Pension benefits		Postretirement benefits	
	2023	2022	2023	2022
Discount rate	5.35 %	5.64 %	5.28 %	5.58 %
Cash balance interest credit rate	4.03	3.97	n/a	n/a

The weighted average health care cost trend rate used in measuring the accumulated postretirement benefit cost is 6.8% for 2024, gradually declining to 4.5% in 2035 and remaining at that level thereafter.

Pension plan assets In general, the Company's pension plan assets are managed in accordance with investment policies approved by pension investment committees. The purpose of the policies is to ensure the plans' long-term ability to meet benefit obligations by prudently investing plan assets and Company contributions, while taking into consideration regulatory and legal requirements and current market conditions. The investment policies are reviewed periodically and specify target plan asset allocation by asset category. In addition, the policies specify various asset allocation and other risk limits. The target asset allocation takes the plans' funding status into

consideration, among other factors, including anticipated demographic changes or liquidity requirements that may affect the funding status such as the potential impact of lump sum settlements as well as existing or expected market conditions. In general, the allocation has a lower overall investment risk when a plan is in a stronger funded status position since there is less economic incentive to take risk to increase the expected returns on the plan assets. The pension plans' asset exposure within each asset category is tracked against widely accepted established benchmarks for each asset class with limits on variation from the benchmark established in the investment policy. Pension plan assets are regularly monitored for compliance with these limits and other risk limits specified in the investment policies.

Weighted average target asset allocation and actual percentage of plan assets by asset category

Pension plan's asset category	As of December 31, 2023			
	Target asset allocation ⁽¹⁾		Actual percentage of plan assets	
	2023		2023	2022
Equity securities	17 - 36%		26 %	27 %
Fixed income securities	38 - 54		48	49
Limited partnership interests	1 - 29		23	21
Short-term investments and other	NA		3	3
Total without securities lending ⁽²⁾			100 %	100 %

⁽¹⁾ The target asset allocation considers risk-based exposure while the actual percentage of plan assets utilizes a financial reporting view excluding exposure provided through derivatives.

⁽²⁾ Securities lending collateral reinvestment of \$180 million and \$297 million is excluded from the table above in 2023 and 2022, respectively.

The target asset allocation for an asset category may be achieved either through direct investment holdings, through replication using derivative instruments (e.g., futures or swaps) or net of hedges using derivative instruments to reduce exposure to an asset category. The net notional amount of derivatives used for replication and non-hedging strategies is limited to 115% of total plan assets. Market performance of the different asset categories may, from time to time, cause deviation from the target

asset allocation. The asset allocation mix is reviewed on a periodic basis and rebalanced to bring the allocation within the target ranges.

Outside the target asset allocation, the pension plans participate in a securities lending program to enhance returns. As of both December 31, 2023 and 2022, fixed income securities are lent out and cash collateral is invested in short-term investments.

Fair values of pension plan assets as of December 31, 2023

(\$ in millions)	Quoted prices in active markets for identical assets (Level 1)	Significant other observable inputs (Level 2)	Significant unobservable inputs (Level 3)	Balance as of December 31, 2023
Equity securities	\$ 132	\$ 28	\$ —	\$ 160
Fixed income securities:				
Government bonds ⁽¹⁾	323	1,007	—	1,330
Corporate bonds ⁽²⁾	—	794	—	794
Short-term investments	154	144	—	298
Free-standing derivatives:				
Assets	—	—	—	—
Liabilities	(1)	(8)	—	(9)
Other assets	1	—	—	1
Total plan assets at fair value	\$ 609	\$ 1,965	\$ —	\$ 2,574
% of total plan assets at fair value	23.7 %	76.3 %	— %	100.0 %
Investments measured using the net asset value practical expedient				2,019
Securities lending obligation ⁽³⁾				(179)
Derivatives counterparty and cash collateral netting				8
Other net plan assets ⁽⁴⁾				18
Total reported plan assets				\$ 4,440

