Catastrophe Reinsurance Program
Effective June 1, 2020 to May 31, 2021

Northbrook, IL, May 5, 2020 – In the first quarter of 2020, we completed the majority of the placement of our 2020 catastrophe reinsurance program[(1)] that provides reinsurance protection to the Allstate Protection businesses of The Allstate Corporation (NYSE: ALL).

The catastrophe reinsurance program is part of our catastrophe management strategy, which is intended to provide our shareholders with an acceptable return on the risks assumed in our personal lines business, reduce earnings variability, and provide protection to our customers. Our 2020 reinsurance program continues to support our risk tolerance framework that targets less than a 1% likelihood of annual aggregate catastrophe losses from hurricanes and earthquakes, net of reinsurance, exceeding $2 billion, based on modeled assumptions and applications currently used.

Allstate's catastrophe reinsurance program materially reduces our exposure to wind and earthquake losses. Except for certain contracts, which reinsure specific perils, our 2020 program addresses these exposures by including coverage in our agreements for multiple perils, in addition to hurricanes and earthquakes. We employ a multi-year approach to placing reinsurance coverage to lessen the amount of reinsurance being placed in the market in any one year. Claim adjustment fees are indemnified as a percentage of ultimate net loss and are included within each contract's reinsurance limit.

The reinsurance agreements have been placed in the traditional reinsurance and insurance linked securities ("ILS") markets. In doing so, we consider a number of factors including coverage, cost, terms, and the period of protection. All reinsurers participating on our program have an A.M. Best insurance financial strength rating of A- or better. Additionally, all reinsurance agreements placed in the ILS markets are collateralized.

The total cost of our catastrophe reinsurance was $99 million in the first quarter of 2020. The total cost of our catastrophe reinsurance program during 2019 was $385 million.

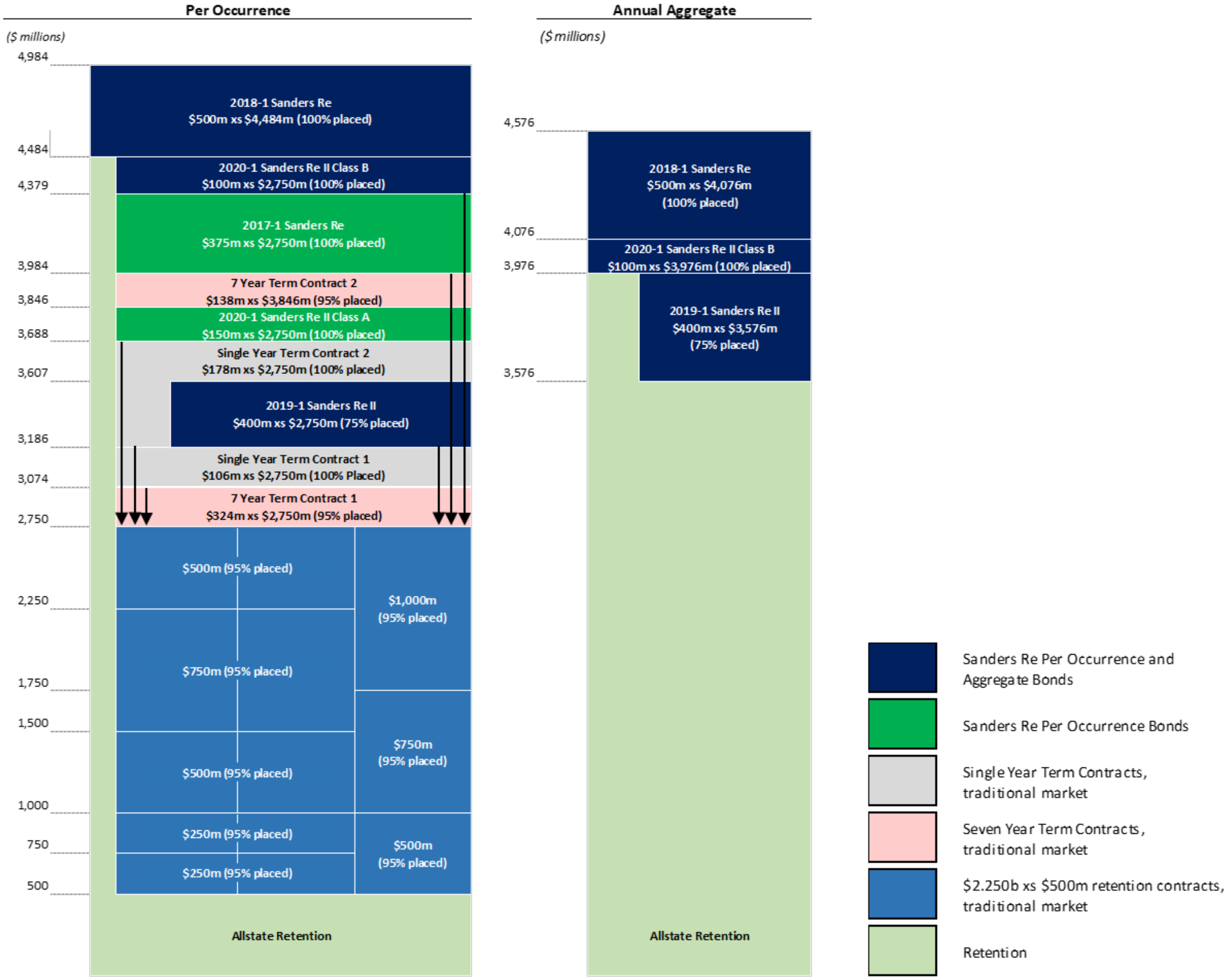
The following pages summarize our June 1, 2020 to May 31, 2021 reinsurance program which includes:

- Nationwide Excess Catastrophe Reinsurance Program
- New Jersey Excess Catastrophe Reinsurance Agreement
- Kentucky Earthquake Excess Catastrophe Reinsurance Contract
- Excess & Surplus Earthquake Contract
- Florida Excess Catastrophe Reinsurance Agreement (to be placed in second quarter 2020)
- The Florida and Southeast Auto Aggregate Excess Catastrophe Contract will not be renewed in 2020

[(1)] A reinsurance program comprises one or more reinsurance agreements and a reinsurance agreement comprises one or more reinsurance contracts

Nationwide Excess Catastrophe Reinsurance Program

The Nationwide Excess Catastrophe Reinsurance Program (the "Nationwide Program") provides coverage up to \$4.984 billion of loss less a \$500 million retention, and is subject to the percentage of reinsurance placed in each of its agreements. The agreements comprising the Nationwide Program are described below.



Per Occurrence and Aggregate Excess Agreements

The Nationwide Program includes occurrence coverage in contracts from both the traditional reinsurance and ILS markets, while aggregate protection is included in three contracts supported by the ILS market. The agreements provide multi-line catastrophe coverage in every state except Florida, where coverage is only provided for personal lines automobile.

The Nationwide Program includes agreements providing coverage up to \$2.750 billion in excess of a \$500 million retention. The Program also provides reinsurance capacity above \$2.750 billion through utilization of Sanders Re Catastrophe Bonds, multi-year contracts placed within the traditional market with seven-year terms and single-year contracts placed within the traditional market to fill capacity gaps that change each year.

Traditional Reinsurance Market Per Occurrence Excess Agreements

The ***Per Occurrence Excess Agreements*** placed in the traditional reinsurance market consist of three contracts providing coverage of $2.250 billion in excess of a $500 million retention and exhausting at $2.750 billion per loss occurrence, two seven-year term contracts, and two single-year term contracts providing coverage in excess of a $2.750 billion retention.

