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

FORM 8-K

CURRENT REPORT

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

Date of report (Date of earliest event reported): November 2, 2016

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

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

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

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

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

[ ] Written communications pursuant to Rule 425 under the Securities Act (17 CFR 230.425)

[ ] Soliciting material pursuant to Rule 14a-12 under the Exchange Act (17 CFR 240.14a-12)

[ ] Pre-commencement communications pursuant to Rule 14d-2(b) under the Exchange Act (17 CFR 240.14d-2(b))

[ ] Pre-commencement communications pursuant to Rule 13e-4(c) under the Exchange Act (17 CFR 240.13e-4(c))

Section 2 – Financial Information

Item 2.02. Results of Operations and Financial Condition.

The Registrant's press release dated November 2, 2016, announcing its financial results for the third quarter of 2016, and the Registrant's third quarter 2016 investor supplement are furnished as Exhibits 99.1 and 99.2, respectively, to this report. The information contained in the press release and the investor supplement are furnished and not filed pursuant to instruction B.2 of Form 8-K.

Section 9 – Financial Statements and Exhibits

Item 9.01. Financial Statements and Exhibits.

(d) Exhibits

99.1	Registrant's press release dated November 2, 2016
99.2	Third quarter 2016 Investor Supplement of The Allstate Corporation

SIGNATURES

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

THE ALLSTATE CORPORATION
(Registrant)

By: /s/ Samuel H. Pilch
Name: Samuel H. Pilch
Title: Senior Group Vice President and Controller

Date: November 2, 2016

Exhibit 99.1

FOR IMMEDIATE RELEASE

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Allstate Delivers Balanced Operating Results

Focus on Returns Evident in Auto and Homeowner Insurance Results

NORTHBROOK, Ill., November 2, 2016 – The Allstate Corporation (NYSE: ALL) today reported financial results for the third quarter of 2016. The financial highlights were:

The Allstate Corporation Consolidated Highlights

($ millions, except per share amounts and ratios)	Three months ended September 30, 2016	2015	% / pts Change	Nine months ended September 30, 2016	2015	% / pts Change
Consolidated revenues	$ 9,221	$ 9,028	2.1	$ 27,256	$ 26,962	1.1
Net income applicable to common shareholders	491	621	(20.9)	950	1,595	(40.4)
per diluted common share	1.31	1.54	(14.9)	2.51	3.87	(35.1)
Operating income*	474	610	(22.3)	1,031	1,488	(30.7)
per diluted common share*	1.26	1.52	(17.1)	2.72	3.61	(24.7)
Return on common shareholders' equity						
Net income applicable to common shareholders				7.4%	12.2%	(4.8) pts
Operating income*				9.4%	12.1%	(2.7) pts
Book value per common share				51.48	47.54	8.3
Property-Liability combined ratio						
Recorded	95.5	93.6	1.9 pts	98.2	95.8	2.4 pts
Underlying combined ratio* (excludes catastrophes, prior year reserve reestimates and amortization of purchased intangibles)	88.0	89.3	(1.3) pts	88.0	89.1	(1.1) pts
Catastrophe losses	481	270	78.1	2,269	1,361	66.7

* Measures used in this release 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 in the "Definitions of Non-GAAP Measures" section of this document.

"Allstate proactively balances near-term operating results with long-term strategy to meet the needs of our stakeholders," said Tom Wilson, chairman and chief executive officer of The Allstate Corporation. "Net income applicable to common shareholders was $491 million in the third quarter, reflecting strong profitability from homeowners insurance and an improvement in underlying auto insurance margins. Catastrophe losses increased by $211 million (78%) in the third quarter and $908 million (67%) for the first three quarters, which led to a $457 million decline in year-to-date operating income versus 2015. The property-liability underlying combined ratio of 88.0 for the first three quarters was at the favorable end of our annual outlook range of 88 - 90[1]. Total return on the investment portfolio was 5.2% year-to-date, as higher bond valuations and solid returns from performance-based investments were partially offset by lower market yields.

"Results on our five operating priorities for 2016 also reflect a balanced approach to adapting to the external environment," Wilson continued. "Overall policies in force declined reflecting auto price increases of 7.8% for the Allstate brand over the last twelve months, which impacted both new business and customer retention.

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[1] A reconciliation of this non-GAAP measure to the combined ratio, a GAAP measure, is not possible on a forward-looking basis because it is not possible to provide a reliable forecast of catastrophes, and prior year reserve reestimates are expected to be zero because reserves are determined based on our best estimate of ultimate loss reserves as of the reporting dates.

Providing a broad set of unique products through different distribution channels, including strong policy growth in Allstate Benefits, enabled us to offset a significant portion of the decline in Allstate brand auto policies. Despite auto insurance price increases, Allstate agency owners are effectively managing customer satisfaction by serving as trusted advisors to our customers. We made excellent progress on building capabilities to increase performance-based investments and expand Arity's connected car platform. Our view that 'corporations can do more' is keeping our reputation with customers strong as we invest in our people and communities," concluded Wilson.

Operating Results: Third Quarter 2016

- Total revenue of $9.2 billion in the third quarter of 2016 increased by 2.1% compared to the prior year quarter.
    - Property-liability insurance premiums increased 2.9%.
    - Allstate Financial premiums and contract charges rose 6.1%.
    - Net investment income was 7.3% lower.
    - Realized capital gains of $33 million were flat.

- Net income applicable to common shareholders in the third quarter was $491 million, or $1.31 per diluted share, compared to $621 million, or $1.54 per diluted share, in the third quarter of 2015. Operating income was $474 million in the third quarter of 2016, compared to $610 million in the third quarter of 2015.

- **Property-liability** net income of $483 million was $46 million higher than the third quarter of 2015. Underwriting income* of $355 million was $136 million below the prior year quarter, driven by an increase in catastrophe losses and unfavorable prior year reserve reestimates in our Discontinued Lines and Coverages segment, partially offset by higher earned premium.
    - The underlying combined ratio of 88.0 for the third quarter of 2016 was 1.3 points better than the third quarter of 2015, reflecting improved Allstate brand auto results.
    - The auto profit improvement plan, which began in the second quarter of 2015, impacted results.
        - Auto insurance rate increases across all three underwriting brands are estimated at $1.2 billion of net written premium through the first three quarters of 2016 and $2.2 billion since March 31, 2015.
        - As expected, auto new business for all three underwriting brands declined by 24% through the third quarter of 2016.
        - The property-liability expense ratio declined by 0.8 points, to 25.0, through the first nine months of 2016 compared to the same time period in 2015.

Underwriting Results							
	Three months ended September 30,				Nine months ended September 30,		
($ millions, except ratios)	2016	2015	% / pts Change		2016	2015	% / pts Change
Property-Liability Results							
Underwriting income (loss)	**$ 355**	**$ 491**	**(27.7)**		**$ 414**	**$ 948**	**(56.3)**
Auto	24	22	9.1		(44)	(13)	(238.5)
Homeowners	395	465	(15.1)		528	922	(42.7)
Discontinued Lines and Coverages	(100)	(49)	(104.1)		(104)	(53)	(96.2)
Recorded combined ratio	**95.5**	**93.6**	**1.9 pts**		**98.2**	**95.8**	**2.4 pts**
Auto	99.6	99.6	—		100.3	100.1	0.2 pts
Homeowners	78.2	74.1	4.1 pts		90.3	82.7	7.6 pts
Underlying combined ratio	**88.0**	**89.3**	**(1.3) pts**		**88.0**	**89.1**	**(1.1) pts**
Auto	96.5	98.6	(2.1) pts		97.1	98.3	(1.2) pts
Homeowners	63.0	62.6	0.4 pts		61.5	63.3	(1.8) pts

Auto and homeowners results reflect Allstate Protection.

- **Allstate brand auto** written premium growth of 4.1% in the third quarter of 2016 reflects a 7.7% increase in average premium, which more than offset a 2.5% decline in policies in force. The recorded combined ratio of 99.0 in the third quarter of 2016 was 0.2 points higher than the prior year quarter and was adversely impacted by 3.1 points of catastrophe losses. The underlying combined ratio in the third quarter of 2016 was 2.2 points better than the third quarter of 2015, as higher average premium more than offset increases in frequency and severity.

- **Allstate brand homeowners** net written premium declined slightly in the third quarter of 2016 compared to the third quarter of 2015, as average premium increased by 2.0% while policies in force declined by 0.9%. The recorded combined ratio was adversely impacted by higher catastrophe losses compared to the third quarter of 2015, while the underlying combined ratio of 61.1 in the third quarter of 2016 continues to reflect strong underlying profitability. Losses from Hurricane Matthew, an October event, will be disclosed in our October catastrophe release, per our disclosure policy, if total catastrophes for the month exceed $150 million.

- **Esurance** net written premium growth of 5.4% compared to the prior year quarter reflects a slight decline in policies in force, which was more than offset by a 6.4% increase in auto average premium. The recorded combined ratio of 109.8 was 3.3 points higher in the third quarter of 2016, primarily driven by higher catastrophe losses. The underlying loss ratio* was 75.7 in the third quarter compared to 73.5 in the prior year quarter, as increased auto frequency and severity more than offset higher average earned premium. The increase in the underlying loss ratio was mostly offset by a reduction in the expense ratio.

- **Encompass** net written premium declined by 9.7% and policies in force were 12.6% lower in the third quarter of 2016 compared to the prior year quarter, reflecting the continued focus on improving returns in this business. Both the recorded combined ratio of 98.3 and underlying combined ratio of 89.3 improved in the third quarter of 2016 compared to the same period a year ago.

- **Allstate Financial** net income was $80 million and operating income was $94 million in the third quarter of 2016. Operating income was $44 million lower than the prior year quarter, primarily due to lower limited partnership income and reduced interest income from the portfolio repositioning in our annuity business.

- **Net investment income** of $748 million declined by $59 million in the third quarter of 2016 from the prior year. This decline reflects lower interest income on market-based investments, driven by the Allstate Financial annuity portfolio repositioning. Solid performance-based results were lower compared to a strong prior year quarter.

- **Net realized capital gains** were $33 million in the third quarter of 2016, consistent with the prior year quarter. Net realized gains on sales totaled $121 million, primarily related to ongoing portfolio management. Impairment write-downs were $63 million, including $23 million related to energy investments.

- **Investments carrying value** of $81.1 billion was $3.3 billion above carrying value of $77.8 billion at year-end 2015 and included an increase in unrealized net capital gains of $2.0 billion, primarily reflecting increased bond valuations. The portfolio is managed to deliver attractive risk adjusted returns over an intermediate time horizon with performance measured on a current and multiple-year basis.

Allstate Investment Highlights							
	Three months ended September 30,				Nine months ended September 30,		
($ millions, except ratios)	2016	2015	% / pts Change		2016	2015	% / pts Change
Investment Results							
Net investment income	$ 748	$ 807	(7.3)		$ 2,241	$ 2,446	(8.4)
Realized capital gains and losses	33	33	—		(92)	280	NM
Change in unrealized net capital gains, pre-tax	318	(854)	NM		1,990	(1,719)	NM
Total return on investment portfolio	1.3%	—%	1.3 pts		5.2%	1.2%	4.0 pts

NM = not meaningful

Proactive Capital Management

"Allstate returned $389 million to shareholders during the third quarter of 2016 through a combination of $124 million in common stock dividends and repurchasing $265 million outstanding shares," said Steve Shebik, chief financial officer. "Share repurchases in the third quarter included $212 million related to the new $250 million accelerated share repurchase (ASR) agreement. As of September 30, 2016, there was $938 million remaining on the $1.5 billion authorization, which is expected to be completed by November 2017. Book value per diluted common share of $51.48 was 8.3% higher than the third quarter of 2015 and 2.9% greater than the second quarter of 2016. Operating income return on common shareholders' equity was 9.4% as of September 30, 2016."

Visit www.allstateinvestors.com to view additional information about Allstate's results, including a webcast of its quarterly conference call and the call presentation. The conference call will be held at 9 a.m. ET on Thursday, August 4.

The Allstate Corporation (NYSE: ALL) is the nation's largest publicly held personal lines insurer, protecting approximately 16 million households from life's uncertainties through auto, home, life and other insurance offered through its Allstate, Esurance, Encompass and Answer Financial brand names. Now celebrating its 85th anniversary as an insurer, Allstate is widely known through the slogan "You're In Good Hands With Allstate®." Allstate agencies are in virtually every local community in America.

Financial information, including material announcements about The Allstate Corporation, is routinely posted on www.allstateinvestors.com.

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

THE ALLSTATE CORPORATION AND SUBSIDIARIES
CONDENSED CONSOLIDATED STATEMENTS OF OPERATIONS

($ in millions, except per share data)	Three months ended September 30, 2016	Three months ended September 30, 2015	Nine months ended September 30, 2016	Nine months ended September 30, 2015
	(unaudited)		(unaudited)	
Revenues				
Property-liability insurance premiums	$ 7,869	$ 7,650	$ 23,406	$ 22,625
Life and annuity premiums and contract charges	571	538	1,701	1,611
Net investment income	748	807	2,241	2,446
Realized capital gains and losses:				
Total other-than-temporary impairment (“OTTI”) losses	(73)	(186)	(241)	(286)
OTTI losses reclassified to (from) other comprehensive income	—	12	8	20
Net OTTI losses recognized in earnings	(73)	(174)	(233)	(266)
Sales and other realized capital gains and losses	106	207	141	546
Total realized capital gains and losses	33	33	(92)	280
	9,221	9,028	27,256	26,962
Costs and expenses				
Property-liability insurance claims and claims expense	5,553	5,255	17,138	15,835
Life and annuity contract benefits	484	460	1,393	1,347
Interest credited to contractholder funds	183	194	558	578
Amortization of deferred policy acquisition costs	1,138	1,092	3,393	3,248
Operating costs and expenses	1,021	992	3,043	3,143
Restructuring and related charges	5	9	21	32
Interest expense	73	73	218	219
	8,457	8,075	25,764	24,402
Gain on disposition of operations	1	2	4	2
Income from operations before income tax expense	765	955	1,496	2,562
Income tax expense	245	305	459	880
Net income	520	650	1,037	1,682
Preferred stock dividends	29	29	87	87
Net income applicable to common shareholders	$ 491	$ 621	$ 950	$ 1,595
Earnings per common share:				
Net income applicable to common shareholders per common share – Basic	$ 1.32	$ 1.56	$ 2.54	$ 3.92
Weighted average common shares – Basic	371.5	397.0	374.4	406.5
Net income applicable to common shareholders per common share – Diluted	$ 1.31	$ 1.54	$ 2.51	$ 3.87
Weighted average common shares – Diluted	375.9	402.1	378.9	412.4
Cash dividends declared per common share	$ 0.33	$ 0.30	$ 0.99	$ 0.90

THE ALLSTATE CORPORATION
BUSINESS RESULTS

($ in millions, except ratios)	Three months ended September 30, 2016	Three months ended September 30, 2015	Nine months ended September 30, 2016	Nine months ended September 30, 2015
Property-Liability				
Premiums written	$ 8,311	$ 8,137	$ 23,877	$ 23,320
Premiums earned	$ 7,869	$ 7,650	$ 23,406	$ 22,625
Claims and claims expense	(5,553)	(5,255)	(17,138)	(15,835)
Amortization of deferred policy acquisition costs	(1,068)	(1,029)	(3,181)	(3,050)
Operating costs and expenses	(888)	(867)	(2,653)	(2,763)
Restructuring and related charges	(5)	(8)	(20)	(29)
Underwriting income	355	491	414	948
Net investment income	310	307	928	957
Periodic settlements and accruals on non-hedge derivative instruments	(1)	(1)	(2)	(2)
Amortization of purchased intangible assets	9	12	27	37
Income tax expense on operations	(221)	(259)	(438)	(637)
Operating income	452	550	929	1,303
Realized capital gains and losses, after-tax	36	(104)	(10)	(55)
Loss on disposition of operations, after-tax	—	(1)	—	—
Reclassification of periodic settlements and accruals on non-hedge derivative instruments, after-tax	—	—	1	1
Amortization of purchased intangible assets, after-tax	(5)	(8)	(17)	(24)
Change in accounting for investments in qualified affordable housing projects, after-tax	—	—	—	(28)
Net income applicable to common shareholders	$ 483	$ 437	$ 903	$ 1,197
Catastrophe losses	$ 481	$ 270	$ 2,269	$ 1,361
Operating ratios:				
Claims and claims expense ratio	70.6	68.7	73.2	70.0
Expense ratio	24.9	24.9	25.0	25.8
Combined ratio	95.5	93.6	98.2	95.8
Effect of catastrophe losses on combined ratio	6.1	3.5	9.7	6.0
Effect of prior year reserve reestimates on combined ratio	1.3	0.6	0.5	0.5
Effect of catastrophe losses included in prior year reserve reestimates on combined ratio	—	—	0.1	—
Effect of amortization of purchased intangible assets on combined ratio	0.1	0.2	0.1	0.2
Effect of Discontinued Lines and Coverages on combined ratio	1.3	0.7	0.4	0.2
Allstate Financial				
Premiums and contract charges	$ 571	$ 538	$ 1,701	$ 1,611
Net investment income	427	491	1,281	1,464
Contract benefits	(484)	(460)	(1,393)	(1,347)
Interest credited to contractholder funds	(183)	(191)	(546)	(574)
Amortization of deferred policy acquisition costs	(68)	(61)	(207)	(192)
Operating costs and expenses	(126)	(112)	(370)	(353)
Restructuring and related charges	—	(1)	(1)	(3)
Income tax expense on operations	(43)	(66)	(147)	(195)
Operating income	94	138	318	411
Realized capital gains and losses, after-tax	(14)	125	(46)	235
Valuation changes on embedded derivatives that are not hedged, after-tax	—	(2)	(8)	(3)
DAC and DSI amortization relating to realized capital gains and losses and valuation changes on embedded derivatives that are not hedged, after-tax	(1)	(1)	(3)	(3)
Gain on disposition of operations, after-tax	1	2	3	1
Change in accounting for investments in qualified affordable housing projects, after-tax	—	—	—	(17)
Net income applicable to common shareholders	$ 80	$ 262	$ 264	$ 624
Corporate and Other				
Net investment income	$ 11	$ 9	$ 32	$ 25
Operating costs and expenses	(80)	(86)	(238)	(246)
Income tax benefit on operations	26	28	77	82
Preferred stock dividends	(29)	(29)	(87)	(87)
Operating loss	(72)	(78)	(216)	(226)
Realized capital gains and losses, after-tax	—	—	(1)	—
Net loss applicable to common shareholders	$ (72)	$ (78)	$ (217)	$ (226)
Consolidated net income applicable to common shareholders	$ 491	$ 621	$ 950	$ 1,595

THE ALLSTATE CORPORATION AND SUBSIDIARIES
CONDENSED CONSOLIDATED STATEMENTS OF FINANCIAL POSITION

($ in millions, except par value data)	September 30, 2016	December 31, 2015
	(unaudited)	
Assets		
Investments:		
Fixed income securities, at fair value (amortized cost $57,775 and $57,201)	$ 60,306	$ 57,948
Equity securities, at fair value (cost $4,800 and $4,806)	5,288	5,082
Mortgage loans	4,396	4,338
Limited partnership interests	5,588	4,874
Short-term, at fair value (amortized cost $1,863 and $2,122)	1,863	2,122
Other	3,663	3,394
Total investments	81,104	77,758
Cash	389	495
Premium installment receivables, net	5,799	5,544
Deferred policy acquisition costs	3,886	3,861
Reinsurance recoverables, net	8,922	8,518
Accrued investment income	567	569
Property and equipment, net	1,013	1,024
Goodwill	1,219	1,219
Other assets	2,169	2,010
Separate Accounts	3,469	3,658
Total assets	$ 108,537	$ 104,656
Liabilities		
Reserve for property-liability insurance claims and claims expense	$ 25,450	$ 23,869
Reserve for life-contingent contract benefits	12,228	12,247
Contractholder funds	20,583	21,295
Unearned premiums	12,772	12,202
Claim payments outstanding	934	842
Deferred income taxes	935	90
Other liabilities and accrued expenses	6,122	5,304
Long-term debt	5,110	5,124
Separate Accounts	3,469	3,658
Total liabilities	87,603	84,631
Shareholders' equity		
Preferred stock and additional capital paid-in, $1 par value, 72.2 thousand shares issued and outstanding, $1,805 aggregate liquidation preference	1,746	1,746
Common stock, $.01 par value, 900 million issued, 368 million and 381 million shares outstanding	9	9
Additional capital paid-in	3,237	3,245
Retained income	39,990	39,413
Deferred ESOP expense	(13)	(13)
Treasury stock, at cost (532 million and 519 million shares)	(24,537)	(23,620)
Accumulated other comprehensive income:		
Unrealized net capital gains and losses:		
Unrealized net capital gains and losses on fixed income securities with OTTI	56	56
Other unrealized net capital gains and losses	1,902	608
Unrealized adjustment to DAC, DSI and insurance reserves	(141)	(44)
Total unrealized net capital gains and losses	1,817	620
Unrealized foreign currency translation adjustments	(48)	(60)
Unrecognized pension and other postretirement benefit cost	(1,267)	(1,315)
Total accumulated other comprehensive income (loss)	502	(755)
Total shareholders' equity	20,934	20,025
Total liabilities and shareholders' equity	$ 108,537	$ 104,656

THE ALLSTATE CORPORATION AND SUBSIDIARIES
CONDENSED CONSOLIDATED STATEMENTS OF CASH FLOWS

($ in millions)	Nine months ended September 30,	
	2016	2015
Cash flows from operating activities	(unaudited)	
Net income	$ 1,037	$ 1,682
Adjustments to reconcile net income to net cash provided by operating activities:		
Depreciation, amortization and other non-cash items	285	275
Realized capital gains and losses	92	(280)
Gain on disposition of operations	(4)	(2)
Interest credited to contractholder funds	558	578
Changes in:		
Policy benefits and other insurance reserves	978	500
Unearned premiums	540	762
Deferred policy acquisition costs	(159)	(219)
Premium installment receivables, net	(236)	(290)
Reinsurance recoverables, net	(420)	(133)
Income taxes	30	(60)
Other operating assets and liabilities	41	(127)
Net cash provided by operating activities	2,742	2,686
Cash flows from investing activities		
Proceeds from sales		
Fixed income securities	19,132	22,796
Equity securities	4,069	2,688
Limited partnership interests	634	795
Mortgage loans	—	6
Other investments	206	178
Investment collections		
Fixed income securities	3,430	3,248
Mortgage loans	403	305
Other investments	281	254
Investment purchases		
Fixed income securities	(22,282)	(22,928)
Equity securities	(4,113)	(3,238)
Limited partnership interests	(1,128)	(930)
Mortgage loans	(460)	(524)
Other investments	(674)	(743)
Change in short-term investments, net	94	(577)
Change in other investments, net	(60)	(16)
Purchases of property and equipment, net	(190)	(219)
Net cash (used in) provided by investing activities	(658)	1,095
Cash flows from financing activities		
Repayments of long-term debt	(16)	(20)
Contractholder fund deposits	785	784
Contractholder fund withdrawals	(1,537)	(1,793)
Dividends paid on common stock	(364)	(365)
Dividends paid on preferred stock	(87)	(87)
Treasury stock purchases	(1,154)	(2,216)
Shares reissued under equity incentive plans, net	123	121
Excess tax benefits on share-based payment arrangements	25	44
Other	35	(1)
Net cash used in financing activities	(2,190)	(3,533)
Net (decrease) increase in cash	(106)	248
Cash at beginning of period	495	657
Cash at end of period	$ 389	$ 905

The following table presents the investment portfolio by strategy as of September 30, 2016.

($ in millions)	Total	Market-Based Core	Market-Based Active	Performance-Based Long-Term	Performance-Based Opportunistic
Fixed income securities	$ 60,306	$ 52,452	$ 7,769	$ 69	$ 16
Equity securities	5,288	4,297	897	94	—
Mortgage loans	4,396	4,396	—	—	—
Limited partnership interests	5,588	448	—	5,137	3
Short-term investments	1,863	1,575	288	—	—
Other	3,663	2,980	152	520	11
Total	$ 81,104	$ 66,148	$ 9,106	$ 5,820	$ 30
Property-Liability	$ 41,057	$ 30,015	$ 7,929	$ 3,093	$ 20
Allstate Financial	37,516	33,602	1,177	2,727	10
Corporate & Other	2,531	2,531	—	—	—
Total	$ 81,104	$ 66,148	$ 9,106	$ 5,820	$ 30

The following table presents investment income by investment strategy for the three months and nine months ended September 30.

