



The Allstate Corporation

Barclays Global Financial Services Conference

Thomas J. Wilson, Chairman and Chief Executive Officer

September 12, 2017

Allstate[®]
You're in good hands.



Forward-Looking Statements and Non-GAAP Financial Information

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 2016 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, under the “Financials” link.

This presentation also contains some non-GAAP measures that are denoted with an asterisk. You can find the reconciliation of those measures to GAAP measures within our most recent earnings release or investor supplement. These materials are available on our website, allstateinvestors.com, under the “Financials” link.



Allstate Exists to Protect People from Life's Uncertainties

Hurricanes Harvey and Irma are Significant Catastrophes ⁽¹⁾		
	<u>Harvey</u>	<u>Irma</u>
Strength (Category)	4	4
Diameter	200 miles	400 miles
Wind Speed	130 mph	130 mph
Primary Impact	Houston, Texas coast, & Louisiana	Florida, plus(?)
Predominant Loss Types	Flood (Rain) & Wind	Wind & Storm Surge
Total Industry Insurance Losses	NA	NA

- **Allstate has an exceptional record of helping customers after large natural disasters**
 - Resolved 2.6 million catastrophe claims over the past 5 years
 - Deployed over 3,000 people to assist Harvey victims
- **Allstate employs a comprehensive catastrophe reinsurance program**
 - Nationwide Program - \$3.9 billion over \$500 million retention
 - Castle Key Florida Property Agreement - \$638 million over \$20 million retention
 - Florida and Southeast States Automobile Contract - \$200 million over \$300 million retention
- **Homeowners business generated \$5.6 billion of underwriting profit over the last 5 years despite \$7.6 billion of catastrophe losses⁽²⁾**

(1) National Hurricane Center and the National Weather Service (NOAA) (2) Five years ending 6/30/17
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Loss Impact From a Major Hurricane Mitigated by Extensive Reinsurance Program

Illustrative Purposes Only ⁽¹⁾

	Example 1: Florida Only			Example 2: North Carolina & South Carolina		
	Property ⁽²⁾	Auto	Total	Property	Auto	Total
Industry Insured Loss (\$B)	\$40	\$10	\$50	\$40	\$10	\$50
Personal Lines Industry Insured Loss (\$B) ⁽³⁾	\$20	\$5	\$25	\$20	\$5	\$25
Market Share ⁽⁴⁾	1.9%	10.7%		8.7%	10.8%	
Hypothetical Allstate Gross Loss (\$M)	\$380	\$535	\$915	\$1,735	\$539	\$2,274
Reinsurance Recoverable (\$M)			\$582			\$1,685
<i>Nationwide Program:</i>	-	\$22	\$22	-	-	\$1,685
<i>Florida Property Agreement:</i>	\$360	-	\$360	-	-	-
<i>Florida / Southeast Auto Contract:</i>	-	\$200	\$200	-	-	-
Net Loss (\$M, pre-tax)			\$333			\$589
Net Loss (\$M, after-tax)			\$216			\$383

(1) These 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 have occurred or 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. These examples also exclude premiums related to the reinstatement of limits on reinsurance contracts.

(2) Castle Key is a separate subsidiary that underwrites homeowners insurance in Florida. Property losses also include Encompass and Esurance policies.

(3) Allstate or Castle Key's reinsurance program does not cover commercial lines catastrophe losses.

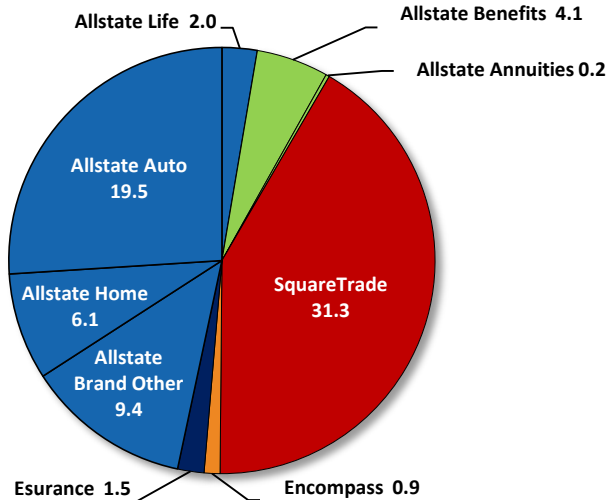
(4) Allstate or Castle Key's market share is calculated based on the weighted average of the states included in each example as of year-end 2016. Homeowners market share used as a proxy for property.