$2.250 billion in excess of a $500 million retention contracts

- Reinsure personal lines property and automobile losses arising out of multiple perils including hurricane, windstorm, hail, tornado, earthquake, fires following earthquakes and wildfires in all states, excluding personal lines property in the state of Florida
- Include coverage for commercial lines property and automobile (physical damage only) in all states, excluding commercial lines property in the state of Florida
- Consists of multi-year contracts, each providing one-third of 95% of the total limit
  - Existing contracts effective June 1, 2018 consist of five layers and expires May 31, 2021; this contract does not include coverage for New Jersey
  - Existing contracts effective June 1, 2019 consist of five layers and expires May 31, 2022
  - New contracts effective June 1, 2020 consist of three layers and expires May 31, 2023
- Includes one reinstatement of limits per year, with premium required
- Reinsurance premiums are subject to redetermination for exposure changes on an annual basis

$ in millions

Retention	Per occurrence limit	Risk period effective date	% of limit placed [2]	States Covered	Reinstatement
$500	$500	June 1, 2020	95	Countrywide, excluding personal and commercial lines property in FL NJ covered by 2/3 of $2.250B xs $500M contracts	1 per occurrence limit each contract year (per layer), premium due
1,000	750	June 1, 2020	95		
1,750	1,000	June 1, 2020	95		

Seven-Year Term Contracts

- Contain comparable contract terms and conditions as the $2.250 billion in excess of a $500 million retention contracts
- Provide a $324 million limit in excess of a minimum $2.750 billion retention and a $138 million limit in excess of a minimum $3.846 billion retention, are 95% placed and expire May 31, 2022
- Contain a variable reset option, which the ceding entities may elect to invoke at each anniversary and which allows for the annual adjustment of each contract's attachment and exhaustion levels within specified limits
- Contain one reinstatement of limits over its seven-year term with premium required. As of May 1, 2020, a reinstatement of limits has not been executed under either contract. Reinsurance premiums are subject to redetermination for exposure changes on an annual basis

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(2) Limits for the $2.250b xs $500m contracts are 31.66% placed, 31.67% placed, and 31.67% placed for the respective terms of June 1, 2020 to May 31, 2021, June 1, 2021 to May 31, 2022, and June 1, 2022 to May 31, 2023.

$ in millions

Per occurrence reinsurance contract	Risk period effective date	Contract expiration date	% of limit placed	Retention	Per occurrence limit	States Covered	Reinstatement
7-Year Term Contract 1	April 1, 2020	March 31, 2021	95	$2,750	$324	Countrywide, excluding FL personal and commercial lines property	1 per occurrence limit over each contract's 7-year term, premium due
7-Year Term Contract 2	June 1, 2020	May 31, 2021	95	$3,846	$138		

Single-Year Term Contracts

- With risk changing annually, there is a need to place single-year term contracts to fill coverage gaps
- Contain comparable contract terms and conditions as the $2.250 billion in excess of a $500 million retention contracts
- Provide a $106 million limit and a $178 million limit in excess of a minimum $2.750 billion retention, are 95% placed and expire March 31, 2021 and May 31, 2021, respectively
- Provide additional gap coverage as the layer shifts down in attachment, subject to the $2.750 billion minimum retention level as lower layer limits are exhausted
- A retention co-participation of 5% for a layer of $1.734 billion in excess of $2.750 billion is deemed in place and inures to the benefit of this contract
- Do not include a reinstatement of limits
- Inuring contracts include: New Jersey Excess Catastrophe Agreement, 7-Year Term Contract 1, and the 5% co-participation
- While inuring layers are fully intact, the ***$106 million limit in excess of a minimum $2.750 billion retention*** contract would begin to pay subject losses in excess of $3.074 billion
- Inuring contracts for the ***$178 million limit in excess of a minimum $2.750 billion retention*** include all preceding plus the Single-Year Term Contract 1 and 2019-1 Excess Catastrophe Reinsurance Contract; while inuring layers are fully intact, the contract would begin to pay subject losses in excess of $3.186 billion

$ in millions

Per occurrence reinsurance contract	Risk period effective date	Contract expiration date	% of limit placed	Retention	Per occurrence limit	States Covered	Reinstatement
Single-Year Term Contract 1	April 1, 2020	March 31, 2021	100	$2,750	$106	Countrywide, excluding FL personal and commercial lines property	None
Single-Year Term Contract 2	June 1, 2020	May 31, 2021	100	$2,750	$178		

Sanders Re Catastrophe Bonds – Per Occurrence Excess Agreements

The two ***Sanders Re Per Occurrence Excess Catastrophe Reinsurance Contracts***

- Reinsure personal lines property and automobile excess catastrophe losses in 49 states and the District of Columbia, excluding the State of Florida
- Reinsure business located in the covered territory and arising out of covered events
- Contain a variable reset option, which the ceding entities may invoke for risk periods subsequent to the first risk period and which allows for the annual adjustment of the contract's attachment and exhaustion levels within specified limits
- Contracts do not include a reinstatement of limits
- Inuring contracts include: New Jersey Excess Catastrophe Agreement, 7-Year Term Contract 1, Single-Year Term Contracts, 2019-1 Excess Catastrophe Reinsurance Contract, and the 5% co-participation

2020-1 Class A Excess Catastrophe Reinsurance Contract

- Placed with Sanders Re II Ltd. which obtained funding from the ILS market to collateralize the contract's limit
- Risk period began April 1, 2020 and terminates on March 31, 2024
- Reinsures excess catastrophe losses caused by named storms, earthquakes and fire following earthquakes, severe weather, wildfires, and other naturally occurring or man-made events declared to be a catastrophe by Allstate
- Provides a $150 million limit in excess of a minimum $2.750 billion retention
- While inuring layers are fully intact, the contract would begin to pay subject losses in excess of $3.688 billion

2017-1 Excess Catastrophe Reinsurance Contract

- Placed with Sanders Re Ltd., which obtained funding from the ILS market to collateralize the contract's limit
- Risk period began March 31, 2017 and terminates on November 30, 2021
- Reinsures excess catastrophe losses caused by named storms, earthquakes and fire following earthquakes, severe thunderstorms, winter storms, wildfire, volcanic eruptions, and meteorite impacts
- Provides a $375 million limit in excess of a minimum $2.750 billion retention
- Amounts payable for automobile losses are based on insured industry losses as reported by Property Claim Services (PCS) and further adjusted to account for our automobile exposures in reinsured areas
- Inuring contracts include all preceding plus the 2020-1 Class A Excess Catastrophe Reinsurance Contract and 7-Year Term Contract 2; while inuring layers are fully intact, the contract would begin to pay subject losses in excess of $3.984 billion

<u>Sanders Re Catastrophe Bonds – Per Occurrence Excess & Aggregate Agreements</u>

The three ***Sanders Re Per Occurrence & Aggregate Excess Catastrophe Reinsurance Contracts***

- Reinsure personal lines property and automobile excess catastrophe losses in 49 states and the District of Columbia, excluding the State of Florida
- Reinsure business located in the covered territory and arising out of covered events
- Reinsures excess catastrophe losses caused by named storms, earthquakes and fire following earthquakes, severe weather, wildfires, and other naturally occurring or man-made events declared to be a catastrophe by Allstate
- For each annual period beginning April 1, Allstate declared catastrophes occurring during such annual period can be aggregated to erode the aggregate retention and qualify for coverage under the aggregate limit
- Reinsurance recoveries from the Nationwide Per Occurrence Excess Contracts and the New Jersey Excess Catastrophe Agreement inure to the benefit of the annual aggregate layer
- Reinsurance recoveries collected under the per occurrence limit of each contract are not eligible for cession under the annual aggregate limit of that contract
- Reinsurance recoveries for all loss occurrences and annual aggregate losses qualifying for coverage during each contract's four-year risk period are limited to our ultimate net loss from covered events and subject to the contract's limit
- Contain a variable reset option, which the ceding entities may invoke for risk periods subsequent to the first risk period and which allows for the annual adjustment of the contract's attachment and exhaustion levels within specified limits
- Contracts do not include a reinstatement of limits

