



Raymond James 32nd Annual Institutional Investors Conference

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The Allstate Corporation



Safe Harbor

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 2010 Form 10-K, and our most recent earnings release, available on our website, allstate.com. This presentation also contains some non-GAAP measures. You can find the reconciliation of those measures to GAAP measures on the Investor Relations portion of our website, allstate.com, under the “Quarterly Investor Info” link.



2010 Results

- **Book value per share improved 14.5% to \$35.32**
 - Shareholders' equity grew to \$19 billion
 - Repurchased shares totaling \$160 million

- **Underlying combined ratio within full year outlook**
 - Growth initiatives accelerated new business throughout the year
 - Renewal rates declined due to profitability actions in several large states
 - Homeowners average premium increased 7%

- **Allstate Financial results improved**
 - 'Focus to Win' cost restructuring completed
 - Winding down Allstate Bank
 - Operating earnings of \$476 million
 - Growth of Allstate Benefits

- **Investment portfolio in a strong position**
 - Held exposure to corporate credit and undervalued structured securities
 - Reduced exposure to municipal fixed income and commercial real estate
 - Hedged against rising interest rates
 - Net investment income down 7.7%

Leading Franchise in Consumer Protection



- **Strong Brand**
- **Comprehensive Distribution**
- **Broad Products and Services**
- **Large Scale**
- **Financial Strength**



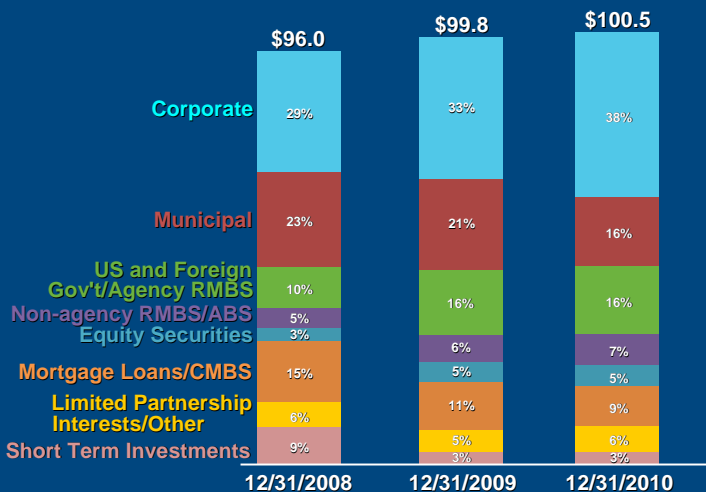
Allstate's Corporate Operating Priorities

- **Consumer focus**
- **Operational excellence**
- **Enterprise risk and return**
- **Capital management**



Investments... Mitigating Risk While Optimizing Returns

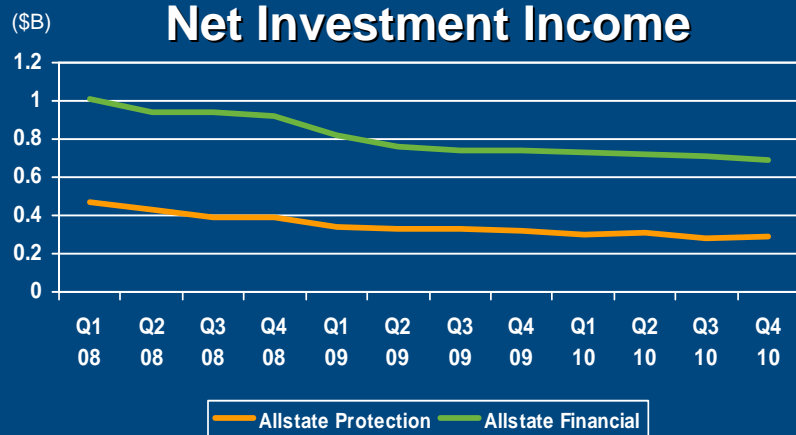
Portfolio



Unrealized Net Capital Gains and Losses

(\$ in millions)	12/31/08	12/31/09	12/31/10
Structured (RMBS, CMBS, ABS)	\$ (4,787)	\$ (2,913)	\$ (916)
Corporate	(3,413)	345	1,395
Municipal	(1,717)	(403)	(267)
Other Fixed Income	1,421	494	614
Total Fixed Income	(8,496)	(2,477)	826
Equities	(332)	179	583
Derivatives and Short-term investments	14	(23)	(22)
Total Unrealized Net Capital Gains (Losses), pre-tax	\$ (8,814)	\$ (2,321)	\$ 1,387
Shadow DAC and DSI and Insurance Reserves	3,122	990	56
Deferred income taxes	1,954	461	(508)
Total Unrealized Net Capital Gains (Losses) after-tax	\$ (3,738)	\$ (870)	\$ 935

