



## The Allstate Corporation

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Raymond James Institutional Investors Conference

Mario Rizzo, Chief Financial Officer

March 4, 2019

**Allstate**<sup>®</sup>  
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 2018 Form 10-K, in our most recent earnings release, and at the end of these slides. These materials are available on our website, [www.allstateinvestors.com](http://www.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, [www.allstateinvestors.com](http://www.allstateinvestors.com), under the “Financials” link.



# Allstate Protecting People from Life's Uncertainties

## Grow Personal Property-Liability Market Share



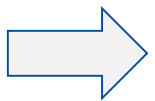
- 4 Customer Segments
- Differentiated Products and Brands
- Analytical Expertise
- Telematics
- Integrated Digital Enterprise



Brands, Customers, Investment Expertise, Distribution and Capital

## Expand Protection Businesses

- Life Insurance
- Workplace Benefits (Allstate Benefits)
- Protection Plans (SquareTrade)
- Transportation Network Companies (Allstate Business Insurance)
- Identity Protection (InfoArmor)



## Innovation

- Top 10 ranking amongst 751 companies – WSJ / Drucker Institute
- 50 Companies Changing the World – Fortune
  - Telematics
  - Integrated Digital Enterprise (QuickFoto Claim®)

## Shareholder Value

- Customer Satisfaction
- Unit Growth
- Attractive Returns on Capital
- Sustainable Profitability
- Diversified Business Platform



# Allstate Delivers Strong Growth and Attractive Returns in 2018

- Allstate continues to deliver strong operating results while building the future
- Achieved all five 2018 Operating Priorities
- Adjusted net income return on equity\* of 14.8% for 2018

	Twelve months ended December 31,		
	2018	2017	Change
<i>(\$ in millions, except per share data and ratios)</i>			
<b>Total revenues</b>	\$39,815	\$39,407	1.0%
<b>Total revenues (excl. realized capital gains and losses)</b>	40,692	38,962	4.4%
<b>Property-Liability insurance premiums</b>	32,950	31,433	4.8%
<b>Net investment income</b>	3,240	3,401	(4.7)%
<b>Realized capital gains and losses</b>	(877)	445	NM
<b>Income applicable to common shareholders:</b>			
<b>Net income</b>	2,104	3,073	(31.5)%
<i>per diluted common share</i>	5.96	8.36	(28.7)%
<b>Adjusted net income*</b>	2,851	2,467	15.6%
<i>per diluted common share*</i>	8.07	6.71	20.3%
<b>Return on common shareholders' equity (trailing twelve months)</b>			
<b>Net income applicable to common shareholders</b>	10.5%	15.5%	(5.0) pts
<b>Adjusted net income*</b>	14.8%	13.4%	1.4 pts

NM = not meaningful



# Property-Liability Results Remain Strong

- Written premium increased 6.0% in 2018 from growth in Allstate and Esurance brands
- Underlying combined ratio\* of 85.8 in 2018 within revised annual outlook range
- Allstate brand auto insurance policies increased while maintaining underlying margins
- Allstate brand homeowners grew policies while continuing to generate attractive returns
- Esurance growth accelerated; Encompass premium stabilizing

Property-Liability Results		
	2018	Var PY
<i>(\$ in millions)</i>		
Net Premiums Written	\$33,555	6.0%
Underwriting Income	2,097	4.2%
Policies in Force	33,264	2.4%
<i>(% to premiums earned)</i>		
Loss Ratio	68.2	(0.4) pts
Expense Ratio	25.4	0.4 pts
Combined Ratio	93.6	0.0 pts
Underlying Combined Ratio*	85.8	0.9 pts