2019-1 Excess Catastrophe Reinsurance Contract

- Placed with Sanders Re II Ltd. which obtained funding from the ILS market to collateralize the contract's limit
- Risk period began April 1, 2019 and terminates on March 31, 2023
- Provides one limit of $400 million, 75% placed, during its four-year term which can be used on a per occurrence or an annual aggregate basis. For a qualifying loss occurrence, the contract provides 75% of $400 million in reinsurance limits in excess of a minimum $2.750 billion retention for the April 1, 2020 to March 31, 2021 period
- Inuring contracts include: New Jersey Excess Catastrophe Agreement, 7-Year Term Contract 1, Single-Year Term Contract 1, and the 5% co-participation; while inuring layers are fully intact, the contract would begin to pay subject losses in excess of $3.186 billion
- Provides an annual aggregate limit of 75% of $400 million in reinsurance limits between a $3.576 billion to $3.976 billion layer subject to an annual retention of $3.576 billion

2020-1 Class B Excess Catastrophe Reinsurance Contract

- Placed with Sanders Re II Ltd. which obtained funding from the ILS market to collateralize the contract's limit
- Risk period began April 1, 2020 and terminates on March 31, 2024
- Provides one limit of $100 million, 100% placed, during its four-year term which can be used on a per occurrence or an annual aggregate basis. For a qualifying loss occurrence, the contract provides 100% of $100 million in reinsurance limits in excess of a minimum $2.750 billion retention for the April 1, 2020 to March 31, 2021 period
- Inuring contracts include all preceding plus the 2019-1 Excess Catastrophe Reinsurance Contract, Single-Year Term Contract 2, 2020-1 Class A Excess Catastrophe Reinsurance Contract, 7-Year Term Contract 2, 2017-1 Excess Catastrophe Reinsurance Contract, and the 5% co-participation; while inuring layers are fully intact, the contract would begin to pay subject losses in excess of $4.379 billion
- Provides an annual aggregate limit of 100% of $100 million in reinsurance limits between a $3.976 billion to $4.076 billion layer subject to an annual retention of $3.976 billion

2018-1 Excess Catastrophe Reinsurance Contract

- Placed with Sanders Re Ltd., which obtained funding from the ILS market to collateralize the contract's limit
- Risk period began April 1, 2018 and terminates on March 31, 2022
- Provides one limit of $500 million during its four-year term, which can be used on a per occurrence or an annual aggregate basis. For each qualifying loss occurrence, the contract provides 100% of $500 million in reinsurance limits, between a $4.484 billion to $4.984 billion layer for the April 1, 2020 to March 31, 2021 period
- Provides an annual aggregate limit of 100% of $500 million in reinsurance limits between a $4.076 billion to $4.576 billion layer subject to an annual retention of $4.076 billion

$ in millions

Excess reinsurance contract	Risk period beginning date	Risk period ending date	% of limit placed	Retention	Per occurrence and annual aggregate limit	Reinstatement
2020-1 Class A	April 1, 2020	March 31, 2024	100	$2,750 Per Occurrence	$150	None
2020-1 Class B	April 1, 2020	March 31, 2024	100	$2,750 Per Occurrence $3,976 Annual Aggregate	$100	None
2019-1	April 1, 2019	March 31, 2023	75	$2,750 Per Occurrence $3,576 Annual Aggregate	$400	None
2018-1	April 1, 2018	March 31, 2022	100	$4,484 Per Occurrence $4,076 Annual Aggregate	$500	None
2017-1	March 31, 2017	November 30, 2021	100	$2,750 Per Occurrence	$375	None

Other Catastrophe Reinsurance Programs

The following programs are designed separately from the Nationwide Program to address distinct exposures in certain states and markets.

New Jersey Excess Catastrophe Reinsurance Agreement

- Reinsure personal lines property and automobile excess catastrophe losses in New Jersey caused by multiple perils
- Include coverage for commercial lines property and automobile (physical damage only) catastrophe losses in New Jersey
- Consists of two existing contracts providing $400 million of limits in excess of a $150 million retention, 31.66% and 31.67% placed
- Includes one reinstatement of limits per contract year, with additional premium due
- Reinsurance premium and retention are subject to redetermination for exposure changes on an annual basis

$ in millions

Reinsurance contract	Contract effective date	Contract expiration date	% of limit placed		Retention	Per occurrence limit	Reinstatement
			Yr 1	Yr 2			
New Jersey	June 1, 2019	May 31, 2022	31.66	31.66	$150	$400	1 per occurrence limit each contract year, premium due
New Jersey	June 1, 2018	May 31, 2021	31.67		150	400	

Kentucky Earthquake Excess Catastrophe Reinsurance Contract

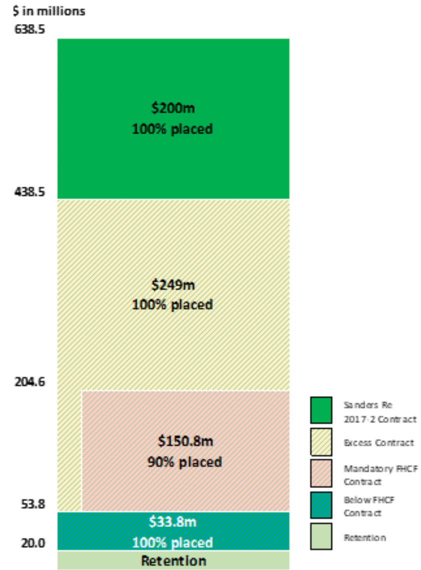
- Reinsures personal lines property losses in Kentucky caused by earthquakes and fire following earthquakes
- Three-year term contract expiring May 31, 2023
- Provides three limits of $28 million in excess of a $2 million retention, with two limits available in any one contract year, and is 95% placed
- Reinsurance premium and retention are not subject to redetermination for exposure changes

Excess & Surplus (“E&S”) Earthquake Contract

- Reinsures personal lines property catastrophe losses in California caused by the peril of earthquakes and is insured by our excess and surplus lines insurer; reinsures only shake damage resulting from the earthquake peril
- Three-year term contract effective July 1, 2018 through June 30, 2021, both days inclusive
- Provides reinsurance on a 100% quota share basis with no retention
- Allows for cession of policies providing earthquake coverage as long as the total amount of in-force building limits provided by those policies does not exceed $400 million; $400 million cap limits the policies that are covered by the reinsurance contract and not the amount of loss eligible for cession, which includes losses to dwellings, other structures, personal property and additional living expenses on policies covered by this program
- As of May 1, 2020, the $400 million cap which serves to limit cessions to the contract has not been exceeded

The Florida Excess Catastrophe Reinsurance Agreement will be placed in the second quarter of 2020.

Florida Excess Catastrophe Reinsurance Agreement



The ***Florida Excess Catastrophe Reinsurance Agreement*** is comprised of five contracts, as described below, which reinsure Castle Key Insurance Company ("CKIC") and Castle Key Indemnity Company ("CKI") for personal lines property excess catastrophe losses in Florida. (We refer to both companies together as "Castle Key."). For the June 1, 2019 to May 31, 2020 term, the agreement includes two contracts placed in the traditional market, Castle Key's reimbursement contracts with the Florida Hurricane Catastrophe Fund (the "Mandatory FHCF - Florida Hurricane Catastrophe Fund Contracts"),[(3)] and the Sanders Re 2017-2 Contract placed in the ILS market.