Net Investment Income

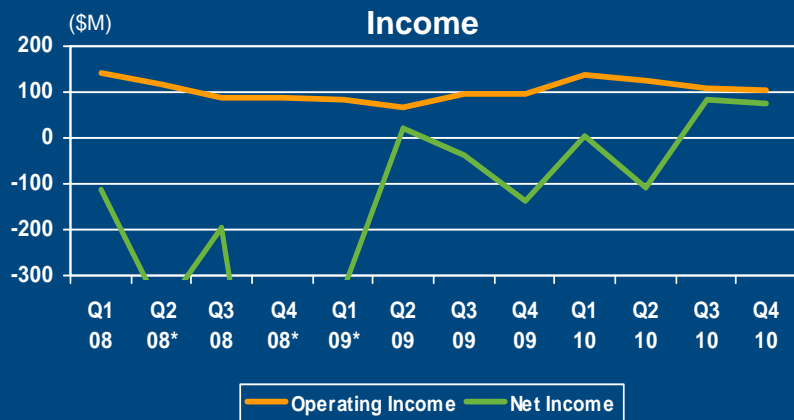
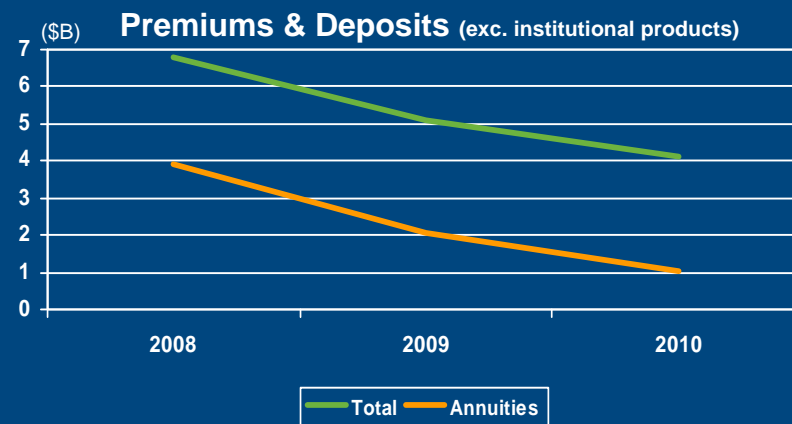
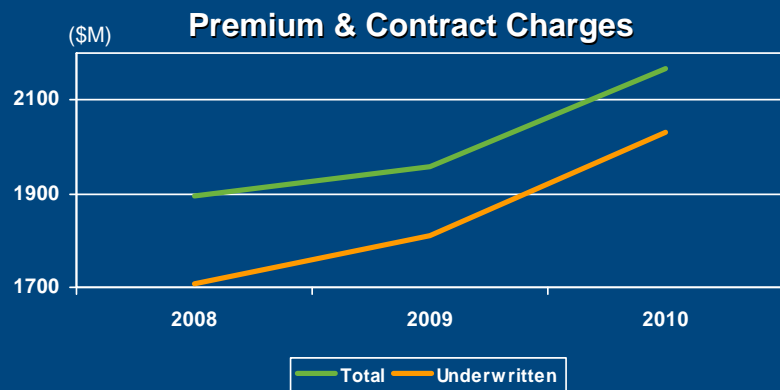


Realized Capital Gains and Losses

(\$ in millions)	12/31/08	12/31/09	12/31/10
Impairments	(1,983)	(1,562)	(797)
Intent	(1,752)	(357)	(204)
Sales	(464)	1,272	686
Derivatives	(794)	205	(601)
LP	(97)	(141)	89
Total, pre-tax	(5,090)	(583)	(827)