($ in millions)	Three months ended September 30,		Nine months ended September 30,	
	2016	2015	2016	2015
Market-Based Core	$ 577	$ 612	$ 1,753	$ 1,881
Market-Based Active	66	52	194	154
Performance-Based Long-Term	147	176	416	515
Performance-Based Opportunistic	—	2	5	7
Investment income, before expense	790	842	2,368	2,557
Investment expense	(42)	(35)	(127)	(111)
Net investment income	$ 748	$ 807	$ 2,241	$ 2,446

The following table presents investment income by investment type and strategy for the three months and nine months ended September 30, 2016.

($ in millions)	Total	Market-Based Core	Market-Based Active	Performance-Based Long-Term	Performance-Based Opportunistic
Three months ended September 30, 2016					
Fixed income securities	$ 508	$ 452	$ 55	$ 1	$ —
Equity securities	31	24	7	—	—
Mortgage loans	56	56	—	—	—
Limited partnership interests	136	1	—	135	—
Short-term investments	4	3	1	—	—
Other	55	41	3	11	—
Investment income, before expense	790	$ 577	$ 66	$ 147	$ —
Investment expense	(42)				
Net investment income	$ 748				
Property-Liability	$ 333	$ 200	$ 57	$ 76	$ —
Allstate Financial	445	365	9	71	—
Corporate & Other	12	12	—	—	—
Investment income, before expense	$ 790	$ 577	$ 66	$ 147	$ —
Nine months ended September 30, 2016					
Fixed income securities	$ 1,546	$ 1,374	$ 165	$ 3	$ 4
Equity securities	103	85	18	—	—
Mortgage loans	162	162	—	—	—
Limited partnership interests	383	1	—	382	—
Short-term investments	11	8	3	—	—
Other	163	123	8	31	1
Investment income, before expense	2,368	$ 1,753	$ 194	$ 416	$ 5
Investment expense	(127)				
Net investment income	$ 2,241				
Property-Liability	$ 997	$ 617	$ 169	$ 208	$ 3
Allstate Financial	1,334	1,099	25	208	2
Corporate & Other	37	37	—	—	—
Investment income, before expense	$ 2,368	$ 1,753	$ 194	$ 416	$ 5

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

Operating income is net income applicable to common shareholders, excluding:
- realized capital gains and losses, after-tax, except for periodic settlements and accruals on non-hedge derivative instruments, which are reported with realized capital gains and losses but included in operating income,
- valuation changes on embedded derivatives that are not hedged, after-tax,
- amortization of deferred policy acquisition costs (DAC) and deferred sales inducements (DSI), to the extent they resulted from the recognition of certain realized capital gains and losses or valuation changes on embedded derivatives that are not hedged, after-tax,
- amortization of purchased intangible assets, after-tax,
- gain (loss) on disposition of operations, after-tax, and
- adjustments for other significant non-recurring, infrequent or unusual items, when (a) the nature of the charge or gain is such that it is reasonably unlikely to recur within two years, or (b) there has been no similar charge or gain within the prior two years.

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

We use operating income as an important measure to evaluate our results of operations. We believe that the measure provides investors with a valuable measure of the company's ongoing performance because it reveals trends in our insurance and financial services business that may be obscured by the net effect of realized capital gains and losses, valuation changes on embedded derivatives that are not hedged, amortization of purchased intangible assets, gain (loss) on disposition of operations and adjustments for other significant non-recurring, infrequent or unusual items. Realized capital gains and losses, valuation changes on embedded derivatives that are not hedged and gain (loss) on disposition of operations may vary significantly between periods and are generally driven by business decisions and external economic developments such as capital market conditions, the timing of which is unrelated to the insurance underwriting process. Consistent with our intent to protect results or earn additional income, operating income includes periodic settlements and accruals on certain derivative instruments that are reported in realized capital gains and losses because they do not qualify for hedge accounting or are not designated as hedges for accounting purposes. These instruments are used for economic hedges and to replicate fixed income securities, and by including them in operating income, we are appropriately reflecting their trends in our performance and in a manner consistent with the economically hedged investments, product attributes (e.g. net investment income and interest credited to contractholder funds) or replicated investments. Amortization of purchased intangible assets is excluded because it relates to the acquisition purchase price and is not indicative of our underlying insurance business results or trends. Non-recurring items are excluded because, by their nature, they are not indicative of our business or economic trends. Accordingly, operating 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 operating 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. Operating income is used by management along with the other components of net income applicable to common shareholders to assess our performance. We use adjusted measures of operating income in incentive compensation. Therefore, we believe it is useful for investors to evaluate net income applicable to common shareholders, operating 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 operating 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 operating income as the denominator. Operating income should not be considered a substitute for net income applicable to common shareholders and does not reflect the overall profitability of our business.

The following tables reconcile operating income and net income applicable to common shareholders. Taxes on adjustments to reconcile operating income and net income applicable to common shareholders generally use a 35% effective tax rate and are reported net with the reconciling adjustment. If the effective tax rate is other than 35%, this is specified in the disclosure.

($ in millions, except per share data)	For the three months ended September 30,							
	Property-Liability		Allstate Financial		Consolidated		Per diluted common share	
	2016	2015	2016	2015	2016	2015	2016	2015
Operating income	$ 452	$ 550	$ 94	$ 138	$ 474	$ 610	$ 1.26	$ 1.52
Realized capital gains and losses, after-tax	36	(104)	(14)	125	22	21	0.06	0.05
Valuation changes on embedded derivatives that are not hedged, after-tax	—	—	—	(2)	—	(2)	—	(0.01)
DAC and DSI amortization relating to realized capital gains and losses and valuation changes on embedded derivatives that are not hedged, after-tax	—	—	(1)	(1)	(1)	(1)	—	—
Amortization of purchased intangible assets, after-tax	(5)	(8)	—	—	(5)	(8)	(0.01)	(0.02)
(Loss) gain on disposition of operations, after-tax	—	(1)	1	2	1	1	—	—
Net income applicable to common shareholders	$ 483	$ 437	$ 80	$ 262	$ 491	$ 621	$ 1.31	$ 1.54

	For the nine months ended September 30,							
	Property-Liability		Allstate Financial		Consolidated		Per diluted common share	
	2016	2015	2016	2015	2016	2015	2016	2015
Operating income	$ 929	$ 1,303	$ 318	$ 411	$ 1,031	$ 1,488	$ 2.72	$ 3.61
Realized capital gains and losses, after-tax	(10)	(55)	(46)	235	(57)	180	(0.15)	0.44
Valuation changes on embedded derivatives that are not hedged, after-tax	—	—	(8)	(3)	(8)	(3)	(0.02)	(0.01)
DAC and DSI amortization relating to realized capital gains and losses and valuation changes on embedded derivatives that are not hedged, after-tax	—	—	(3)	(3)	(3)	(3)	(0.01)	(0.01)
Reclassification of periodic settlements and accruals on non-hedge derivative instruments, after-tax	1	1	—	—	1	1	—	—
Amortization of purchased intangible assets, after-tax	(17)	(24)	—	—	(17)	(24)	(0.04)	(0.05)
Gain on disposition of operations, after-tax	—	—	3	1	3	1	0.01	—
Change in accounting for investments in qualified affordable housing projects, after-tax (all tax)	—	(28)	—	(17)	—	(45)	—	(0.11)
Net income applicable to common shareholders	$ 903	$ 1,197	$ 264	$ 624	$ 950	$ 1,595	$ 2.51	$ 3.87

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

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

($ in millions)	For the twelve months ended September 30,	
	2016	2015
Return on common shareholders' equity		
Numerator:		
Net income applicable to common shareholders	$ 1,410	$ 2,390
Denominator:		
Beginning common shareholders' equity [(1)]	$ 18,758	$ 20,583
Ending common shareholders' equity [(1)]	19,188	18,758
Average common shareholders' equity	$ 18,973	$ 19,671
Return on common shareholders' equity	7.4%	12.2%

	For the twelve months ended September 30,	
	2016	2015
Operating income return on common shareholders' equity		
Numerator:		
Operating income	$ 1,656	$ 2,224
Denominator:		
Beginning common shareholders' equity	$ 18,758	$ 20,583
Unrealized net capital gains and losses	879	1,827
Adjusted beginning common shareholders' equity	17,879	18,756
Ending common shareholders' equity	19,188	18,758
Unrealized net capital gains and losses	1,817	879
Adjusted ending common shareholders' equity	17,371	17,879
Average adjusted common shareholders' equity	$ 17,625	$ 18,318
Operating income return on common shareholders' equity	9.4%	12.1%

[(1)] Excludes equity related to preferred stock of $1,746 million.

Underwriting income is calculated as premiums earned, less claims and claims expense ("losses"), amortization of DAC, operating costs and expenses and restructuring and related charges as determined using GAAP. Management uses this measure in its evaluation of the results of operations to analyze the profitability of our Property-Liability insurance operations separately from investment results. It is also an integral component of incentive compensation. It is useful for investors to evaluate the components of income separately and in the aggregate when reviewing performance. Net income applicable to common shareholders is the most directly comparable GAAP measure. Underwriting income should not be considered a substitute for net income applicable to common shareholders and does not reflect the overall profitability of our business. A reconciliation of Property-Liability underwriting income to net income applicable to common shareholders is provided in the "Business Results" page.

Combined ratio excluding the effect of catastrophes, prior year reserve reestimates and amortization of purchased intangible assets ("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 of purchased intangible assets 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 of purchased intangible assets. 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. Amortization of purchased intangible assets relates to the acquisition purchase price and is not indicative of our underlying insurance business results or trends. We believe it is useful for investors to evaluate these components separately and in the aggregate when reviewing our underwriting performance. We also provide it to facilitate a comparison to our outlook on the underlying combined ratio. The most directly comparable GAAP measure is the combined ratio. The underlying combined ratio should not be considered a substitute for the combined ratio and does not reflect the overall underwriting profitability of our business.

The following tables reconcile the respective underlying combined ratio to the combined ratio.

Property-Liability	**Three months ended September 30,**		**Nine months ended September 30,**	
	2016	**2015**	**2016**	**2015**
Combined ratio excluding the effect of catastrophes, prior year reserve reestimates and amortization of purchased intangible assets ("underlying combined ratio")	88.0	89.3	88.0	89.1
Effect of catastrophe losses	6.1	3.5	9.7	6.0
Effect of prior year non-catastrophe reserve reestimates	1.3	0.6	0.4	0.5
Effect of amortization of purchased intangible assets	0.1	0.2	0.1	0.2
Combined ratio	95.5	93.6	98.2	95.8
Effect of prior year catastrophe reserve reestimates	—	—	0.1	—

Underwriting margin is calculated as 100% minus the combined ratio.

Allstate Protection Auto Insurance	**Three months ended September 30,**		**Nine months ended September 30,**	
	2016	**2015**	**2016**	**2015**
Underlying combined ratio	96.5	98.6	97.1	98.3
Effect of catastrophe losses	3.1	0.5	3.2	1.3
Effect of prior year non-catastrophe reserve reestimates	(0.1)	0.3	(0.2)	0.3
Effect of amortization of purchased intangible assets	0.1	0.2	0.2	0.2
Combined ratio	99.6	99.6	100.3	100.1
Effect of prior year catastrophe reserve reestimates	(0.1)	—	(0.1)	—

Allstate Protection Homeowners Insurance	**Three months ended September 30,**		**Nine months ended September 30,**	
	2016	**2015**	**2016**	**2015**
Underlying combined ratio	63.0	62.6	61.5	63.3
Effect of catastrophe losses	15.7	12.4	29.0	19.7
Effect of prior year non-catastrophe reserve reestimates	(0.5)	(0.9)	(0.2)	(0.3)
Combined ratio	78.2	74.1	90.3	82.7
Effect of prior year catastrophe reserve reestimates	0.3	0.1	0.3	0.1

Allstate Brand - Total	**Three months ended September 30,**		**Nine months ended September 30,**	
	2016	**2015**	**2016**	**2015**
Underlying combined ratio	86.9	88.3	86.9	87.8
Effect of catastrophe losses	6.2	3.6	10.0	6.1
Effect of prior year non-catastrophe reserve reestimates	—	(0.1)	—	0.3
Combined ratio	93.1	91.8	96.9	94.2
Effect of prior year catastrophe reserve reestimates	—	(0.1)	0.1	—

Allstate Brand - Auto Insurance

	Three months ended September 30,		Nine months ended September 30,	
	2016	2015	2016	2015
Underlying combined ratio	95.9	98.1	96.5	97.2
Effect of catastrophe losses	3.1	0.5	3.4	1.3
Effect of prior year non-catastrophe reserve reestimates	—	0.2	(0.2)	0.5
Combined ratio	99.0	98.8	99.7	99.0
Effect of prior year catastrophe reserve reestimates	(0.1)	(0.1)	—	(0.1)

Allstate Brand - Homeowners Insurance	Three months ended September 30,		Nine months ended September 30,	
	2016	2015	2016	2015
Underlying combined ratio	61.1	60.9	59.7	62.0
Effect of catastrophe losses	15.4	12.4	29.3	19.5
Effect of prior year non-catastrophe reserve reestimates	(0.6)	(0.8)	(0.3)	(0.4)
Combined ratio	75.9	72.5	88.7	81.1
Effect of prior year catastrophe reserve reestimates	0.3	(0.1)	0.4	0.2

Allstate Brand - Other Personal Lines	Three months ended September 30,		Nine months ended September 30,	
	2016	2015	2016	2015
Underlying combined ratio	82.0	82.1	79.1	81.1
Effect of catastrophe losses	6.0	4.5	12.5	8.0
Effect of prior year non-catastrophe reserve reestimates	(0.5)	1.8	(1.2)	0.8
Combined ratio	87.5	88.4	90.4	89.9
Effect of prior year catastrophe reserve reestimates	(0.3)	—	(0.1)	—

Encompass Brand - Total	Three months ended September 30,		Nine months ended September 30,	
	2016	2015	2016	2015
Underlying combined ratio	89.3	90.9	90.1	92.7
Effect of catastrophe losses	9.0	5.3	11.2	10.0
Effect of prior year non-catastrophe reserve reestimates	—	5.1	1.8	1.5
Combined ratio	98.3	101.3	103.1	104.2
Effect of prior year catastrophe reserve reestimates	0.3	0.3	—	(0.1)

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

The following table reconciles the Esurance brand underlying loss ratio and underlying combined ratio to the Esurance brand combined ratio.

Esurance Brand - Total	Three months ended September 30,		Nine months ended September 30,	
	2016	2015	2016	2015
Underlying loss ratio	75.7	73.5	74.4	75.3
Expense ratio, excluding the effect of amortization of purchased intangible assets	30.3	31.8	30.9	34.1
Underlying combined ratio	106.0	105.3	105.3	109.4
Effect of catastrophe losses	3.3	0.8	2.5	0.9
Effect of prior year non-catastrophe reserve reestimates	(1.0)	(1.6)	(1.0)	(1.1)
Effect of amortization of purchased intangible assets	1.5	2.0	1.5	2.2
Combined ratio	109.8	106.5	108.3	111.4

THE ALLSTATE CORPORATION

Investor Supplement
Third Quarter 2016

The consolidated financial statements and financial exhibits included herein are unaudited. These consolidated financial statements and exhibits should be read in c
and notes thereto included in the most recent Annual Report on Form 10-K and Quarterly Reports on Form 10-Q. The results of operations for interim periods
expected for the full year.

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

THE ALLSTATE CORPORATION
Investor Supplement - Third Quarter 2016
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THE ALLSTATE CORPORATION
CONSOLIDATED STATEMENTS OF OPERATIONS
($ in millions, except per share data)

	Three months ended				
	Sept. 30, 2016	June 30, 2016	March 31, 2016	Dec. 31, 2015	Sept. 30, 2015
Revenues					
Property-liability insurance premiums	$ 7,869	$ 7,814	$ 7,723	$ 7,684	$ 7,650
Life and annuity premiums and contract charges	571	564	566	547	538
Net investment income	748	762	731	710	807
Realized capital gains and losses:					
Total other-than-temporary impairment ("OTTI") losses	(73)	(77)	(91)	(166)	(186)
OTTI losses reclassified to (from) other comprehensive income	-	(2)	10	16	12
Net OTTI losses recognized in earnings	(73)	(79)	(81)	(150)	(174)
Sales and other realized capital gains and losses	106	103	(68)	(100)	207
Total realized capital gains and losses	33	24	(149)	(250)	33
Total revenues	9,221	9,164	8,871	8,691	9,028
Costs and expenses					
Property-liability insurance claims and claims expense	5,553	5,901	5,684	5,199	5,255
Life and annuity contract benefits	484	454	455	456	460
Interest credited to contractholder funds	183	185	190	183	194
Amortization of deferred policy acquisition costs	1,138	1,126	1,129	1,116	1,092
Operating costs and expenses	1,021	1,040	982	938	992
Restructuring and related charges	5	11	5	7	9
Interest expense	73	72	73	73	73
Total costs and expenses	8,457	8,789	8,518	7,972	8,075
Gain (loss) on disposition of operations	1	1	2	1	2
Income from operations before income tax expense	765	376	355	720	955
Income tax expense	245	105	109	231	305
Net income	$ 520	$ 271	$ 246	$ 489	$ 650
Preferred stock dividends	29	29	29	29	29
Net income applicable to common shareholders	$ 491	$ 242	$ 217	$ 460	$ 621
Earnings per common share: [1]					
Net income applicable to common shareholders per common share - Basic	$ 1.32	$ 0.65	$ 0.57	$ 1.19	$ 1.56
Weighted average common shares - Basic	371.5	373.6	378.1	385.0	397.0
Net income applicable to common shareholders per common share - Diluted	$ 1.31	$ 0.64	$ 0.57	$ 1.18	$ 1.54
Weighted average common shares - Diluted	375.9	378.1	382.9	390.2	402.1
Cash dividends declared per common share	$ 0.33	$ 0.33	$ 0.33	$ 0.30	$ 0.30

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

THE ALLSTATE CORPORATION
CONTRIBUTION TO INCOME
($ in millions, except per share data)

	Three months ended				
	Sept. 30, 2016	June 30, 2016	March 31, 2016	Dec. 31, 2015	Sept. 30, 2015
Contribution to income					
Operating income before the impact of restructuring and related charges	$ 478	$ 242	$ 325	$ 629	$ 616
Restructuring and related charges, after-tax	(4)	(7)	(3)	(4)	(6)
Operating income *	474	235	322	625	610
Realized capital gains and losses, after-tax	22	17	(96)	(161)	21
Valuation changes on embedded derivatives that are not hedged, after-tax	-	(4)	(4)	2	(2)
DAC and DSI amortization relating to realized capital gains and losses and valuation changes on embedded derivatives that are not hedged, after-tax	(1)	(1)	(1)	-	(1)
Reclassification of periodic settlements and accruals on non-hedge derivative instruments, after-tax	-	-	1	1	-
Amortization of purchased intangible assets, after-tax	(5)	(6)	(6)	(8)	(8)
Gain (loss) on disposition of operations, after-tax	1	1	1	1	1
Change in accounting for investments in qualified affordable housing projects, after-tax	-	-	-	-	-
Net income applicable to common shareholders	$ 491	$ 242	$ 217	$ 460	$ 621
Income per common share - Diluted					
Operating income before the impact of restructuring and related charges	$ 1.27	$ 0.64	$ 0.85	$ 1.61	$ 1.53
Restructuring and related charges, after-tax	(0.01)	(0.02)	(0.01)	(0.01)	(0.01)
Operating income	1.26	0.62	0.84	1.60	1.52
Realized capital gains and losses, after-tax	0.06	0.04	(0.25)	(0.41)	0.05
Valuation changes on embedded derivatives that are not hedged, after-tax	-	(0.01)	(0.01)	0.01	(0.01)
DAC and DSI amortization relating to realized capital gains and losses and valuation changes on embedded derivatives that are not hedged, after-tax	-	-	-	-	-
Reclassification of periodic settlements and accruals on non-hedge derivative instruments, after-tax	-	-	-	-	-
Amortization of purchased intangible assets, after-tax	(0.01)	(0.01)	(0.01)	(0.02)	(0.02)
Gain (loss) on disposition of operations, after-tax	-	-	-	-	-
Change in accounting for investments in qualified affordable housing projects, after-tax	-	-	-	-	-
Net income applicable to common shareholders	$ 1.31	$ 0.64	$ 0.57	$ 1.18	$ 1.54
Weighted average common shares - Diluted	375.9	378.1	382.9	390.2	402.1

THE ALLSTATE CORPORATION
REVENUES
($ in millions)

	Three months ended					
	Sept. 30, 2016	June 30, 2016	March 31, 2016	Dec. 31, 2015	Sept. 30, 2015	June 3 2015
Property-Liability						
Property-Liability insurance premiums	$ 7,869	$ 7,814	$ 7,723	$ 7,684	$ 7,650	$ 7,5
Net investment income	310	316	302	280	307	2
Realized capital gains and losses	53	26	(99)	(153)	(161)	
Total Property-Liability revenues	8,232	8,156	7,926	7,811	7,796	7,8
Allstate Financial						
Life and annuity premiums and contract charges	571	564	566	547	538	5
Net investment income	427	435	419	420	491	4
Realized capital gains and losses	(21)	-	(49)	(97)	194	
Total Allstate Financial revenues	977	999	936	870	1,223	1,0
Corporate and Other						
Service fees [1]	1	1	1	1	-	
Net investment income	11	11	10	10	9	
Realized capital gains and losses	1	(2)	(1)	-	-	
Total Corporate and Other revenues before reclassification of services fees	13	10	10	11	9	
Reclassification of service fees [1]	(1)	(1)	(1)	(1)	-	
Total Corporate and Other revenues	12	9	9	10	9	
Consolidated revenues	$ 9,221	$ 9,164	$ 8,871	$ 8,691	$ 9,028	$ 8,9

[1] For presentation in the Consolidated Statements of Operations, service fees of the Corporate and Other segment are reclassified to Operating costs and expenses.

THE ALLSTATE CORPORATION
CONSOLIDATED STATEMENTS OF FINANCIAL POSITION
($ in millions)

	Sept. 30, 2016	June 30, 2016	March 31, 2016	Dec. 31, 2015	Sept. 30, 2015
Assets					
Investments					
Fixed income securities, at fair value (amortized cost $57,775, $55,770, $55,627, $57,201 and $56,918)	$ 60,306	$ 58,129	$ 57,291	$ 57,948	$ 58,257
Equity securities, at fair value (cost $4,800, $4,924, $4,792, $4,806 and $4,123)	5,288	5,265	5,117	5,082	4,236
Mortgage loans	4,396	4,453	4,302	4,338	4,402
Limited partnership interests	5,588	5,407	5,091	4,874	4,823
Short-term, at fair value (amortized cost $1,863, $2,850, $3,526, $2,122 and $3,036)	1,863	2,850	3,526	2,122	3,036
Other	3,663	3,590	3,550	3,394	3,588
Total investments	81,104	79,694	78,877	77,758	78,342
Cash	389	446	531	495	905
Premium installment receivables, net	5,799	5,593	5,558	5,544	5,711
Deferred policy acquisition costs	3,886	3,819	3,807	3,861	3,811
Reinsurance recoverables, net [1]	8,922	8,650	8,573	8,518	8,468
Accrued investment income	567	564	567	569	575
Property and equipment, net	1,013	1,011	1,011	1,024	1,050
Goodwill	1,219	1,219	1,219	1,219	1,219
Other assets	2,169	2,850	2,297	2,010	2,039
Separate Accounts	3,469	3,438	3,507	3,658	3,677
Total assets	$ 108,537	$ 107,284	$ 105,947	$ 104,656	$ 105,797

Liabilities

Reserve for property-liability insurance claims and claims expense
Reserve for life-contingent contract benefits
Contractholder funds
Unearned premiums
Claim payments outstanding
Deferred income taxes
Other liabilities and accrued expenses
Long-term debt
Separate Accounts
Total liabilities

Equity

Preferred stock and additional capital paid-in, 72.2 thousand shares outstanding
Common stock, 368 million, 371 million, 375 million, 381 million and 390 million shares outstanding
Additional capital paid-in
Retained income
Deferred ESOP expense
Treasury stock, at cost (532 million, 529 million, 525 million, 519 million and 510 million shares)
Accumulated other comprehensive income:
Unrealized net capital gains and losses:
Unrealized net capital gains and losses on fixed incom
securities with other-than-temporary impairments
Other unrealized net capital gains and losses
Unrealized adjustment to DAC, DSI and insurance reserves
Total unrealized net capital gains and losses
Unrealized foreign currency translation adjustments
Unrecognized pension and other postretirement benefit cost
Total accumulated other comprehensive income (los
Total shareholders' equity
Total liabilities and shareholders' equity

[1] Reinsurance recoverables of unpaid losses related to Property-Liability were $6.35 billion, $6.03 billion, $5.96 billion, $5.89 billion and $5.85 billion as of September 30, 2016, June 30, 2016, March
Reinsurance recoverables, net as of September 30, 2016 compared to December 31, 2015 is primarily due to the National Flood Insurance Program, related to a large rain event occurring in Louis

THE ALLSTATE CORPORATION
BOOK VALUE PER COMMON SHARE
($ in millions, except per share data)

	Sept. 30, 2016	June 30, 2016	March 31, 2016	Dec. 31, 2015	Sept. 3 2015
Book value per common share					
Numerator:					
Common shareholders' equity [1]	$ 19,188	$ 18,807	$ 18,594	$ 18,279	$ 18,7
Denominator:					
Common shares outstanding and dilutive potential common shares outstanding	372.7	375.8	380.3	386.1	39
Book value per common share	$ 51.48	$ 50.05	$ 48.89	$ 47.34	$ 47.
Book value per common share, excluding the impact of unrealized net capital gains and losses on fixed income securities *					
Numerator:					
Common shareholders' equity	$ 19,188	$ 18,807	$ 18,594	$ 18,279	$ 18,7
Unrealized net capital gains and losses on fixed income securities	1,506	1,407	993	443	8
Adjusted common shareholders' equity	$ 17,682	$ 17,400	$ 17,601	$ 17,836	$ 17,9
Denominator:					
Common shares outstanding and dilutive potential common shares outstanding	372.7	375.8	380.3	386.1	39
Book value per common share, excluding the impact of unrealized net capital gains and losses on fixed income securities	$ 47.44	$ 46.30	$ 46.28	$ 46.20	$ 45.