Allstate's Broad-Based Business Model is Built on Core Strengths

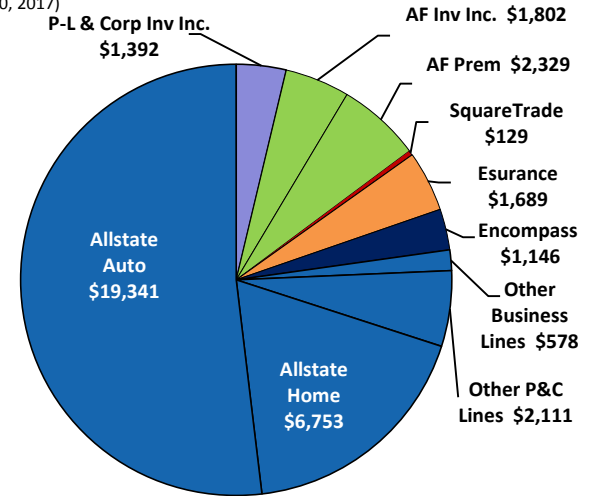
Policies in Force - 75.0 Million

(in millions, as of 6/30/17)



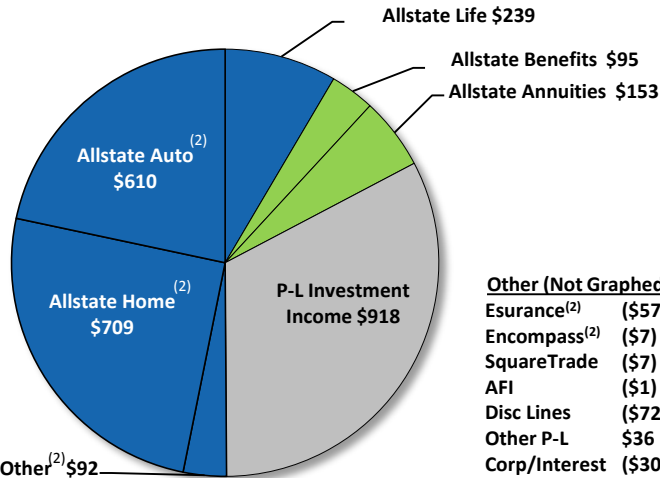
Revenue (Ex. RCGL) - \$37.3 Billion

(\$M, TTM⁽¹⁾ June 30, 2017)



Operating Income* - \$2.4 Billion

(\$M, TTM⁽¹⁾ June 30, 2017)



Other (Not Graphed)

Esurance ⁽²⁾	(\$57)
Encompass ⁽²⁾	(\$7)
SquareTrade	(\$7)
AFI	(\$1)
Disc Lines	(\$72)
Other P-L	\$36
Corp/Interest	(\$309)

Return on Common Shareholders' Equity

(TTM⁽¹⁾)

6/30/17

Net Income	13.1%
Operating Income*	13.5%

(1) Trailing Twelve Months (2) Represents underwriting income excluding the amortization of purchased intangibles, after-tax



Current Results

2017 Operating Priorities

- Better serve our customers
- Achieve target economic returns on capital
- Grow customer base
- Proactively manage investments
- Build long-term growth platforms

Continually Strengthen Existing Business Models

- Allstate agencies – trusted advisors
- Esurance portfolio expansion
- Integrated digital enterprise
- Telematics – DriveWise and DriveSense