Allstate Financial Made Progress on Strategy in 2010

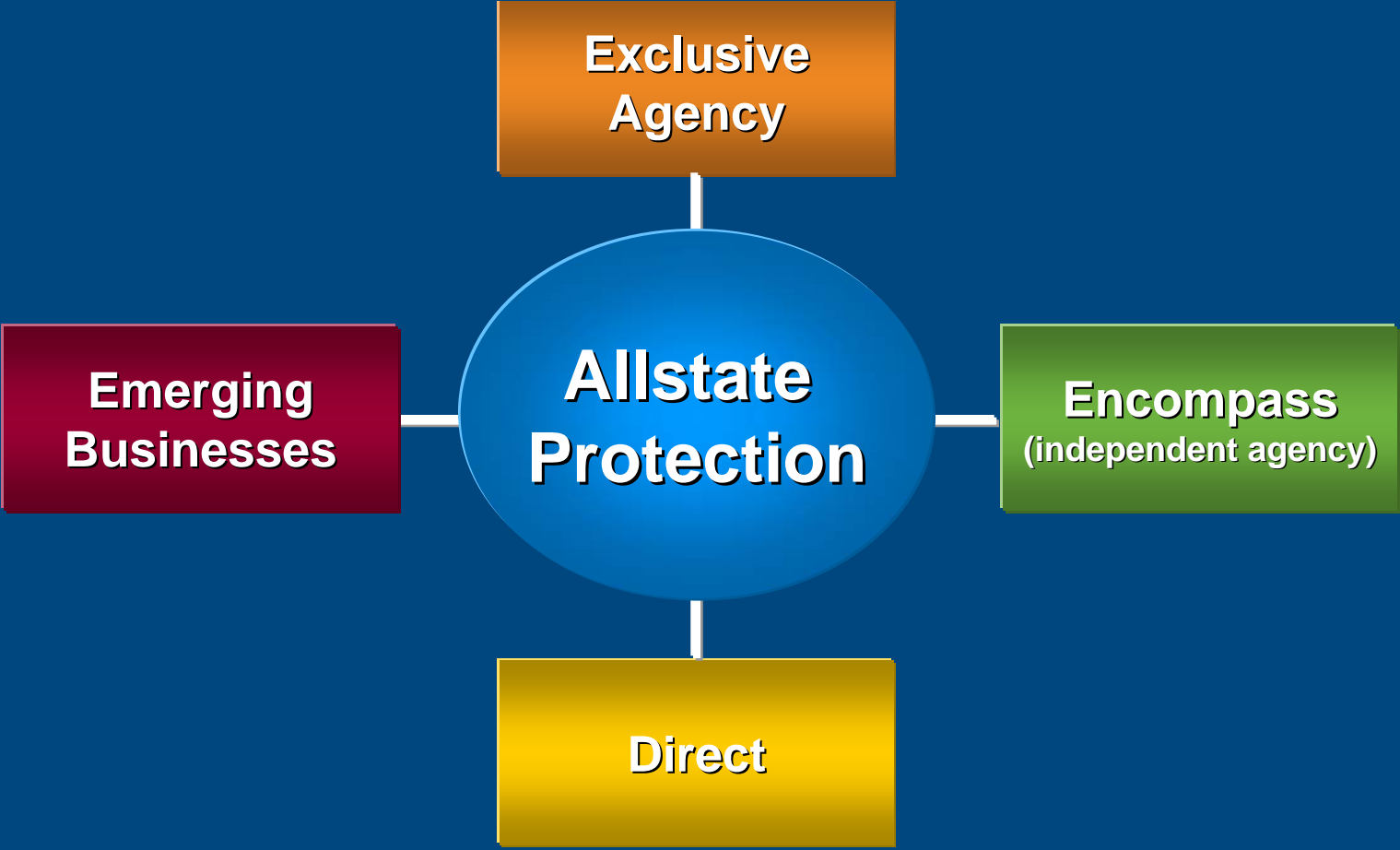


*Q2 08 = -379
Q4 08 = -1035
Q1 09 = -327

- Strategic shift to underwritten products
- Operating income trends have stabilized