(1) Excludes equity related to preferred stock of $1,746 million in each period.

THE ALLSTATE CORPORATION
RETURN ON COMMON SHAREHOLDERS' EQUITY
($ in millions)

	Twelve months ended			
	Sept. 30, 2016	June 30, 2016	March 31, 2016	Dec. 31, 2015
Return on Common Shareholders' Equity				
Numerator:				
Net income applicable to common shareholders [1]	$ 1,410	$ 1,540	$ 1,624	$ 2,055
Denominator:				
Beginning common shareholders' equity	$ 18,758	$ 19,552	$ 20,433	$ 20,558
Ending common shareholders' equity	19,188	18,807	18,594	18,279
Average common shareholders' equity [2]	$ 18,973	$ 19,180	$ 19,514	$ 19,419
Return on common shareholders' equity	7.4 %	8.0 %	8.3 %	10.6 %
Operating Income Return on Common Shareholders' Equity *				
Numerator:				
Operating income [1]	$ 1,656	$ 1,792	$ 1,819	$ 2,113
Denominator:				
Beginning common shareholders' equity	$ 18,758	$ 19,552	$ 20,433	$ 20,558
Unrealized net capital gains and losses	879	1,419	2,137	1,926
Adjusted beginning common shareholders' equity	17,879	18,133	18,296	18,632
Ending common shareholders' equity	19,188	18,807	18,594	18,279
Unrealized net capital gains and losses	1,817	1,624	1,200	620
Adjusted ending common shareholders' equity	17,371	17,183	17,394	17,659
Average adjusted common shareholders' equity [2]	$ 17,625	$ 17,658	$ 17,845	$ 18,146
Operating income return on common shareholders' equity	9.4 %	10.1 %	10.2 %	11.6 %

[1] Net income applicable to common shareholders and operating income reflect a trailing twelve-month period.

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

THE ALLSTATE CORPORATION
DEBT TO CAPITAL
($ in millions)

	Sept. 30, 2016	June 30, 2016	March 31, 2016	Dec. 31, 2015	Sept. 3 2015
Debt					
Short-term debt	$ -	$ -	$ -	$ -	$
Long-term debt	5,110	5,109	5,108	5,124	5,1
Total debt	$ 5,110	$ 5,109	$ 5,108	$ 5,124	$ 5,1
Capital resources					
Debt	$ 5,110	$ 5,109	$ 5,108	$ 5,124	$ 5,1
Shareholders' equity					
Preferred stock and additional capital paid-in	1,746	1,746	1,746	1,746	1,7
Common stock	9	9	9	9	
Additional capital paid-in	3,237	3,203	3,237	3,245	3,2
Retained income	39,990	39,623	39,505	39,413	39,0
Deferred ESOP expense	(13)	(13)	(13)	(13)	(
Treasury stock	(24,537)	(24,310)	(23,994)	(23,620)	(23,0
Unrealized net capital gains and losses	1,817	1,624	1,200	620	8
Unrealized foreign currency translation adjustments	(48)	(41)	(46)	(60)	(
Unrecognized pension and other postretirement benefit cost	(1,267)	(1,288)	(1,304)	(1,315)	(1,2
Total shareholders' equity	20,934	20,553	20,340	20,025	20,5
Total capital resources	$ 26,044	$ 25,662	$ 25,448	$ 25,149	$ 25,6
Ratio of debt to shareholders' equity	24.4 %	24.9 %	25.1 %	25.6 %	2
Ratio of debt to capital resources	19.6 %	19.9 %	20.1 %	20.4 %	2

THE ALLSTATE CORPORATION
CONSOLIDATED STATEMENTS OF CASH FLOWS
($ in millions)

	Three months ended				
	Sept. 30, 2016	June 30, 2016	March 31, 2016	Dec. 31, 2015	Sept. 30, 2015
CASH FLOWS FROM OPERATING ACTIVITIES					
Net income	$ 520	$ 271	$ 246	$ 489	$ 650
Adjustments to reconcile net income to net cash provided by operating activities:					
Depreciation, amortization and other non-cash items	97	97	91	96	96
Realized capital gains and losses	(33)	(24)	149	250	(33)
(Gain) loss on disposition of operations	(1)	(1)	(2)	(1)	(2)
Interest credited to contractholder funds	183	185	190	183	194
Changes in:					
Policy benefits and other insurance reserves	401	118	459	(27)	(26)
Unearned premiums	478	267	(205)	(124)	518
Deferred policy acquisition costs	(87)	(65)	(7)	(20)	(87)
Premium installment receivables, net	(209)	(38)	11	156	(132)
Reinsurance recoverables, net	(300)	(80)	(40)	(45)	11
Income taxes	206	(150)	(26)	(59)	223
Other operating assets and liabilities	129	64	(152)	32	(29)
Net cash provided by operating activities	1,384	644	714	930	1,383
CASH FLOWS FROM INVESTING ACTIVITIES					
Proceeds from sales					
Fixed income securities	6,543	6,373	6,216	5,897	6,784
Equity securities	1,582	823	1,664	1,066	614
Limited partnership interests	271	183	180	306	204
Mortgage loans	-	(7)	7	-	6
Other investments	62	57	87	367	46
Investment collections					
Fixed income securities	1,292	1,189	949	1,184	1,005
Mortgage loans	253	71	79	233	(52)
Other investments	113	125	43	39	77
Investment purchases					
Fixed income securities	(9,335)	(7,546)	(5,401)	(7,830)	(6,446)
Equity securities	(1,441)	(939)	(1,733)	(1,722)	(1,318)
Limited partnership interests	(425)	(433)	(270)	(413)	(367)
Mortgage loans	(196)	(220)	(44)	(163)	(15)
Other investments	(225)	(196)	(253)	(159)	(225)
Change in short-term investments, net	763	688	(1,357)	962	(186)
Change in other investments, net	(21)	(20)	(19)	(36)	-
Purchases of property and equipment, net	(70)	(68)	(52)	(84)	(86)
Net cash (used in) provided by investing activities	(834)	80	96	(353)	41
CASH FLOWS FROM FINANCING ACTIVITIES					
Repayments of long-term debt	-	-	(16)	-	(11)
Contractholder fund deposits	263	261	261	268	257
Contractholder fund withdrawals	(524)	(521)	(492)	(534)	(641)
Dividends paid on common stock	(124)	(125)	(115)	(118)	(122)
Dividends paid on preferred stock	(29)	(29)	(29)	(29)	(29)
Treasury stock purchases	(250)	(448)	(456)	(592)	(792)
Shares reissued under equity incentive plans, net	51	42	30	9	12
Excess tax benefits on share-based payment arrangements	5	8	12	1	1
Other	1	3	31	8	1
Net cash used in financing activities	(607)	(809)	(774)	(987)	(1,324)
NET (DECREASE) INCREASE IN CASH	(57)	(85)	36	(410)	100
CASH AT BEGINNING OF PERIOD	446	531	495	905	805
CASH AT END OF PERIOD	$ 389	$ 446	$ 531	$ 495	$ 905

THE ALLSTATE CORPORATION
ANALYSIS OF DEFERRED POLICY ACQUISITION COSTS
($ in millions)

Change in Deferred Policy Acquisition Costs
For the three months ended September 30, 2016

	Beginning balance June 30, 2016	Acquisition costs deferred	Amortization before adjustments (1)(2)	Amortization relating to realized capital gains and losses and valuation changes on embedded derivatives that are not hedged (2)	Amortization (acceleration) deceleration for changes in assumptions (2)
Property-Liability	$ 2,101	$ 1,153	$ (1,068)	$ -	$ -
Allstate Financial:					
Traditional life and accident and health	806	45	(41)	-	-
Interest-sensitive life	868	25	(27)	(2)	2
Fixed annuity	44	-	(2)	-	-
Subtotal	1,718	70	(70)	(2)	2
Consolidated	$ 3,819	$ 1,223	$ (1,138)	$ (2)	$ 2

Change in Deferred Policy Acquisition Costs
For the three months ended September 30, 2015

	Beginning balance June 30, 2015	Acquisition costs deferred	Amortization before adjustments (1)(2)	Amortization relating to realized capital gains and losses and valuation changes on embedded derivatives that are not hedged (2)	Amortization (acceleration) deceleration for changes in assumptions (2)
Property-Liability	$ 1,942	$ 1,114	$ (1,029)	$ -	$ -
Allstate Financial:					
Traditional life and accident and health	768	40	(31)	-	-
Interest-sensitive life	948	22	(28)	(2)	(1)
Fixed annuity	50	-	(1)	-	-
Subtotal	1,766	62	(60)	(2)	(1)
Consolidated	$ 3,708	$ 1,176	$ (1,089)	$ (2)	$ (1)

(1) Amortization before adjustments reflects total DAC amortization before amortization/accretion related to realized capital gains and losses and valuation chang
and amortization acceleration/deceleration for changes in assumptions.

(2) Included as a component of amortization of DAC on the Consolidated Statements of Operations.

THE ALLSTATE CORPORATION
ANALYSIS OF DEFERRED POLICY ACQUISITION COSTS
($ in millions)

Change in Deferred Policy Acquisition Costs
For the nine months ended September 30, 2016

	Beginning balance Dec. 31, 2015	Acquisition costs deferred	Amortization before adjustments [1][2]	Amortization relating to realized capital gains and losses and valuation changes on embedded derivatives that are not hedged [2]	Amortization (acceleration) deceleration for changes in assumptions [2]	Effect of unrealized capital gains and losses	Sep
Property-Liability	$ 2,029	$ 3,338	$ (3,181)	$ -	$ -	$ -	$
Allstate Financial:							
Traditional life and accident and health	792	139	(121)	-	-	-	
Interest-sensitive life	993	77	(83)	(5)	2	(136)	
Fixed annuity	47	-	(5)	-	-	-	
Subtotal	1,832	216	(209)	(5)	2	(136)	
Consolidated	$ 3,861	$ 3,554	$ (3,390)	$ (5)	$ 2	$ (136)	$

Change in Deferred Policy Acquisition Costs
For the nine months ended September 30, 2015

	Beginning balance Dec. 31, 2014	Acquisition costs deferred	Amortization before adjustments [1][2]	Amortization relating to realized capital gains and losses and valuation changes on embedded derivatives that are not hedged [2]	Amortization (acceleration) deceleration for changes in assumptions [2]	Effect of unrealized capital gains and losses	Sep
Property-Liability	$ 1,820	$ 3,257	$ (3,050)	$ -	$ -	$ -	$
Allstate Financial:							
Traditional life and accident and health	753	128	(104)	-	-	-	
Interest-sensitive life	905	77	(83)	(7)	(1)	67	
Fixed annuity	47	-	(4)	1	-	5	
Subtotal	1,705	205	(191)	(6)	(1)	72	
Consolidated	$ 3,525	$ 3,462	$ (3,241)	$ (6)	$ (1)	$ 72	$

[1] Amortization before adjustments reflects total DAC amortization before amortization/accretion related to realized capital gains and losses and valuation changes on embedded derivatives that are not he

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

THE ALLSTATE CORPORATION
PROPERTY-LIABILITY RESULTS
($ in millions)

	Three months ended				
	Sept. 30, 2016	June 30, 2016	March 31, 2016	Dec. 31, 2015	Sept. 30, 2015
Premiums written	$ 8,311	$ 8,051	$ 7,515	$ 7,551	$ 8,137
(Increase) decrease in unearned premiums	(472)	(264)	166	140	(485)
Other	30	27	42	(7)	(2)
Premiums earned	7,869	7,814	7,723	7,684	7,650
Claims and claims expense	(5,553)	(5,901)	(5,684)	(5,199)	(5,255)
Amortization of deferred policy acquisition costs	(1,068)	(1,057)	(1,056)	(1,052)	(1,029)
Operating costs and expenses	(888)	(912)	(853)	(812)	(867)
Restructuring and related charges	(5)	(10)	(5)	(10)	(8)
Underwriting income (loss)*	355	(66)	125	611	491
Net investment income	310	316	302	280	307
Periodic settlements and accruals on non-hedge derivative instruments	(1)	-	(1)	(1)	(1)
Amortization of purchased intangible assets	9	9	9	13	12
Income tax expense on operations	(221)	(73)	(144)	(304)	(259)
Operating income	452	186	291	599	550
Realized capital gains and losses, after-tax	36	18	(64)	(99)	(104)
Reclassification of periodic settlements and accruals on non-hedge derivative instruments, after-tax	-	-	1	1	-
Amortization of purchased intangible assets, after-tax	(5)	(6)	(6)	(8)	(8)
(Loss) gain on disposition of operations, after-tax	-	-	-	-	(1)
Change in accounting for investments in qualified affordable housing projects, after-tax	-	-	-	-	-
Net income applicable to common shareholders	$ 483	$ 198	$ 222	$ 493	$ 437
Catastrophe losses	$ 481	$ 961	$ 827	$ 358	$ 270
Operating ratios					
Claims and claims expense ("loss") ratio	70.6	75.5	73.6	67.6	68.7
Expense ratio	24.9	25.3	24.8	24.4	24.9
Combined ratio	95.5	100.8	98.4	92.0	93.6
Loss ratio	70.6	75.5	73.6	67.6	68.7
Less: effect of catastrophe losses	6.1	12.3	10.7	4.7	3.5
effect of prior year non-catastrophe reserve reestimates	1.3	(0.2)	0.4	(0.2)	0.6
Underlying loss ratio *	63.2	63.4	62.5	63.1	64.6
Expense ratio	24.9	25.3	24.8	24.4	24.9
Less: effect of amortization of purchased intangible assets	0.1	0.1	0.1	0.1	0.2
Expense ratio, excluding the effect of amortization of purchased intangible assets	24.8	25.2	24.7	24.3	24.7
Underlying combined ratio *	88.0	88.6	87.2	87.4	89.3
Effect of catastrophe losses on combined ratio	6.1	12.3	10.7	4.7	3.5
Effect of prior year non-catastrophe reserve reestimates	1.3	(0.2)	0.4	(0.2)	0.6
Effect of amortization of purchased intangible assets on combined ratio	0.1	0.1	0.1	0.1	0.2
Combined ratio	95.5	100.8	98.4	92.0	93.6
Effect of restructuring and related charges on combined ratio	0.1	0.1	0.1	0.1	0.1
Effect of Discontinued Lines and Coverages on combined ratio	1.3	-	-	-	0.7

THE ALLSTATE CORPORATION
PROPERTY-LIABILITY UNDERWRITING RESULTS BY AREA OF BUSINESS
($ in millions)

	Three months ended					
	Sept. 30, 2016	June 30, 2016	March 31, 2016	Dec. 31, 2015	Sept. 30, 2015	June 20
Property-Liability Underwriting Summary						
Allstate Protection	$ 455	$ (64)	$ 127	$ 613	$ 540	$
Discontinued Lines and Coverages	(100)	(2)	(2)	(2)	(49)	
Underwriting income (loss)	$ 355	$ (66)	$ 125	$ 611	$ 491	$
Allstate Protection Underwriting Summary						
Premiums written	$ 8,309	$ 8,051	$ 7,515	$ 7,551	$ 8,137	$ 7
Premiums earned	$ 7,869	$ 7,814	$ 7,723	$ 7,684	$ 7,650	$ 7
Claims and claims expense	(5,454)	(5,899)	(5,683)	(5,197)	(5,207)	(5
Amortization of deferred policy acquisition costs	(1,068)	(1,057)	(1,056)	(1,052)	(1,029)	(1
Operating costs and expenses	(887)	(912)	(852)	(812)	(866)	
Restructuring and related charges	(5)	(10)	(5)	(10)	(8)	
Underwriting income (loss)	$ 455	$ (64)	$ 127	$ 613	$ 540	$
Catastrophe losses	$ 481	$ 961	$ 827	$ 358	$ 270	$
Operating ratios						
Loss ratio	69.3	75.5	73.6	67.6	68.0	
Expense ratio	24.9	25.3	24.8	24.4	24.9	
Combined ratio	94.2	100.8	98.4	92.0	92.9	1
Effect of catastrophe losses on combined ratio	6.1	12.3	10.7	4.7	3.5	
Effect of restructuring and related charges on combined ratio	0.1	0.1	0.1	0.1	0.1	
Effect of amortization of purchased intangible assets on combined ratio	0.1	0.1	0.1	0.1	0.2	
Discontinued Lines and Coverages Underwriting Summary						
Premiums written	$ 2	$ -	$ -	$ -	$ -	$
Premiums earned	$ -	$ -	$ -	$ -	$ -	$
Claims and claims expense [(1)]	(99)	(2)	(1)	(2)	(48)	
Operating costs and expenses	(1)	-	(1)	-	(1)	
Underwriting loss	$ (100)	$ (2)	$ (2)	$ (2)	$ (49)	$
Effect of Discontinued Lines and Coverages on the Property-Liability combined ratio	1.3	-	0.1	-	0.7	
Allstate Protection Underwriting Income (Loss) by Brand						
Allstate brand	$ 493	$ (10)	$ 171	$ 629	$ 571	$
Esurance brand	(41)	(37)	(25)	(28)	(26)	
Encompass brand	5	(15)	(18)	14	(4)	
Answer Financial	(2)	(2)	(1)	(2)	(1)	
Underwriting income (loss)	$ 455	$ (64)	$ 127	$ 613	$ 540	$

(1) Includes unfavorable reestimates of $96 million and $44 million from our annual Discontinued Lines and Coverages reserve review performed in the third quarter of 20

THE ALLSTATE CORPORATION
PROPERTY-LIABILITY PREMIUMS WRITTEN BY BRAND
($ in millions)

	Three months ended					
	Sept. 30, 2016	June 30, 2016	March 31, 2016	Dec. 31, 2015	Sept. 30, 2015	June 20
Allstate brand [1]						
Auto [2]	$ 4,940	$ 4,767	$ 4,746	$ 4,576	$ 4,746	$ 4
Homeowners [3]	1,869	1,831	1,392	1,634	1,879	1
Other personal lines	447	428	353	376	429	
Commercial lines	123	135	126	126	124	
Other business lines	185	183	183	168	205	
	7,564	7,344	6,800	6,880	7,383	7
Esurance brand						
Auto	428	376	439	368	411	
Homeowners	16	14	11	9	9	
Other personal lines	2	2	2	1	3	
	446	392	452	378	423	
Encompass brand						
Auto	153	162	138	152	169	
Homeowners	121	126	104	116	134	
Other personal lines	25	27	21	25	28	
	299	315	263	293	331	
Allstate Protection	8,309	8,051	7,515	7,551	8,137	7
Discontinued Lines and Coverages [4]	2	-	-	-	-	
Property-Liability	$ 8,311	$ 8,051	$ 7,515	$ 7,551	$ 8,137	$ 7
Allstate Protection						
Auto	$ 5,521	$ 5,305	$ 5,323	$ 5,096	$ 5,326	$ 5
Homeowners	2,006	1,971	1,507	1,759	2,022	1
Other personal lines	474	457	376	402	460	
Commercial lines	123	135	126	126	124	
Other business lines	185	183	183	168	205	
	$ 8,309	$ 8,051	$ 7,515	$ 7,551	$ 8,137	$ 7
[1] **Canada premiums included in Allstate brand**						
Auto	$ 220	$ 234	$ 164	$ 183	$ 215	$
Homeowners	64	64	41	50	60	
Other personal lines	16	16	10	12	15	
	$ 300	$ 314	$ 215	$ 245	$ 290	$

[2] Fluctuation in the Canadian exchange rate had no impact to auto premiums written growth rate in third quarter of 2016 and reduced premiums written growth rate by 0.

[3] Fluctuation in the Canadian exchange rate had no impact to homeowner premiums written growth rate in third quarter of 2016 and reduced premiums written growth rat

[4] Represents retrospective reinsurance premium recognized when billed.

THE ALLSTATE CORPORATION
PROPERTY-LIABILITY
IMPACT OF NET RATE CHANGES APPROVED ON PREMIUMS WRITTEN

	Three months ended September 30, 2016 [1]			Three months ended June 30, 2016		
	Number of locations [5]	Total brand (%) [6]	Location specific (%) [7]	Number of locations	Total brand (%) [6]	Location specific (%) [7]
Allstate brand						
Auto [2][3]	25	1.0	7.1	35	3.2	6.2
Homeowners [4]	10	0.2	4.6	11	0.8	4.9
Esurance brand						
Auto	9	0.4	2.3	15	1.3	5.6
Encompass brand						
Auto	9	1.6	8.8	10	4.1	9.5
Homeowners	5	1.4	9.2	6	1.7	8.1

	Three months ended December 31, 2015			Three months ended September 30, 2015		
	Number of locations	Total brand (%) [6]	Location specific (%) [7]	Number of locations	Total brand (%) [6]	Location specific (%) [7]
Allstate brand						
Auto [2][3]	34	1.9	5.5	23	1.6	5.1
Homeowners [4]	16	1.5	6.1	6	0.4	6.4
Esurance brand						
Auto	18	3.0	6.7	13	1.3	5.1
Encompass brand						
Auto	9	2.0	5.7	8	1.3	7.6
Homeowners	5	1.7	7.4	8	1.2	5.9

(1) Rate changes include changes approved based on our net cost of reinsurance. These rate changes do not reflect initial rates filed for insurance subsidiaries initially writing business. Based on histor Canadian provinces, rate changes approved for Allstate brand, Esurance brand and Encompass brand for the three month period ending September 30, 2016 are estimated to total $232 million. Rat introduction of discounts and surcharges that result in no change in the overall rate level in a location.

(2) Impacts of Allstate brand auto effective rate changes as a percentage of total brand prior year-end premiums written were 1.5%, 3.4%, 1.4%, 1.8%, 1.5% and 1.1% for the three months ended Septen September 30, 2015 and June 30, 2015, respectively. Rate changes are included in the effective calculations in the period the rate change is effective for renewal contracts.

(3) Allstate brand auto rate changes were 7.8%, 8.4% and 6.7% for the trailing twelve months ended September 30, 2016, June 30, 2016 and March 31, 2016, respectively.

(4) Impacts of Allstate brand homeowners effective rate changes as a percentage of total brand prior year-end premiums written were 0.6%, 0.5%, 0.7%, 0.5%, 0.5% and 0.4% for the three months ende 2015, September 30, 2015 and June 30, 2015, respectively.

(5) Allstate brand auto and homeowners operates in 50 states, the District of Columbia, and 5 Canadian provinces. Esurance brand auto operates in 43 states and 1 Canadian province. Esurance bran Encompass brand auto and homeowners operates in 40 states and the District of Columbia.