Fair values of pension plan assets as of December 31, 2022

(\$ in millions)	Quoted prices in active markets for identical assets (Level 1)	Significant other observable inputs (Level 2)	Significant unobservable inputs (Level 3)	Balance as of December 31, 2022
Equity securities	\$ 120	\$ 25	\$ —	\$ 145
Fixed income securities:				
Government bonds ⁽¹⁾	496	896	—	1,392
Corporate bonds ⁽²⁾	—	757	—	757
Short-term investments	163	279	—	442
Free-standing derivatives:				
Assets	—	1	—	1
Liabilities	(1)	(5)	—	(6)
Other assets	1	—	—	1
Total plan assets at fair value	\$ 779	\$ 1,953	\$ —	\$ 2,732
% of total plan assets at fair value	28.5 %	71.5 %	— %	100.0 %
Investments measured using the net asset value practical expedient				\$ 1,975
Securities lending obligation ⁽³⁾				(296)
Derivatives counterparty and cash collateral netting				2
Other net plan assets ⁽⁴⁾				17
Total reported plan assets				\$ 4,430

⁽¹⁾ Includes U.S. government and agencies and foreign government bonds.

⁽²⁾ Includes ABS securities.

⁽³⁾ The securities lending obligation represents the plan's obligation to return securities lending collateral received under a securities lending program. The terms of the program allow both the plan and the counterparty the right and ability to redeem/return the securities loaned on short notice. Due to its relatively short-term nature, the outstanding balance of the obligation approximates fair value.

⁽⁴⁾ Other net plan assets represent cash and cash equivalents, interest and dividends receivable and net receivables related to settlements of investment transactions, such as purchases and sales.

The fair values of pension plan assets are estimated using the same methodologies and inputs as those used to determine the fair values for the respective asset category of the Company. These methodologies and inputs are disclosed in Note 6.

Rollforward of Level 3 plan assets during December 31, 2023

(\$ in millions)	Actual return on plan assets:					
	Balance as of December 31, 2022	Relating to assets sold during the period	Relating to assets still held at the reporting date	Purchases, sales and settlements, net	Net transfers in (out) of Level 3	Balance as of December 31, 2023
Equity securities	\$ —	\$ —	\$ —	\$ —	\$ —	\$ —
Total Level 3 plan assets	\$ —	\$ —	\$ —	\$ —	\$ —	\$ —

Rollforward of Level 3 plan assets during December 31, 2022

(\$ in millions)	Actual return on plan assets:					
	Balance as of December 31, 2021	Relating to assets sold during the period	Relating to assets still held at the reporting date	Purchases, sales and settlements, net	Net transfers in (out) of Level 3	Balance as of December 31, 2022
Equity securities	\$ 2	\$ —	\$ —	\$ —	\$ (2)	\$ —
Total Level 3 plan assets	\$ 2	\$ —	\$ —	\$ —	\$ (2)	\$ —

Rollforward of Level 3 plan assets during December 31, 2021

(\$ in millions)	Actual return on plan assets:					
	Balance as of December 31, 2020	Relating to assets sold during the period	Relating to assets still held at the reporting date	Purchases, sales and settlements, net	Net transfers in (out) of Level 3	Balance as of December 31, 2021
Equity securities	\$ —	\$ —	\$ —	\$ 2	\$ —	\$ 2
Fixed income securities:						
Corporate	\$ 2	\$ —	\$ —	\$ (2)	\$ —	\$ —
Total Level 3 plan assets	\$ 2	\$ —	\$ —	\$ —	\$ —	\$ 2

The expected long-term rate of return on plan assets reflects the average rate of earnings expected on plan assets. The Company's assumption for the expected long-term rate of return on plan assets is evaluated annually giving consideration to appropriate data including, but not limited to, the plan asset allocation, forward-looking expected returns for the period over which benefits will be paid, historical returns on plan assets and other relevant market data. Given the long-term forward-looking nature of this assumption, the actual returns in any one year do not immediately result in a change to the expected long-term rate of return on plan assets. In consideration of the targeted plan asset allocation, the Company evaluated expected returns using sources including historical average asset class returns from independent nationally recognized providers of this type of data blended together using the asset allocation policy weights for the Company's pension plans; asset class return forecasts developed by employees with relevant expertise in such forecasts and who are independent from those charged with managing the pension plan assets; and expected portfolio returns from a proprietary simulation methodology of a widely recognized external

investment consulting firm that performs asset allocation and actuarial services for corporate pension plan sponsors. The above sources support the Company's weighted average long-term rate of return on plan assets assumption of 7.35% used for 2023 and an estimate of 7.34% that will be used for 2024. As of the 2023 measurement date, the arithmetic average of the annual actual return on plan assets for the most recent 10 and 5 years was 8.3% and 10.0%, respectively.