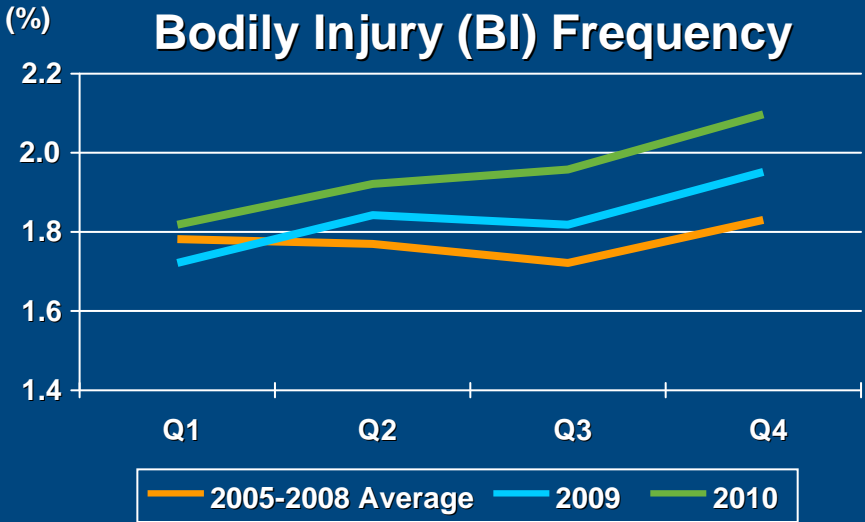


Allstate Protection Businesses

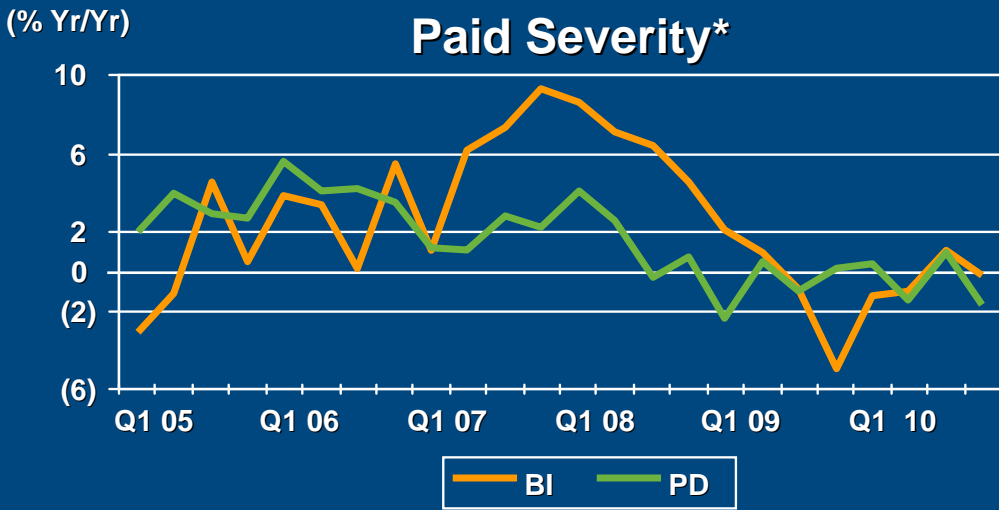
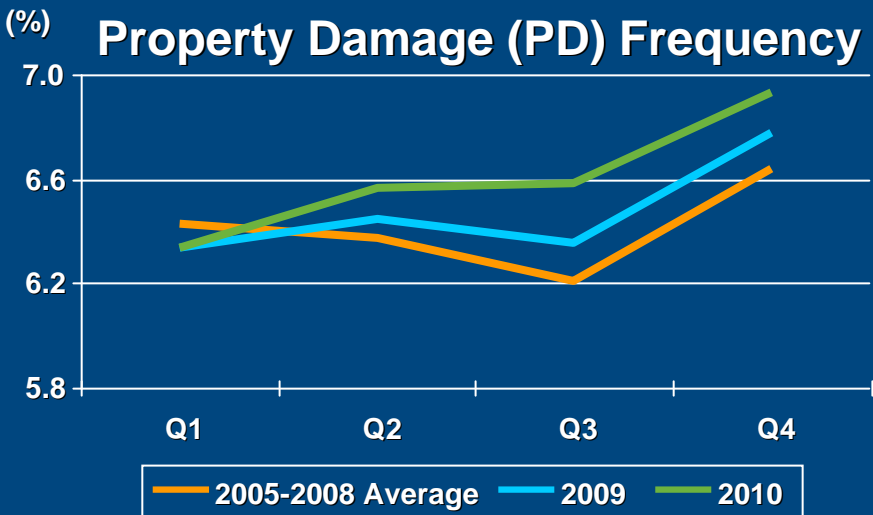




Auto Frequency & Severity Trends



- Frequency highest in last six years
- Severities stable

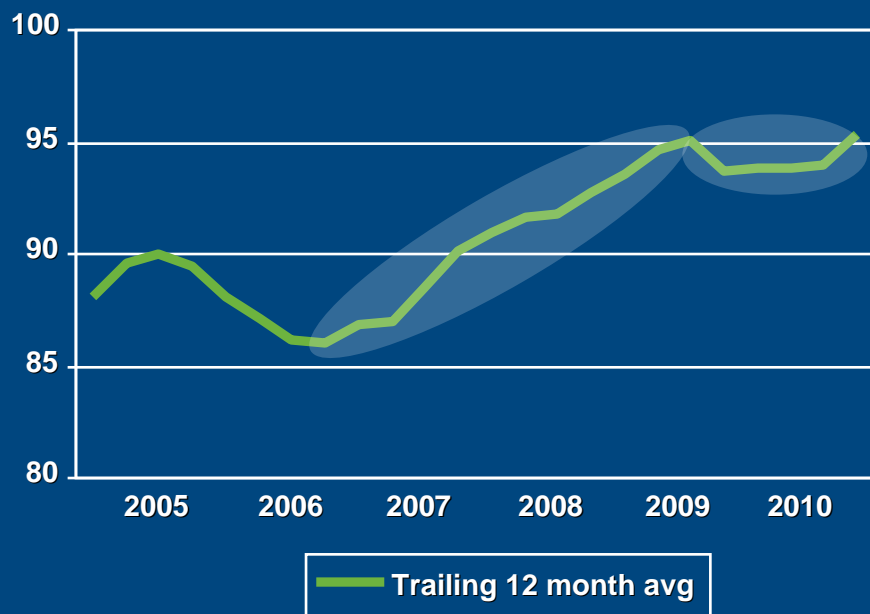


*Paid Severity is for Allstate Brand Total Auto.
Frequency Charts are for Allstate Brand Standard Auto.