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

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

(8) Includes the impact of a rate decrease in California in first quarter 2016. Excluding California, Allstate brand homeowners total brand and location specific rate changes were 1.6% and 5.2% for the ni

THE ALLSTATE CORPORATION
POLICIES IN FORCE AND OTHER STATISTICS

	Sept. 30, 2016	June 30, 2016	March 31, 2016	Dec. 31, 2015	Sep 2
Policies in Force (in thousands) (1)					
Allstate Brand					
Auto (2)	19,852	20,061	20,145	20,326	
Homeowners (3)	6,109	6,135	6,152	6,174	
Landlord	720	726	732	737	
Renter	1,557	1,554	1,556	1,555	
Condominium	665	667	667	668	
Other	1,260	1,256	1,253	1,259	
Other personal lines	4,202	4,203	4,208	4,219	
Commercial lines	296	308	318	324	
Other business lines	797	824	856	894	
Excess and surplus	22	23	24	25	
Total	31,278	31,554	31,703	31,962	
Esurance Brand					
Auto	1,395	1,409	1,428	1,415	
Homeowners	52	44	37	32	
Other personal lines	47	47	46	44	
Total	1,494	1,500	1,511	1,491	
Encompass Brand					
Auto	649	676	701	723	
Homeowners	305	318	329	338	
Other personal lines	101	105	108	111	
Total	1,055	1,099	1,138	1,172	
Total Policies in Force	33,827	34,153	34,352	34,625	
Non-Proprietary Premiums ($ in millions)					
Ivantage (4)	$ 1,531	$ 1,528	$ 1,504	$ 1,490	$
Answer Financial (5)	158	150	151	138	
Agency Data					
Total Allstate agencies (6)(7)	12,200	12,200	12,100	12,300	
Licensed sales professionals (7)(8)	23,600	23,800	24,000	24,400	
Allstate independent agencies (7)(9)	2,200	2,200	2,100	2,100	

(1) Policies in Force: Policy counts are based on items rather than customers. A multi-car customer would generate multiple item (policy) counts, even if all cars were i
(service contracts and other products sold in conjunction with auto lending and vehicle sales transactions) and Partnership Marketing Group (roadside assistance p
force since these are not meaningful. Additionally, non-proprietary products offered by Ivantage (insurance agency) and Answer Financial (independent insurance a

(2) Allstate brand auto PIF decreased in 42 states, including 9 out of our largest 10 states, as of September 30, 2016 compared to September 30, 2015.

(3) Allstate brand homeowners PIF decreased in 32 states, including 7 out of our largest 10 states, as of September 30, 2016 compared to September 30, 2015.

(4) Represents non-proprietary premiums under management as of the end of the period related to personal and commercial line products offered by Ivantage when a
months ended September 30, 2016 were $26.3 million.

(5) Represents non-proprietary premiums written for the period. Commissions earned for the three months ended September 30, 2016 were $19.3 million.

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

(7) Rounded to the nearest hundred.

(8) Employees of Allstate agencies who are licensed to sell Allstate products.

(9) Includes 450 and 880 engaged Allstate independent agencies ("AIAs") as of September 30, 2016 and December 31, 2015, respectively. Engaged AIAs, as currentl
policies in force from the prior year.

THE ALLSTATE CORPORATION
ALLSTATE BRAND PROFITABILITY MEASURES
($ in millions)

	Three months ended				
	Sept. 30, 2016	June 30, 2016	March 31, 2016	Dec. 31, 2015	Sept. 30, 2015
Net premiums written	$ 7,564	$ 7,344	$ 6,800	$ 6,880	$ 7,383
Net premiums earned					
Auto	$ 4,793	$ 4,745	$ 4,667	$ 4,638	$ 4,597
Homeowners	1,683	1,684	1,678	1,674	1,663
Other personal lines	399	397	393	395	396
Commercial lines	127	127	129	129	128
Other business lines	150	142	143	135	148
Total	7,152	7,095	7,010	6,971	6,932
Incurred losses					
Auto	$ 3,610	$ 3,634	$ 3,519	$ 3,495	$ 3,455
Homeowners	893	1,260	1,190	816	820
Other personal lines	236	256	261	216	241
Commercial lines	112	135	119	100	97
Other business lines	69	64	61	57	71
Total	4,920	5,349	5,150	4,684	4,684
Expenses					
Auto	$ 1,134	$ 1,168	$ 1,103	$ 1,077	$ 1,086
Homeowners	384	373	377	372	385
Other personal lines	113	106	103	101	109
Commercial lines	34	35	38	36	36
Other business lines	74	74	68	72	61
Total	1,739	1,756	1,689	1,658	1,677
Underwriting income (loss)					
Auto	$ 49	$ (57)	$ 45	$ 66	$ 56
Homeowners	406	51	111	486	458
Other personal lines	50	35	29	78	46
Commercial lines	(19)	(43)	(28)	(7)	(5)
Other business lines	7	4	14	6	16
Total	493	(10)	171	629	571
Loss ratio	68.8	75.4	73.5	67.2	67.6
Expense ratio	24.3	24.7	24.1	23.8	24.2
Combined ratio	93.1	100.1	97.6	91.0	91.8
Loss ratio	68.8	75.4	73.5	67.2	67.6
Less: effect of catastrophe losses	6.2	12.9	11.2	4.9	3.6
effect of prior year non-catastrophe reserve reestimates	-	(0.3)	0.3	(0.1)	(0.1)
Underlying loss ratio	62.6	62.8	62.0	62.4	64.1
Expense ratio	24.3	24.7	24.1	23.8	24.2
Less: effect of amortization of purchased intangible assets	-	-	-	-	-
Expense ratio, excluding the effect of amortization of purchased intangible assets	24.3	24.7	24.1	23.8	24.2
Underlying combined ratio	86.9	87.5	86.1	86.2	88.3
Effect of catastrophe losses	6.2	12.9	11.2	4.9	3.6
Effect of prior year non-catastrophe reserve reestimates	-	(0.3)	0.3	(0.1)	(0.1)
Combined ratio	93.1	100.1	97.6	91.0	91.8
Effect of prior year reserve reestimates on combined ratio	-	-	0.2	(0.3)	(0.2)
Effect of advertising expenses on combined ratio	2.2	2.2	1.5	1.5	2.0

THE ALLSTATE CORPORATION
ALLSTATE BRAND STATISTICS (1)

	Three months ended					
	Sept. 30, 2016	June 30, 2016	March 31, 2016	Dec. 31, 2015	Sept. 30, 2015	June 30, 2015
New Issued Applications (in thousands) (2)						
Auto	584	582	584	562	790	81
Homeowners	188	193	164	174	218	21
Average Premium - Gross Written ($) (3)						
Auto (4)	532	516	507	502	494	48
Homeowners (5)	1,181	1,171	1,174	1,163	1,158	1,15
Average Premium - Net Earned ($) (6)						
Auto	479	471	461	456	452	45
Homeowners	1,099	1,090	1,082	1,078	1,074	1,06
Renewal Ratio (%) (7)						
Auto	87.5	88.0	88.0	88.2	88.6	88.
Homeowners	87.9	87.8	88.1	88.5	88.7	88.
Auto Claim Frequency (8)						
(% change year-over-year)						
Bodily Injury Gross	0.3	2.8	1.1	3.9	6.4	6.
Bodily Injury Paid (9)	(19.6)	1.5	5.9	-	3.5	6.
Property Damage Gross (10)(11)	3.9	5.6	2.1	7.5	8.9	6.
Property Damage Paid	0.1	(0.1)	2.4	3.7	4.7	4.
Auto Paid Claim Severity (12)						
(% change year-over-year)						
Bodily injury (9)	12.4	(2.3)	(5.5)	(7.0)	(2.9)	0.
Property damage	1.9	5.3	7.5	4.0	5.4	3.
Homeowners Excluding Catastrophe Losses						
(% change year-over-year)						
Gross Claim frequency (8)	5.2	(12.5)	(7.7)	0.9	(1.9)	0.
Paid Claim frequency (8)	0.7	(14.3)	(2.0)	(2.1)	(3.7)	(0.
Paid Claim severity	(0.5)	4.7	(2.7)	2.6	4.5	3.

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

(2) New Issued Applications: Item counts of automobiles or homeowners insurance applications for insurance policies that were issued during the period, regardless of whet Protection brand. Allstate brand includes automobiles added by existing customers when they exceed the number allowed on a policy, which in 2015 was either four or te automobiles on a policy.

(3) Average Premium - Gross Written: Gross premiums written divided by issued item count. Gross premiums written include the impacts from discounts, surcharges and ce mid-term premium adjustments and premium refund accruals. Average premiums represent the appropriate policy term for each line, which is 6 months for auto and 12 m

(4) Fluctuation in the Canadian exchange rate had no impact to auto premiums written growth rate in the third quarter of 2016 and reduced premiums written growth rate by 0

(5) Fluctuation in the Canadian exchange rate had no impact to homeowner premiums written growth rate in third quarter of 2016 and reduced premiums written growth rate b

(6) Average Premium - Net Earned: Earned premium divided by average policies in force for the period. Earned premium includes the impacts from mid-term premium adjus of premium refund accruals. Average premiums represent the appropriate policy term for each line, which is 6 months for auto and 12 months for homeowners.

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

(8) The paid claim frequency is calculated as annualized notice counts closed with payment in the period divided by the average of policies in force with the applicable covera calculated as annualized notice counts received in the period divided by the average of policies in force with the applicable coverage during the period. Gross claim frequ current status (open or closed) or their ultimate disposition (closed with a payment or closed without payment). Frequency statistics exclude counts associated with catas The percent change in paid or gross claim frequency is calculated as the amount of increase or decrease in the paid or gross claim frequency in the current period compa year paid or gross claim frequency.

(9) Decreases in bodily injury paid claim frequency and the related increase in severity reflect payment mix and claim closure patterns that were impacted by changes in bodil of injuries and related medical treatments. As a result, fewer claims were opened and paid in third quarter 2016, but those that were paid had higher average payments. injury claims in the quarter, bodily injury paid claim frequency and severity, consistently measured, would have been generally consistent with those observed during the fi

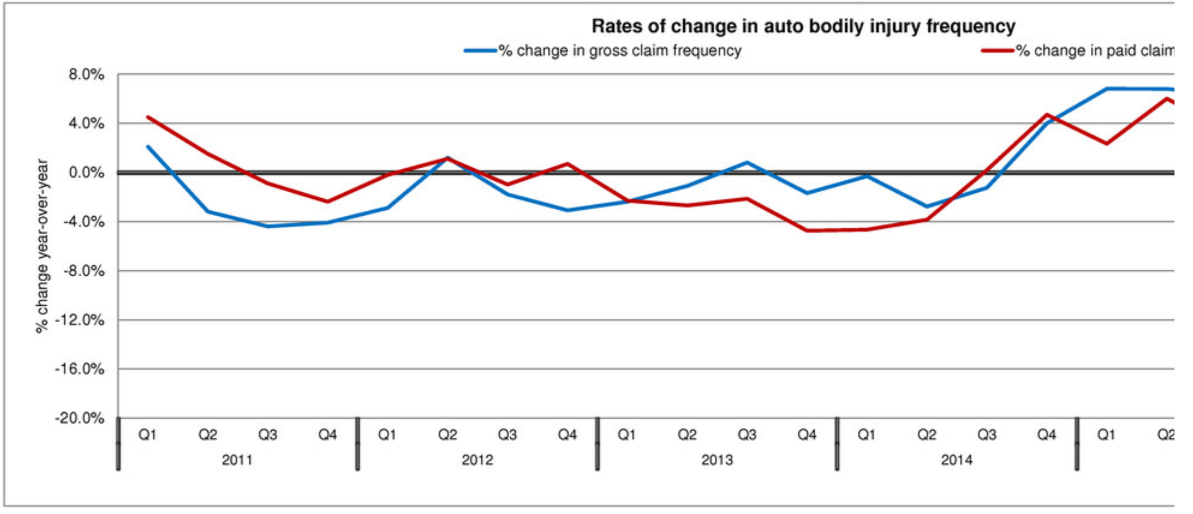
(10) With the increase in auto frequency experienced in recent quarters, claim handling processes were modified to more completely identify instances of liability at first notice practices can impact gross claim frequency comparisons to prior year. This resulted in an increase in the number of counted claims as well as an increase in claims close not required to provide indemnification.

(11) In the third quarter of 2015, a decision to more completely capture information on claims involving a vehicle collision with non-vehicle property gave rise to an increase in t that for these types of claims, payments are not always required to be made. Accordingly, claims closed without payment also increased. This change, resulted in a stea adopted. Quarterly increases (decreases) in property damage gross claim frequency consistently measured were 3.0%, (0.8)%, 5.5% and 7.4% in the three months ende September 30, 2015, respectively. Auto underwriting results for 2016 and 2015 were not impacted.

(12) Paid claim severity is calculated by dividing the sum of paid losses and loss expenses by claims closed with a payment during the period. The rate of change in paid seve paid claim severity for the period.

THE ALLSTATE CORPORATION
ALLSTATE BRAND AUTO CLAIM FREQUENCY ANALYSIS (1)
BODILY INJURY % CHANGE IN GROSS AND PAID CLAIM FREQUENCY RATE

	2011				2012				2013				2014		
	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3
Change in auto claim frequency (2)															
(% change in frequency rate year over year)															
% Change in gross claim frequency	2.1%	-3.2%	-4.4%	-4.1%	-2.9%	1.2%	-1.8%	-3.1%	-2.4%	-1.1%	0.8%	-1.7%	-0.3%	-2.8%	-1.3%
% Change in paid claim frequency (3)	4.5%	1.5%	-0.9%	-2.4%	-0.2%	1.1%	-1.0%	0.7%	-2.3%	-2.7%	-2.1%	-4.7%	-4.7%	-3.8%	0.2%



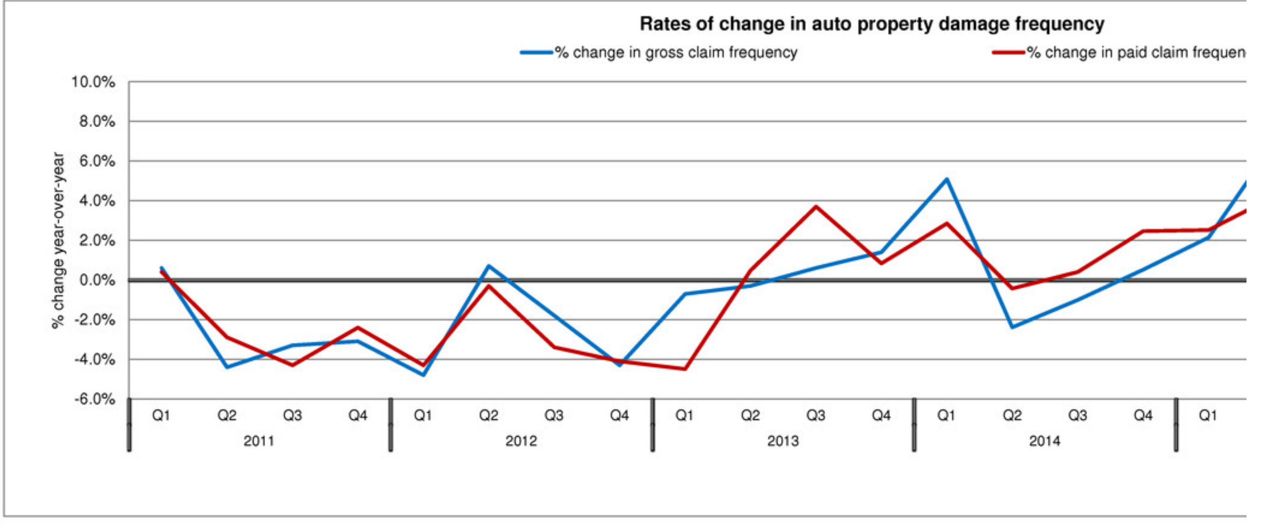
(1) Frequency statistics exclude counts associated with catastrophe events.

(2) The paid claim frequency is calculated as annualized notice counts closed with payment in the period divided by the average of policies in force with the applicable coverage during the p notice counts received in the period divided by the average of policies in force with the applicable coverage during the period. Gross claim frequency includes all actual notice counts, re disposition (closed with a payment or closed without payment). Frequency statistics exclude counts associated with catastrophe events. The percent change in paid or gross claim freq paid or gross claim frequency in the current period compared to the same period in the prior year; divided by the prior year paid or gross claim frequency.

(3) Decreases in bodily injury paid claim frequency and the related increase in severity reflect payment mix and claim closure patterns that were impacted by changes in bodily injury claim p medical treatments. As a result, fewer claims were opened and paid in third quarter 2016, but those that were paid had higher average payments. Normalizing for the process enhance claim frequency and severity, consistently measured, would have been generally consistent with those observed during the first half of 2016.

THE ALLSTATE CORPORATION
ALLSTATE BRAND AUTO CLAIM FREQUENCY ANALYSIS (1)
PROPERTY DAMAGE % CHANGE IN GROSS AND PAID CLAIM FREQUENCY

	2011				2012				2013				2014		
	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q
Change in auto claim frequency (2)															
(% change in frequency rate year over year)															
% Change in gross claim frequency (3)(4)	0.6%	-4.4%	-3.3%	-3.1%	-4.8%	0.7%	-1.8%	-4.3%	-0.7%	-0.3%	0.6%	1.4%	5.1%	-2.4%	-1
% Change in paid claim frequency	0.4%	-2.9%	-4.3%	-2.4%	-4.3%	-0.3%	-3.4%	-4.1%	-4.5%	0.5%	3.7%	0.8%	2.9%	-0.4%	0



(1) Frequency statistics exclude counts associated with catastrophe events.

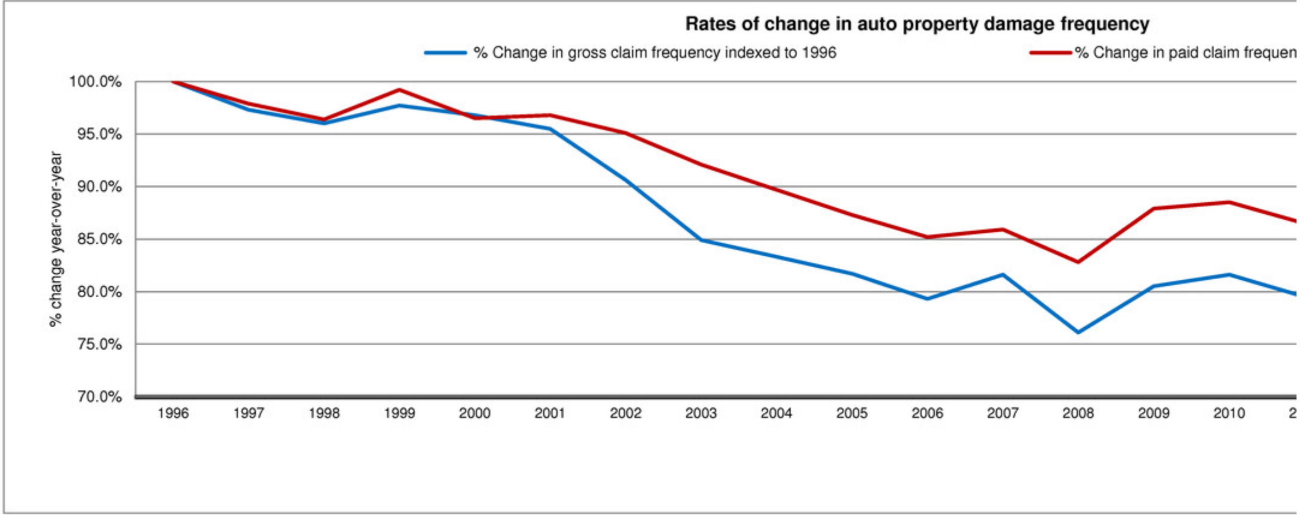
(2) The paid claim frequency is calculated as annualized notice counts closed with payment in the period divided by the average of policies in force with the applicable coverage during the period. received in the period divided by the average of policies in force with the applicable coverage during the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

(3) With the increase in auto frequency experienced in recent quarters, claim handling processes were modified to more completely identify instances of liability at first notice of loss. Changes in p comparisons to prior year. This resulted in an increase in the number of counted claims as well as an increase in claims closed without payment, as in many instances, we were ultimately not r

(4) In the third quarter of 2015, a decision to more completely capture information on claims involving a vehicle collision with non-vehicle property gave rise to an increase in the number of counted payments are not always required to be made. Accordingly, claims closed without payment also increased. This change, resulted in a steady increase in notice counts as the change was more gross claim frequency consistently measured were 3.0%, (0.8)%, 5.5% and 7.4% in the three months ended June 30, 2016, March 31, 2016, December 31, 2015 and September 30, 2015, respe

THE ALLSTATE CORPORATION
ALLSTATE BRAND AUTO CLAIM FREQUENCY ANALYSIS [(1)]
PROPERTY DAMAGE % CHANGE IN GROSS AND PAID CLAIM FREQUENCY AND INDEXED TO 1996

	1997	1998	1999	2000	2001	2002	2003	2004	2005	2006	2007
(% change in frequency rate year over year)											
% Change in gross claim frequency [(2)(3)(4)]	-2.7%	-1.3%	1.7%	-0.9%	-1.3%	-5.2%	-6.3%	-1.8%	-2.0%	-2.9%	2.9%
% Change in gross claim frequency indexed to 1996 [(3)(4)(5)]	97.3%	96.0%	97.7%	96.8%	95.5%	90.6%	84.9%	83.3%	81.7%	79.3%	81.6%
% Change in paid claim frequency [(2)]	-2.1%	-1.5%	2.9%	-2.7%	0.3%	-1.8%	-3.2%	-2.6%	-2.6%	-2.4%	0.8%
% Change in paid claim frequency indexed to 1996 [(5)]	97.9%	96.4%	99.2%	96.5%	96.8%	95.1%	92.1%	89.7%	87.3%	85.2%	85.9%



(1) Frequency statistics exclude counts associated with catastrophe events.

(2) The paid claim frequency is calculated as annualized notice counts closed with payment in the period divided by the average of policies in force with the applicable coverage during the period. The gross divided by the average of policies in force with the applicable coverage during the period. Gross claim frequency includes all actual notice counts, regardless of their current status (open or closed) or the Frequency statistics exclude counts associated with catastrophe events. The percent change in paid or gross claim frequency is calculated as the amount of increase or decrease in the paid or gross cla divided by the prior year paid or gross claim frequency.

(3) With the increase in auto frequency experienced in recent quarters, claim handling processes were modified to more completely identify instances of liability at first notice of loss. Changes in property da prior year. This resulted in an increase in the number of counted claims as well as an increase in claims closed without payment, as in many instances, we were ultimately not required to provide indemni

(4) In the third quarter of 2015, a decision to more completely capture information on claims involving a vehicle collision with non-vehicle property gave rise to an increase in the number of counted claims, ho required to be made. Accordingly, claims closed without payment also increased. This change, resulted in a steady increase in notice counts as the change was more broadly adopted. Quarterly increa were 3.0%, (0.8)%, 5.5% and 7.4% in the three months ended June 30, 2016, March 31, 2016, December 31, 2015 and September 30, 2015, respectively. Auto underwriting results for 2016 and 2015 w

(5) The percent change in gross or paid claim frequency indexed to 1996 equals the current year percent change plus 100%, times the prior year indexed amount beginning with 100% in 1996 rounded.

THE ALLSTATE CORPORATION
ESURANCE PROFITABILITY MEASURES AND STATISTICS
($ in millions)

	Three months ended				
	Sept. 30, 2016	June 30, 2016	March 31, 2016	Dec. 31, 2015	Sept. 30, 2015
Net premiums written	$ 446	$ 392	$ 452	$ 378	$ 423
Net premiums earned					
Auto	$ 405	$ 403	$ 394	$ 391	$ 392
Homeowners	11	10	8	7	5
Other personal lines	2	2	2	2	2
Total	418	415	404	400	399
Incurred losses					
Auto	$ 313	$ 308	$ 289	$ 294	$ 285
Homeowners	11	10	4	4	4
Other personal lines	2	1	1	1	1
Total	326	319	294	299	290
Expenses					
Auto	$ 111	$ 107	$ 123	$ 119	$ 125
Homeowners	22	25	11	9	10
Other personal lines	-	1	1	1	-
Total	133	133	135	129	135
Underwriting income (loss)					
Auto	$ (19)	$ (12)	$ (18)	$ (22)	$ (18)
Homeowners	(22)	(25)	(7)	(6)	(9)
Other personal lines	-	-	-	-	1
Total	(41)	(37)	(25)	(28)	(26)
Loss ratio	78.0	76.9	72.8	74.8	72.7
Expense ratio [(1)]	31.8	32.0	33.4	32.2	33.8
Combined ratio	109.8	108.9	106.2	107.0	106.5
Loss ratio	78.0	76.9	72.8	74.8	72.7
Less: effect of catastrophe losses	3.3	3.4	0.7	0.8	0.8
effect of prior year non-catastrophe reserve reestimates	(1.0)	(1.0)	(1.0)	(1.3)	(1.6)
Underlying loss ratio	75.7	74.5	73.1	75.3	73.5
Expense ratio	31.8	32.0	33.4	32.2	33.8
Less: effect of amortization of purchased intangible assets	1.5	1.7	1.5	2.2	2.0
Expense ratio, excluding the effect of amortization of purchased intangible assets	30.3	30.3	31.9	30.0	31.8
Underlying combined ratio	106.0	104.8	105.0	105.3	105.3
Effect of catastrophe losses	3.3	3.4	0.7	0.8	0.8
Effect of prior year non-catastrophe reserve reestimates	(1.0)	(1.0)	(1.0)	(1.3)	(1.6)
Effect of amortization of purchased intangible assets	1.5	1.7	1.5	2.2	2.0
Combined ratio	109.8	108.9	106.2	107.0	106.5
Effect of prior year reserve reestimates on combined ratio	(1.0)	(1.0)	(1.0)	(1.3)	(1.3)
Effect of advertising expenses on combined ratio	11.7	12.2	11.6	9.8	11.0
Policies in Force (in thousands)					
Auto	1,395	1,409	1,428	1,415	1,433
Homeowners	52	44	37	32	26
Other personal lines	47	47	46	44	44
	1,494	1,500	1,511	1,491	1,503
New Issued Applications (in thousands)					
Auto	151	141	168	139	145
Homeowners	10	11	7	7	8
Other personal lines	9	8	10	7	9
	170	160	185	153	162
Average Premium - Gross Written ($)					
Auto	546	538	547	526	513
Homeowners	872	855	891	821	838
Renewal Ratio (%)					
Auto	78.9	80.0	79.6	78.8	78.7

(1) Esurance continued to invest in expansion initiatives, including costs incurred to expand beyond our initial 30 states at acquisition, adding new products such as homeowners, mo
Canadian market. The related expenses contributed approximately 5.4 points in the third quarter of 2016 compared to 3.8 points to the total expense ratio in the third quarter of 20
points in the first nine months of 2015.

