



The Allstate Corporation

Sanford Bernstein Strategic Decisions Conference

Thomas J. Wilson: Chairman, President, and Chief Executive Officer

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Allstate[®]
You're in good hands.



This presentation contains forward-looking statements and information. Additional information on factors that could cause results to differ materially from those projected in this presentation is available in the 2013 Form 10-K, in our most recent earnings release and at the end of these slides. These materials are available on our website, allstateinvestors.com. This presentation also contains some non-GAAP measures. You can find the reconciliation of those measures to GAAP measures on our website, allstateinvestors.com, under the “Quarterly Investor Info” link.



*We are the **Good Hands**. We help people realize their hopes and dreams through providing the best products and services designed to protect them from life's uncertainties and to prepare them for the future.*

Overview...

- Nation's largest publicly held personal lines insurer
- Broad portfolio of businesses
- Approximately 16 million households
- Allstate: Over 32,000 exclusive agents, financial specialists and licensed sales producers
- Esurance: "Insurance for the modern world"
- Encompass: Mass-affluent package product distributed through independent agencies

2013 Financial Snapshot...

- \$34.5 billion in revenue
- \$ 2.7 billion operating income
- \$81.2 billion investment portfolio
- 14.5% operating income return on equity





Our Strategy is to Provide Competitively Unique Customer Value Propositions to Each Consumer Segment



Key Capabilities Across All Customer Segments

Differentiated Value Propositions for each Consumer Segment

Pricing Sophistication, Analytics and Risk Management

Product and Service Breadth and Innovation

Claims Capabilities and Technology



Proactively responding to a dramatic increase in severe weather and the financial market meltdown has enabled us to focus on driving sustainable growth

Core business has been strengthened

- **Auto profitability maintained**
- **Homeowners underlying combined ratio improved to the low 60s**
- **Repositioned the Property-Liability investment portfolio to lower risk profile**
- **Improved Allstate Financial's returns**
- **Capital restructured to replace senior debt with hybrid debt and perpetual preferred**

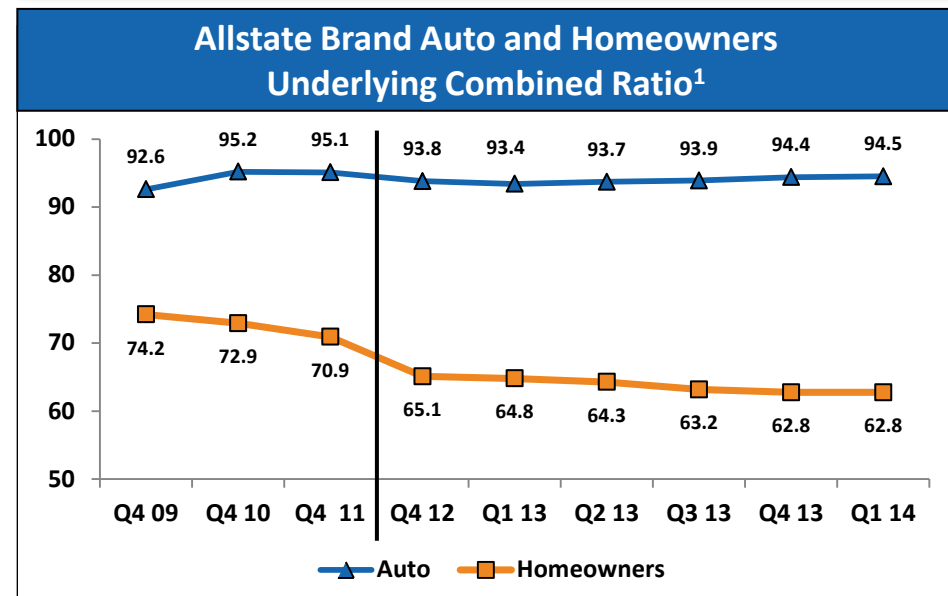
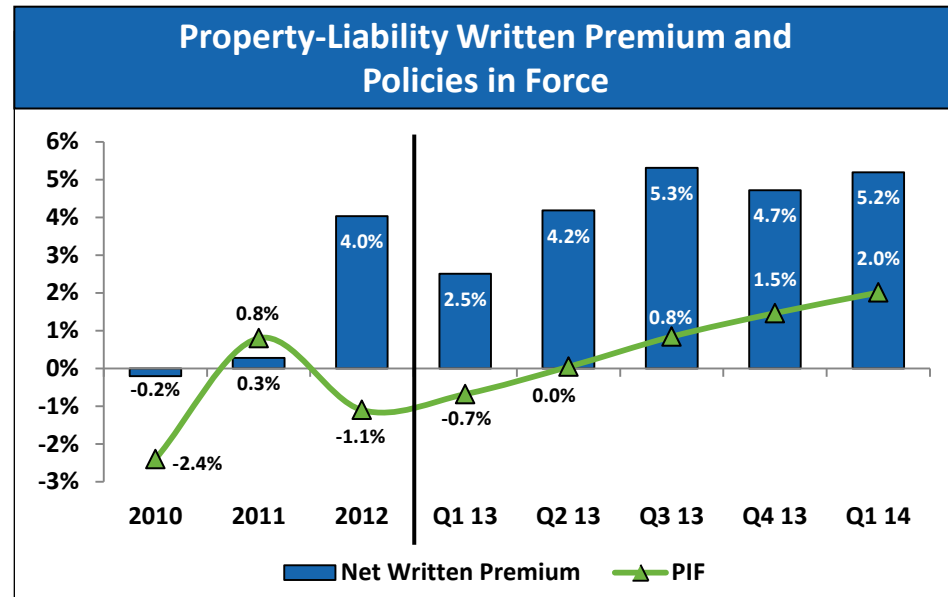
2014 Operating Priorities: Positioning for sustainable growth