Standard Auto Profitability

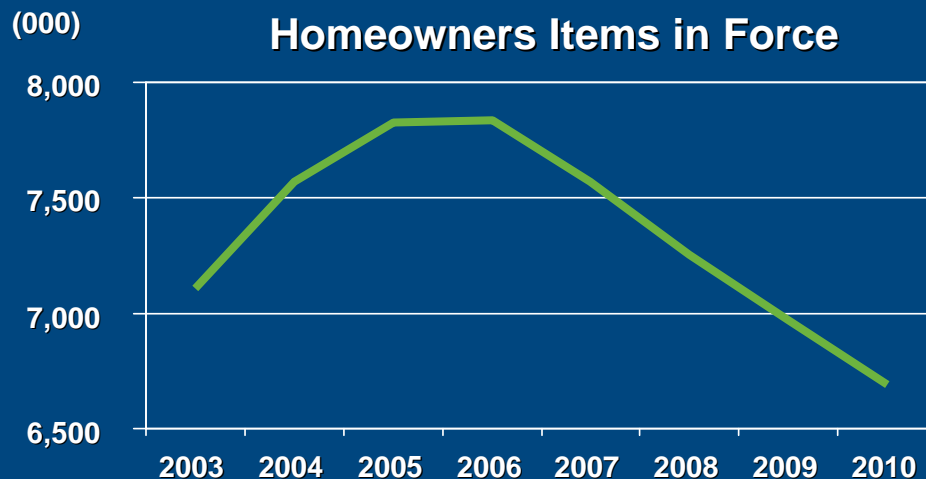
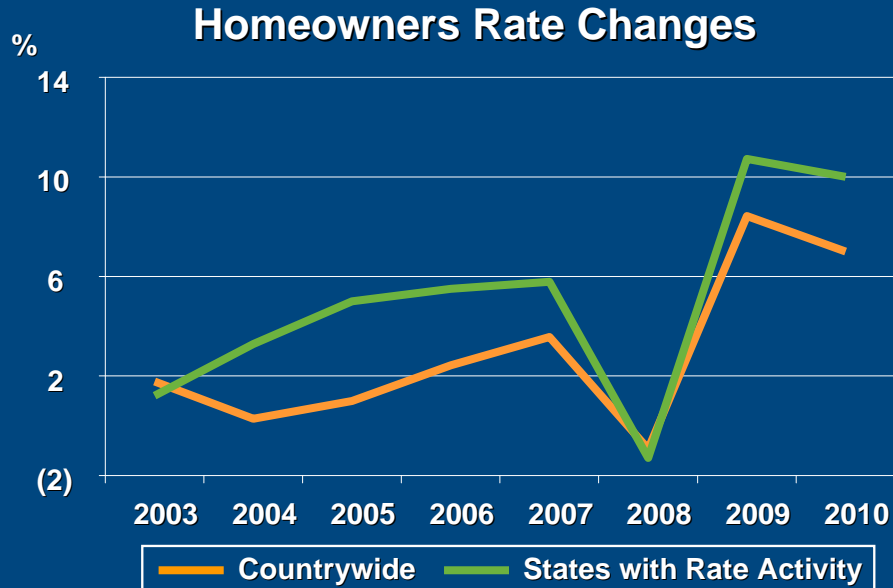
Allstate Brand Standard Auto Combined Ratio



- Combined ratio (trailing 12 month avg) has flattened
- Frequency headwind
- NY and FL injury frequencies pressuring 2010 and 2011
- Committed to maintaining Auto profitability