Below FHCF Contract

- Reinsures personal lines property excess catastrophe losses caused by multiple perils in Florida
- Provides three limits of $33.8 million in excess of a $20 million retention and is 100% placed
- Contract includes two reinstatements of limits; the first reinstatement of limits is prepaid and the second or final reinstatement requires additional premium
- Only the portion of the limit utilized to indemnify losses from an event mandatorily reinstates; the remaining reinstatement limit remains available and will be used as future events erode the per occurrence contract limit
- Reinsurance premium is subject to redetermination for exposure changes

Mandatory FHCF Contracts

- Indemnifies qualifying personal lines property losses caused by storms the National Hurricane Center declares to be hurricanes
- Provide $150.8 million of limits in excess of a $53.8 million provisional retention and are 90% placed (or $135.8 million in excess of a $53.8 million provisional retention)
- Include reimbursement of up to 10% of eligible loss adjustment expenses, which is part of and not in addition to the reinsurance limit provided, with no reinstatement of limits
- For each of the two largest hurricanes, the provisional retention is $53.8 million and a retention equal to one-third of that amount, or approximately $18 million, is applicable to all other hurricanes for the season beginning June 1, 2019
- Reinsurance limit and retention are subject to re-measurement based on June 30, 2019 exposure data; retention is also subject to adjustment upward or downward to an actual retention based on exposures submitted to the FHCF by all participants

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(3) CKIC's and CKI's mandatory FHCF coverage is provided under reimbursement contracts distinct to each entity. CKIC's FHCF reimbursement contract provides a $92.2 million limit after a $32.9 million retention, and CKI's reimbursement contract provides a $58.6 million limit after a $20.9 million retention. For ease of reference, the FHCF's provisional retentions and limits have been consolidated for purposes of this disclosure.

Excess Contract

- Reinsures personal lines property excess catastrophe losses caused by multiple perils in Florida
- Two-year term contract effective June 1, 2018 to May 31, 2020
- Provides $249 million of reinsurance limits each contract year
- For the June 1, 2019 to May 31, 2020 term, the contract provides one limit of $249 million in excess of a $20 million retention and is 100% placed
- Inuring contracts include: Below FHCF Contract and Mandatory FHCF Contracts
- Provides reinsurance limits above the Mandatory FHCF Contracts, for CKIC's and CKI's 10% co-participation in the Mandatory FHCF Contracts, and for loss occurrences not subject to reimbursement under the Mandatory FHCF Contracts which only reinsure losses arising out of hurricanes
- Contract does not include a reinstatement of limits
- Reinsurance premium is subject to redetermination for exposure changes

Sanders Re 2017-2 Contract

- Reinsures qualifying losses to personal lines property caused by a named storm event, a severe thunderstorm event, an earthquake event, a wildfire event, a volcanic eruption event, or a meteorite impact event in Florida as events declared by various reporting agencies, including PCS and as defined in the contract; should PCS cease to report on severe thunderstorms, then such event will be deemed a severe thunderstorm event if Castle Key has assigned a catastrophe code to such severe thunderstorm
- Placed with Sanders Re which obtained funding from the ILS market to collateralize the contract's limit
- Three-year term contract with a risk period effective June 1, 2017 through May 31, 2020
- Provides limits of $200 million in excess of a $20 million retention and in excess of "stated reinsurance" and is 100% placed
- For the June 1, 2019 to May 31, 2020 risk period, stated reinsurance is defined to include the Below FHCF Contract, the Mandatory FHCF Contracts which are deemed to exhaust due to loss occurrences subject to the non-FHCF contracts, and the Excess Contract; stated reinsurance is deemed to be provided on a multiple perils basis under the terms of the non-FHCF contracts and includes an erosion feature, which provides that upon the exhaustion of a portion of the stated reinsurance, coverage under the Sanders Re Contract shall be concurrently placed above and contiguous to the unexhausted portion of the stated reinsurance, if any
- Contains a variable reset option, which Castle Key may invoke for risk periods subsequent to the first risk period and which allows for the annual adjustment of the contract's attachment and exhaustion levels; the variable reset option requires a premium adjustment
- Contract does not include a reinstatement of limits

$ in millions

Reinsurance contract	Contract effective date	Contract expiration date	% of limit placed	Retention	Per occurrence limit	Reinstatement
Below FHCF	June 1, 2019	May 31, 2020	100	$20	$34	Two reinstatements of the per occurrence limit; first reinstatement prepaid; second reinstatement premium due
FHCF	June 1, 2019	May 31, 2020	90	54	151	None
Excess	June 1, 2019	May 31, 2020	100	20	249	None
Sanders Re 2017-2	June 1, 2019	May 31, 2020	100	20	200	None

Illustration of Utilization of Reinsurance Coverage [(a)]

The following examples are provided to illustrate Allstate's reinsurance program and should not be relied upon to determine the amount of Allstate's net loss from any actual events that may occur in the future. They are based on hypothetical situations. The actual amounts recoverable under our reinsurance program and the amount of our net loss from any one event or series of events could differ materially from the hypothetical results presented in these examples due to a variety of factors, including the nature and location of the specific losses incurred, the specific lines of business covered by the various reinsurance agreements, and the impact of potential litigation. Reinstatement premiums are not included. Examples reflect the 2019 FL reinsurance program, which will be updated in Q2 2020.

(in millions)

Example 1 - One hurricane landfalls in South Carolina. (Total loss of $2.10 billion, net loss of $580.0 million or 27.6% of total loss.)

	Amount	Notes	Per Occurrence	2017-1 Excess	2018-1 Excess	2019-1 Excess	2020-1 A Excess	2020-1 B Excess	New Jersey	Castle Key Group Below FHCF	Castle Key Group FHCF	Castle Key Group Excess	Sanders Re 2017-2
Hurricane in South Carolina													
Per Occurrence Excess Agreement													
Loss	2,100.0												
Retention	500.0	500 retention											
Subject Loss	1,600.0	Total loss less 500 retention											
$2.250b xs $500m													
Retained	80.0	5% of 1,600 subject loss; 5% retention on 2,250 x 500 layers											
Recoverable													
Layer 1 - 2018 & 2019 Contracts		***250 x 500, 63.33% placed***											
	(158.3)	63.33% of 250 x 500, limit reinstates to 250	(158.3)										
Layer 1 - 2020 Contract		***500 x 500, 31.67% placed***											
	(158.4)	31.67% of 500 x 500, limit reinstates to 500	(158.4)										
Layer 2 - 2018 & 2019 Contracts		***250 x 750, 63.33% placed***											
	(158.3)	63.33% of 250 x 750, limit reinstates to 250	(158.3)										
Layer 2 - 2020 Contract		***750 x 1,000, 31.67% placed***											
	(237.5)	31.67% of 750 x 1,000, limit reinstates to 750	(237.5)										
Layer 3 - 2018 & 2019 Contracts		***500 x 1,000, 63.33% placed***											
	(316.7)	63.33% of 500 x 1,000, limit reinstates to 500	(316.7)										
Layer 3 - 2020 Contract		***1,000 x 1,750, 31.67% placed***											
	(110.8)	31.67% of 350 x 1,750, limit reinstates to 1,000	(110.8)										
Layer 4 - 2018 & 2019 Contracts		***750 x 1,500, 63.33% placed***											
	(380.0)	63.33% of 600 x 1,500, limit reinstates to 750	(380.0)										
South Carolina loss	**2,100.0**												
Less recoverables	**(1,520.0)**		**(1,520.0)**										
Net loss	**580.0**												

(a) For purposes of these examples, losses and recoverables are calculated according to the reinsurance contracts to be in effect on 6/1/2020.
(b) For purposes of these examples, the limits of liability and retentions have been combined for Castle Key Insurance Company and Castle Key Indemnity Company.
(c) Allstate's separately capitalized Florida underwriting entities underwrite only personal lines property business.

Illustration of Utilization of Reinsurance Coverage [(a)]

The following examples are provided to illustrate Allstate's reinsurance program and should not be relied upon to determine the amount of Allstate's net loss from any actual events that may occur in the future. They are based on hypothetical situations. The actual amounts recoverable under our reinsurance program and the amount of our net loss from any one event or series of events could differ materially from the hypothetical results presented in these examples due to a variety of factors, including the nature and location of the specific losses incurred, the specific lines of business covered by the various reinsurance agreements, and the impact of potential litigation. Reinstatement premiums are not included. Examples reflect the 2019 FL reinsurance program, which will be updated in Q2 2020.