Create New Growth Platforms

- Allstate Benefits
- Arity
- SquareTrade



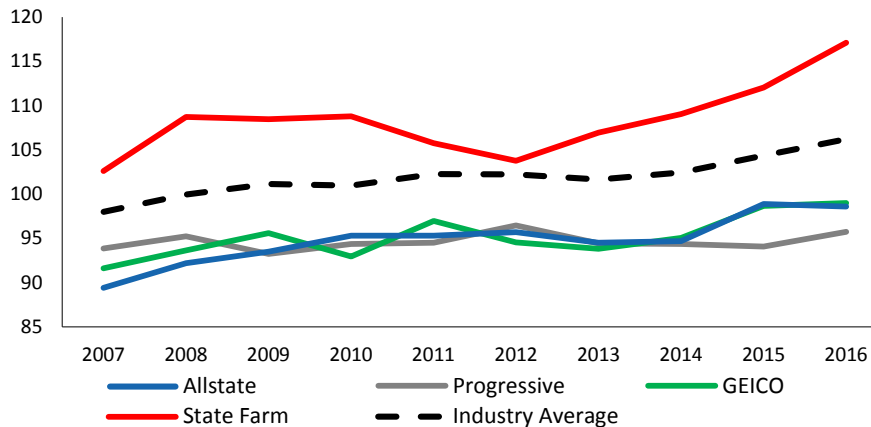
Allstate Auto Insurance Returns to Historical Margins

Current Results

Strengthen Existing Business

Create Growth Platforms

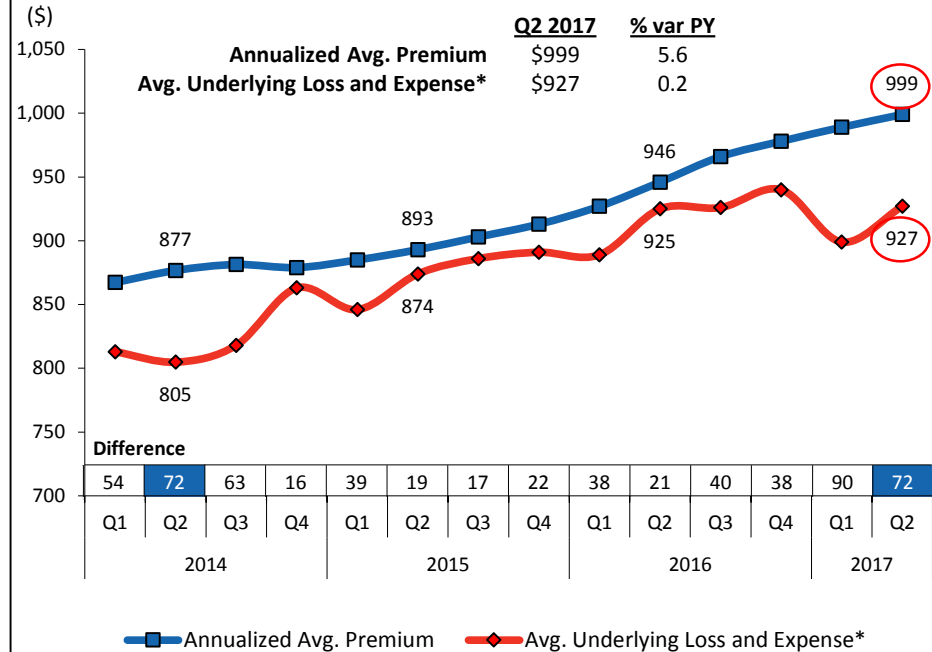
Auto Insurance Combined Ratios⁽¹⁾ (2007 – 2016)



Cumulative Underwriting

	(\$billions)	
<u>Income (Loss)</u>	<u>5 year</u>	<u>10 year</u>
Allstate	\$3.0	\$8.8
State Farm	(\$18.3)	(\$28.9)
Industry	(\$36.6)	(\$41.0)

Adaptation to Higher Accident Frequency – Allstate Brand Auto



- Allstate branded auto insurance average premiums increased by 11% from 2014 to 2016 in early response to increased frequency of auto losses
 - Negative impact on overall policy count
 - Profitability returned to historical levels
 - Comprehensive Allstate brand growth plan being deployed