Improving Profitability and Managing Exposure in Homeowners

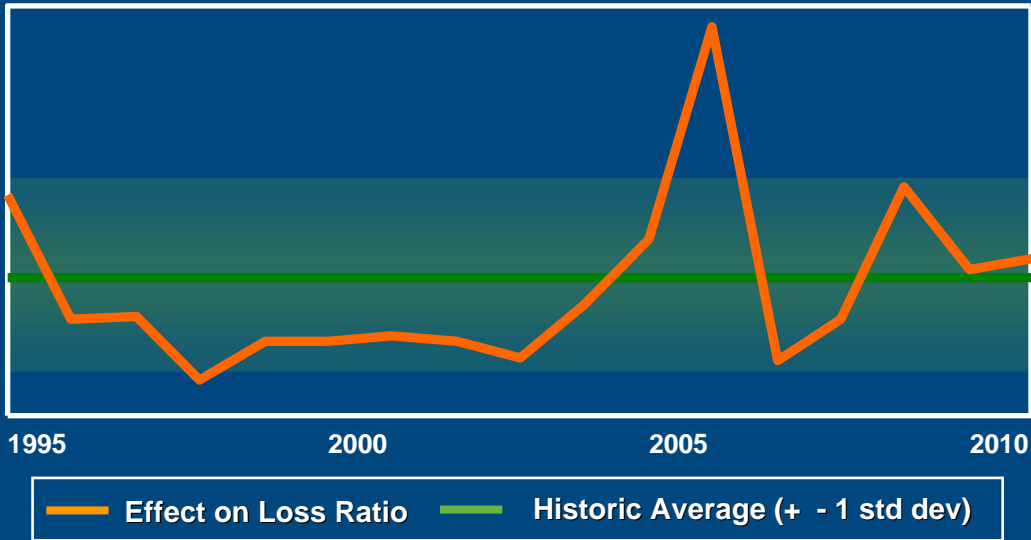


- Increasing rates to improve profitability
- Reducing exposures in high loss areas
- Expanding use of underwriting and coverage tools



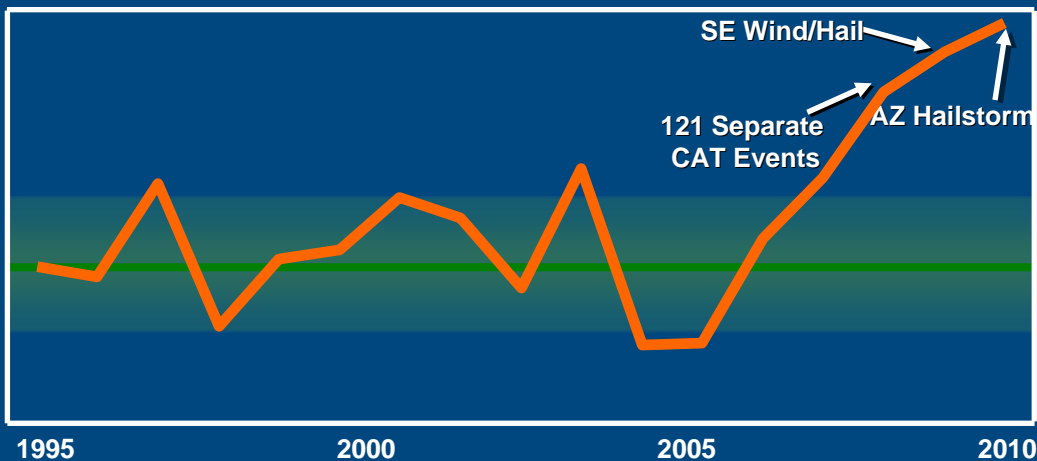
Catastrophe Losses at Historic Levels?

Total Catastrophe Losses



- Recent catastrophe losses within historic range
- CATs x hurricanes & earthquakes well above average; outside historic range
- Pricing and underwriting actions reflect recent trends

Excluding Hurricanes & Earthquakes





Allstate Protection – Priorities

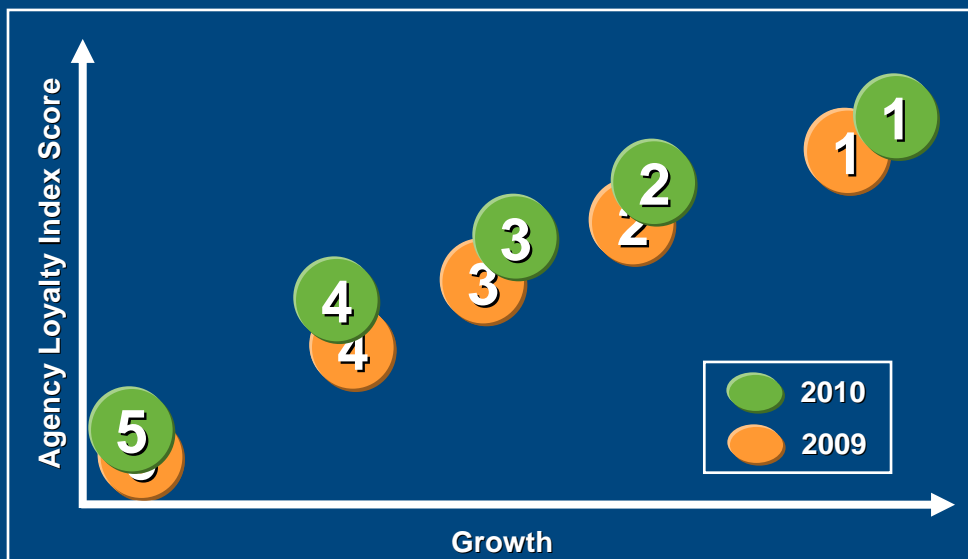
Exclusive Agency

- **Maintain Auto profitability**
- **Improve Homeowners profitability**
- **Position businesses for growth**
 - **Strengthen execution of core value proposition**
 - **Sharpen distribution effectiveness**
 - **Raise customer loyalty**