(in millions)

Example 2 - First hurricane landfalls in South Carolina, total loss of $1.05 billion; second hurricane landfalls in Texas, total loss of $1.40 billion. (Total loss of $2.45 billion, net loss of $1.07 billion or 43.8% of total loss.)

	Amount	Notes	Per Occurrence	2017-1 Excess	2018-1 Excess	2019-1 Excess	2020-1 A Excess	2020-1 B Excess	New Jersey	Castle Key Group: Below FHCF	Castle Key Group: FHCF	Castle Key Group: Excess	Sanders Re 2017-2
Hurricane in South Carolina													
Per Occurrence Excess Agreement													
Loss	1,050.0												
Retention	500.0	500 retention											
Subject Loss	550.0	Total loss less 500 retention											
$2.250b xs $500m													
Retained	27.5	5% of 550 subject loss; 5% retention on 2,250 x 500 layers											
Recoverable													
Layer 1 - 2018 & 2019 Contracts		***250 x 500, 63.33% placed***											
	(158.3)	63.33% of 250 x 500, limit reinstates to 250	(158.3)										
Layer 1 - 2020 Contract		***500 x 500, 31.67% placed***											
	(158.4)	31.67% of 500 x 500, limit reinstates to 500	(158.4)										
Layer 2 - 2018 & 2019 Contracts		***250 x 750, 63.33% placed***											
	(158.3)	63.33% of 250 x 750, limit reinstates to 250	(158.3)										
Layer 2 - 2020 Contract		***750 x 1,000, 31.67% placed***											
	(15.8)	31.67% of 50.0 x 1,000, limit reinstates to 750	(15.8)										
Layer 3 - 2018 & 2019 Contracts		***500 x 1,000, 63.33% placed***											
	(31.7)	63.33% of 50.0 x 1,000, limit reinstates to 500	(31.7)										
South Carolina loss	**1,050.0**												
Less recoverables	**(522.5)**												
Net loss	**527.5**												
Hurricane in Texas													
Per Occurrence Excess Agreement													
Loss	1,400.0												
Retention	500.0	500 retention											
Subject Loss	900.0	Total loss less 500 retention											
$2.250b xs $500m													
Retained	45.0	5% of 900 subject loss; 5% retention on 2,250 x 500 layers											
Recoverable													
Layer 1 - 2018 & 2019 Contracts		***250 x 500, 63.33% placed***											
	(158.3)	63.33% of 250 x 500, reinstated limit now exhausted	(158.3)										
Layer 1 - 2020 Contract		***500 x 500, 31.67% placed***											
	(158.4)	31.67% of 500 x 500, reinstated limit now exhausted	(158.4)										
Layer 2 - 2018 & 2019 Contracts		***250 x 750, 63.33% placed***											
	(158.3)	63.33% of 250 x 750, reinstated limit now exhausted	(158.3)										
Layer 2 - 2020 Contract		***750 x 1,000, 31.67% placed***											
	(126.7)	31.67% of 400.0 x 1,000, reinstated limit now exhausted (limit of 350 remains)	(126.7)										
Layer 3 - 2018 & 2019 Contracts		***500 x 1,000, 63.33% placed***											
	(253.3)	63.33% of 400.0 x 1,000, limit reinstates to 500	(253.3)										
South Carolina loss	**1,400.0**												
Less recoverables	**(855.0)**												
Net loss	**545.0**												
Example 2 Total losses	**2,450.0**												
Less recoverables	**(1,377.5)**		**(1,377.5)**										
Net loss	**1,072.5**												

Illustration of Utilization of Reinsurance Coverage [(a)]

The following examples are provided to illustrate Allstate's reinsurance program and should not be relied upon to determine the amount of Allstate's net loss from any actual events that may occur in the future. They are based on hypothetical situations. The actual amounts recoverable under our reinsurance program and the amount of our net loss from any one event or series of events could differ materially from the hypothetical results presented in these examples due to a variety of factors, including the nature and location of the specific losses incurred, the specific lines of business covered by the various reinsurance agreements, and the impact of potential litigation. Reinstatement premiums are not included. Examples reflect the 2019 FL reinsurance program, which will be updated in Q2 2020.

(in millions)

Example 3 - First hurricane landfalls in Alabama, total loss of $350 million; second hurricane landfalls in Georgia, total loss of $900 million; third hurricane landfalls in South Carolina, total loss of $750 million. (Total loss of $2.00 billion, net loss of $1.38 billion or 69.1% of total loss.)

	Amount	Notes	Per Occurrence	2017-1 Excess	2018-1 Excess	2019-1 Excess	2020-1 A Excess	2020-1 B Excess	New Jersey	Castle Key Group Below FHCF	Castle Key Group FHCF	Castle Key Group Excess	Sanders Re 2017-2
Hurricane in Alabama													
Per Occurrence Excess Agreement													
Loss	350.0												
Retention	500.0	500 retention											
Recoverable	0.0	Retention exceeds total loss											
Alabama loss	**350.0**												
Less recoverable	**0.0**												
Net loss	**350.0**												
Hurricane in Georgia													
Per Occurrence Excess Agreement													
Loss	900.0												
Retention	500.0	500 retention											
Subject Loss	400.0	Total loss less 400 retention											
$2.250b xs $500m													
Retained	20.0	5% of 400 subject loss; 5% retention on 2,250 x 500 layers											
Recoverable													
Layer 1 - 2018 & 2019 Contracts		***250 x 500, 63.33% placed***											
	(158.3)	63.33% of 250 x 500, limit reinstates to 250	(158.3)										
Layer 1 - 2020 Contract		***500 x 500, 31.67% placed***											
	(126.7)	31.67% of 400 x 500, limit reinstates to 500	(126.7)										
Layer 2 - 2018 & 2019 Contracts		***250 x 750, 63.33% placed***											
	(95.0)	63.33% of 150 x 750, limit reinstates to 750	(95.0)										
Georgia loss	**900.0**												
Less recoverables	**(380.0)**												
Net loss	**520.0**												
Hurricane in South Carolina													
Per Occurrence Excess Agreement													
Loss	750.0												
Retention	500.0	500 retention											
Subject Loss	250.0												
$2.250b xs $500m													
Retained	12.5	5% of 250 subject loss; 5% retention on 2,250 x 500 layers											
Recoverable													
Layer 1 - 2018 & 2019 Contracts		***250 x 500, 63.33% placed***											
	(158.3)	63.33% of 250 x 500, reinstated limit now exhausted	(158.3)										
Layer 1 - 2020 Contract		***500 x 500, 31.67% placed***											
	(79.2)	31.67% of 250 x 500, reinstated limit now exhausted (limit of 250 remains)	(79.2)										
South Carolina loss	**750.0**												
Less recoverable	**(237.5)**												
Net loss	**512.5**												
Example 3 Total loss	**2,000.0**												
Less recoverables	**(617.5)**		**(617.5)**										
Net loss	**1,382.5**												

Illustration of Utilization of Reinsurance Coverage [(a)]

The following examples are provided to illustrate Allstate's reinsurance program and should not be relied upon to determine the amount of Allstate's net loss from any actual events that may occur in the future. They are based on hypothetical situations. The actual amounts recoverable under our reinsurance program and the amount of our net loss from any one event or series of events could differ materially from the hypothetical results presented in these examples due to a variety of factors, including the nature and location of the specific losses incurred, the specific lines of business covered by the various reinsurance agreements, and the impact of potential litigation. Reinstatement premiums are not included. Examples reflect the 2019 FL reinsurance program, which will be updated in Q2 2020.

(in millions)

Example 4 - First hurricane landfalls in Maryland, total loss $600 million; second hurricane landfalls in New Jersey, total loss of $500 million; third hurricane landfalls in Maine, total loss of $200 million; fire losses in California following an earthquake, total loss of $1.80 billion. (Total loss of $3.10 billion, net loss of $1.55 billion or 49.9% of total loss.)