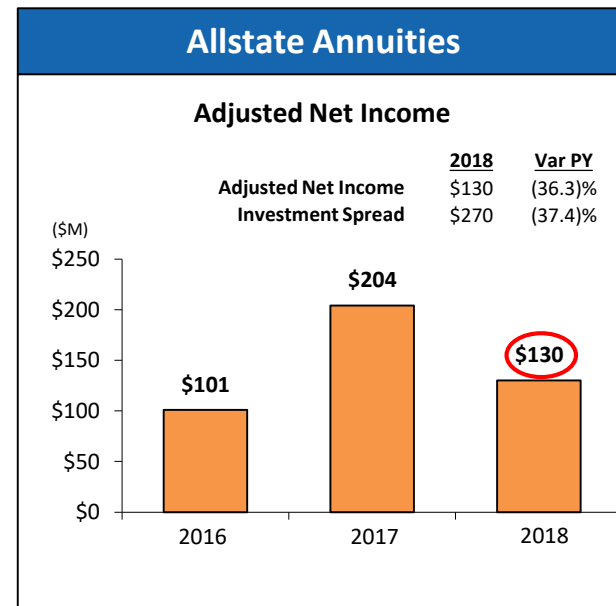
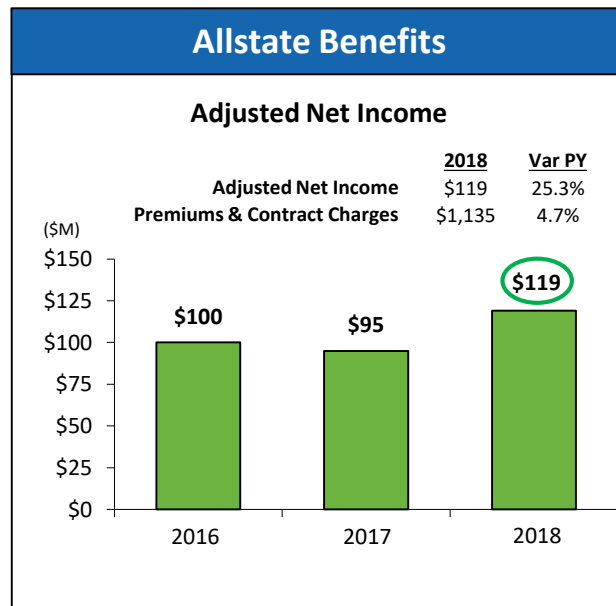
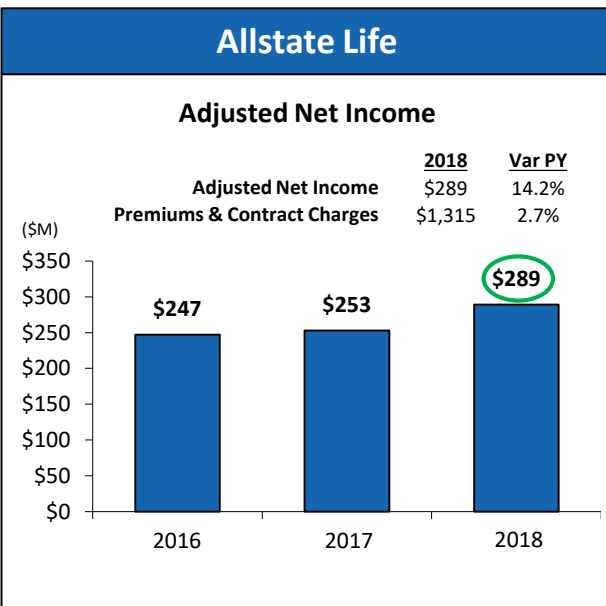
Results by Brand		
	2018	Var PY
<i>(\$ in millions)</i>		
Net Premiums Written		
Allstate Brand Auto	\$20,991	5.7%
Allstate Brand Homeowners	\$7,199	4.9%
Esurance Brand	\$1,948	12.7%
Encompass Brand	\$1,016	(1.8)%
Underwriting Income		
Allstate Brand Auto	\$1,681	26.3%
Allstate Brand Homeowners	\$472	(34.9)%
Esurance Brand	\$(25)	NM
Encompass Brand	\$13	NM