THE ALLSTATE CORPORATION
ENCOMPASS BRAND PROFITABILITY MEASURES AND STATISTICS
($ in millions)

	Three months ended					
	Sept. 30, 2016	June 30, 2016	March 31, 2016	Dec. 31, 2015	Sept. 30, 2015	J
Net premiums written	$ 299	$ 315	$ 263	$ 293	$ 331	$
Net premiums earned						
Auto	$ 155	$ 158	$ 159	$ 162	$ 165	$
Homeowners	119	121	124	124	127	
Other personal lines	25	25	26	27	27	
Total	299	304	309	313	319	
Incurred losses						
Auto	$ 117	$ 130	$ 123	$ 126	$ 135	$
Homeowners	74	85	85	61	75	
Other personal lines	17	16	31	27	23	
Total	208	231	239	214	233	
Expenses						
Auto	$ 44	$ 45	$ 45	$ 44	$ 46	$
Homeowners	34	36	36	34	36	
Other personal lines	8	7	7	7	8	
Total	86	88	88	85	90	
Underwriting income (loss)						
Auto	$ (6)	$ (17)	$ (9)	$ (8)	$ (16)	$
Homeowners	11	-	3	29	16	
Other personal lines	-	2	(12)	(7)	(4)	
Total	5	(15)	(18)	14	(4)	
Loss ratio	69.6	76.0	77.3	68.4	73.1	
Expense ratio	28.7	28.9	28.5	27.1	28.2	
Combined ratio	98.3	104.9	105.8	95.5	101.3	
Loss ratio	69.6	76.0	77.3	68.4	73.1	
Less: effect of catastrophe losses	9.0	11.2	13.3	4.8	5.3	
effect of prior year non-catastrophe reserve reestimates	-	0.9	4.2	(1.6)	5.1	
Underlying loss ratio	60.6	63.9	59.8	65.2	62.7	
Expense ratio	28.7	28.9	28.5	27.1	28.2	
Less: effect of amortization of purchased intangible assets	-	-	-	-	-	
Expense ratio, excluding the effect of amortization of purchased intangible assets	28.7	28.9	28.5	27.1	28.2	
Underlying combined ratio	89.3	92.8	88.3	92.3	90.9	
Effect of catastrophe losses	9.0	11.2	13.3	4.8	5.3	
Effect of prior year non-catastrophe reserve reestimates	-	0.9	4.2	(1.6)	5.1	
Combined ratio	98.3	104.9	105.8	95.5	101.3	
Effect of prior year reserve reestimates on combined ratio	0.3	0.3	4.5	(1.9)	5.4	
Effect of advertising expenses on combined ratio	-	0.3	-	-	0.3	
Policies in Force (in thousands)						
Auto	649	676	701	723	746	
Homeowners	305	318	329	338	347	
Other personal lines	101	105	108	111	114	
	1,055	1,099	1,138	1,172	1,207	
New Issued Applications (in thousands)						
Auto	13	15	15	16	20	
Homeowners	9	9	9	10	12	
Average Premium - Gross Written ($)						
Auto	1,022	988	981	981	963	
Homeowners	1,659	1,629	1,618	1,587	1,583	
Renewal Ratio (%)						
Auto	73.1	75.5	76.1	76.1	76.7	
Homeowners	77.9	79.9	81.5	81.3	82.5	

THE ALLSTATE CORPORATION
AUTO PROFITABILITY MEASURES

($ in millions)	Three months ended Sept. 30, 2016	June 30, 2016	March 31, 2016	Dec. 31, 2015	Sept. 30, 2015
Net premiums written					
Allstate brand	$ 4,940	$ 4,767	$ 4,746	$ 4,576	$ 4,746
Esurance brand	428	376	439	368	411
Encompass brand	153	162	138	152	169
	5,521	5,305	5,323	5,096	5,326
Net premiums earned					
Allstate brand	$ 4,793	$ 4,745	$ 4,667	$ 4,638	$ 4,597
Esurance brand	405	403	394	391	392
Encompass brand	155	158	159	162	165
	5,353	5,306	5,220	5,191	5,154
Incurred losses					
Allstate brand	$ 3,610	$ 3,634	$ 3,519	$ 3,495	$ 3,455
Esurance brand	313	308	289	294	285
Encompass brand	117	130	123	126	135
	4,040	4,072	3,931	3,915	3,875
Expenses					
Allstate brand	$ 1,134	$ 1,168	$ 1,103	$ 1,077	$ 1,086
Esurance brand	111	107	123	119	125
Encompass brand	44	45	45	44	46
	1,289	1,320	1,271	1,240	1,257
Underwriting income (loss)					
Allstate brand	$ 49	$ (57)	$ 45	$ 66	$ 56
Esurance brand	(19)	(12)	(18)	(22)	(18)
Encompass brand	(6)	(17)	(9)	(8)	(16)
	24	(86)	18	36	22
Loss ratio					
Allstate brand	75.3	76.6	75.4	75.4	75.2
Esurance brand	77.3	76.4	73.4	75.2	72.7
Encompass brand	75.5	82.3	77.4	77.8	81.8
Allstate Protection	75.5	76.7	75.3	75.4	75.2
Expense ratio					
Allstate brand	23.7	24.6	23.6	23.2	23.6
Esurance brand	27.4	26.6	31.2	30.4	31.9
Encompass brand	28.4	28.5	28.3	27.1	27.9
Allstate Protection	24.1	24.9	24.4	23.9	24.4
Combined ratio					
Allstate brand	99.0	101.2	99.0	98.6	98.8
Esurance brand	104.7	103.0	104.6	105.6	104.6
Encompass brand	103.9	110.8	105.7	104.9	109.7
Allstate Protection	99.6	101.6	99.7	99.3	99.6
Effect of catastrophe losses on combined ratio					
Allstate brand	3.1	4.1	2.9	1.1	0.5
Esurance brand	2.2	2.2	0.5	0.5	0.5
Encompass brand	3.3	1.9	1.3	0.6	0.6
Allstate Protection	3.1	3.9	2.7	1.0	0.5
Effect of prior year reserve reestimates on combined ratio					
Allstate brand	(0.1)	(0.8)	0.1	(0.3)	0.1
Esurance brand	(1.0)	(1.0)	(1.0)	(1.3)	(1.3)
Encompass brand	(1.3)	3.2	1.3	(0.6)	7.9
Allstate Protection	(0.2)	(0.7)	0.1	(0.4)	0.3
Effect of catastrophe losses included in prior year reserve reestimates on combined ratio					
Allstate brand	(0.1)	(0.1)	(0.1)	(0.2)	(0.1)
Esurance brand	-	-	-	-	0.2
Encompass brand	-	(0.6)	-	-	-
Allstate Protection	(0.1)	(0.1)	(0.1)	(0.2)	-
Effect of amortization of purchased intangible assets on combined ratio					
Esurance brand	1.5	1.8	1.5	2.3	2.0
Allstate Protection	0.1	0.1	0.1	0.2	0.2

THE ALLSTATE CORPORATION
HOMEOWNERS PROFITABILITY MEASURES

($ in millions)	Three months ended Sept. 30, 2016	June 30, 2016	March 31, 2016	Dec. 31, 2015	Sept. 30, 2015
Net premiums written					
Allstate brand	$ 1,869	$ 1,831	$ 1,392	$ 1,634	$ 1,879
Esurance brand	16	14	11	9	9
Encompass brand	121	126	104	116	134
	2,006	1,971	1,507	1,759	2,022
Net premiums earned					
Allstate brand	$ 1,683	$ 1,684	$ 1,678	$ 1,674	$ 1,663
Esurance brand	11	10	8	7	5
Encompass brand	119	121	124	124	127
	1,813	1,815	1,810	1,805	1,795
Incurred losses					
Allstate brand	$ 893	$ 1,260	$ 1,190	$ 816	$ 820
Esurance brand	11	10	4	4	4
Encompass brand	74	85	85	61	75
	978	1,355	1,279	881	899
Expenses					
Allstate brand	$ 384	$ 373	$ 377	$ 372	$ 385
Esurance brand	22	25	11	9	10
Encompass brand	34	36	36	34	36
	440	434	424	415	431
Underwriting income (loss)					
Allstate brand	$ 406	$ 51	$ 111	$ 486	$ 458
Esurance brand	(22)	(25)	(7)	(6)	(9)
Encompass brand	11	-	3	29	16
	395	26	107	509	465
Loss ratio					
Allstate brand	53.1	74.8	70.9	48.8	49.3
Esurance brand	100.0	100.0	50.0	57.1	80.0
Encompass brand	62.2	70.2	68.6	49.2	59.1
Allstate Protection	53.9	74.7	70.7	48.8	50.1
Expense ratio					
Allstate brand	22.8	22.2	22.5	22.2	23.2
Esurance brand	200.0	250.0	137.5	128.6	200.0
Encompass brand	28.6	29.8	29.0	27.4	28.3
Allstate Protection	24.3	23.9	23.4	23.0	24.0
Combined ratio					
Allstate brand	75.9	97.0	93.4	71.0	72.5
Esurance brand	300.0	350.0	187.5	185.7	280.0
Encompass brand	90.8	100.0	97.6	76.6	87.4
Allstate Protection	78.2	98.6	94.1	71.8	74.1
Effect of catastrophe losses on combined ratio					
Allstate brand	15.4	38.3	34.2	15.0	12.4
Esurance brand	45.5	50.0	12.5	14.3	20.0
Encompass brand	17.6	24.0	30.7	9.7	11.8
Allstate Protection	15.7	37.4	33.9	14.6	12.4
Effect of prior year reserve reestimates on combined ratio					
Allstate brand	(0.3)	1.1	(0.5)	(0.5)	(0.9)
Esurance brand	-	-	-	-	-
Encompass brand	1.7	-	0.8	(4.9)	-
Allstate Protection	(0.2)	1.0	(0.4)	(0.8)	(0.8)
Effect of catastrophe losses included in prior year reserve reestimates on combined ratio					
Allstate brand	0.3	1.0	(0.3)	(0.5)	(0.1)
Esurance brand	-	-	-	-	-
Encompass brand	0.8	(0.8)	1.6	(0.8)	1.6
Allstate Protection	0.3	0.8	(0.2)	(0.5)	0.1

THE ALLSTATE CORPORATION
OTHER PERSONAL LINES PROFITABILITY MEASURES [(1)]

($ in millions)	Three months ended Sept. 30, 2016	June 30, 2016	March 31, 2016	Dec. 31, 2015	Sept. 30, 2015
Net premiums written					
Allstate brand	$ 447	$ 428	$ 353	$ 376	$ 429
Esurance brand	2	2	2	1	3
Encompass brand	25	27	21	25	28
	474	457	376	402	460
Net premiums earned					
Allstate brand	$ 399	$ 397	$ 393	$ 395	$ 396
Esurance brand	2	2	2	2	2
Encompass brand	25	25	26	27	27
	426	424	421	424	425
Incurred losses					
Allstate brand	$ 236	$ 256	$ 261	$ 216	$ 241
Esurance brand	2	1	1	1	1
Encompass brand	17	16	31	27	23
	255	273	293	244	265
Expenses					
Allstate brand	$ 113	$ 106	$ 103	$ 101	$ 109
Esurance brand	-	1	1	1	-
Encompass brand	8	7	7	7	8
	121	114	111	109	117
Underwriting income (loss)					
Allstate brand	$ 50	$ 35	$ 29	$ 78	$ 46
Esurance brand	-	-	-	-	1
Encompass brand	-	2	(12)	(7)	(4)
	50	37	17	71	43
Loss ratio					
Allstate brand	59.2	64.5	66.4	54.7	60.9
Esurance brand	100.0	50.0	50.0	50.0	50.0
Encompass brand	68.0	64.0	119.3	100.0	85.2
Allstate Protection	59.9	64.4	69.6	57.6	62.4
Expense ratio					
Allstate brand	28.3	26.7	26.2	25.6	27.5
Esurance brand	-	50.0	50.0	50.0	-
Encompass brand	32.0	28.0	26.9	25.9	29.6
Allstate Protection	28.4	26.9	26.4	25.7	27.5
Combined ratio					
Allstate brand	87.5	91.2	92.6	80.3	88.4
Esurance brand	100.0	100.0	100.0	100.0	50.0
Encompass brand	100.0	92.0	146.2	125.9	114.8
Allstate Protection	88.3	91.3	96.0	83.3	89.9
Effect of catastrophe losses on combined ratio					
Allstate brand	6.0	15.6	16.0	8.4	4.5
Esurance brand	-	-	-	-	-
Encompass brand	4.0	8.0	3.8	7.4	3.7
Allstate Protection	5.9	15.1	15.2	8.3	4.5
Effect of prior year reserve reestimates on combined ratio					
Allstate brand	(0.8)	(1.7)	(1.5)	(0.3)	1.8
Esurance brand	-	-	-	-	-
Encompass brand	4.0	(16.0)	42.3	3.7	14.8
Allstate Protection	(0.5)	(2.6)	1.2	-	2.6
Effect of catastrophe losses included in prior year reserve reestimates on combined ratio					
Allstate brand	(0.3)	-	-	(0.3)	-
Esurance brand	-	-	-	-	-
Encompass brand	-	-	(3.9)	-	(3.7)
Allstate Protection	(0.3)	-	(0.3)	(0.2)	(0.2)

(1) Other personal lines include renter, condominium, landlord and other personal lines products.

THE ALLSTATE CORPORATION
COMMERCIAL LINES PROFITABILITY MEASURES [1]

($ in millions)	Three months ended Sept. 30, 2016	June 30, 2016	March 31, 2016	Dec. 31, 2015	Sept. 30, 2015	June 20
Net premiums written	$ 123	$ 135	$ 126	$ 126	$ 124	$
Net premiums earned	$ 127	$ 127	$ 129	$ 129	$ 128	$
Incurred losses	$ 112	$ 135	$ 119	$ 100	$ 97	$
Expenses	$ 34	$ 35	$ 38	$ 36	$ 36	$
Underwriting loss	$ (19)	$ (43)	$ (28)	$ (7)	$ (5)	$
Loss ratio	88.2	106.3	92.2	77.5	75.8	
Expense ratio	26.8	27.6	29.5	27.9	28.1	
Combined ratio	115.0	133.9	121.7	105.4	103.9	1
Effect of catastrophe losses on combined ratio	5.5	9.5	7.0	4.6	2.3	
Effect of prior year reserve reestimates on combined ratio	10.3	18.1	15.5	-	(9.3)	
Effect of catastrophe losses included in prior year reserve reestimates on combined ratio	-	0.8	2.4	0.8	-	

(1) Commercial lines are all Allstate Brand products.

THE ALLSTATE CORPORATION
OTHER BUSINESS LINES PROFITABILITY MEASURES [1]

($ in millions)	Three months ended Sept. 30, 2016	June 30, 2016	March 31, 2016	Dec. 31, 2015	Sept. 30, 2015	June 20
Net premiums written	$ 185	$ 183	$ 183	$ 168	$ 205	$
Net premiums earned	$ 150	$ 142	$ 143	$ 135	$ 148	$
Incurred losses	$ 69	$ 64	$ 61	$ 57	$ 71	$
Expenses	$ 74	$ 74	$ 68	$ 72	$ 61	$
Underwriting income	$ 7	$ 4	$ 14	$ 6	$ 16	$
Loss ratio	46.0	45.1	42.7	42.2	48.0	
Expense ratio	49.3	52.1	47.5	53.4	41.2	
Combined ratio	95.3	97.2	90.2	95.6	89.2	
Effect of catastrophe losses on combined ratio	-	-	-	-	-	
Effect of prior year reserve reestimates on combined ratio	2.0	-	-	-	0.7	
Effect of catastrophe losses included in prior year reserve reestimates on combined ratio	-	-	-	-	-	
Effect of amortization of purchased intangible assets	0.6	0.7	0.7	0.8	0.7	

[1] Other business lines include Allstate Roadside Services and Allstate Dealer Services.

THE ALLSTATE CORPORATION
AUTO, HOMEOWNERS AND OTHER PERSONAL LINES UNDERLYING COMBINED RATIOS

	Three months ended				
	Sept. 30, 2016	June 30, 2016	March 31, 2016	Dec. 31, 2015	Sept. 30, 2015
Auto					
Allstate brand underlying combined ratio	95.9	97.8	95.9	97.6	98.1
Effect of catastrophe losses on combined ratio	3.1	4.1	2.9	1.1	0.5
Effect of prior year non-catastrophe reserve reestimates on combined ratio	-	(0.7)	0.2	(0.1)	0.2
Allstate brand combined ratio	99.0	101.2	99.0	98.6	98.8
Esurance brand underlying combined ratio	102.0	100.0	103.6	104.1	103.6
Effect of catastrophe losses on combined ratio	2.2	2.2	0.5	0.5	0.5
Effect of prior year non-catastrophe reserve reestimates on combined ratio	(1.0)	(1.0)	(1.0)	(1.3)	(1.5)
Effect of amortization of purchased intangible assets on combined ratio	1.5	1.8	1.5	2.3	2.0
Esurance brand combined ratio	104.7	103.0	104.6	105.6	104.6
Encompass brand underlying combined ratio	101.9	105.1	103.1	104.9	101.2
Effect of catastrophe losses on combined ratio	3.3	1.9	1.3	0.6	0.6
Effect of prior year non-catastrophe reserve reestimates on combined ratio	(1.3)	3.8	1.3	(0.6)	7.9
Encompass brand combined ratio	103.9	110.8	105.7	104.9	109.7
Homeowners					
Allstate brand underlying combined ratio	61.1	58.6	59.4	56.0	60.9
Effect of catastrophe losses on combined ratio	15.4	38.3	34.2	15.0	12.4
Effect of prior year non-catastrophe reserve reestimates on combined ratio	(0.6)	0.1	(0.2)	-	(0.8)
Allstate brand combined ratio	75.9	97.0	93.4	71.0	72.5
Encompass brand underlying combined ratio	72.3	75.2	67.7	71.0	77.2
Effect of catastrophe losses on combined ratio	17.6	24.0	30.7	9.7	11.8
Effect of prior year non-catastrophe reserve reestimates on combined ratio	0.9	0.8	(0.8)	(4.1)	(1.6)
Encompass brand combined ratio	90.8	100.0	97.6	76.6	87.4
Other Personal Lines					
Allstate brand underlying combined ratio	82.0	77.3	78.1	71.9	82.1
Effect of catastrophe losses on combined ratio	6.0	15.6	16.0	8.4	4.5
Effect of prior year non-catastrophe reserve reestimates on combined ratio	(0.5)	(1.7)	(1.5)	-	1.8
Allstate brand combined ratio	87.5	91.2	92.6	80.3	88.4
Encompass brand underlying combined ratio	92.0	100.0	96.2	114.8	92.6
Effect of catastrophe losses on combined ratio	4.0	8.0	3.8	7.4	3.7
Effect of prior year non-catastrophe reserve reestimates on combined ratio	4.0	(16.0)	46.2	3.7	18.5
Encompass brand combined ratio	100.0	92.0	146.2	125.9	114.8

THE ALLSTATE CORPORATION
ALLSTATE BRAND AUTO AND HOMEOWNERS UNDERLYING LOSS AND EXPENSE

	Three months ended				
	Sept. 30, 2016	June 30, 2016	March 31, 2016	Dec. 31, 2015	Sept. 2015
Auto					
Annualized average premium (1)	$ 966	$ 946	$ 927	$ 913	$ 9
Underlying combined ratios	95.9	97.8	95.9	97.6	98
Average underlying loss (incurred pure premium) and expense *	$ 926	$ 925	$ 889	$ 891	$ 8
Homeowners					
Annualized average premium (1)	$ 1,102	$ 1,098	$ 1,091	$ 1,085	$ 1,0
Underlying combined ratios	61.1	58.6	59.4	56.0	60
Average underlying loss (incurred pure premium) and expense	$ 673	$ 643	$ 648	$ 607	$ 6

(1) Calculated by annualizing net earned premium reported in the quarter divided by policies in force at quarter end.

THE ALLSTATE CORPORATION
HOMEOWNERS SUPPLEMENTAL INFORMATION
($ in millions)

	Nine months ended September 30, 2016				
Primary Exposure Groupings [(1)]	Earned premiums	Incurred losses	Loss ratios	Catastrophe losses	Effect of catastrophes on loss ratio
Florida	$ 77	$ 56	72.7%	$ 8	10.4%
Other hurricane exposure states	2,915	2,027	69.5%	1,039	35.6%
Total hurricane exposure states [(2)]	2,992	2,083	69.6%	1,047	35.0%
Other catastrophe exposure states [(4)]	2,446	1,529	62.5%	529	21.6%
Total	$ 5,438	$ 3,612	66.4%	$ 1,576	29.0%

(1) **Basis of Presentation**

This homeowners supplemental information schedule displays financial results for the homeowners business (defined to include standard homeowners, scheduled pers
Each state in which the Company writes business has been categorized into one of two exposure groupings (Hurricane or Other). Hurricane exposure states are compr
primary catastrophe exposure. However, the catastrophe losses for these states include losses due to other kinds of catastrophes. A catastrophe is defined by Allstate
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-
occurring within a certain amount of time following the event.

(2) Hurricane exposure states include the following coastal locations: Alabama, Connecticut, Delaware, Florida, Georgia, Louisiana, Maine, Maryland, Massachusetts, Mis
North Carolina, Pennsylvania, Rhode Island, South Carolina, Texas, Virginia and Washington, D.C.

(3) Represents the impact in the locations where rate changes were approved during the year as a percentage of total prior year-end premiums written in those locations.

(4) Includes Canada.