	Amount	Notes	Per Occurrence	2017-1 Excess	2018-1 Excess	2019-1 Excess	2020-1 A Excess	2020-1 B Excess	New Jersey	Castle Key Group: Below FHCF	Castle Key Group: FHCF	Castle Key Group: Excess	Sanders Re 2017-2
Hurricane in Maryland													
Per Occurrence Excess Agreement													
Loss	600.0												
Retention	500.0	500 retention											
Subject loss	100.0	Total loss less 500 retention											
$2.250b xs $500m													
Retained	5.0	5% of 100 subject loss; 5% retention on 2,250 x 500 layers											
Recoverable													
Layer 1 - 2018 & 2019 Contracts		***250 x 500, 63.33% placed***											
	(63.3)	63.33% of 100 x 500, limit reinstates to 250	(63.3)										
Layer 1 - 2020 Contract		***500 x 500, 31.67% placed***											
	(31.7)	31.67% of 100 x 500, limit reinstates to 500	(31.7)										
Maryland loss	**600.0**												
Less recoverable	**(95.0)**												
Net loss	**505.0**												
Hurricane in New Jersey													
NJ Excess Contract Expiring 2021		**400 x 150, 31.66% placed**											
Loss	500.0												
Retention	150.0	150 retention											
Subject Loss	350.0	Total loss less 150 retention											
Retained	239.2	68.34% retained on 350 x 150											
Recoverable	(110.8)	31.66% of 350 x 150; limit reinstates to 400							(110.8)				
NJ Excess Contract Expiring 2022		**400 x 150, 31.67% placed**											
Loss	500.0												
Retention	150.0	150 retention											
Subject Loss	350.0	Total loss less 150 retention											
Retained	239.2	68.33% retained on 350 x 150											
Recoverable	(110.8)	31.67% of 350 x 150; limit reinstates to 400							(110.8)				
New Jersey loss	**500.0**												
Less recoverables	**(221.6)**												
Net loss	**278.4**												

Illustration of Utilization of Reinsurance Coverage [a]

The following examples are provided to illustrate Allstate's reinsurance program and should not be relied upon to determine the amount of Allstate's net loss from any actual events that may occur in the future. They are based on hypothetical situations. The actual amounts recoverable under our reinsurance program and the amount of our net loss from any one event or series of events could differ materially from the hypothetical results presented in these examples due to a variety of factors, including the nature and location of the specific losses incurred, the specific lines of business covered by the various reinsurance agreements, and the impact of potential litigation. Reinstatement premiums are not included. Examples reflect the 2019 FL reinsurance program, which will be updated in Q2 2020.

(in millions)

	Amount	Notes	Per Occurrence	2017-1 Excess	2018-1 Excess	2019-1 Excess	2020-1 A Excess	2020-1 B Excess	New Jersey	Castle Key Group: Below FHCF	Castle Key Group: FHCF	Castle Key Group: Excess	Sanders Re 2017-2
Example 4 - continuation													
Hurricane in Maine													
Per Occurrence Excess Agreement													
Loss	200.0												
Retention	500.0	500 retention											
Subject Loss	0.0	Retention exceeds total loss											
Maine loss	**200.0**												
Less recoverable	**0.0**												
Net loss	**200.0**												
Fire losses in California following an earthquake													
Per Occurrence Excess Agreement													
Loss	1,800.0												
Retention	500.0	500 retention											
Subject loss	1,300.0	Total loss less 500 retention											
$2.250b xs $500m													
Retained	65.0	5% of 1,300 subject loss; 5% retention on 2,250 x 500 layers											
Recoverable													
Layer 1 - 2018 & 2019 Contracts		***250 x 500, 63.33% placed***											
	(158.3)	63.33% of 250 x 500, reinstated limit now exhausted	(158.3)										
Layer 1 - 2020 Contract		***500 x 500, 31.67% placed***											
	(158.4)	31.67% of 500 x 500, limit reinstates to 500	(158.4)										
Layer 2 - 2018 & 2019 Contracts		***250 x 750, 63.33% placed***											
	(158.3)	63.33% of 250 x 750, limit reinstates to 250	(158.3)										
Layer 2 - 2020 Contract		***750 x 1,000, 31.67% placed***											
	(237.5)	31.67% of 750 x 1,000, limit reinstates to 750	(237.5)										
Layer 3 - 2018 & 2019 Contracts		***500 x 1,000, 63.33% placed***											
	(316.7)	63.33% of 500 x 1,000, limit reinstates to 500	(316.7)										
Layer 3 - 2020 Contract		***1,000 x 1,750, 31.67% placed***											
	(15.8)	31.67% of 50 x 1,750, limit reinstates to 1,000	(15.8)										
Layer 4 - 2018 & 2019 Contracts		***750 x 1,500, 63.33% placed***											
	(190.0)	63.33% of 300 x 1,500, limit reinstates to 750	(190.0)										
California loss	**1,800.0**												
Less recoverables	**(1,235.0)**												
Net loss	**565.0**												
Example 4 Total loss	**3,100.0**												
Less recoverables	**(1,551.6)**		**(1,330.0)**						**(221.7)**				
Net loss	**1,548.4**												

Illustration of Utilization of Reinsurance Coverage [a]

The following examples are provided to illustrate Allstate's reinsurance program and should not be relied upon to determine the amount of Allstate's net loss from any actual events that may occur in the future. They are based on hypothetical situations. The actual amounts recoverable under our reinsurance program and the amount of our net loss from any one event or series of events could differ materially from the hypothetical results presented in these examples due to a variety of factors, including the nature and location of the specific losses incurred, the specific lines of business covered by the various reinsurance agreements, and the impact of potential litigation. Reinstatement premiums are not included. Examples reflect the 2019 FL reinsurance program, which will be updated in Q2 2020.

(in millions)

Example 5 - First hurricane landfalls in Louisiana, total loss of $1.00 billion. A second hurricane landfalls in Texas resulting in $3.60 billion of personal lines property losses and $400 million of personal lines automobile losses, total loss $4.00 billion. A third hurricane landfalls in Florida, total property loss of $600 million. (Total loss of $5.60 billion, net loss of $1.22 billion or 21.8% of total loss.) [c]

	Amount	Notes	Per Occurrence	2017-1 Excess	2018-1 Excess	2019-1 Excess	2020-1 A Excess	2020-1 B Excess	New Jersey	Castle Key Group Below FHCF	Castle Key Group FHCF	Castle Key Group Excess	Sanders Re 2017-2
Hurricane in Louisiana													
Per Occurrence Excess Agreement													
Loss	1,000.0												
Retention	500.0	500 retention											
Subject loss	500.0	Total loss less 500 retention											
$2.250b xs $500m													
Retained	25.0	5% of 500 subject loss; 5% retention on 2,250 x 500 layers											
Recoverable													
Layer 1 - 2018 & 2019 Contracts		***250 x 500, 63.33% placed***											
	(158.3)	63.33% of 250 x 500, limit reinstates to 250	(158.3)										
Layer 1 - 2020 Contract		***500 x 500, 31.67% placed***											
	(158.4)	31.67% of 500 x 500, limit reinstates to 500	(158.4)										
Layer 2 - 2018 & 2019 Contracts		***250 x 750, 63.33% placed***											
	(158.3)	63.33% of 250 x 750, limit reinstates to 250	(158.3)										
Louisiana Loss	**1,000.0**												
Less recoverables	**(475.0)**												
Net loss	**525.0**												
Hurricane in Texas													
Per Occurrence Excess Agreement													
Loss	4,000.0												
Retention	500.0	500 retention											
Subject loss	3,500.0	Total loss less 500 retention											
$2.250b xs $500m													
Retained	112.5	5% of 2,250 subject loss; 5% retention on 2,250 x 500 layers											
Recoverable													
Layer 1 - 2018 & 2019 Contracts		***250 x 500, 63.33% placed***											
	(158.3)	63.33% of 250 x 500, reinstated limit now exhausted	(158.3)										
Layer 1 - 2020 Contract		***500 x 500, 31.67% placed***											
	(158.4)	31.67% of 500 x 500, reinstated limit now exhausted	(158.4)										
Layer 2 - 2018 & 2019 Contracts		***250 x 750, 63.33% placed***											
	(158.3)	63.33% of 250 x 750, reinstated limit now exhausted	(158.3)										
Layer 2 - 2020 Contract		***750 x 1,000, 31.67% placed***											
	(237.5)	31.67% of 750 x 1,000, limit reinstates to 750	(237.5)										
Layer 3 - 2018 & 2019 Contracts		***500 x 1,000, 63.33% placed***											
	(316.7)	63.33% of 500 x 1,000, limit reinstates to 500	(316.7)										
Layer 3 - 2020 Contract		***1,000 x 1,750, 31.67% placed***											
	(316.7)	31.67% of 1,000 x 1,750, limit reinstates to 1,000	(316.7)										
Layer 4 - 2018 & 2019 Contracts		***750 x 1,500, 63.33% placed***											
	(475.0)	63.33% of 750 x 1,500, limit reinstates to 750	(475.0)										
Layer 5 - 2018 & 2019 Contracts		***500 x 2,250, 63.33% placed***											
	(316.7)	63.33% of 500 x 2,250, limit reinstates to 500	(316.7)										
7-Year Term Contract 1		**324 x 2,750, 95% placed**											
Retained	16.2	5% of 324 x 2,750											
Recoverable	(307.8)	95% of 324 x 2,750; limit reinstates to 324	(307.8)										