⁽¹⁾ Industry and Competitor information: Statutory results per SNL; Allstate information: GAAP results per Investor Supplement
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Allstate Continually Strengthens Existing Business Models

Current Results

Strengthen Existing Business

Create Growth Platforms

Initiative

Allstate Agencies as Trusted Advisors

Purpose

Improve agency role in customer value proposition

Progress

- 4.5 million personalized proposals sent

Integrated Digital Enterprise

Improve customer experience and produce efficiency gains

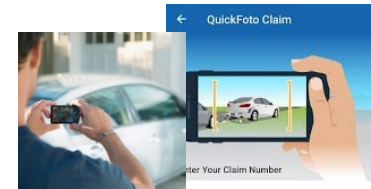
- Auto claims handled by digital operating centers

Claims Transformation

Allstate Drive-in



QuickFoto Claim



Telematics

**Allstate - Drivewise
Esurance - DriveSense**

Approach

Continuous connections using OBD-II port and mobile phones

Benefits

- More accurate individual insurance pricing
- Improve driving experience
- 1 million connections



Long-Term Growth Opportunities Created from Restructuring of the Personal Transportation System

Current Results

Strengthen Existing Business

Create Growth Platforms

Autonomous Vehicles

Personal Transportation System

Vehicles [~240 million¹]

Value of Fleet [~\$4 trillion²]

Annual Direct Costs [~\$2.1 trillion³]

Annual Indirect Costs [~\$1 trillion³]

Total Utilization [~4%⁴]

Peak Hours Utilization [~33%⁵]

**U.S. Personal Household Income Increases By 5%
(\$3,000 per year) with a 20% Efficiency Gain**

¹DOT, 2015; includes cars and light duty trucks; ²\$16,800 value per car (USA Today, 2014) x 240M; ³Allstate Analysis; ⁴Morgan Stanley "Auto & Auto-Related", 2015; ⁵NHTS, 2009;



- Allstate is combining its assets and capabilities with technology advances to enhance its business model and build a connected car strategic platform

Value Creation

1

Insurers

Improve pricing sophistication and offer basic connected services for auto insurance

2

Consumers

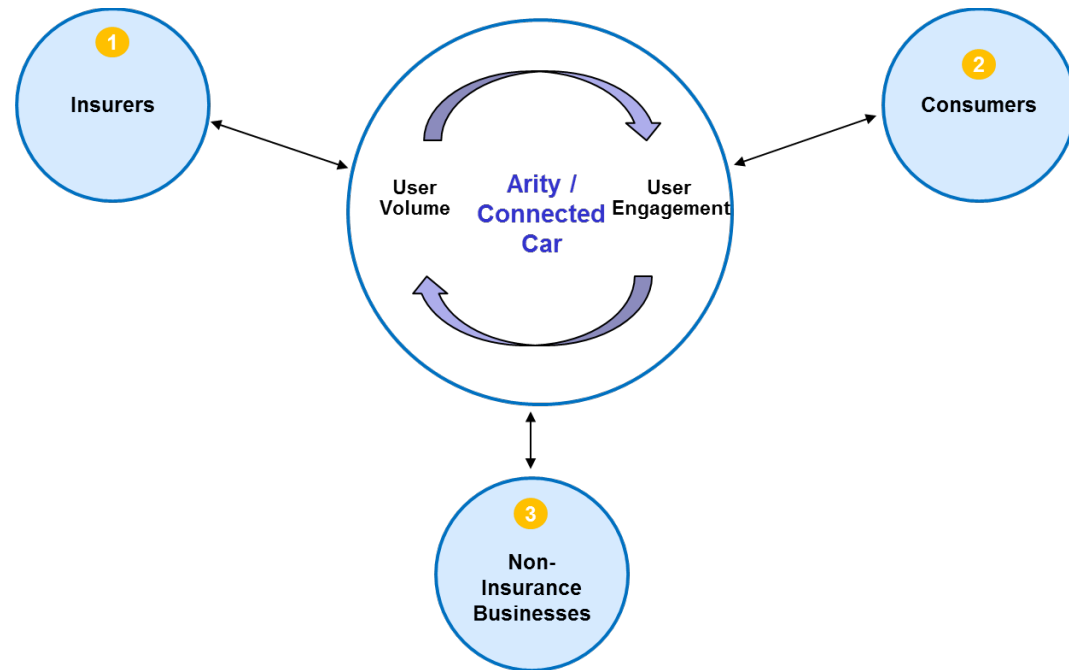
Safety, assistance, diagnostics (e.g., roadside assistance, car health insights)