NM = not meaningful



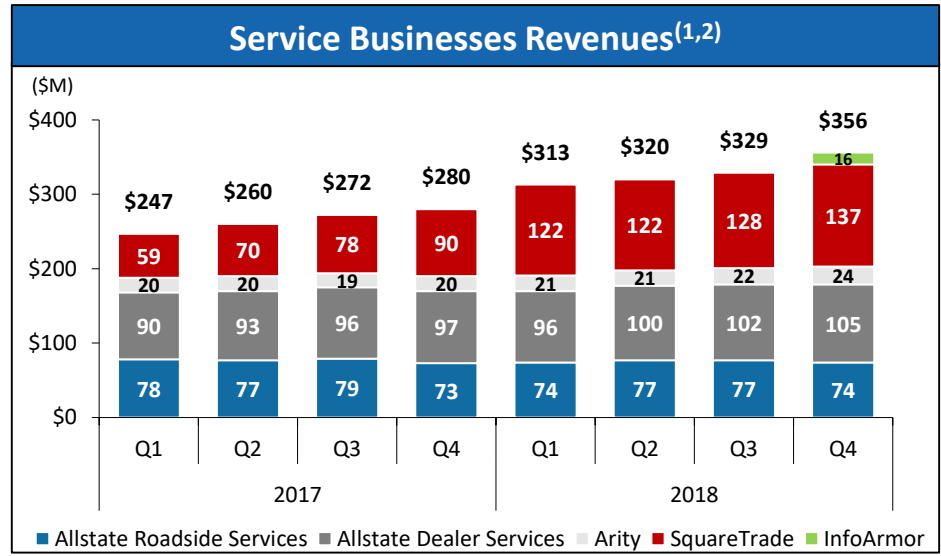
# Allstate Life and Benefits Generated Attractive Returns; Allstate Annuities Impacted by Lower Performance-based Investment Income

- Allstate Life adjusted net income was higher in 2018 as a lower effective tax rate and higher premiums more than offset higher contract benefits
- Allstate Benefits adjusted net income was higher in 2018 due to increased premiums and a lower effective tax rate
- Allstate Annuities adjusted net income was impacted by lower performance-based investment income





# Service Businesses Rapidly Growing; Completed Acquisition of InfoArmor



### Service Businesses Results

(\$ in millions)	2018	Var PY
<b>Revenues<sup>(1,2)</sup></b>	<b>\$1,318</b>	<b>24.5%</b>
<b>Adjusted Net Income</b>	<b>\$2</b>	<b>\$61</b>
SquareTrade	\$23	\$45
Arity	\$(14)	\$1
InfoArmor	\$1	NA
Allstate Roadside Services	\$(23)	\$(3)
Allstate Dealer Services	\$15	\$17
<b>Policies in Force (in thousands)</b>	<b>74,187</b>	<b>70.5%</b>

NA = not applicable

- **Policies in force grew to 74.2 million, 68% organic growth in 2018, led by SquareTrade**
- **Accelerated expansion into identity protection by completing acquisition of InfoArmor, adding over 1 million policies in force**

<sup>(1)</sup> Service Businesses revenues include insurance premiums, intersegment insurance premiums and service fees, net investment income, other revenue and realized capital gains (losses). Intersegment insurance premiums and service fees are primarily related to Allstate Roadside Services and Arity and are eliminated in the consolidated financial statements.

<sup>(2)</sup> As a result of the adoption of the revenue from contracts with customers accounting standard on January 1, 2018, SquareTrade recognized \$21 million, \$24 million, \$26 million and \$30 million in the fourth, third, second and first quarter of 2018, respectively, of net premiums earned with a corresponding increase in amortization of deferred policy acquisition costs related to protection plans sold directly to retailers prior to January 1, 2018, for which SquareTrade is deemed to be the principal in the transaction.



# Allstate Has Nine Years of Telematics Experience with Customer Value Propositions Across Our Brands

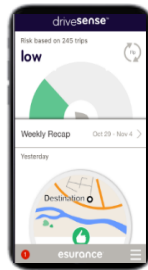
Customer experience with built-in tools and insights to encourage safety and savings

**drivewise**  
from Allstate



49 states + D.C.