Cash flows There was no required cash contribution necessary to satisfy the minimum funding requirement under the IRC for the tax qualified pension plan for the year ended December 31, 2023.

The Company currently plans to contribute \$19 million to its unfunded non-qualified plans and zero to both its primary and other qualified funded pension plans in 2024.

The Company contributed \$26 million and \$26 million to the postretirement benefit plans in 2023 and 2022, respectively. Contributions by participants were \$16 million and \$16 million in 2023 and 2022, respectively.

Estimated future benefit payments expected to be paid in the next 10 years

(\$ in millions)	As of December 31, 2023	
	Pension benefits	Postretirement benefits
2024	\$ 495	\$ 23
2025	487	23
2026	488	21
2027	477	20
2028	472	18
2029-2033	1,740	60
Total benefit payments	\$ 4,159	\$ 165

Allstate 401(k) Savings Plan

Employees of the Company, with the exception of those employed by the Company's international, SquareTrade and InfoArmor subsidiaries, are eligible to become members of the Allstate 401(k) Savings Plan ("Allstate Plan"). The Company's contributions are based on the Company's matching obligation. The Company is responsible for funding its contribution to the Allstate Plan.

The Company's contribution to the Allstate Plan was \$124 million, \$131 million and \$110 million in 2023, 2022 and 2021, respectively.

Allstate's Canadian, SquareTrade and InfoArmor subsidiaries sponsor defined contribution plans for their eligible employees. Expense for subsidiary sponsored defined contribution plans was \$14 million, \$9 million and \$9 million in 2023, 2022 and 2021, respectively.

Note 19 Equity Incentive Plans

The Company currently has equity incentive plans under which it grants nonqualified stock options, restricted stock units and performance stock awards to certain employees and directors of the Company.

Equity awards

(\$ in millions)	2023	2022	2021
Compensation expense	\$ 73	\$ 93	\$ 120
Income tax benefits	12	16	18
Cash received from exercise of options	103	130	151
Tax benefit realized on options exercised and release of stock restrictions	31	44	37

The Company records compensation expense related to awards under these plans over the shorter of the period in which the requisite service is rendered or retirement eligibility is attained. Compensation expense for performance stock awards with no market condition is based on the probable number of awards expected to vest using the performance level most likely to be achieved at the end of the performance period. Compensation expense for performance stock awards with a market condition is based on the number of awards expected to vest as estimated at the grant date and does not change if the market condition is not met.

Nonvested awards as of December 31, 2023

(\$ in millions)	Unrecognized compensation	Weighted average vesting period
Nonqualified stock options	\$ 17	1.68
Restricted stock units	48	1.74
Performance stock awards	17	1.69
Total	\$ 82	

Options are granted to employees with exercise prices equal to the closing share price of the Company's common stock on the applicable grant date. Options granted to employees vest ratably over a three-year period. Vesting is subject to continued service, except for employees who are retirement eligible and in certain other limited circumstances. Options may be exercised once vested and will expire no later than ten years after the date of grant.

Restricted stock units for directors vest immediately and convert into shares of stock on the earlier of the day of the third anniversary of the grant date or the date the director's service terminates, unless a deferred period of restriction is elected. Restricted stock units granted to directors prior to June 1, 2016 convert upon leaving the board. Restricted stock units granted to employees prior to February 19, 2020 vest on the day prior to the third anniversary of the grant date. Restricted stock units granted to employees on or after February 19, 2020 vest ratably over a three-year period. Restricted stock units granted to employees subsequently convert into shares of stock on the day of the respective anniversary of the grant date. Vesting is subject to continued service, except for employees who are

retirement eligible and in certain other limited circumstances.