(5) Includes the impact of a rate decrease in California for Allstate brand in first quarter 2016. Excluding California, the total state specific rate changes for Allstate brand w

THE ALLSTATE CORPORATION
CATASTROPHE LOSSES BY BRAND
($ in millions)

	Three months ended					
	Sept. 30, 2016	June 30, 2016	March 31, 2016	Dec. 31, 2015	Sept. 30, 2015	June 30, 2015
Allstate brand						
Auto	$ 150	$ 195	$ 137	$ 50	$ 22	$ 143
Homeowners	259	644	574	251	207	528
Other personal lines	24	62	63	33	18	47
Commercial lines	7	12	9	6	3	12
Other business lines	-	-	-	-	-	-
Total	440	913	783	340	250	730
Esurance brand						
Auto	9	9	2	2	2	7
Homeowners	5	5	1	1	1	1
Other personal lines	-	-	-	-	-	-
Total	14	14	3	3	3	8
Encompass brand						
Auto	5	3	2	1	1	5
Homeowners	21	29	38	12	15	52
Other personal lines	1	2	1	2	1	2
Total	27	34	41	15	17	59
Allstate Protection	$ 481	$ 961	$ 827	$ 358	$ 270	$ 797
Allstate Protection						
Auto	$ 164	$ 207	$ 141	$ 53	$ 25	$ 155
Homeowners	285	678	613	264	223	581
Other personal lines	25	64	64	35	19	49
Commercial lines	7	12	9	6	3	12
Other business lines	-	-	-	-	-	-
	$ 481	$ 961	$ 827	$ 358	$ 270	$ 797

THE ALLSTATE CORPORATION
PROPERTY-LIABILITY
EFFECT OF CATASTROPHE LOSSES ON THE COMBINED RATIO
($ in millions)

	Effect of all catastrophe losses on the Property-Liability combined ratio					Premiums earned	Total catastrophe	
	Quarter 1	Quarter 2	Quarter 3	Quarter 4	Year	year-to-date	losses by year	
2007	2.4	6.3	5.0	7.0	5.2	$ 27,233	$ 1,409	$
2008	8.4	10.3	26.8	3.9	12.4	26,967	3,342	
2009	7.8	12.5	6.2	5.0	7.9	26,194	2,069	
2010	10.0	9.8	5.9	8.3	8.5	25,957	2,207	
2011	5.2	36.2	16.7	1.0	14.7	25,942	3,815	
2012	3.9	12.3	3.1	15.7	8.8	26,737	2,345	
2013	5.3	9.4	1.8	1.7	4.5	27,618	1,251	
2014	6.3	13.0	7.1	1.3	6.9	28,929	1,993	
2015	4.0	10.6	3.5	4.7	5.7	30,309	1,719	
2016	10.7	12.3	6.1		9.7	23,406	2,269	
Average	6.4	13.1	8.1	5.3	8.3			

THE ALLSTATE CORPORATION
CATASTROPHE BY SIZE OF EVENT
($ in millions)

Three months ended September 30, 2016

Size of catastrophe	Number of events		Claims and claims expense		Co rat
Greater than $250 million	-	- %	$ -	- %	
$101 million to $250 million	1	2.9	105	21.8	
$50 million to $100 million	1	2.9	97	20.2	
Less than $50 million	33	94.2	290	60.3	
Total	35	100.0 %	492	102.3	
Prior year reserve reestimates			3	0.6	
Prior quarter reserve reestimates			(14)	(2.9)	
Total catastrophe losses			$ 481	100.0 %	

Nine months ended September 30, 2016

Size of catastrophe	Number of events		Claims and claims expense		Co rat
Greater than $250 million	2	2.7 %	$ 626	27.6 %	
$101 million to $250 million	2	2.7	291	12.8	
$50 million to $100 million	5	6.6	362	15.9	
Less than $50 million	66	88.0	977	43.1	
Total	75	100.0 %	2,256	99.4	
Prior year reserve reestimates			13	0.6	
Total catastrophe losses			$ 2,269	100.0 %	

THE ALLSTATE CORPORATION
PROPERTY-LIABILITY
PRIOR YEAR RESERVE REESTIMATES
($ in millions)

	Three months ended					
	Sept. 30, 2016	June 30, 2016	March 31, 2016	Dec. 31, 2015	Sept. 30, 2015	June 30, 2015
Prior Year Reserve Reestimates [1]						
Auto	$ (10)	$ (36)	$ 5	$ (19)	$ 14	$ 11
Homeowners	(4)	19	(7)	(14)	(15)	4
Other personal lines	(2)	(11)	5	-	11	6
Commercial lines	13	23	20	-	(12)	4
Other business lines	3	-	-	-	1	1
Allstate Protection	-	(5)	23	(33)	(1)	26
Discontinued Lines and Coverages	99	2	1	2	48	2
Property-Liability	$ 99	$ (3)	$ 24	$ (31)	$ 47	$ 28
Allstate brand [2]	$ 3	$ (2)	$ 13	$ (22)	$ (13)	$ 26
Esurance brand [2]	(4)	(4)	(4)	(5)	(5)	(3)
Encompass brand [2]	1	1	14	(6)	17	3
Allstate Protection [2]	$ -	$ (5)	$ 23	$ (33)	$ (1)	$ 26
Effect of Prior Year Reserve Reestimates on Combined Ratio [1][3]						
Auto	(0.1)	(0.5)	-	(0.2)	0.2	0.2
Homeowners	(0.1)	0.3	(0.1)	(0.2)	(0.2)	-
Other personal lines	-	(0.1)	-	-	0.1	0.1
Commercial lines	0.2	0.3	0.3	-	(0.1)	-
Other business lines	-	-	-	-	-	-
Allstate Protection	-	-	0.2	(0.4)	-	0.3
Discontinued Lines and Coverages	1.3	-	0.1	-	0.6	-
Property-Liability	1.3	-	0.3	(0.4)	0.6	0.3
Allstate brand [2]	-	-	0.1	(0.3)	(0.2)	0.3
Esurance brand [2]	-	-	(0.1)	-	-	-
Encompass brand [2]	-	-	0.2	(0.1)	0.2	-
Allstate Protection [2]	-	-	0.2	(0.4)	-	0.3

(1) Favorable reserve reestimates are shown in parentheses.

(2) Unfavorable (favorable) reserve reestimates included in catastrophe losses for Allstate brand, Esurance brand, Encompass brand and Allstate Protection totaled $2 r
$1 million, $1 million and $(2) million, respectively, in the three months ended September 30, 2016 and 2015, respectively. Unfavorable (favorable) reserve reestima
Esurance brand, Encompass brand and Allstate Protection totaled $13 million, $0 million, $0 million, $13 million and $1 million, $1 million, $(1) million and $1 million,
2016 and 2015, respectively.

(3) Calculated using Property-Liability premiums earned for the respective period.

THE ALLSTATE CORPORATION
ASBESTOS AND ENVIRONMENTAL RESERVES
($ in millions)

(net of reinsurance)	Three months ended Sept. 30, 2016	June 30, 2016	March 31, 2016	Twelve months en[ded] 2015	2014
Asbestos claims [(1)]					
Beginning reserves	$ 890	$ 907	$ 960	$ 1,014	$ 1,017
Incurred claims and claims expense	67	-	-	39	87
Claims and claims expense paid	(21)	(17)	(53)	(93)	(90)
Ending reserves	$ 936	$ 890	$ 907	$ 960	$ 1,014
Claims and claims expense paid as a percent of ending reserves	2.2%	1.9%	5.8%	9.7%	8.9%
Environmental claims [(1)]					
Beginning reserves	$ 173	$ 177	$ 179	$ 203	$ 208
Incurred claims and claims expense	23	-	-	1	15
Claims and claims expense paid	(6)	(4)	(2)	(25)	(20)
Ending reserves	$ 190	$ 173	$ 177	$ 179	$ 203
Claims and claims expense paid as a percent of ending reserves	3.2%	2.3%	1.1%	14.0%	9.9%

[(1)] The 3-year survival ratio for the combined environmental and asbestos claims was 9.2, 10.4, 12.2, 14.4 and 14.3 for annualized nine-months of 2016 and
respectively, and is calculated by taking the ending reserves divided by net payments made during the year.

THE ALLSTATE CORPORATION

ALLSTATE PERSONAL LINES - AUTO, HOMEOWNERS, OTHER PERSONAL LINES AND COMMERCIAL LINES PROFIT

($ in millions)

	Three months ended				
	Sept. 30, 2016	June 30, 2016	March 31, 2016	Dec. 31, 2015	Sept. 30, 2015
Net premiums written					
Auto	$ 4,940	$ 4,767	$ 4,746	$ 4,576	$ 4,746
Homeowners	1,869	1,831	1,392	1,634	1,879
Landlord	141	133	122	137	143
Renter	84	75	67	65	84
Condominium	70	67	53	58	64
Other	152	153	111	116	138
Other personal lines	447	428	353	376	429
Commercial lines	123	135	126	126	124
Total	7,379	7,161	6,617	6,712	7,178
Net premiums earned					
Auto	$ 4,793	$ 4,745	$ 4,667	$ 4,638	$ 4,597
Homeowners	1,683	1,684	1,678	1,674	1,663
Other personal lines	399	397	393	395	396
Commercial lines	127	127	129	129	128
Total	7,002	6,953	6,867	6,836	6,784
Incurred losses					
Auto	$ 3,610	$ 3,634	$ 3,519	$ 3,495	$ 3,455
Homeowners	893	1,260	1,190	816	820
Other personal lines	236	256	261	216	241
Commercial lines	112	135	119	100	97
Total	4,851	5,285	5,089	4,627	4,613
Expenses					
Auto	$ 1,134	$ 1,168	$ 1,103	$ 1,077	$ 1,086
Homeowners	384	373	377	372	385
Other personal lines	113	106	103	101	109
Commercial lines	34	35	38	36	36
Total	1,665	1,682	1,621	1,586	1,616
Underwriting income (loss)					
Auto	$ 49	$ (57)	$ 45	$ 66	$ 56
Homeowners	406	51	111	486	458
Other personal lines	50	35	29	78	46
Commercial lines	(19)	(43)	(28)	(7)	(5)
Total	486	(14)	157	623	555
Loss ratio	69.3	76.0	74.1	67.7	68.0
Expense ratio	23.8	24.2	23.6	23.2	23.8
Combined ratio	93.1	100.2	97.7	90.9	91.8
Effect of catastrophe losses on combined ratio	6.3	13.1	11.4	5.0	3.7
Effect of prior year reserve reestimates on combined ratio	-	-	0.2	(0.3)	(0.2)
Underlying combined ratio	86.8	87.3	86.1	86.0	88.3
Effect of catastrophe losses	6.3	13.1	11.4	5.0	3.7
Effect of prior year non-catastrophe reserve reestimates	-	(0.2)	0.2	(0.1)	(0.2)
Combined ratio	93.1	100.2	97.7	90.9	91.8
Policies in Force (in thousands)					
Auto	19,852	20,061	20,145	20,326	20,367
Homeowners	6,109	6,135	6,152	6,174	6,163
Other personal lines	4,202	4,203	4,208	4,219	4,208
Commercial lines	296	308	318	324	328
Excess and surplus	22	23	24	25	26
Total	30,481	30,730	30,847	31,068	31,092

(1) Allstate Personal Lines comprise Allstate brand auto, homeowners, other personal lines and commercial lines. Allstate Protection segment comprises Allstate Personal Lines and Emergin

THE ALLSTATE CORPORATION

EMERGING BUSINESSES - ESURANCE, ENCOMPASS, OTHER BUSINESS LINES AND ANSWER FINANCIAL PROFITA

($ in millions)

	Three months ended					
	Sept. 30, 2016	June 30, 2016	March 31, 2016	Dec. 31, 2015	Sept. 30, 2015	Ju
Net premiums written						
Esurance	$ 446	$ 392	$ 452	$ 378	$ 423	$
Encompass	299	315	263	293	331	
Allstate Roadside Services	79	77	77	70	87	
Allstate Dealer Services	106	106	106	98	118	
Other business lines	185	183	183	168	205	
Total	930	890	898	839	959	
Net premiums earned						
Esurance	$ 418	$ 415	$ 404	$ 400	$ 399	$
Encompass	299	304	309	313	319	
Other business lines	150	142	143	135	148	
Total	867	861	856	848	866	
Incurred losses						
Esurance	$ 326	$ 319	$ 294	$ 299	$ 290	$
Encompass	208	231	239	214	233	
Other business lines	69	64	61	57	71	
Total	603	614	594	570	594	
Expenses						
Esurance	$ 133	$ 133	$ 135	$ 129	$ 135	$
Encompass	86	88	88	85	90	
Other business lines	74	74	68	72	61	
Answer Financial	2	2	1	2	1	
Total	295	297	292	288	287	
Underwriting income (loss)						
Esurance	$ (41)	$ (37)	$ (25)	$ (28)	$ (26)	$
Encompass	5	(15)	(18)	14	(4)	
Other business lines	7	4	14	6	16	
Answer Financial	(2)	(2)	(1)	(2)	(1)	
Total	(31)	(50)	(30)	(10)	(15)	
Loss ratio	69.6	71.3	69.4	67.2	68.6	
Expense ratio	34.0	34.5	34.1	34.0	33.1	
Combined ratio	103.6	105.8	103.5	101.2	101.7	
Effect of catastrophe losses on combined ratio	4.7	5.6	5.1	2.1	2.3	
Effect of prior year reserve reestimates on combined ratio	-	(0.3)	1.2	(1.3)	1.5	
Effect of amortization of purchased intangible assets	1.1	1.0	1.0	1.6	1.4	
Underlying combined ratio	97.9	99.3	96.3	98.7	96.8	
Effect of catastrophe losses	4.7	5.6	5.1	2.1	2.3	
Effect of prior year non-catastrophe reserve reestimates	(0.1)	(0.1)	1.1	(1.2)	1.2	
Effect of amortization of purchased intangible assets	1.1	1.0	1.0	1.6	1.4	
Combined ratio	103.6	105.8	103.5	101.2	101.7	
Policies in Force (in thousands)						
Esurance	1,494	1,500	1,511	1,491	1,503	
Encompass	1,055	1,099	1,138	1,172	1,207	
Other business lines	797	824	856	894	920	
Total	3,346	3,423	3,505	3,557	3,630	

[1] Emerging businesses include Esurance, Encompass, Allstate Roadside Services, Allstate Dealer Services, Ivantage and Answer Financial.

THE ALLSTATE CORPORATION
ALLSTATE FINANCIAL RESULTS
($ in millions)

	Three months ended				
	Sept. 30, 2016	June 30, 2016	March 31, 2016	Dec. 31, 2015	Sept. 30, 2015
Premiums	$ 361	$ 353	$ 354	$ 339	$ 329
Contract charges	210	211	212	208	209
Net investment income	427	435	419	420	491
Contract benefits	(484)	(454)	(455)	(456)	(460)
Interest credited to contractholder funds	(183)	(179)	(184)	(186)	(191)
Amortization of deferred policy acquisition costs	(68)	(68)	(71)	(65)	(61)
Operating costs and expenses	(126)	(121)	(123)	(119)	(112)
Restructuring and related charges	-	(1)	-	3	(1)
Income tax expense on operations	(43)	(56)	(48)	(46)	(66)
Operating income	94	120	104	98	138
Realized capital gains and losses, after-tax	(14)	-	(32)	(62)	125
Valuation changes on embedded derivatives that are not hedged, after-tax	-	(4)	(4)	2	(2)
DAC and DSI amortization relating to realized capital gains and losses and valuation changes on embedded derivatives that are not hedged, after-tax	(1)	(1)	(1)	-	(1)
Gain (loss) on disposition of operations, after-tax	1	1	1	1	2
Change in accounting for investments in qualified affordable housing projects, after-tax	-	-	-	-	-
Net income applicable to common shareholders	$ 80	$ 116	$ 68	$ 39	$ 262

THE ALLSTATE CORPORATION
ALLSTATE FINANCIAL
RETURN ON ATTRIBUTED EQUITY
($ in millions)

	Twelve months ended				
	Sept. 30, 2016	June 30, 2016	March 31, 2016	Dec. 31, 2015	Sept. 201
Return on Attributed Equity					
Numerator:					
Net income applicable to common shareholders [1]	$ 303	$ 485	$ 548	$ 663	$ [illegible]
Denominator:					
Beginning attributed equity [2]	$ 7,475	$ 7,621	$ 7,920	$ 7,672	$ 7,
Ending attributed equity	8,205	8,055	7,680	7,350	7,
Average attributed equity [3]	$ 7,840	$ 7,838	$ 7,800	$ 7,511	$ 7,
Return on attributed equity	3.9 %	6.2 %	7.0 %	8.8 %	[illegible]
Operating Income Return on Attributed Equity					
Numerator:					
Operating income [1]	$ 416	$ 460	$ 479	$ 509	$ [illegible]
Denominator:					
Beginning attributed equity [2]	$ 7,475	$ 7,621	$ 7,920	$ 7,672	$ 7,
Unrealized net capital gains and losses	722	1,030	1,499	1,420	1,
Adjusted beginning attributed equity	6,753	6,591	6,421	6,252	6,
Ending attributed equity	8,205	8,055	7,680	7,350	7,
Unrealized net capital gains and losses	1,150	1,077	824	556	[illegible]
Adjusted ending attributed equity	7,055	6,978	6,856	6,794	6,
Average adjusted attributed equity [3]	$ 6,904	$ 6,785	$ 6,639	$ 6,523	$ 6,
Operating income return on attributed equity	6.0 %	6.8 %	7.2 %	7.8 %	[illegible]

(1) Net income applicable to common shareholders and operating income reflect a trailing twelve-month period.
(2) Allstate Financial attributed equity is the sum of equity for Allstate Life Insurance Company and the applicable equity for Allstate Financial Insurance Holding
(3) Average attributed equity and average adjusted attributed equity are determined using a two-point average, with the beginning and ending attributed equity a the twelve-month period as data points.

THE ALLSTATE CORPORATION
ALLSTATE FINANCIAL PREMIUMS AND CONTRACT CHARGES
($ in millions)

	Three months ended				
	Sept. 30, 2016	June 30, 2016	March 31, 2016	Dec. 31, 2015	Sept. 30, 2015
PREMIUMS AND CONTRACT CHARGES - BY PRODUCT					
Underwritten Products					
Traditional life insurance premiums	$ 145	$ 139	$ 138	$ 144	$ 135
Accident and health insurance premiums	216	214	216	195	194
Interest-sensitive life insurance contract charges	206	208	209	204	205
	567	561	563	543	534
Annuities					
Immediate annuities with life contingencies premiums	-	-	-	-	-
Other fixed annuity contract charges	4	3	3	4	4
	4	3	3	4	4
Total	$ 571	$ 564	$ 566	$ 547	$ 538
PREMIUMS AND CONTRACT CHARGES - BY DISTRIBUTION CHANNEL					
Allstate agencies	$ 308	$ 306	$ 305	$ 304	$ 300
Workplace enrolling agents	238	232	233	215	212
Other [(1)]	25	26	28	28	26
Total	$ 571	$ 564	$ 566	$ 547	$ 538
PROPRIETARY LIFE INSURANCE POLICIES SOLD BY ALLSTATE AGENCIES [(2)(3)]	27,481	29,839	25,458	39,701	16,402
ALLSTATE BENEFITS NEW BUSINESS WRITTEN PREMIUMS [(4)]	$ 69	$ 70	$ 82	$ 179	$ 69

(1) Primarily represents independent master brokerage agencies.

(2) Policies sold reduced by lapses within twelve months of sale.

(3) Beginning on August 1, 2015, sales are measured at policy issuance rather than application submission. This change led to a lag in the recognition of policies sold which im

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

THE ALLSTATE CORPORATION
ALLSTATE FINANCIAL CHANGE IN CONTRACTHOLDER FUNDS
($ in millions)

	Three months ended				
	Sept. 30, 2016	June 30, 2016	March 31, 2016	Dec. 31, 2015	Sept. 30, 2015
Contractholders funds, beginning balance	$ 20,845	$ 21,092	$ 21,295	$ 21,559	$ 21,968
Deposits					
Interest-sensitive life insurance	251	251	252	251	251
Fixed annuities	40	40	44	39	56
Total deposits	291	291	296	290	307
Interest credited	181	184	189	183	193
Benefits, withdrawals, maturities and other adjustments					
Benefits	(258)	(225)	(252)	(247)	(272)
Surrenders and partial withdrawals	(271)	(300)	(245)	(295)	(375)
Maturities of and interest payments on institutional products	-	-	-	-	-
Contract charges	(208)	(206)	(206)	(207)	(205)
Net transfers from separate accounts	2	1	1	2	2
Other adjustments	1	8	14	10	(59)
Total benefits, withdrawals, maturities and other adjustments	(734)	(722)	(688)	(737)	(909)
Contractholder funds, ending balance	$ 20,583	$ 20,845	$ 21,092	$ 21,295	$ 21,559

THE ALLSTATE CORPORATION
ALLSTATE FINANCIAL ANALYSIS OF NET INCOME
($ in millions)

	Three months ended				
	Sept. 30, 2016	June 30, 2016	March 31, 2016	Dec. 31, 2015	Sept. 30, 2015
Benefit spread					
Premiums	$ 361	$ 353	$ 354	$ 339	$ 329
Cost of insurance contract charges [1]	136	140	141	137	137
Contract benefits excluding the implied interest on immediate annuities with life contingencies [2]	(358)	(325)	(327)	(328)	(333)
Total benefit spread	139	168	168	148	133
Investment spread					
Net investment income	427	435	419	420	491
Implied interest on immediate annuities with life contingencies [2]	(126)	(129)	(128)	(128)	(127)
Interest credited to contractholder funds	(183)	(185)	(190)	(183)	(194)
Total investment spread	118	121	101	109	170
Surrender charges and contract maintenance expense fees [1]	74	71	71	71	72
Realized capital gains and losses	(21)	-	(49)	(97)	194
Amortization of deferred policy acquisition costs	(70)	(69)	(73)	(64)	(63)
Operating costs and expenses	(126)	(121)	(123)	(119)	(112)
Restructuring and related charges	-	(1)	-	3	(1)
Gain (loss) on disposition of operations	1	1	2	1	3
Income tax expense	(35)	(54)	(29)	(13)	(134)
Net income applicable to common shareholders	$ 80	$ 116	$ 68	$ 39	$ 262
Benefit spread by product group					
Life insurance	$ 64	$ 85	$ 80	$ 75	$ 66
Accident and health insurance	103	108	105	92	90
Annuities	(28)	(25)	(17)	(19)	(23)
Total benefit spread	$ 139	$ 168	$ 168	$ 148	$ 133
Investment spread by product group					
Annuities and institutional products	$ 25	$ 35	$ 17	$ 10	$ 82
Life insurance	30	29	34	41	33
Accident and health insurance	4	4	4	4	4
Net investment income on investments supporting capital	59	59	52	52	54
Investment spread before valuation changes on embedded derivatives that are not hedged	118	127	107	107	173
Valuation changes on derivatives embedded in equity-indexed annuity contracts that are not hedged	-	(6)	(6)	2	(3)
Total investment spread	$ 118	$ 121	$ 101	$ 109	$ 170
[1] **Reconciliation of contract charges**					
Cost of insurance contract charges	$ 136	$ 140	$ 141	$ 137	$ 137
Surrender charges and contract maintenance expense fees	74	71	71	71	72
Total contract charges	$ 210	$ 211	$ 212	$ 208	$ 209
[2] **Reconciliation of contract benefits**					
Contract benefits excluding the implied interest on immediate annuities with life contingencies	$ (358)	$ (325)	$ (327)	$ (328)	$ (333)
Implied interest on immediate annuities with life contingencies	(126)	(129)	(128)	(128)	(127)
Total contract benefits	$ (484)	$ (454)	$ (455)	$ (456)	$ (460)

THE ALLSTATE CORPORATION
ALLSTATE FINANCIAL WEIGHTED AVERAGE INVESTMENT SPREADS

	Three months ended September 30, 2016			Three month
	Weighted average investment yield	Weighted average interest crediting rate	Weighted average investment spreads	Weighted average investment yield
Interest-sensitive life insurance	4.8 %	3.9 %	0.9 %	5.1 %
Deferred fixed annuities and institutional products	4.2	2.8	1.4	4.2
Immediate fixed annuities with and without life contingencies	6.2	6.0	0.2	8.0
Investments supporting capital, traditional life and other products	4.0	n/a	n/a	3.8

	Nine months ended September 30, 2016			Nine months
	Weighted average investment yield	Weighted average interest crediting rate	Weighted average investment spreads	Weighted average investment yield
Interest-sensitive life insurance	4.9 %	3.9 %	1.0 %	5.1 %
Deferred fixed annuities and institutional products	4.1	2.8	1.3	4.3
Immediate fixed annuities with and without life contingencies	6.2	5.9	0.3	7.6
Investments supporting capital, traditional life and other products	3.9	n/a	n/a	4.1

THE ALLSTATE CORPORATION
ALLSTATE FINANCIAL SUPPLEMENTAL PRODUCT INFORMATION
($ in millions)

	As of Sept. 30, 2016		Twelve months ended Sept. 30, 2016	
	Reserves and Contractholder funds	Attributed equity excluding unrealized capital gains/losses [3][4]	Operating income [5]	Sept. 2016
Underwritten products				
Life insurance	$ 10,793	$ 2,647	$ 265	10.1 %
Accident and health insurance	863	662	83	12.8
Subtotal	11,656	3,309	348	10.6
Annuities and institutional products:				
Immediate Annuities:				
Sub-standard structured settlements and group pension terminations [1]	5,029	1,910	(29)	(1.7)
Standard structured settlements and SPIA [2]	6,688	1,218	26	2.2
Subtotal [6]	11,717	3,128	(3)	(0.1)
Deferred Annuities	9,353	617	70	9.6
Institutional products	85	1	1	
Subtotal	21,155	3,746	68	1.8
Total Allstate Financial	$ 32,811	$ 7,055	$ 416	6.0

	Nine months ended Sept. 30, 2016			
	Life insurance	Accident and health insurance	Annuities and institutional products	Allstate Financial
Operating income	$ 191	$ 67	$ 60	$ 318
Realized capital gains and losses, after-tax	(18)	(2)	(26)	(46)
Valuation changes on embedded derivatives that are not hedged, after-tax	-	-	(8)	(8)
DAC and DSI amortization relating to realized capital gains and losses and valuation changes on embedded derivatives that are not hedged, after-tax	(3)	-	-	(3)
Gain on disposition of operations, after-tax	-	-	3	3
Net income applicable to common shareholders	$ 170	$ 65	$ 29	$ 264

(1) Structured settlement annuities for annuitants with severe injuries or other health impairments which significantly reduced their life expectancy at the time the annuity was issued and group annuity contracts issued to sponsors of term

(2) Life-contingent structured settlement annuities for annuitants with standard life expectancy, period certain structured settlements and single premium immediate annuities with and without life contingencies.