**drivesense**  
from esurance



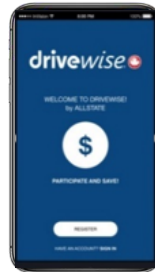
32 states

**Encompass**  
Creating protection around you



4 states

**drivewise**  
My\_BRIDGE™

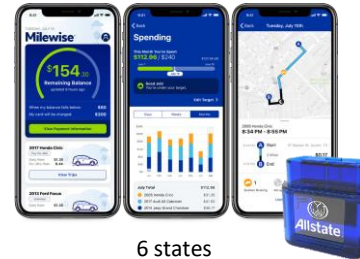


4 Canadian provinces

- Discounts for participation and/or safe driving
- Connection provides post-trip driving feedback, historical view of driving and safe-driving tips

Upgraded customer experience providing control, transparency and personalization

**Milewise**  
from Allstate

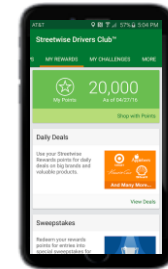


6 states

- Control and transparency of insurance costs with option to pay per mile
- Connection enables personalization of experience with additional features, including vehicle diagnostics

Consumer mobile app targeting insurance prospects through driving behavior

**streetwise**  
drivers club



50 states + D.C.

- Identification of better risks
- Provides feedback on driving behavior and rewards for reaching driving milestones

**arity**  
founded by Allstate

- Telematics service provider for Allstate telematics programs
- Continual development of telematics capabilities and features

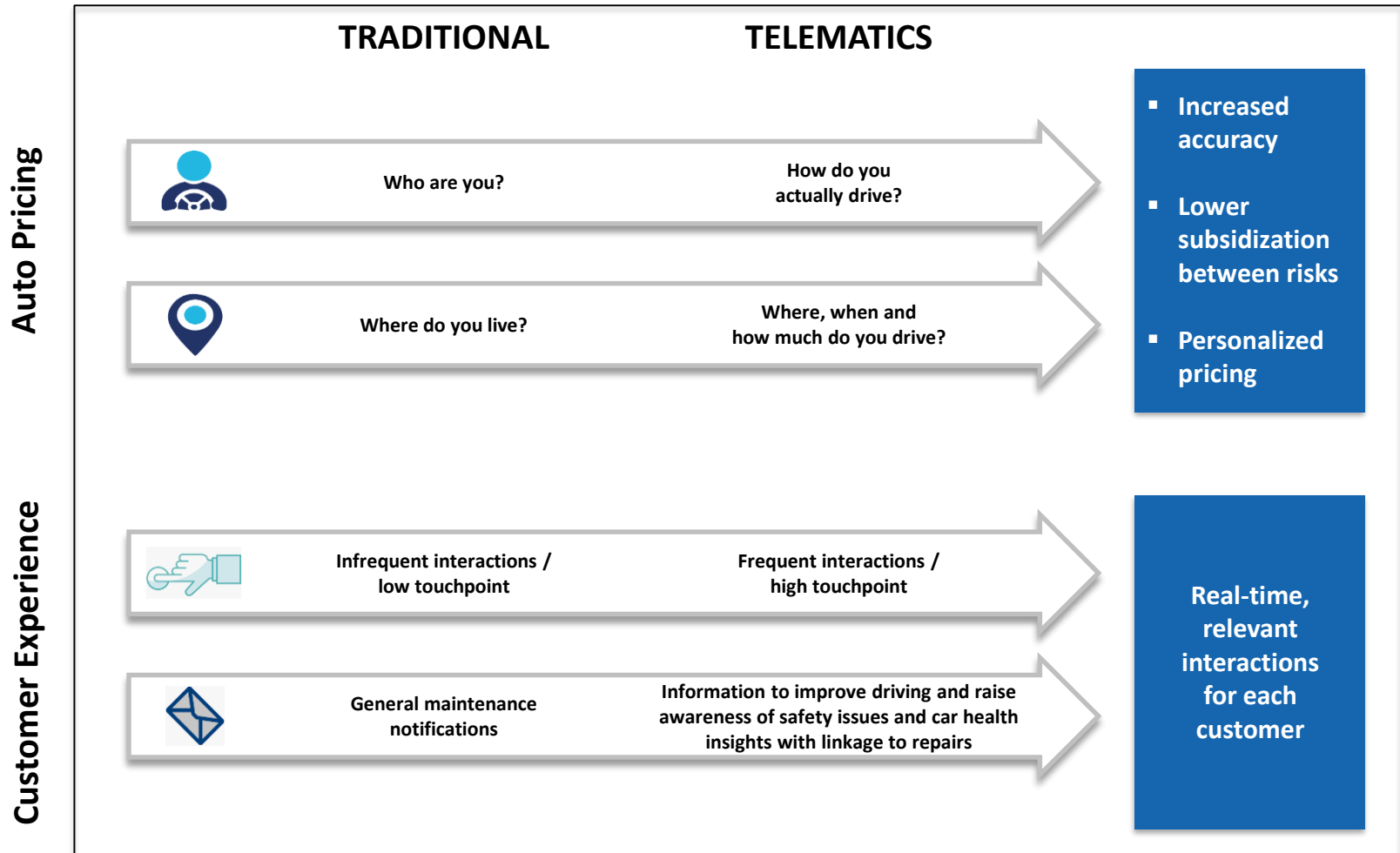
\* States and Canadian provinces as of year-end 2018.