Performance stock awards vest into shares of stock based on achieving established company-specific performance goals. Performance stock awards granted prior to February 19, 2020 vest into shares of stock on the day prior to the third anniversary of the grant date. Performance stock awards granted on or after February 19, 2020 vest into shares of stock on the third anniversary of the grant date.

The numbers of shares earned upon vesting of the performance stock awards is based on the attainment of performance goals for each of the performance periods, subject to continued service, except for employees who are retirement eligible and in certain other limited circumstances.

Since 2001, a total of 110.8 million shares of common stock were authorized to be used for awards under the plans, subject to adjustment in accordance with the plans' terms. As of December 31, 2023, 12.3 million shares were reserved and remained available

for future issuance under these plans. The Company uses its treasury shares for these issuances.

The fair value of each option grant is estimated on the date of grant using a binomial lattice model. The Company uses historical data to estimate option exercise and employee termination within the valuation model. In addition, separate groups of employees that have similar historical exercise behavior are considered separately for valuation purposes. The expected term of options granted is derived from the output of the binomial lattice model and represents the period of time that options granted are expected to be outstanding. The expected volatility of the price of the underlying shares is implied based on traded options and historical volatility of the Company's common stock. The expected dividends were based on the current dividend yield of the Company's stock as of the date of the grant. The risk-free rate for periods within the contractual life of the option is based on the U.S. Treasury yield curve in effect at the time of grant.

Option grant assumptions

	2023	2022	2021
Weighted average expected term	5.8 years	5.9 years	7.5 years
Expected volatility	20.0% - 31.6%	19.8% - 29.9%	16.5% - 28.8%
Weighted average volatility	24.9 %	23.2 %	23.0 %
Expected dividends	2.4% - 3.3%	2.5% - 3.0%	2.0% - 3.0%
Weighted average expected dividends	2.6 %	2.8 %	3.1 %
Risk-free rate	3.3% - 5.6%	0% - 4.8%	0% - 1.7%

Summary of option activity

	For the year ended December 31, 2023			
	Number (in 000s)	Weighted average exercise price	Aggregate intrinsic value (in 000s)	Weighted average remaining contractual term (years)
Outstanding as of January 1, 2023	8,953	\$ 95.72		
Granted	910	136.63		
Exercised	(1,499)	80.27		
Forfeited	(170)	124.26		
Expired	(67)	117.79		
Outstanding as of December 31, 2023	8,127	102.37	\$ 305,666	5.2
Outstanding, net of expected forfeitures	8,091	102.24	305,369	5.2
Outstanding, exercisable ("vested")	6,146	95.05	276,112	4.3

The weighted average grant date fair value of options granted was \$31.45, \$21.16 and \$15.61 during 2023, 2022 and 2021, respectively. The intrinsic value, which is the difference between the fair value and the exercise price, of options exercised was \$79 million, \$107 million and \$112 million during 2023, 2022 and 2021, respectively.

Changes in restricted stock units

	For the year ended December 31, 2023	
	Number (in 000s)	Weighted average grant date fair value
Nonvested as of January 1, 2023	929	\$ 110.75
Granted	417	132.65
Vested	(371)	117.28
Forfeited	(73)	124.84
Nonvested as of December 31, 2023	902	117.05

The fair value of restricted stock units is based on the market value of the Company's stock as of the date of the

grant. The market value in part reflects the payment of future dividends expected. The weighted average grant date fair value of restricted stock units granted was \$132.65, \$123.98 and \$108.99 during 2023, 2022 and 2021, respectively. The total fair value of restricted stock units vested was \$49 million, \$59 million and \$35 million during 2023, 2022 and 2021, respectively.

Changes in performance stock awards

	For the year ended December 31, 2023	
	Number (in 000s)	Weighted average grant date fair value
Nonvested as of January 1, 2023	796	\$ 116.36
Granted	240	136.62
Adjustment for performance achievement	54	123.72
Vested	(309)	122.47
Forfeited	(47)	120.53
Nonvested as of December 31, 2023	734	120.68

The change in performance stock awards primarily comprises awards vested and granted in 2023.