- **Grow insurance policies in force**
- **Maintain the underlying combined ratio**
- **Proactively manage our investments to generate attractive risk-adjusted returns**
- **Modernize the operating model**
- **Build long-term growth platforms**



Positive Momentum Has Continued In 2014

- Each brand contributing to growth
 - Allstate brand auto PIF growing over prior year
 - Homeowners rate of decline decreasing; positioned for growth at an acceptable return
 - Esurance, Encompass growth rates expected to slow given profit improvement actions
- Homeowner returns improved significantly while maintaining auto within an expected range of performance
 - Homeowners approaching rate adequacy





Significant Long-Term Growth Potential

Allstate Brand

- **Restructured homeowners business to be a competitive advantage**
- **Expanded agency footprint**
- **Agencies as Trusted Advisors**
- **Telematics expansion: Drivewise**
- **Broader branding: “Bring out the Good”**

Esurance Brand

- **New and expanded branding campaign: “Insurance for the Modern World”**
- **Expanded proprietary product line**

Encompass

- **Strengthen distribution platform through Independent Agencies**

Business to Business

- **Expand Allstate Benefits: 3 million policies**
- **Allstate Business Insurance: Access small business relationships**
- **Good Hands® Roadside Services: 1.7 million customers**
- **Expansion of product offerings**



Allstate is an Attractive Investment Opportunity

- Strategy of offering unique products to four distinct consumer segments
- Focused priorities and a history of delivering on commitments
- Attractive auto and underlying homeowner margins
- Platform for sustainable growth
- Well-established track record of strong cash returns to shareholders
- Valuation continues to have significant upside potential

Strong Cash Returns

Returned nearly \$34 Billion to Shareholders since 1995 Spin-off from Sears

	<u>Cash Returned per Common Share⁽¹⁾</u>	<u>% Returned</u>
Q1 2014	\$2.43	4.5%
2013	\$4.67	9.4%
2012 ⁽²⁾	\$2.94	8.3%
2011	\$2.65	9.2%

Price / Book Multiple⁽³⁾



⁽¹⁾ Share repurchases plus dividends, divided by weighted average shares

⁽²⁾ There were five dividend payments made in 2012

⁽³⁾ Source: Bloomberg



Forward-Looking Statements and Risk Factors

This presentation may contain forward-looking statements about our outlook for the Property-Liability combined ratio excluding the effect of catastrophes, prior year reserve reestimates and amortization of purchased intangible assets for 2014. These statements are subject to the Private Securities Litigation Reform Act of 1995 and are based on management's estimates, assumptions and projections. Actual results may differ materially from those projected based on the risk factors described below.

Premiums written and premiums earned, the denominator of the underlying combined ratio, may be materially less than projected. Policyholder attrition may be greater than anticipated resulting in a lower amount of insurance in force.

Unanticipated increases in the severity or frequency of standard auto insurance claims may adversely affect our underwriting results. Changes in the severity or frequency of claims may affect the profitability of our Allstate Protection segment. Changes in bodily injury claim severity are driven primarily by inflation in the medical sector of the economy and litigation. Changes in auto physical damage claim severity are driven primarily by inflation in auto repair costs, auto parts prices and used car prices. The short-term level of claim frequency we experience may vary from period to period and may not be sustainable over the longer term. A decline in gas prices, increase in miles driven, and higher unemployment are examples of factors leading to a short-term frequency change. A significant long-term increase in claim frequency could have an adverse effect on our underwriting results.

We undertake no obligation to publicly correct or update any forward-looking statements.



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