# Drivewise/DriveSense Products Use Advanced Pricing Sophistication and Improve the Customer Experience

- Customers are getting increasingly more comfortable with telematics, particularly when they see value in the connection





## Allstate Created Arity as an Independent Platform Company

- **Strategic platform is a system of capabilities, assets, information and shared intelligence**
- **Platform businesses generate high economic returns**
- **The transportation system can benefit from a telematics/scoring platform**
  - **Companies can increase their speed to market**
  - **Data sharing will result in network effects**
  - **Companies can refine and customize their models to specific business needs**
  - **Lower costs of collecting information**

### Arity Platform by the Numbers

- **12.5 million active telematics connections**
- **Over 300 driving trips analyzed every second**
- **Proprietary driving score including distracted driving approved for use by insurers in 32 states**
- **Licensed to operate as a Ratings Services Organization**
- **85 billion miles of driving data analyzed through 2018, with 10 billion more added each month**





## Building an Integrated Digital Enterprise (IDE) to profitably deliver innovative products and services to exceed customer needs, leveraging existing assets and capabilities

### Data & Analytics

- Sophisticated pricing expertise
- Enterprise risk management
- Effective and efficient claims settlements

### Advanced Technology

- Infrastructure simplification
- Telematics – connected car
- Enterprise digitization
- Process redesign