The fair value of performance stock awards that do not include a market condition is based on the market value of the Company's stock as of the date of the grant.

Starting with the February 2020 award, the fair value of performance stock awards includes a component with market-based condition measured on the grant date using a Monte Carlo simulation model. Market-based condition measures the Company's total shareholder return ("TSR") relative to the TSR of peer companies, expressed in terms of the Company's TSR percentile rank among the peer companies, over a three-calendar-year performance period. The Monte Carlo simulation model uses a risk-neutral framework to model future stock price movements based upon the risk-free rate of return at the time of grant, volatilities of the Company and the peer companies,

and expected term assumed to be equal to the remaining measurement period. The market value in part reflects the payment of future dividends expected.

For the year ended December 31, 2023, the 2023 performance stock awards with market-based condition assumes a risk-free rate of 1.7%, volatility of 24.8%, average peer volatility of 29.9% and an expected term of 2.9 years.

The weighted average grant date fair value of performance stock awards granted was \$136.62, \$123.08 and \$107.14 during 2023, 2022 and 2021, respectively. The total fair value of performance stock awards vested was \$41 million, \$87 million and \$70 million during 2023, 2022 and 2021, respectively.

The Company recognizes all tax effects related to share-based payments at settlement or expiration through the income statement.

Note 20 Supplemental Cash Flow Information

Non-cash investing activities include \$64 million, \$185 million and \$51 million related to mergers and exchanges completed with equity and fixed income securities, bank loans, real estate and limited partnerships in 2023, 2022 and 2021, respectively. Non-cash investing activities include \$15 million related to right-of-use real estate obtained in exchange for lease obligations and \$123 million related to debt assumed by purchaser on sale of real estate for the year ended December 31, 2023.

Non-cash financing activities include \$39 million, \$65 million and \$53 million related to the issuance of Allstate common shares for vested equity awards in 2023, 2022 and 2021, respectively.

Cash flows used in operating activities in the Consolidated Statements of Cash Flows include cash paid for operating leases related to amounts included

in the measurement of lease liabilities of \$130 million, \$163 million and \$181 million for the year ended December 31, 2023, 2022 and 2021, respectively. Non-cash operating activities include \$30 million, \$26 million and \$98 million related to right-of-use assets obtained in exchange for lease obligations for the year ended December 31, 2023, 2022 and 2021, respectively.

Liabilities for collateral received in conjunction with the Company's securities lending program and OTC and cleared derivatives are reported in other liabilities and accrued expenses or other investments. The accompanying cash flows are included in cash flows from operating activities in the Consolidated Statements of Cash Flows along with the activities resulting from management of the proceeds, as follows:

(\$ in millions)	For the years ended December 31,		
	2023	2022	2021
Net change in proceeds managed			
Net change in fixed income securities	\$ 259	\$ (521)	\$ —
Net change in short-term investments	(139)	(49)	(539)
Operating cash flow provided (used)	120	(570)	(539)
Net change in cash	—	3	9
Net change in proceeds managed	\$ 120	\$ (567)	\$ (530)
Cash flows from operating activities			
Net change in liabilities			
Liabilities for collateral, beginning of year	\$ (2,011)	\$ (1,444)	\$ (914)
Liabilities for collateral, end of year	(1,891)	(2,011)	(1,444)
Operating cash flow (used) provided	\$ (120)	\$ 567	\$ 530

Note 21 Other Comprehensive Income (Loss)