(3) Total Allstate Financial attributed equity is the sum of equity for Allstate Life Insurance Company and the applicable equity for Allstate Financial Insurance Holdings Corporation, excluding unrealized capital gains and losses.

(4) Attributed equity is allocated to each product line based on statutory capital adjusted for GAAP reporting differences and the amount of capital held in Allstate Financial may vary from economic capital. The calculation of statutory cap insurance risk (mortality and morbidity), interest rate risk and business risk. Due to the unavailability of final statutory financial statements at the time we release our GAAP financial results, the allocation is derived from prior quarter s accounting differences. Changes in internal capital factors, investment portfolio mix and risk as well as changes in GAAP and statutory reporting differences will result in changes to the allocation of attributed equity to products.

(5) Product line operating income includes allocation of income on investments supporting capital. Operating income reflects a trailing twelve-month period.

(6) Of the total immediate annuities, $8,646 are reported in reserve for life-contingent contract benefits and $3,071 are reported in contractholder funds.

THE ALLSTATE CORPORATION

ALLSTATE FINANCIAL INSURANCE POLICIES AND ANNUITIES IN FORCE [1]

(in thousands)

	Sept. 30, 2016	June 30, 2016	March 31, 2016	Dec. 31, 2015
ALLSTATE FINANCIAL INSURANCE POLICIES AND ANNUITIES IN FORCE BY PRODUCT				
Underwritten products				
Life insurance	2,475	2,478	2,467	2,463
Accident and health insurance	3,275	3,294	3,278	2,873
	5,750	5,772	5,745	5,336
Annuities				
Deferred annuities	160	163	168	172
Immediate annuities	98	100	101	102
	258	263	269	274
Total	6,008	6,035	6,014	5,610
ALLSTATE FINANCIAL INSURANCE POLICIES AND ANNUITIES IN FORCE BY SOURCE OF BUSINESS				
Allstate Agencies [2]	1,924	1,924	1,922	1,924
Allstate Benefits	3,736	3,755	3,729	3,315
Other [3]	348	356	363	371
Total	6,008	6,035	6,014	5,610

(1) Allstate Financial insurance policies and annuities in force reflect the number of contracts in force excluding sold blocks of business that remain on the balance effected through reinsurance arrangements. Policy counts associated with our voluntary employee benefits group business reflect certificate counts as opposed

(2) Excludes Allstate Benefits products sold through Allstate Agencies, which are included in the Allstate Benefits line.

(3) Primarily business sold by banks/broker-dealers, independent master brokerage agencies and specialized structured settlement brokers.

THE ALLSTATE CORPORATION
ALLSTATE LIFE, ALLSTATE ANNUITIES AND ALLSTATE BENEFITS RESULTS AND PRODUCT INFOR
($ in millions)

	For the three months ended September 30, 2016				
	Allstate Life	Allstate Annuities	Allstate Benefits	Allstate Financial Segment	Allstate Life
Premiums	$ 134	$ -	$ 227	$ 361	$ 1
Contract charges	176	4	30	210	1
Net investment income	120	289	18	427	1
Contract benefits	(197)	(156)	(131)	(484)	(1
Interest credited to contractholder funds	(72)	(102)	(9)	(183)	(
Amortization of deferred policy acquisition costs	(30)	(2)	(36)	(68)	(
Operating costs and expenses	(59)	(8)	(59)	(126)	(
Restructuring and related charges	-	-	-	-	
Income tax expense on operations	(21)	(7)	(15)	(43)	(
Operating income	51	18	25	94	
Realized capital gains and losses, after-tax	(7)	(7)	-	(14)	
Valuation changes on embedded derivatives that are not hedged, after-tax	-	-	-	-	
DAC and DSI amortization relating to realized capital gains and losses and valuation changes on embedded derivatives that are not hedged, after-tax	(1)	-	-	(1)	
Gain on disposition of operations, after-tax	-	1	-	1	
Net income	$ 43	$ 12	$ 25	$ 80	$
Premiums and Contract Charges - by Product					
Underwritten Products					
Traditional life insurance premiums	$ 133	$ -	$ 12	$ 145	$ 1
Accident and health insurance	1	-	215	216	
Interest-sensitive life insurance contract charges	176	-	30	206	1
	310	-	257	567	3
Annuities					
Immediate annuities with life contingencies premiums	-	-	-	-	
Other fixed annuity contract charges	-	4	-	4	
	-	4	-	4	
Total life and annuity premiums and contract charges	$ 310	$ 4	$ 257	$ 571	$ 3
Benefit Spread by Product Group					
Life Insurance	$ 59	$ -	$ 5	$ 64	$
Accident and health insurance	(2)	-	105	103	
Annuities	-	(28)	-	(28)	
Total benefit spread	$ 57	$ (28)	$ 110	$ 139	$
Investment Spread by Product Group					
Annuities and institutional products	$ -	$ 25	$ -	$ 25	$
Life insurance	27	-	3	30	
Accident and health insurance	1	-	3	4	
Net investment income on investments supporting capital	20	36	3	59	
Investment spread before valuation changes on embedded derivatives that are not hedged	48	61	9	118	
Valuation changes on derivatives embedded in equity-indexed annuity contracts that are not hedged	-	-	-	-	
Total investment spread	$ 48	$ 61	$ 9	$ 118	$

THE ALLSTATE CORPORATION
ALLSTATE LIFE, ALLSTATE ANNUITIES AND ALLSTATE BENEFITS RESULTS AND PRODUCT INFOR
($ in millions)

	For the nine months ended September 30, 2016			
	Allstate Life	Allstate Annuities	Allstate Benefits	Allstate Financial Segment
Premiums	$ 395	$ -	$ 673	$ 1,068
Contract charges	537	10	86	633
Net investment income	358	869	54	1,281
Contract benefits	(554)	(459)	(380)	(1,393)
Interest credited to contractholder funds	(213)	(305)	(28)	(546)
Amortization of deferred policy acquisition costs	(93)	(5)	(109)	(207)
Operating costs and expenses	(169)	(23)	(178)	(370)
Restructuring and related charges	(1)	-	-	(1)
Income tax expense on operations	(79)	(27)	(41)	(147)
Operating income	181	60	77	318
Realized capital gains and losses, after-tax	(17)	(26)	(3)	(46)
Valuation changes on embedded derivatives that are not hedged, after-tax	-	(8)	-	(8)
DAC and DSI amortization relating to realized capital gains and losses and valuation changes on embedded derivatives that are not hedged, after-tax	(3)	-	-	(3)
Gain (loss) on disposition of operations, after-tax	-	3	-	3
Change in accounting for investments in qualified affordable housing projects, after-tax	-	-	-	-
Net income	$ 161	$ 29	$ 74	$ 264
Premiums and Contract Charges - by Product				
Underwritten Products				
Traditional life insurance premiums	$ 393	$ -	$ 29	$ 422
Accident and health insurance	2	-	644	646
Interest-sensitive life insurance contract charges	537	-	86	623
	932	-	759	1,691
Annuities				
Immediate annuities with life contingencies premiums	-	-	-	-
Other fixed annuity contract charges	-	10	-	10
	-	10	-	10
Total life and annuity premiums and contract charges	$ 932	$ 10	$ 759	$ 1,701
Benefit Spread by Product Group				
Life Insurance	$ 212	$ -	$ 17	$ 229
Accident and health insurance	(4)	-	320	316
Annuities	-	(70)	-	(70)
Total benefit spread	$ 208	$ (70)	$ 337	$ 475
Investment Spread by Product Group				
Annuities and institutional products	$ -	$ 77	$ -	$ 77
Life insurance	85	-	8	93
Accident and health insurance	4	-	8	12
Net investment income on investments supporting capital	56	104	10	170
Investment spread before valuation changes on embedded derivatives that are not hedged	145	181	26	352
Valuation changes on derivatives embedded in equity-indexed annuity contracts that are not hedged	-	(12)	-	(12)
Total investment spread	$ 145	$ 169	$ 26	$ 340

THE ALLSTATE CORPORATION
CORPORATE AND OTHER RESULTS
($ in millions)

	Three months ended					
	Sept. 30, 2016	June 30, 2016	March 31, 2016	Dec. 31, 2015	Sept. 30, 2015	June 30, 2015
Net investment income	$ 11	$ 11	$ 10	$ 10	$ 9	$ [illegible]
Operating costs and expenses	(7)	(7)	(6)	(7)	(13)	[illegible]
Interest expense	(73)	(72)	(73)	(73)	(73)	[illegible]
Income tax benefit on operations	26	26	25	27	28	[illegible]
Preferred stock dividends	(29)	(29)	(29)	(29)	(29)	[illegible]
Operating loss	(72)	(71)	(73)	(72)	(78)	[illegible]
Realized capital gains and losses, after-tax	-	(1)	-	-	-	[illegible]
Net loss applicable to common shareholders	$ (72)	$ (72)	$ (73)	$ (72)	$ (78)	$ [illegible]

THE ALLSTATE CORPORATION
INVESTMENTS
($ in millions)

	PROPERTY-LIABILITY						
	Sept. 30, 2016	June 30, 2016	March 31, 2016	Dec. 31, 2015	Sept. 30, 2015	Sept. 30, 2016	June 20
Fixed income securities, at fair value:							
Tax-exempt	$ 4,798	$ 4,612	$ 4,466	$ 4,285	$ 4,289	$ 1	$
Taxable	26,968	25,139	24,615	25,447	24,868	26,225	26
Equity securities, at fair value	3,604	3,632	3,709	3,480	2,808	1,681	1
Mortgage loans	270	313	294	296	339	4,126	4
Limited partnership interests [1]	2,913	2,842	2,688	2,575	2,558	2,674	2
Short-term, at fair value	917	1,619	1,452	959	1,692	733	1
Other	1,587	1,532	1,512	1,437	1,659	2,076	2
Total	$ 41,057	$ 39,689	$ 38,736	$ 38,479	$ 38,213	$ 37,516	$ 37
Fixed income securities, amortized cost:							
Tax-exempt	$ 4,726	$ 4,509	$ 4,384	$ 4,218	$ 4,214	$ 1	$
Taxable	26,447	24,746	24,454	25,672	24,883	24,330	24
Ratio of fair value to amortized cost	101.9%	101.7%	100.8%	99.5%	100.2%	107.8%	10
Equity securities, cost	$ 3,212	$ 3,337	$ 3,417	$ 3,236	$ 2,656	$ 1,585	$ 1
Short-term, amortized cost	917	1,619	1,452	959	1,692	733	1

	CORPORATE AND OTHER						
	Sept. 30, 2016	June 30, 2016	March 31, 2016	Dec. 31, 2015	Sept. 30, 2015	Sept. 30, 2016	June 20
Fixed income securities, at fair value:							
Tax-exempt	$ 600	$ 609	$ 591	$ 585	$ 589	$ 5,399	$ 5
Taxable	1,714	1,598	1,759	1,593	1,911	54,907	52
Equity securities, at fair value	3	3	3	3	3	5,288	5
Mortgage loans	-	-	-	-	-	4,396	4
Limited partnership interests [1]	1	1	4	4	4	5,588	5
Short-term, at fair value	213	34	448	302	353	1,863	2
Other	-	-	-	-	-	3,663	3
Total	$ 2,531	$ 2,245	$ 2,805	$ 2,487	$ 2,860	$ 81,104	$ 79
Fixed income securities, amortized cost:							
Tax-exempt	$ 580	$ 585	$ 569	$ 566	$ 569	$ 5,307	$ 5
Taxable	1,691	1,571	1,737	1,596	1,900	52,468	50
Ratio of fair value to amortized cost	101.9%	102.4%	101.9%	100.7%	101.3%	104.4%	10
Equity securities, cost	$ 3	$ 3	$ 3	$ 3	$ 3	$ 4,800	$ 4
Short-term, amortized cost	213	34	448	302	353	1,863	2

[1] As of September 30, 2016, we have commitments to invest in additional limited partnership interests totaling $1.48 billion, $1.29 billion and $2.77 billion for Property-Liabili

THE ALLSTATE CORPORATION
LIMITED PARTNERSHIP INVESTMENTS
($ in millions)

	As of or for the three months ended				
	Sept. 30, 2016	June 30, 2016	March 31, 2016	Dec. 31, 2015	Sept. 30, 2015
Investment position					
Accounting basis					
Cost method	$ 1,375	$ 1,284	$ 1,193	$ 1,154	$ 1,148
Equity method ("EMA") [1]	4,213	4,123	3,898	3,720	3,675
Total	$ 5,588	$ 5,407	$ 5,091	$ 4,874	$ 4,823
Cost method-fair value [2]	$ 1,600	$ 1,511	$ 1,466	$ 1,450	$ 1,506
Underlying investment					
Private equity	$ 4,010	$ 3,833	$ 3,494	$ 3,344	$ 3,282
Real estate	1,130	1,204	1,229	1,166	1,160
Other	448	370	368	364	381
Total	$ 5,588	$ 5,407	$ 5,091	$ 4,874	$ 4,823
Segment					
Property-Liability	$ 2,913	$ 2,842	$ 2,688	$ 2,575	$ 2,558
Allstate Financial	2,674	2,564	2,399	2,295	2,261
Corporate and Other	1	1	4	4	4
Total	$ 5,588	$ 5,407	$ 5,091	$ 4,874	$ 4,823
Total Income					
Accounting basis					
Cost method	$ 43	$ 47	$ 39	$ 42	$ 63
Equity method	93	79	82	24	104
Total	$ 136	$ 126	$ 121	$ 66	$ 167
Underlying investment					
Private equity	$ 112	$ 114	$ 88	$ 46	$ 162
Real estate	23	12	33	20	5
Other	1	-	-	-	-
Total	$ 136	$ 126	$ 121	$ 66	$ 167
Segment					
Property-Liability	$ 69	$ 60	$ 58	$ 29	$ 62
Allstate Financial	67	66	63	37	105
Corporate and Other	-	-	-	-	-
Total	$ 136	$ 126	$ 121	$ 66	$ 167

(1) As of September 30, 2016, valuations of EMA limited partnerships include approximately $469 million of cumulative pre-tax appreciation that h but has not been distributed to investors.

(2) The fair value of cost method limited partnerships is determined using reported net asset values.

THE ALLSTATE CORPORATION
UNREALIZED NET CAPITAL GAINS AND LOSSES ON SECURITY PORTFOLIO BY TYPE
($ in millions)

	September 30, 2016			June 30, 2016		
	Unrealized net capital gains and losses	Fair value	Fair value as a percent of amortized cost (1)	Unrealized net capital gains and losses	Fair value	Fair value as a percent o amortized cost
Fixed income securities						
U.S. government and agencies	$ 105	$ 4,304	102.5	$ 122	$ 3,523	103.6
Municipal	470	7,902	106.3	532	7,818	107.3
Corporate	1,804	44,474	104.2	1,566	42,700	103.8
Foreign government	59	1,119	105.6	61	1,152	105.6
Asset-backed securities ("ABS")	(3)	1,390	99.8	(11)	1,726	99.4
Residential mortgage-backed securities ("RMBS")	82	778	111.8	70	818	109.4
Commercial mortgage-backed securities ("CMBS")	11	315	103.6	16	368	104.5
Redeemable preferred stock	3	24	114.3	3	24	114.3
Total fixed income securities	2,531	60,306	104.4	2,359	58,129	104.2
Equity securities	488	5,288	110.2	341	5,265	106.9
Short-term investments	-	1,863	100.0	-	2,850	100.0
Derivatives	1	85	n/a	2	71	n/a
EMA limited partnership interests (2)	(5)	n/a	n/a	(5)	n/a	n/a
Unrealized net capital gains and losses, pre-tax	3,015			2,697		
Amounts recognized for:						
Insurance reserves (3)	-			-		
DAC and DSI (4)	(216)			(195)		
Amounts recognized	(216)			(195)		
Deferred income taxes	(982)			(878)		
Unrealized net capital gains and losses, after-tax	$ 1,817			$ 1,624		

	December 31, 2015			September 30, 2015		
	Unrealized net capital gains and losses	Fair value	Fair value as a percent of amortized cost (1)	Unrealized net capital gains and losses	Fair value	Fair value as a percent o amortized cost
Fixed income securities						
U.S. government and agencies	$ 86	$ 3,922	102.2	$ 118	$ 3,760	103.2
Municipal	369	7,401	105.2	412	7,494	105.8
Corporate	153	41,827	100.4	632	41,629	101.5
Foreign government	50	1,033	105.1	59	1,085	105.8
ABS	(32)	2,327	98.6	(16)	2,711	99.4
RMBS	90	947	110.5	98	1,011	110.7
CMBS	28	466	106.4	32	542	106.3
Redeemable preferred stock	3	25	113.6	4	25	119.0
Total fixed income securities	747	57,948	101.3	1,339	58,257	102.4
Equity securities	276	5,082	105.7	113	4,236	102.7
Short-term investments	-	2,122	100.0	-	3,036	100.0
Derivatives	6	53	n/a	7	29	n/a
EMA limited partnership interests (2)	(4)	n/a	n/a	(5)	n/a	n/a
Unrealized net capital gains and losses, pre-tax	1,025			1,454		
Amounts recognized for:						
Insurance reserves (3)	-			-		
DAC and DSI (4)	(67)			(98)		
Amounts recognized	(67)			(98)		
Deferred income taxes	(338)			(477)		
Unrealized net capital gains and losses, after-tax	$ 620			$ 879		

(1) The comparison of percentages from period to period may be distorted by investment transactions such as sales, purchases and impairment write-downs.

(2) Unrealized net capital gains and losses for limited partnership interest represent the Company's share of EMA limited partnerships' other comprehensive income. Fair value a

(3) The insurance reserves adjustment represents the amount by which the reserve balance would increase if the net unrealized gains in the applicable product portfolios were re in a premium deficiency. Although we evaluate premium deficiencies on the combined performance of our life insurance and immediate annuities with life contingencies, the a with life contingencies, in addition to annuity buy-outs and certain payout annuities with life contingencies.

(4) The DAC and DSI adjustment balance represents the amount by which the amortization of DAC and DSI would increase or decrease if the unrealized gains or losses in the re

THE ALLSTATE CORPORATION

NET INVESTMENT INCOME, YIELDS AND REALIZED CAPITAL GAINS AND LOSSES (PRE-TAX)

($ in millions)

	Three months ended					
	Sept. 30, 2016	June 30, 2016	March 31, 2016	Dec. 31, 2015	Sept. 30, 2015	June 3 2015
NET INVESTMENT INCOME						
Fixed income securities	$ 508	$ 520	$ 518	$ 537	$ 546	$ 5
Equity securities	31	44	28	33	23	
Mortgage loans	56	53	53	63	53	
Limited partnership interests	136	126	121	66	167	1
Short-term	4	3	4	1	4	
Other	55	57	51	49	49	
Subtotal	790	803	775	749	842	8
Less: Investment expense	(42)	(41)	(44)	(39)	(35)	(
Net investment income	$ 748	$ 762	$ 731	$ 710	$ 807	$ 7
PRE-TAX YIELDS (1)						
Fixed income securities	3.6 %	3.7 %	3.7 %	3.8 %	3.8 %	3
Equity securities	2.5	3.7	2.3	2.9	2.4	3
Mortgage loans	5.0	4.9	4.9	5.8	4.8	5
Limited partnership interests	9.9	9.6	9.7	5.4	14.4	10
Total portfolio	4.0	4.1	4.0	3.9	4.4	4
REALIZED CAPITAL GAINS AND LOSSES (PRE-TAX) BY TRANSACTION TYPE						
Impairment write-downs	$ (63)	$ (63)	$ (59)	$ (118)	$ (47)	$ (
Change in intent write-downs	(10)	(16)	(22)	(32)	(127)	(
Net other-than-temporary impairment losses recognized in earnings	(73)	(79)	(81)	(150)	(174)	(
Sales and other	121	104	(59)	(75)	183	1
Valuation and settlements of derivative instruments	(15)	(1)	(9)	(25)	24	
Total	$ 33	$ 24	$ (149)	$ (250)	$ 33	$ 1
TOTAL RETURN ON INVESTMENT PORTFOLIO (2)	1.3 %	1.9 %	2.0 %	(0.2) %	- %	(0
AVERAGE INVESTMENT BALANCES (in billions) (3)	$ 77.5	$ 76.9	$ 76.8	$ 76.8	$ 76.9	$ 76

(1) Quarterly pre-tax yield is calculated as annualized quarterly investment income, generally before investment expense (including dividend income in the case of equity securities) divided to-date pre-tax yield is calculated as annualized year-to-date investment income, generally before investment expense (including dividend income in the case of equity securities) divide the end of each quarter during the year. For the purposes of the pre-tax yield calculation, income for directly held real estate, timber and other consolidated investments is net of asset investment expense). For investments carried at fair value, investment balances exclude unrealized capital gains and losses.

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

(3) Average investment balances for the quarter are calculated as the average of the current and prior quarter investment balances. Year-to-date average investment balances are calcula the end of each quarter during the year. For purposes of the average investment balances calculation, unrealized capital gains and losses are excluded.

THE ALLSTATE CORPORATION
PROPERTY-LIABILITY
NET INVESTMENT INCOME, YIELDS AND REALIZED CAPITAL GAINS AND LOSSES (PRE-TAX)
($ in millions)

	Three months ended					
	Sept. 30, 2016	June 30, 2016	March 31, 2016	Dec. 31, 2015	Sept. 30, 2015	June 30, 2015
NET INVESTMENT INCOME						
Fixed income securities:						
Tax-exempt	$ 23	$ 23	$ 23	$ 27	$ 24	$ 26
Taxable	192	198	200	201	197	195
Equity securities	21	30	20	24	16	23
Mortgage loans	3	3	3	4	4	3
Limited partnership interests	69	60	58	29	62	45
Short-term	3	1	2	-	3	1
Other	22	23	20	18	20	20
Subtotal	333	338	326	303	326	313
Less: Investment expense	(23)	(22)	(24)	(23)	(19)	(21
Net investment income	$ 310	$ 316	$ 302	$ 280	$ 307	$ 292
Net investment income, after-tax	$ 211	$ 215	$ 206	$ 192	$ 209	$ 199
PRE-TAX YIELDS [1]						
Fixed income securities:						
Tax-exempt	2.0 %	2.1 %	2.1 %	2.6 %	2.3 %	2.3
Equivalent yield for tax-exempt	2.9	3.1	3.1	3.8	3.4	3.4
Taxable	3.0	3.2	3.2	3.2	3.2	3.1
Equity securities	2.6	3.6	2.4	3.1	2.5	3.4
Mortgage loans	3.7	3.9	4.0	5.4	4.0	4.1
Limited partnership interests	9.6	8.6	8.9	4.5	10.1	7.0
Total portfolio	3.3	3.5	3.3	3.1	3.5	3.3
REALIZED CAPITAL GAINS AND LOSSES (PRE-TAX) BY ASSET TYPE						
Fixed income securities:						
Tax-exempt	$ 8	$ 4	$ 3	$ (10)	$ 2	$ 1
Taxable	9	20	(47)	(75)	(42)	13
Equity securities	42	15	(60)	(13)	(92)	32
Limited partnership interests	13	(10)	13	(27)	(35)	(1
Derivatives and other	(19)	(3)	(8)	(28)	6	4
Total	$ 53	$ 26	$ (99)	$ (153)	$ (161)	$ 49
REALIZED CAPITAL GAINS AND LOSSES (PRE-TAX) BY TRANSACTION TYPE						
Impairment write-downs	$ (26)	$ (42)	$ (35)	$ (84)	$ (30)	$ (6
Change in intent write-downs	(8)	(12)	(19)	(24)	(77)	(28
Net other-than-temporary impairment losses recognized in earnings	(34)	(54)	(54)	(108)	(107)	(34
Sales and other	101	82	(41)	(28)	(63)	77
Valuation and settlements of derivative instruments	(14)	(2)	(4)	(17)	9	6
Total	$ 53	$ 26	$ (99)	$ (153)	$ (161)	$ 49
AVERAGE INVESTMENT BALANCES (in billions) [2]	$ 39.5	$ 38.5	$ 38.3	$ 38.2	$ 37.8	$ 37.6

[1] Quarterly pre-tax yield is calculated as annualized quarterly investment income, generally before investment expense (including dividend income in the case of equity securitie investment balances. Year-to-date pre-tax yield is calculated as annualized year-to-date investment income, generally before investment expense (including dividend income investment balances at the beginning of the year and the end of each quarter during the year. For the purposes of the pre-tax yield calculation, income for directly held real es level operating expenses (direct expenses of the assets reported in investment expense). For investments carried at fair value, investment balances exclude unrealized capit

[2] Average investment balances for the quarter are calculated as the average of the current and prior quarter investment balances. Year-to-date average investment balances a beginning of the year and the end of each quarter during the year. For purposes of the average investment balances calculation, unrealized capital gains and losses are exclu

THE ALLSTATE CORPORATION
ALLSTATE FINANCIAL
NET INVESTMENT INCOME, YIELDS AND REALIZED CAPITAL GAINS AND LOSSES (PRE-TAX)

($ in millions)

	Three months ended					
	Sept. 30, 2016	June 30, 2016	March 31, 2016	Dec. 31, 2015	Sept. 30, 2015	June 30, 2015
NET INVESTMENT INCOME						
Fixed income securities	$ 282	$ 288	$ 284	$ 300	$ 314	$ 3
Equity securities	10	14	8	9	7	
Mortgage loans	53	50	50	59	49	
Limited partnership interests	67	66	63	37	105	
Short-term	1	1	2	1	1	
Other	32	33	30	30	29	
Subtotal	445	452	437	436	505	5
Less: Investment expense	(18)	(17)	(18)	(16)	(14)	(
Net investment income	$ 427	$ 435	$ 419	$ 420	$ 491	$ 4
Net investment income, after-tax	$ 278	$ 282	$ 273	$ 273	$ 319	$ 3
PRE-TAX YIELDS [1]						
Fixed income securities	4.6 %	4.7 %	4.6 %	4.8 %	4.9 %	5
Equity securities	2.5	3.9	2.1	2.4	2.1	3
Mortgage loans	5.1	4.9	4.9	5.8	4.9	5
Limited partnership interests	10.2	10.7	10.7	6.5	19.4	14
Total portfolio	4.9	5.0	4.8	4.8	5.6	5
REALIZED CAPITAL GAINS AND LOSSES (PRE-TAX) BY ASSET TYPE						
Fixed income securities	$ (19)	$ (1)	$ (26)	$ (64)	$ 261	$
Equity securities	3	(4)	(30)	(13)	(58)	
Mortgage loans	-	1	-	4	1	
Limited partnership interests	(1)	-	13	(14)	(20)	
Derivatives and other	(4)	4	(6)	(10)	10	
Total	$ (21)	$ -	$ (49)	$ (97)	$ 194	$
REALIZED CAPITAL GAINS AND LOSSES (PRE-TAX) BY TRANSACTION TYPE						
Impairment write-downs	$ (37)	$ (18)	$ (24)	$ (34)	$ (17)	$
Change in intent write-downs	(2)	(4)	(3)	(8)	(50)	
Net other-than-temporary impairment losses recognized in earnings	(39)	(22)	(27)	(42)	(67)	
Sales and other	19	21	(17)	(47)	246	
Valuation and settlements of derivative instruments	(1)	1	(5)	(8)	15	
Total	$ (21)	$ -	$ (49)	$ (97)	$ 194	$
AVERAGE INVESTMENT BALANCES (in billions) [2]	$ 35.7	$ 35.9	$ 35.9	$ 36.0	$ 36.1	$ 36

(1) Quarterly pre-tax yield is calculated as annualized quarterly investment income, generally before investment expense (including dividend income in the case of equity securities) div balances. Year-to-date pre-tax yield is calculated as annualized year-to-date investment income, generally before investment expense (including dividend income in the case of ec beginning of the year and the end of each quarter during the year. For the purposes of the pre-tax yield calculation, income for directly held real estate, timber and other consolidat expenses of the assets reported in investment expense). For investments carried at fair value, investment balances exclude unrealized capital gains and losses.