### Claims IDE Snapshot

#### Virtual Estimating

**QuickFoto Claim®**  
*Enables customers to submit photos of damage*

**Virtual Assist®**  
*Live, on-demand video app that connects repair shops and adjusters*

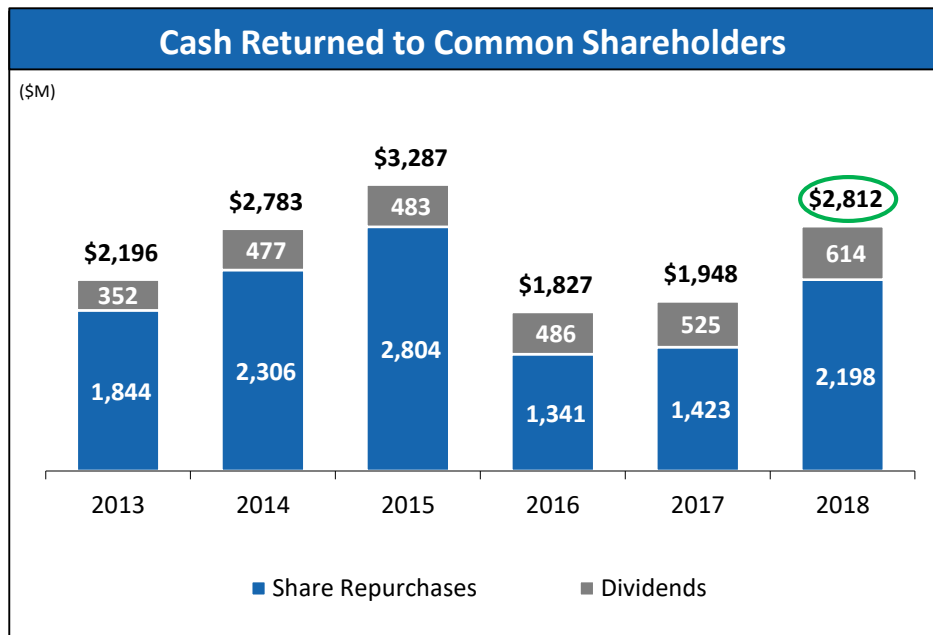
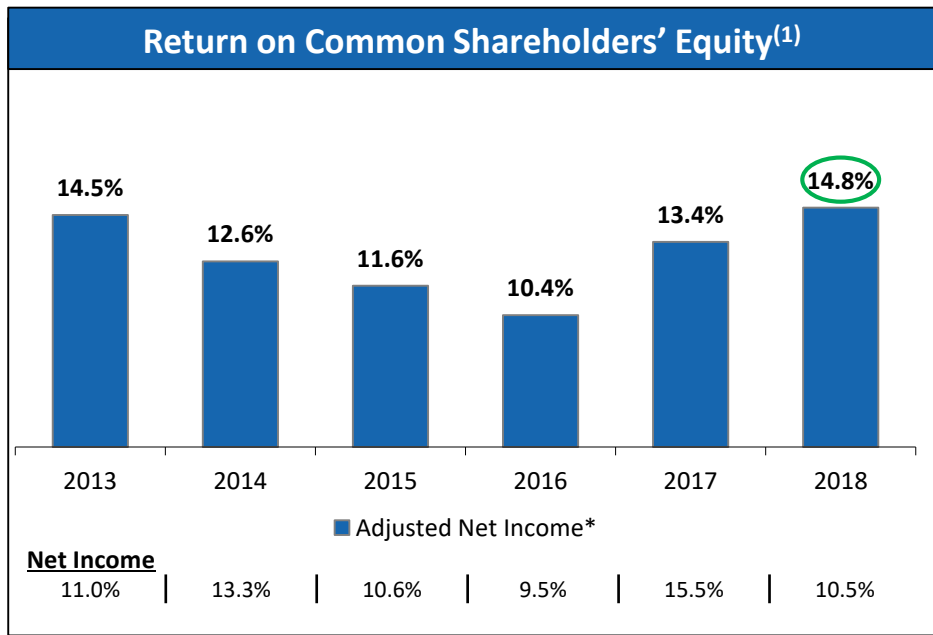
**Aerial Imagery**  
*Enables damage inspection without on-site adjusters*

- Leveraging satellite imagery, fixed-wing aircraft and drones



# Attractive Returns and Capital Strength

- Operational excellence generates attractive returns
  - Adjusted net income return on common shareholders' equity\* of 14.8% in 2018
- Enhanced shareholder value through strategic capital management
  - Returned \$2.8 billion to common shareholders in 2018
  - Completed \$525 million acquisition of InfoArmor and \$30 million acquisition of PlumChoice
  - Redeemed all of our Series C Preferred Stock for \$385 million