Components of other comprehensive income (loss) on a pre-tax and after-tax basis

(\$ in millions)	For the years ended December 31,								
	2023			2022			2021		
	Pre-tax	Tax	After-tax	Pre-tax	Tax	After-tax	Pre-tax	Tax	After-tax
Unrealized net holding gains and losses arising during the period, net of related offsets ⁽¹⁾	\$ 1,547	\$ (322)	\$ 1,225	\$ (4,472)	\$ 949	\$ (3,523)	\$ (2,840)	\$ 601	\$ (2,239)
Less: reclassification adjustment of realized capital gains and losses	(539)	113	(426)	(848)	178	(670)	436	(92)	344
Unrealized net capital gains and losses	2,086	(435)	1,651	(3,624)	771	(2,853)	(3,276)	693	(2,583)
Unrealized foreign currency translation adjustments	85	(18)	67	(190)	40	(150)	(10)	2	(8)
Unamortized pension and other postretirement prior service credit ⁽²⁾	(20)	4	(16)	(54)	11	(43)	(75)	16	(59)
Discount rate for reserve for future policy benefits	(13)	3	(10)	289	(61)	228	62	(13)	49
Other comprehensive income (loss)	\$ 2,138	\$ (446)	\$ 1,692	\$ (3,579)	\$ 761	\$ (2,818)	\$ (3,299)	\$ 698	\$ (2,601)

⁽¹⁾ 2021 includes \$2.4 billion of losses related to held for sale investments in connection with the sale of the life and annuity business.

⁽²⁾ Represents prior service credits reclassified out of other comprehensive income and amortized into operating costs and expenses.

Note 22 Quarterly Results (unaudited)

(\$ in millions, except per share data)	First Quarter		Second Quarter		Third Quarter		Fourth Quarter	
	2023	2022	2023	2022	2023	2022	2023	2022
Revenues	\$ 13,786	\$ 12,336	\$ 13,979	\$ 12,219	\$ 14,497	\$ 13,208	\$ 14,832	\$ 13,648
Net income (loss) applicable to common shareholders	(346)	634	(1,389)	(1,040)	(41)	(685)	1,460	(303)
Earnings per common share applicable to common shareholders - Basic	(1.31)	2.28	(5.29)	(3.80)	(0.16)	(2.55)	5.57	(1.15)
Earnings per common share applicable to common shareholders - Diluted ⁽¹⁾	(1.31)	2.25	(5.29)	(3.80)	(0.16)	(2.55)	5.52	(1.15)

⁽¹⁾ For periods presented with a net loss from continuing operations applicable to common shareholders, weighted average shares for basic earnings per share is also used for calculating diluted earnings per share because all dilutive potential common shares are anti-dilutive and are therefore excluded from the calculation.

Consolidated net income applicable to common shareholders was \$1.46 billion in the fourth quarter of 2023 compared to net loss of \$303 million in the fourth quarter of 2022, primarily due to improved underwriting results.

Effective January 1, 2023, the Company adopted the FASB guidance revising the accounting for certain long-duration insurance contracts using the modified retrospective approach to the transition date of January 1, 2021. See Note 2 for discussion of the guidance and further information regarding the impact of the adoption on the consolidated financial statements.

Impact of adoption for reserve for future policy benefits

(\$ in millions, except per share data)	First Quarter	Second Quarter	Third Quarter	Fourth Quarter
	2022	2022	2022	2022
Revenues	\$ (1)	\$ (1)	\$ —	\$ 1
Net income (loss) applicable to common shareholders	4	2	9	7
Earnings per common share applicable to common shareholders - Basic	0.01	0.01	0.03	0.02
Earnings per common share applicable to common shareholders - Diluted	0.01	0.01	0.03	0.02

Report of Independent Registered Public Accounting Firm

To the Shareholders and the Board of Directors of The Allstate Corporation

Opinions on the Financial Statements and Internal Control over Financial Reporting

We have audited the accompanying Consolidated Statements of Financial Position of The Allstate Corporation and subsidiaries (the "Company") as of December 31, 2023 and 2022, the related Consolidated Statements of Operations, Comprehensive Income (Loss), Shareholders' Equity, and Cash Flows, for each of the three years in the period ended December 31, 2023, and the related notes (collectively referred to as the "financial statements"). We also have audited the Company's internal control over financial reporting as of December 31, 2023, based on criteria established in *Internal Control – Integrated Framework (2013)* issued by the Committee of Sponsoring Organizations of the Treadway Commission (COSO).

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of the Company as of December 31, 2023 and 2022, and the results of its operations and its cash flows for each of the three years in the period ended December 31, 2023, in conformity with accounting principles generally accepted in the United States of America. Also, in our opinion, the Company maintained, in all material respects, effective internal control over financial reporting as of December 31, 2023, based on criteria established in *Internal Control – Integrated Framework (2013)* issued by COSO.