(2) Average investment balances for the quarter are calculated as the average of the current and prior quarter investment balances. Year-to-date average investment balances are ca year and the end of each quarter during the year. For purposes of the average investment balances calculation, unrealized capital gains and losses are excluded.

THE ALLSTATE CORPORATION
INVESTMENT RESULTS
($ in millions)

	Three months ended				
	Sept. 30, 2016	June 30, 2016	March 31, 2016	Dec. 31, 2015	Sept. 30, 2015
Consolidated investment portfolio					
Interest-bearing [(1)]	$ 69,709	$ 68,519	$ 68,163	$ 67,390	$ 68,913
Equity/owned [(2)]	11,395	11,175	10,714	10,368	9,429
Total	$ 81,104	$ 79,694	$ 78,877	$ 77,758	$ 78,342
Consolidated portfolio total return [(3)]					
Interest-bearing	0.9 %	1.7 %	1.9 %	(0.3) %	0.4 %
Equity/owned	0.4	0.2	0.2	0.2	(0.3)
Investment expenses	-	-	(0.1)	(0.1)	(0.1)
Total	1.3	1.9	2.0	(0.2)	-
Consolidated portfolio total return [(3)]					
Income	0.9 %	1.0 %	0.9 %	0.9 %	1.0 %
Valuation	0.4	0.9	1.1	(1.1)	(1.0)
Total	1.3	1.9	2.0	(0.2)	-
Consolidated net investment income					
Interest-bearing	$ 613	$ 623	$ 618	$ 643	$ 646
Equity/owned	177	180	157	106	196
Investment expenses	(42)	(41)	(44)	(39)	(35)
Total	$ 748	$ 762	$ 731	$ 710	$ 807
Consolidated Interest-bearing pre-tax yield [(4)]	3.7 %	3.8 %	3.7 %	3.8 %	3.8 %
Property-Liability net investment income					
Interest-bearing excluding prepayment premiums	$ 235	$ 236	$ 241	$ 240	$ 240
Prepayment premiums	3	5	2	5	4
Total Interest-bearing	238	241	243	245	244
Equity/owned	95	97	83	58	82
Less: Investment expenses	(23)	(22)	(24)	(23)	(19)
Total	310	316	302	280	307
Less: prepayment premiums	(3)	(5)	(2)	(5)	(4)
Total excluding prepayment premiums	$ 307	$ 311	$ 300	$ 275	$ 303
Property-Liability interest-bearing pre-tax yield	2.9 %	3.0 %	3.0 %	3.0 %	3.0 %
Property-Liability interest-bearing pre-tax yield excluding prepayment premiums	2.8 %	3.0 %	3.0 %	3.0 %	2.9 %
Allstate Financial net investment income					
Interest-bearing excluding prepayment premiums	$ 354	$ 357	$ 361	$ 371	$ 386
Prepayment premiums	9	12	2	17	5
Total interest-bearing	363	369	363	388	391
Equity/owned	82	83	74	48	114
Less: Investment expenses	(18)	(17)	(18)	(16)	(14)
Total	427	435	419	420	491
Less: prepayment premiums	(9)	(12)	(2)	(17)	(5)
Total excluding prepayment premiums	$ 418	$ 423	$ 417	$ 403	$ 486
Allstate Financial interest-bearing pre-tax yield	4.6 %	4.6 %	4.6 %	4.8 %	4.8 %
Allstate Financial interest-bearing pre-tax yield excluding prepayment premiums	4.5 %	4.5 %	4.5 %	4.6 %	4.7 %

(1) Includes fixed income securities, mortgage loans, short-term and other investments.

(2) Includes limited partnership interests, equity securities and real estate.

(3) Total return on investment portfolio is calculated from GAAP results including the total of net investment income, realized capital gains and losses, the change in unrealized net capital gains an mortgage loans, cost method limited partnerships, bank loans and agent loans divided by the average fair value balances.

(4) Quarterly pre-tax yield is calculated as annualized quarterly interest-bearing investment income, generally before investment expense divided by the average of the current and prior quarter int annualized year-to-date interest-bearing investment income, generally before investment expense divided by the average of interest-bearing investment balances at the beginning of the year a investment balances exclude unrealized capital gains and losses.

THE ALLSTATE CORPORATION
INVESTMENT POSITION BY STRATEGY
($ in millions)

September 30, 2016	Total	Market-Based Core [1]	Market-Based Active [2]	Performan Based Long-Tern
Fixed income securities	$ 60,306	$ 52,452	$ 7,769	$
Equity securities	5,288	4,297	897	
Mortgage loans	4,396	4,396	-	
Limited partnership interests	5,588	448	-	5
Short-term investments	1,863	1,575	288	
Other	3,663	2,980	152	
Total	$ 81,104	$ 66,148	$ 9,106	$ 5
% of total	100 %	82 %	11 %	
Property-Liability	$ 41,057	$ 30,015	$ 7,929	$ 3
% of Property-Liability	100 %	73 %	19 %	
Allstate Financial	$ 37,516	$ 33,602	$ 1,177	$ 2
% of Allstate Financial	100 %	90 %	3 %	
Corporate & Other	$ 2,531	$ 2,531	$ -	$
% of Corporate & Other	100 %	100 %	- %	
Unrealized net capital gains and losses	$ 3,015	$ 2,847	$ 165	$

December 31, 2015	Total	Market-Based Core [1]	Market-Based Active [2]	Performan Based Long-Tern
Fixed income securities	$ 57,948	$ 51,175	$ 6,691	$
Equity securities	5,082	4,210	764	
Mortgage loans	4,338	4,338	-	
Limited partnership interests	4,874	364	-	4
Short-term investments	2,122	1,631	491	
Other	3,394	2,783	183	
Total	$ 77,758	$ 64,501	$ 8,129	$ 5
% of total	100 %	83 %	10 %	
Property-Liability	$ 38,479	$ 28,525	$ 7,137	$ 2
% of Property-Liability	100 %	74 %	19 %	
Allstate Financial	$ 36,792	$ 33,490	$ 992	$ 2
% of Allstate Financial	100 %	91 %	3 %	
Corporate & Other	$ 2,487	$ 2,486	$ -	$
% of Corporate & Other	100 %	100 %	- %	

(1) Market-based core is comprised primarily of highly diversified fixed income securities, mortgage loans and equity securities to align with busin
(2) Market-based active is comprised primarily of fixed income and equity securities to generate additional returns by taking advantage of market
(3) Performance-based long-term is comprised primarily of private equity and real estate investments to generate returns over an extended horizo
(4) Performance-based opportunistic primarily generates returns by taking advantage of asset dislocations and by selectively providing liquidity to

THE ALLSTATE CORPORATION
INVESTMENT RESULTS BY STRATEGY
($ in millions)

	Three months ended					
	Sept. 30, 2016	June 30, 2016	March 31, 2016	Dec. 31, 2015	Sept. 30, 2015	June 30, 2015
Investment income						
Market-Based Core	$ 577	$ 595	$ 581	$ 614	$ 612	$ 640
Market-Based Active	66	67	61	59	52	52
Performance-Based Long-Term	147	138	131	74	176	130
Performance-Based Opportunistic	-	3	2	2	2	3
Investment income, before expense	790	803	775	749	842	825
Investment expense	(42)	(41)	(44)	(39)	(35)	(36)
Net investment income	$ 748	$ 762	$ 731	$ 710	$ 807	$ 789
PBLT Asset level operating expense (1)	$ (8)	$ (8)	$ (8)	$ (4)	$ (4)	$ (5)
Realized capital gains and losses						
Market-Based Core	$ 23	$ 13	$ (91)	$ (153)	$ 102	$ 63
Market-Based Active	33	39	(47)	(49)	(63)	48
Performance-Based Long-Term	(28)	(27)	(11)	(49)	-	(5)
Performance-Based Opportunistic	5	(1)	-	1	(6)	2
Total	$ 33	$ 24	$ (149)	$ (250)	$ 33	$ 108

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

THE ALLSTATE CORPORATION

INVESTMENT INCOME AND REALIZED CAPITAL GAINS AND LOSSES BY INVESTMENT TYPE AND ST

($ in millions)

Three months ended September 30, 2016	Total	Market-Based Core	Market-Based Active	Perform Base Long-T
Investment income				
Fixed income securities	$ 508	$ 452	$ 55	$
Equity securities	31	24	7	
Mortgage loans	56	56	-	
Limited partnership interests	136	1	-	
Short-term investments	4	3	1	
Other	55	41	3	
Investment income, before expense	790	$ 577	$ 66	$
Investment expense	(42)			
Net investment income	$ 748			
Realized capital gains and losses				
Fixed income securities	$ (1)	$ (26)	$ 23	$
Equity securities	45	25	19	
Mortgage loans	-	-	-	
Limited partnership interests	12	33	-	
Short-term investments	-	-	-	
Other	(23)	(9)	(9)	
Total	$ 33	$ 23	$ 33	$
Nine months ended September 30, 2016				
Investment income				
Fixed income securities	$ 1,546	$ 1,374	$ 165	$
Equity securities	103	85	18	
Mortgage loans	162	162	-	
Limited partnership interests	383	1	-	
Short-term investments	11	8	3	
Other	163	123	8	
Investment income, before expense	2,368	$ 1,753	$ 194	$
Investment expense	(127)			
Net investment income	$ 2,241			
Realized capital gains and losses				
Fixed income securities	$ (48)	$ (94)	$ 46	$
Equity securities	(34)	(2)	1	
Mortgage loans	1	1	-	
Limited partnership interests	25	53	-	
Short-term investments	-	-	-	
Other	(36)	(13)	(22)	
Total	$ (92)	$ (55)	$ 25	$

THE ALLSTATE CORPORATION
PERFORMANCE-BASED LONG-TERM INVESTMENTS ("PBLT")
($ in millions)

	As of or for the three months ended					
	Sept. 30, 2016	June 30, 2016	March 31, 2016	Dec. 31, 2015	Sept. 30, 2015	June 30, 2015
Investment position						
Limited partnerships						
Private equity [(1)]	$ 3,836	$ 3,663	$ 3,324	$ 3,181	$ 3,131	$ 3,012
Real estate [(2)]	1,130	1,204	1,229	1,166	1,160	1,164
Timber & agriculture-related [(3)]	171	170	170	163	151	-
PBLT - limited partnerships	5,137	5,037	4,723	4,510	4,442	4,176
Other [(4)]						
Private equity	138	97	103	71	93	70
Real estate	380	358	361	301	288	242
Timber & agriculture-related	165	166	167	167	167	167
PBLT - other	683	621	631	539	548	479
Total						
Private equity	3,974	3,760	3,427	3,252	3,224	3,082
Real estate	1,510	1,562	1,590	1,467	1,448	1,406
Timber & agriculture-related	336	336	337	330	318	167
Total PBLT	$ 5,820	$ 5,658	$ 5,354	$ 5,049	$ 4,990	$ 4,655
Investment income						
Limited partnerships						
Private equity	$ 112	$ 113	$ 85	$ 47	$ 162	$ 113
Real estate	23	12	33	20	5	10
Timber & agriculture-related	-	1	3	(1)	-	-
PBLT - limited partnerships	135	126	121	66	167	123
Other						
Private equity	2	1	-	-	1	-
Real estate	8	8	8	6	7	5
Timber & agriculture-related	2	3	2	2	1	2
PBLT - other	12	12	10	8	9	7
Total						
Private equity	114	114	85	47	163	113
Real estate	31	20	41	26	12	15
Timber & agriculture-related	2	4	5	1	1	2
Total PBLT	$ 147	$ 138	$ 131	$ 74	$ 176	$ 130
Asset level operating expense [(5)]	$ (8)	$ (8)	$ (8)	$ (4)	$ (4)	$ (5)
Realized capital gains and losses						
Limited partnerships						
Private equity	$ (23)	$ (20)	$ 12	$ (49)	$ (3)	$ (3)
Real estate	2	-	1	-	(2)	-
Timber & agriculture-related	-	-	-	-	-	-
PBLT - limited partnerships	(21)	(20)	13	(49)	(5)	(3)
Other						
Private equity	(7)	(7)	(25)	1	6	(1)
Real estate	-	-	1	(1)	(1)	(1)
Timber & agriculture-related	-	-	-	-	-	-
PBLT - other	(7)	(7)	(24)	-	5	(2)
Total						
Private equity	(30)	(27)	(13)	(48)	3	(4)
Real estate	2	-	2	(1)	(3)	(1)
Timber & agriculture-related	-	-	-	-	-	-
Total PBLT	$ (28)	$ (27)	$ (11)	$ (49)	$ -	$ (5)
Pre-Tax Yield [(6)]	9.7 %	9.4 %	9.4 %	5.6 %	14.3 %	10.6
10 Year Internal Rate of Return [(7)]	10.1 %	10.2 %	10.5 %	10.8 %	11.3 %	11.3

(1) Includes Private equity on page 50, excluding Timber and agriculture-related.
(2) Includes Real estate on page 50.
(3) Includes Timber and agriculture-related reflected in Private equity on page 50.
(4) Includes PBLT - fixed income securities, equity securities and other investments on page 56.
(5) When calculating the pre-tax yields, asset level operating expenses are netted against income for directly held real estate, timber and other consolidated investments.
(6) Quarterly pre-tax yield is calculated as annualized quarterly PBLT investment income, generally before investment expense (including dividend income in the case of equity securitie balances. Year-to-date pre-tax yield is calculated as annualized year-to-date PBLT investment income, generally before investment expense (including dividend income in the case o at the beginning of the year and the end of each quarter during the year. For the purposes of the pre-tax yield calculation, income for directly held real estate, timber and other consol expenses of the assets reported in investment expense). For investments carried at fair value, investment balances exclude unrealized capital gains and losses.
(7) The internal rate of return ("IRR") for our PBLT investments is one of the measures we use to evaluate the strategy's performance. The IRR represents the rate of return on the inves holdings. Until an investment is fully liquidated, through final distribution or disposal, the IRR is an interim estimated return. Our IRR calculation method may differ from those used b vintage year. The IRR calculation includes cash flows paid or received related to PBLT investments during the measurement period, and valuation of investment holdings at the begi cash flows and changes in estimated values could have a significant impact on the IRR. The timing of the recognition of income in the financial statements may differ significantly fro

Definitions of Non-GAAP Measures

We believe that investors' understanding of Allstate's performance is enhanced by our disclosure of the following non-GAAP measures. Our methods for calculating these measures may differ from thos

Operating income is net income applicable to common shareholders, excluding:
- realized capital gains and losses, after-tax, except for periodic settlements and accruals on non-hedge derivative instruments, which are reported with realized capital gains and losses but included in o
- valuation changes on embedded derivatives that are not hedged, after-tax,
- amortization of deferred policy acquisition costs ("DAC") and deferred sales inducements ("DSI"), to the extent they resulted from the recognition of certain realized capital gains and losses or valuation
- amortization of purchased intangible assets, after-tax,
- gain (loss) on disposition of operations, after-tax, and
- adjustments for other significant non-recurring, infrequent or unusual items, when (a) the nature of the charge or gain is such that it is reasonably unlikely to recur within two years, or (b) there has been

Net income applicable to common shareholders is the GAAP measure that is most directly comparable to operating income. We use operating income as an important measure to evaluate our results o Company's ongoing performance because it reveals trends in our insurance and financial services business that may be obscured by the net effect of realized capital gains and losses, valuation changes (loss) on disposition of operations and adjustments for other significant non-recurring, infrequent or unusual items. Realized capital gains and losses, valuation changes on embedded derivatives that ar 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. Consisten settlements and accruals on certain derivative instruments that are reported in realized capital gains and losses because they do not qualify for hedge accounting or are not designated as hedges for acc securities, and by including them in operating income, we are appropriately reflecting their trends in our performance and in a manner consistent with the economically hedged investments, product attrib investments. Amortization of purchased intangible assets is excluded because it relates to the acquisition purchase price and is not indicative of our underlying insurance business results or trends. Non economic trends. Accordingly, operating 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 pr the transparency and understanding of their significance to net income variability and profitability while recognizing these or similar items may recur in subsequent periods. Operating income is used by to assess our performance. We use adjusted measures of operating income in incentive compensation. Therefore, we believe it is useful for investors to evaluate net income applicable to common sha reviewing and evaluating our performance. We note that investors, financial analysts, financial and business media organizations and rating agencies utilize operating income results in their evaluation o 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 multip income as the denominator. Operating income should not be considered a substitute for net income applicable to common shareholders and does not reflect the overall profitability of our business. A re the schedule, "Contribution to Income".

Underwriting income is calculated as premiums earned, less claims and claims expense ("losses"), amortization of DAC, operating costs and expenses and restructuring and related charges as detern analyze the profitability of our Property-Liability insurance operations separately from investment results. It is also an integral component of incentive compensation. It is useful for investors to evaluate income applicable to common shareholders is the most directly comparable GAAP measure. Underwriting income should not be considered a substitute for net income applicable to common sharehold Liability underwriting income to net income applicable to common shareholders is provided in the schedule, "Property-Liability Results".

Combined ratio excluding the effect of catastrophes is a non-GAAP ratio, which is computed as the difference between two GAAP operating ratios: the combined ratio and the effect of catastrophes 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. Catastrophe losses cause ou magnitude and can have a significant impact on the combined ratio. We believe it is useful for investors to evaluate these components separately and in the aggregate when reviewing our underwriting substitute for the combined ratio and does not reflect the overall underwriting profitability of our business. A reconciliation of the combined ratio excluding the effect of catastrophes to combined ratio is p

Combined ratio excluding the effect of catastrophes, prior year reserve reestimates and amortization of purchased intangible assets ("underlying combined ratio") is a non-GAAP ratio, whic of catastrophes on the combined ratio, the effect of prior year non-catastrophe reserve reestimates on the combined ratio and the effect of amortization of purchased intangible assets on the combined ra trends in our Property-Liability business that may be obscured by catastrophe losses, prior year reserve reestimates and amortization of purchased intangible assets. Catastrophe losses cause our loss magnitude, and can have a significant impact on the combined ratio. Prior year reserve reestimates are caused by unexpected loss development on historical reserves. Amortization of purchased intan insurance business results or trends. We believe it is useful for investors to evaluate these components separately and in the aggregate when reviewing our underwriting performance. We also provide 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 schedules "Allstate Brand Profitability Measures", "Esurance Brand Profitability Measures and Statistics", "Encompass Brand Profitability Measures and Statistics", "Auto, Homeowners and Other Persor Personal Lines and Commercial Lines Profitability Measures" and "Emerging Businesses - Esurance, Encompass, Other Business Lines, and Answer Financial Profitability Measures".

Average underlying loss (incurred pure premium) and expense is calculated as the underlying combined ratio (a non-GAAP measure) multiplied by the GAAP quarterly earned premium, which is an and it is used by management for the same reasons noted above for the underlying combined ratio. A reconciliation of average underlying loss and expense is provided in the schedule, "Allstate Brand A

Underlying loss ratio is a non-GAAP ratio, which is computed as the difference between three GAAP operating ratios: the loss ratio, the effect of catastrophes on the combined ratio and the effect of pr useful to investors and it is used by management to reveal the trends that may be obscured by catastrophe losses and prior year reserve reestimates. Catastrophe losses cause our loss trends to vary s have a significant impact on the combined ratio. Prior year reserve reestimates are caused by unexpected loss development on historical reserves. We believe it is useful for investors to evaluate these most directly comparable GAAP measure is the loss ratio. The underlying loss ratio should not be considered a substitute for the loss ratio and does not reflect the overall loss ratio of our business. A rec Measures", "Esurance Brand Profitability Measures and Statistics" and "Encompass Brand Profitability Measures and Statistics".

Operating income return on common shareholders' equity is a ratio that uses a non-GAAP measure. It is calculated by dividing the rolling 12-month operating income by the average of common sha unrealized net capital gains and losses. Return on common shareholders' equity is the most directly comparable GAAP measure. We use operating income as the numerator for the same reasons we u excluding the effect of unrealized net capital gains and losses for the denominator as a representation of common shareholders' equity primarily attributable to the Company's earned and realized busine 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 common shareholders and return on common shareholders' equity because it excludes the effect of items that tend to be highly variable from period to period. We believe that this measure is useful to i 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 e 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 operating inc 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 u compensation. Therefore, we believe it is useful for investors to have operating income return on common shareholders' equity and return on common shareholders' equity when evaluating our perform rating agencies utilize operating income return on common shareholders' equity results in their evaluation of our and our industry's financial performance and in their investment decisions, recommendat the industry and the company and management's utilization of capital. Operating income return on common shareholders' equity should not be considered a substitute for return on common shareholder common shareholders' equity and operating income return on common shareholders' equity can be found in the schedule, "Return on Common Shareholders' Equity".

Book value per common share, excluding the impact of unrealized net capital gains and losses on fixed income securities, is a ratio that uses a non-GAAP measure. It is calculated by dividing on fixed income securities and related DAC, DSI and life insurance reserves by total common shares outstanding plus dilutive potential common shares outstanding. We use the trend in book value per securities, in conjunction with book value per common share to identify and analyze the change in net worth attributable to management efforts between periods. We believe the non-GAAP ratio is usefu period and are generally driven by economic developments, primarily capital market conditions, the magnitude and timing of which are generally not influenced by management, and we believe it enhanc and profitability drivers. We note that book value per common share, excluding the impact of unrealized net capital gains and losses on fixed income securities, is a measure commonly used by insuranc comparable GAAP measure. Book value per common share, excluding the impact of unrealized net capital gains and losses on fixed income securities, should not be considered a substitute for book va reconciliation of book value per common share, excluding the impact of unrealized net capital gains on fixed income securities, and book value per common share can be found in the schedule, "Book V