Illustration of Utilization of Reinsurance Coverage [a]

The following examples are provided to illustrate Allstate's reinsurance program and should not be relied upon to determine the amount of Allstate's net loss from any actual events that may occur in the future. They are based on hypothetical situations. The actual amounts recoverable under our reinsurance program and the amount of our net loss from any one event or series of events could differ materially from the hypothetical results presented in these examples due to a variety of factors, including the nature and location of the specific losses incurred, the specific lines of business covered by the various reinsurance agreements, and the impact of potential litigation. Reinstatement premiums are not included. Examples reflect the 2019 FL reinsurance program, which will be updated in Q2 2020.

(in millions)

		Amount	Notes	Per Occurrence	2017-1 Excess	2018-1 Excess	2019-1 Excess	2020-1 A Excess	2020-1 B Excess	New Jersey	Castle Key Group Below FHCF	Castle Key Group FHCF	Castle Key Group Excess	Sanders Re 2017-2
Example 5 - continuation														
Single Year Contract 1			**106 x 2,250, 100% placed**											
Loss		4,000.0												
Retention		2,750.0	2,750 retention											
Subject Loss		1,250.0	Total loss less 2,750 retention											
	Inuring	307.8	Recoveries from 7-Year Term Contract 1											
	Deemed	62.5	Less deemed; 5% co-participation x 2,750 retention of reinsurance limits deemed in place under the contract (subject loss of 4,000 - 2,750 * 5%)											
		879.7	Subject loss less inuring deemed											
	Recoverable	(106.0)	Subject loss less inuring and deemed; limit exhausted and not subject to reinstatement	(106.0)										
2019-1 Excess Contract			**400 x 2,750, 75.0% placed**											
Loss		4,000.0												
Retention		2,750.0	2,750 retention											
Subject Loss		1,250.0	Total loss less 2,750 retention											
	Inuring	413.8	Recoveries from 7-Year Term Contract 1 and Single Year Contract 1											
	Deemed	62.5	Less deemed; 5% co-participation x 2,750 retention of reinsurance limits deemed in place under the contract (subject loss of 4,000 - 2,750 * 5%)											
		773.7	Subject loss less inuring and deemed											
	Retained	100.0	25% of 400 x 2,750											
	Recoverable	(300.0)	75% of 400 x 2,750; limit exhausted and not subject to reinstatement nor available for aggregate protection				(300.0)							
Single Year Contract 2			**177.5 x 2,750, 100% placed**											
Loss		4,000.0												
Retention		2,750.0	2,750 retention											
Subject Loss		1,250.0	Total loss less 2,750 retention											
	Inuring	713.8	Recoveries from 7-Year Term Contract 1, Single Year Contract 1 and 2019-1											
	Deemed	62.5	Less deemed; 5% co-participation x 2,750 retention of reinsurance limits deemed in place under the contract (subject loss of 4,000 - 2,750 * 5%)											
		473.7	Subject loss less inuring deemed											
	Recoverable	(177.5)	Subject loss less inuring and deemed; limit exhausted and not subject to reinstatement	(177.5)										
2020-1 Class A Excess Contract			**150.0 x 2,750, 100% placed**											
Loss		4,000.0												
Retention		2,750.0	2,750 retention											
Subject Loss		1,250.0	Total loss less 2,750 retention											
	Inuring	891.3	Recoveries from 7-Year Term Contract 1, Single Year Contract 1, 2019-1 and Single Year Contract 2											
	Deemed	62.5	Less deemed; 5% co-participation x 2,750 retention of reinsurance limits deemed in place under the contract (subject loss of 4,050 - 2,750 * 5%)											
		296.2	Subject loss less inuring deemed											
	Recoverable	(150.0)	Subject loss less inuring and deemed; limit exhausted and not subject to reinstatement					(150.0)						
7-Year Term Contract 2			**137.9 x 3,846, 95% placed**											
Loss		4,000.0												
Retention		3,846.0	3,846 retention											
Subject Loss		154.0	Total loss less 3,846 retention											
	Retained	6.9	5% of 137.9 x 3,846											
	Recoverable	(131.0)	95% of 137.9 x 3,846; limit reinstates to 137.9	(131.0)										

Illustration of Utilization of Reinsurance Coverage [a]

The following examples are provided to illustrate Allstate's reinsurance program and should not be relied upon to determine the amount of Allstate's net loss from any actual events that may occur in the future. They are based on hypothetical situations. The actual amounts recoverable under our reinsurance program and the amount of our net loss from any one event or series of events could differ materially from the hypothetical results presented in these examples due to a variety of factors, including the nature and location of the specific losses incurred, the specific lines of business covered by the various reinsurance agreements, and the impact of potential litigation. Reinstatement premiums are not included. Examples reflect the 2019 FL reinsurance program, which will be updated in Q2 2020.

(in millions)