Change in Accounting Principle

As discussed in Note 2 to the financial statements, the Company has changed its method of accounting for the measurement and disclosure of long-duration insurance contracts using the modified retrospective approach to the transition date of January 1, 2021 due to the adoption of Accounting Standards Update 2018-12, *Targeted Improvements to the Accounting for Long-Duration Contracts*.

Basis for Opinions

The Company's management is responsible for these financial statements, for maintaining effective internal control over financial reporting, and for its assessment of the effectiveness of internal control over financial reporting. Our responsibility is to express an opinion on these financial statements and an opinion on the Company's internal control over financial reporting based on our audits. We are a public accounting firm registered with the Public Company Accounting Oversight Board (United States) (PCAOB) and are required to be independent with respect to the Company in accordance with the U.S. federal securities laws and the applicable rules and regulations of the Securities and Exchange Commission and the PCAOB.

We conducted our audits in accordance with the standards of the PCAOB. Those standards require that we plan and perform the audits to obtain reasonable assurance about whether the financial statements are free of material misstatement, whether due to error or fraud, and whether effective internal control over financial reporting was maintained in all material respects.

Our audits of the financial statements included performing procedures to assess the risks of material misstatement of the financial statements, whether due to error or fraud, and performing procedures to respond to those risks. Such procedures included examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements. Our audits also included evaluating the accounting principles used and significant estimates made by management, as well as evaluating the overall presentation of the financial statements. Our audit of internal control over financial reporting included obtaining an understanding of internal control over financial reporting, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. Our audits also included performing such other procedures as we considered necessary in the circumstances. We believe that our audits provide a reasonable basis for our opinions.

Definition and Limitations of Internal Control over Financial Reporting

A company's internal control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal control over financial reporting includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorizations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

Because of its inherent limitations, internal control over financial reporting may not prevent or detect misstatements. Also, projections of any evaluation of effectiveness to future periods are subject to the risk that controls may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

Critical Audit Matter

The critical audit matter communicated below is a matter arising from the current-period audit of the financial statements that was communicated or required to be communicated to the audit committee and that (1) relates to accounts or disclosures that are material to the financial statements and (2) involved our especially challenging, subjective, or complex judgments. The communication of a critical audit matter does not alter in any way our opinion on the financial statements, taken as a whole, and we are not, by communicating the critical audit matter below, providing a separate opinion on the critical audit matter or on the accounts or disclosures to which it relates.

Reserve for Property and Casualty Insurance Claims and Claims Expense - Refer to Notes 2 and 9 to the Financial Statements

Critical Audit Matter Description

The Company establishes reserves for property and casualty insurance claims and claims expense on reported and unreported claims of insured losses. Using established industry and actuarial best practices as well as the Company's historical claims experience, the reserve for property and casualty insurance claims and claims expense is estimated based on (i) claims reported, (ii) claims incurred but not reported, and (iii) projections of claim payments to be made in the future.

Given the subjectivity of estimating claims incurred but not reported and projections of claim payments to be made in the future, particularly those with payout requirements over a longer period of time, the related audit effort in evaluating the reserve for property and casualty insurance claims and claims expense required a high degree of auditor judgment and an increased extent of effort, including involvement of our actuarial specialists.

How the Critical Audit Matter Was Addressed in the Audit

Our principal audit procedures related to the reserve for property and casualty insurance claims and claims expense included the following:

- We tested the effectiveness of controls related to the reserve for property and casualty insurance claims and claims expense, including those over the Company's estimates and projections.
- We evaluated the methods and assumptions used by the Company to estimate the reserve for property and casualty insurance claims and claims expense by:
 - Testing the underlying data that served as the basis for the actuarial analysis, including historical claims, to test that the inputs to the actuarial estimate were complete and accurate.
 - Performing a retrospective review, including comparing prior year estimates of expected incurred losses to actual experience during the current year to identify potential bias in the determination of the reserve for property and casualty insurance claims and claims expense.
- With the assistance of our actuarial specialists, we developed independent estimates for the reserve for property and casualty insurance claims and claims expense, particularly those with payout requirements over a longer period of time, utilizing loss data and industry claim development factors, and compared our estimates to management's estimates and assessed the consistency of management's approach.