Improving Distribution Effectiveness

Agency Performance by Agency Loyalty Index Quintile

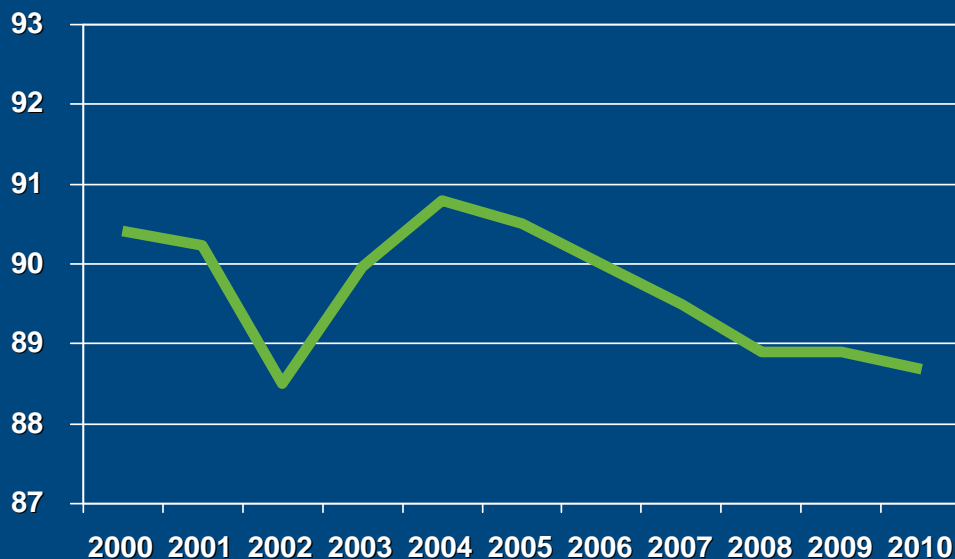


- **Highest groups have excellent results**
 - Growth
 - Retention
 - Cross-sales
 - Allstate Financial production
- **Working to move lower groups upward**
 - Training
 - Incentives
 - Attrition/Replacement



Retention Changes Flattening

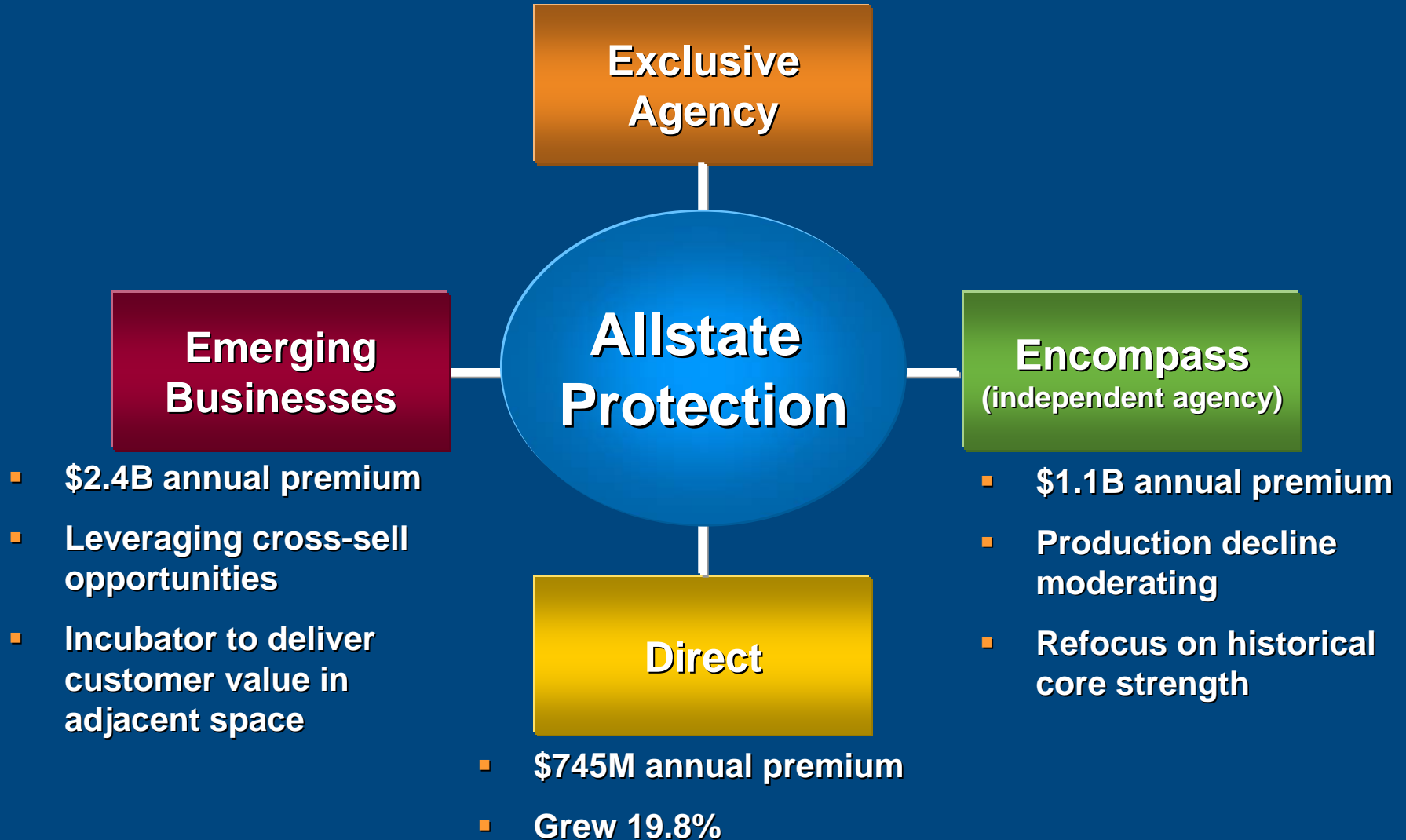
**Allstate Brand
Standard Auto Retention**