3

Non-Insurance Businesses

Public sector and transportation analytics

Customer Interaction





- **Strategy focused on value creation across time horizons**
 - **Current results**
 - **Continuously strengthening existing business models**
 - **Create new growth platforms**

- **Excellent capital management**
 - **Continued capital strength and financial flexibility**
 - **Debt-to-Capital ratio⁽¹⁾ – 22.8%**
 - **Significant dividends and share repurchases**
 - **Dividend yield – 1.6%**
 - **Repurchased 20.6% of shares outstanding in last 3 years⁽²⁾ (\$5.97 billion)**

- **Attractive risk adjusted shareholder returns**

(1) As of 6/30/17 (2) Three years ending 6/30/17



Forward-Looking Statements

This presentation 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 include risks related to: (1) adverse changes in the nature and level of catastrophes and severe weather events; (2) our catastrophe management strategy on premium growth; (3) unexpected increases in the frequency or severity of claims; (4) regulatory changes, including limitations on rate increases and requirements to underwrite business and participate in loss sharing arrangements; (5) impacts from the Covered Agreement, including possible new capital and solvency regulations and changes in state insurance laws; (6) the cyclical nature of the property and casualty business; (7) market convergence and regulatory changes on our risk segmentation and pricing; (8) reestimates of reserves for claims; (9) adverse legal determinations regarding discontinued product lines and other legal and regulatory actions; (10) changes in underwriting and actual experience; (11) changes in reserve estimates for life-contingent contract benefits payable; (12) the influence of changes in market interest rates or performance-based investment returns on spread-based products; (13) changes in estimates of profitability on interest-sensitive life products; (14) reducing our concentration in spread-based business and exiting certain distribution channels; (15) changes in tax laws; (16) our ability to mitigate the capital impact associated with statutory reserving and capital requirements; (17) a decline in Lincoln Benefit Life Company’s financial strength ratings; (18) market risk and declines in credit quality relating to our investment portfolio; (19) our subjective determination of the fair value of our fixed income and equity securities and the amount of realized capital losses recorded for impairments of our investments; (20) competition in the insurance industry; (21) impacts of new or changing technologies on our business; (22) conditions in the global economy and capital markets; (23) losses from legal and regulatory actions; (24) restrictive regulation and regulatory reforms; (25) the availability of reinsurance at current levels and prices; (26) risk of our reinsurers; (27) our participation in state industry pools and facilities; (28) a downgrade in our financial strength ratings; (29) the effect of adverse capital and credit market conditions; (30) failure in cyber or other information security; (31) the impact of a large scale pandemic, the threat or occurrence of terrorism or military action; (32) acquisitions of businesses; (33) possible impairments in the value of goodwill; (34) changes in accounting standards; (35) the realization of deferred tax assets; (36) restrictions on our subsidiaries’ ability to pay dividends; (37) restrictions under the terms of certain of our securities on our ability to pay dividends or repurchase our stock; (38) changing climate and weather conditions; (39) loss of key vendor relationships or failure of a vendor to protect confidential and proprietary information; and (40) intellectual property infringement, misappropriation and third party claims. Additional information concerning these and other factors may be found in our filings with the Securities and Exchange Commission, including the “Risk Factors” section in our most recent annual report on Form 10-K. 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.



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