/s/ Deloitte & Touche LLP
Chicago, Illinois

February 21, 2024

We have served as the Company's auditor since 1992.

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Investor Information

Corporate Headquarters/ Home Office

The Allstate Corporation
3100 Sanders Road
Northbrook, IL 60062
(847) 402-5000
www.allstate.com

Annual Meeting

Shareholders of record are invited to attend the annual meeting of The Allstate Corporation on Tuesday, May 14, 2024, 11:00 a.m. Central time. The company will be hosting the meeting live via the Internet. To attend the virtual meeting please visit www.virtualshareholdermeeting.com/ALL2024.

Holders of common stock of record at the close of business on March 18, 2024 are entitled to vote during the meeting. A notice of meeting, proxy statement and proxy card and/or voting instructions were provided to shareholders with this annual report.

Shareholder Services/Transfer Agent

For information or assistance regarding individual stock records, dividend reinvestment, dividend checks, 1099DIV and 1099B tax forms, direct deposit of dividend payments, or stock certificates, contact EQ Shareowner Services, in any of the following ways:

BY TELEPHONE:

(800) 355-5191 within the U.S. or
(651) 450-4064 outside the U.S.

BY MAIL:

EQ Shareowner Services
P.O. Box 64854
St. Paul, MN 55164-0854

BY CERTIFIED/OVERNIGHT MAIL:

EQ Shareowner Services

1110 Centre Pointe Curve, Suite 101
Mendota Heights, MN 55120-4100

ON THE INTERNET—

account information:

shareowneronline.com

Allstate 401(k) Savings Plan

For information about the Allstate 401(k) Savings Plan, call the Allstate Benefits Center at (888) 255-7772

Investor Relations

Security analysts, portfolio managers and representatives of financial institutions seeking information about the company should contact:

Investor Relations
The Allstate Corporation
3100 Sanders Road,
Northbrook, IL 60062
(800) 416-8803
invrel@allstate.com

Communications to the Board of Directors

Shareholders or other interested parties who wish to communicate to the Board of Directors may do so by mail or email as follows. Please let us know if you are a shareholder.

BY EMAIL:

directors@allstate.com

BY MAIL:

The Allstate Corporation
Nominating, Governance &
Social Responsibility Committee
c/o General Counsel
3100 Sanders Road
Northbrook, IL 60062

Code of Global Business Conduct

Allstate's Global Code of Business Conduct is available on the Corporate Governance section of www.allstateinvestors.com.

Corporate Responsibility

Information on Allstate's social responsibility programs is available at allstatesustainability.com.

Media Inquiries

Allstate Media Relations
3100 Sanders Road
Northbrook, IL 60062
(847) 402-5600

Form 10-K, Other Reports

Shareholders may receive without charge a copy of The Allstate Corporation Form 10-K annual report (filed with the U.S. Securities and Exchange Commission) and other public financial information for the year ended December 31, 2023, by contacting invrel@allstate.com.

The Allstate Corporation's Annual Report is available online at:
<https://www.allstateinvestors.com/financials/sec-filings>

Stock Exchange Listing

The Allstate Corporation common stock is listed on the New York Stock Exchange under the trading symbol "ALL." Common stock is also listed on the Chicago Stock Exchange. As of January 31, 2024, there were 56,831 holders of record of The Allstate Corporation's common stock.

Independent Registered Public Accounting Firm

Deloitte & Touche LLP 111 South Wacker Drive Chicago, IL 60606-4301

Online Information

You can access financial and other information about Allstate on our website, www.allstateinvestors.com, including executive speeches, investor conference calls and quarterly investor information. The information contained in any website or report referenced in this proxy statement is not incorporated by reference in, and does not form a part of, this proxy statement.





The Allstate Corporation
Notice of 2024 Annual Meeting,
Proxy Statement and
2023 Annual Report

The Allstate Corporation
3100 Sanders Road
Northbrook, IL 60062-6127