- **Active focus on improving retention**
 - Cross-sell
 - Multi-line discounts
 - Sharpen distribution
 - Increase focus on value proposition
- **FL and NY profitability actions have potential to impact aggregate number**



Allstate Protection Businesses





Allstate Protection 2011 Priorities

- **Maintain Auto profitability**
- **Improve Homeowners profitability**
- **Position businesses for growth**
 - Strengthen execution of core value proposition
 - Sharpen distribution effectiveness
 - Raise customer loyalty
- **Continue to strengthen non-exclusive agency businesses**



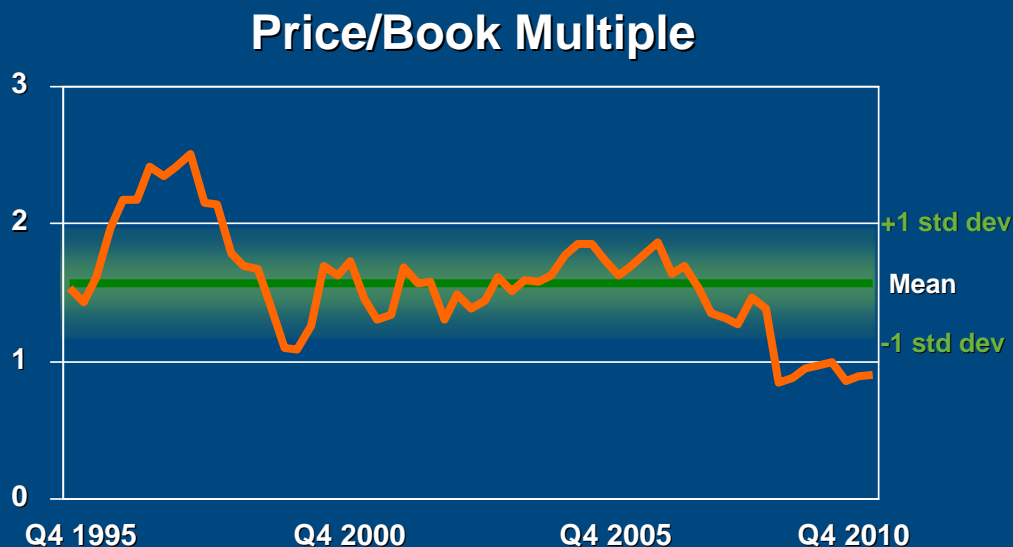
Summary . . . Corporate Priorities for 2011

- **Improve operating results**
- **Grow businesses profitably**
- **Differentiate Allstate from the competition**



Allstate – An Attractive Investment

- **Leading franchise in consumer protection and retirement**
- **Competitively differentiated strategy**
- **History of solid capital management**
- **Valuation has significant upside potential**





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