	Amount	Notes								Castle Key Group			
Example 5 - continuation			**Per Occurrence**	**2017-1 Excess**	**2018-1 Excess**	**2019-1 Excess**	**2020-1 A Excess**	**2020-1 B Excess**	**New Jersey**	**Below FHCF**	**FHCF**	**Excess**	**Sanders Re 2017-2**
2017-1 Excess Contract		**375 x 2,750, 100% placed**											
Loss	4,000.0												
Retention	2,750.0	2,750 retention											
Subject Loss	1,250.0	Total loss less 2,750 retention											
Inuring	1,172.3	Recoveries from 7-Year Term Contract 1, Single Year Contract 1, 2019-1, Single Year Contract 2, 2020-1 Class B Excess Contract and 7-Year Term Contract 2											
Deemed	62.5	Less deemed; 5% co-participation x 2,750 retention of reinsurance limits deemed in place under the contract (subject loss of 4,000 - 2,750 * 5%)											
	15.2	Subject loss less inuring and deemed											
Recoverable	(15.2)	Subject loss less inuring and deemed; 359.8 remains for future events		(15.2)									
Texas Loss	**4,000.0**												
Less recoverables	**(3,325.0)**												
Net loss	**675.0**												
Hurricane in Florida													
Below FHCF		**33.8 x 20, 100% placed**											
Loss	600.0												
Retention	20.0	20 retention											
Subject Loss	580.0	Total loss less 20 retention											
Recoverable	(33.8)	100% of 33.8 x 20 retention; limit reinstates to 33.8								(33.8)			
FHCF [b]		**150.8 x 53.8 retention, 90% placed**											
Loss	600.0												
Retention	53.8	53.8 retention											
Subject Loss	546.2	Total loss less 53.8 retention											
Retained	15.1	10% retained on 150.8 limit											
Recoverable	(135.8)	90% of 150.8 x 53.8 retention; limit exhausted									(135.8)		
Excess		**249 x 20 retention; recoveries from Below FHCF and FHCF inure; 100% placed**											
Loss	600.0												
Retention	20.0	20 retention											
Subject Loss	580.0	Total loss less 20 retention											
Inuring Reinsurance	169.6	33.8 recovery from Below FHCF and 135.8 recovery from FHCF inure											
Recoverable	(249.0)	100% of 249 x 20 retention and less inuring reinsurance; limit exhausted										(249.0)	
Sanders Re 2017-2		**200 x 20 retention and x Stated Reinsurance of 438.6; 100% placed**											
Loss	600.0												
Retention	438.6	438.6 retention (20 plus Stated Reinsurance equal to the Below FHCF contract limit of 33.8, the mandatory FHCF limit 90% placed of 135.8, and the Excess contract limit of 249)											
Subject Loss	161.4	Total loss less 438.6 retention											
Recoverable	(161.4)	100% of 161.4 x 20 retention and x stated reinsurance of 438.6; 38.6 limit remains x 20 retention and x remaining stated reinsurance of 33.8											(161.4)
Florida loss	**600.0**												
Less recoverables:													
Below FHCF	**(33.8)**												
FHCF	**(135.8)**												
Excess	**(249.0)**												
Sanders Re 2017-2	**(161.4)**												
Net loss	**20.0**												
Example 5 Total loss	**5,600.0**												
Less net recoverables	**(4,380.0)**		**(3,334.8)**	**(15.2)**		**(300.0)**	**(150.0)**			**(33.8)**	**(135.8)**	**(249.0)**	**(161.4)**
Net loss	**1,220.0**												

Illustration of Utilization of Reinsurance Coverage [(a)]

The following examples are provided to illustrate Allstate's reinsurance program and should not be relied upon to determine the amount of Allstate's net loss from any actual events that may occur in the future. They are based on hypothetical situations. The actual amounts recoverable under our reinsurance program and the amount of our net loss from any one event or series of events could differ materially from the hypothetical results presented in these examples due to a variety of factors, including the nature and location of the specific losses incurred, the specific lines of business covered by the various reinsurance agreements, and the impact of potential litigation. Reinstatement premiums are not included. Examples reflect the 2019 FL reinsurance program, which will be updated in Q2 2020.

(in millions)

Example 6 - First hurricane landfalls in South Carolina, total loss of $1.05 billion; second hurricane landfalls in Texas, total loss of $1.40 billion; 100 severe weather events below the $500 million retention, total loss of $2.80 billion (average catastrophe loss of $28 million per event). (Total loss of $5.25 billion, net loss of $3.65 billion or 69.5% of total loss.)

	Amount	**Notes**								**Castle Key Group**			
			Per Occurrence	**2017-1 Excess**	**2018-1 Excess**	**2019-1 Excess**	**2020-1 A Excess**	**2020-1 B Excess**	**New Jersey**	**Below FHCF**	**FHCF**	**Excess**	**Sanders Re 2017-2**
Hurricane in South Carolina													
Per Occurrence Excess Agreement													
Loss	1,050.0												
Retention	500.0	500 retention											
Subject Loss	550.0	Total loss less 500 retention											
$2.250b xs $500m													
Retained	27.5	5% of 550 subject loss; 5% retention on 2,250 x 500 layers											
Recoverable													
Layer 1 - 2018 & 2019 Contracts		***250 x 500, 63.33% placed***											
	(158.3)	63.33% of 250 x 500, limit reinstates to 250	(158.3)										
Layer 1 - 2020 Contract		***500 x 500, 31.67% placed***											
	(158.4)	31.67% of 500 x 500, limit reinstates to 500	(158.4)										
Layer 2 - 2018 & 2019 Contracts		***250 x 750, 63.33% placed***											
	(158.3)	63.33% of 250 x 750, limit reinstates to 250	(158.3)										
Layer 2 - 2020 Contract		***750 x 1,000, 31.67% placed***											
	(15.8)	31.67% of 50.0 x 1,000, limit reinstates to 750	(15.8)										
Layer 3 - 2018 & 2019 Contracts		***500 x 1,000, 63.33% placed***											
	(31.7)	63.33% of 50.0 x 1,000, limit reinstates to 500	(31.7)										
South Carolina loss	**1,050.0**												
Less recoverables	**(522.5)**												
Net loss	**527.5**												
Hurricane in Texas													
Per Occurrence Excess Agreement													
Loss	1,400.0												
Retention	500.0	500 retention											
Subject Loss	900.0	Total loss less 500 retention											
$2.250b xs $500m													
Retained	45.0	5% of 900 subject loss; 5% retention on 2,250 x 500 layers											
Recoverable													
Layer 1 - 2018 & 2019 Contracts		***250 x 500, 63.33% placed***											
	(158.3)	63.33% of 250 x 500, reinstated limit now exhausted	(158.3)										
Layer 1 - 2020 Contract		***500 x 500, 31.67% placed***											
	(158.4)	31.67% of 500 x 500, reinstated limit now exhausted	(158.4)										
Layer 2 - 2018 & 2019 Contracts		***250 x 750, 63.33% placed***											
	(158.3)	63.33% of 250 x 750, reinstated limit now exhausted	(158.3)										
Layer 2 - 2020 Contract		***750 x 1,000, 31.67% placed***											
	(126.7)	31.67% of 400.0 x 1,000, limit reinstates to 750 (limit of 300 remains)	(126.7)										
Layer 3 - 2018 & 2019 Contracts		***500 x 1,000, 63.33% placed***											
	(253.3)	63.33% of 400.0 x 1,000, limit reinstates to 500	(253.3)										
Texas loss	**1,400.0**												
Less recoverables	**(855.0)**												
Net loss	**545.0**												

Illustration of Utilization of Reinsurance Coverage [(a)]

The following examples are provided to illustrate Allstate's reinsurance program and should not be relied upon to determine the amount of Allstate's net loss from any actual events that may occur in the future. They are based on hypothetical situations. The actual amounts recoverable under our reinsurance program and the amount of our net loss from any one event or series of events could differ materially from the hypothetical results presented in these examples due to a variety of factors, including the nature and location of the specific losses incurred, the specific lines of business covered by the various reinsurance agreements, and the impact of potential litigation. Reinstatement premiums are not included. Examples reflect the 2019 FL reinsurance program, which will be updated in Q2 2020.

(in millions)

	Amount	Notes								Castle Key Group			
Example 6 - continuation			Per Occurrence	2017-1 Excess	2018-1 Excess	2019-1 Excess	2020-1 A Excess	2020-1 B Excess	New Jersey	Below FHCF	FHCF	Excess	Sanders Re 2017-2
Annual Aggregate Excess Agreement													
Loss from Hurricane in South Carolina	1,050.0												
Loss from Hurricane in Texas	1,400.0												
Severe Weather Events < $500 million	2,800.0												
Total loss	5,250.0												
Inuring	1,377.5	Recoveries from Hurricane in South Carolina and Hurricane in Texas											
Net loss applicable to aggregate	3,872.5	Total loss less inuring											
Retention	3,576.0	3,576 annual aggregate retention											
Subject Loss	296.5	Net loss less 3,576 retention											
2019-1 Sanders Re II		**400 x 3,576, 75% placed**											
Retained	74.1	25% of 296.5 x 3,576											
Recoverable	(222.4)	75% of 296.5 x 3,576				(222.4)							
Aggregate Loss	**3,872.5**												
Less recoverables	**(222.4)**												
Net loss	**3,650.1**												
Example 6 Total losses	**5,250.0**												
Less recoverables	**(1,599.9)**		**(855.0)**			**(222.4)**							
Net loss	**3,650.1**												