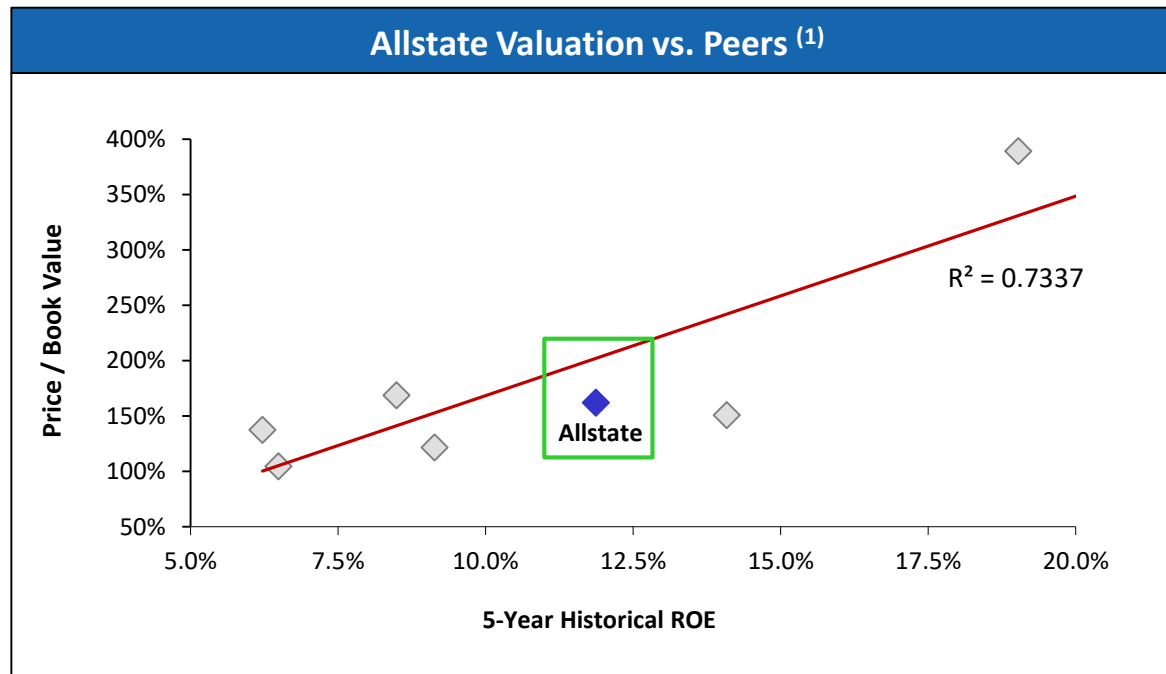


<sup>(1)</sup> Trailing twelve months  
 Raymond James Institutional Investors Conference: March 4, 2019



# Allstate is an Attractive Investment Opportunity

- Allstate trades at a valuation discount to peers despite strong results
- Operational excellence generates attractive returns
- Competitively differentiated strategy creates long-term growth
- Strategic capital management enhances shareholder value



<sup>(1)</sup>Source: Company data, FactSet (2/22/2018). Peers include: CB, CNA, HIG, PGR, THG, TRV.  
Raymond James Institutional Investors Conference: March 4, 2019



## 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) the cyclical nature of the property and casualty businesses; (5) the availability of reinsurance at current levels and prices; (6) risk of our reinsurers; (7) changing climate and weather conditions; (8) changes in underwriting and actual experience; (9) changes in reserve estimates; (10) changes in estimates of profitability on interest-sensitive life products; (11) conditions in the global economy and capital markets; (12) a downgrade in financial strength ratings; (13) the effect of adverse capital and credit market conditions; (14) possible impairments in the value of goodwill; (15) the realization of deferred tax assets; (16) restrictions on our subsidiaries’ ability to pay dividends; (17) restrictions under the terms of certain of our securities on our ability to pay dividends or repurchase our stock; (18) market risk and declines in credit quality relating to our investment portfolio; (19) our subjective determination of the amount of realized capital losses recorded for impairments of our investments and the fair value of our fixed income and equity securities; (20) the influence of changes in market interest rates or performance-based investment returns on our annuity business; (21) impacts of new or changing technologies on our business; (22) failure in cyber or other information security controls, as well as the occurrence of events unanticipated in our disaster recovery systems and business continuity planning; (23) misconduct or fraudulent acts by employees, agents and third parties; (24) the impact of a large scale pandemic, the threat or occurrence of terrorism or military action; (25) loss of key vendor relationships or failure of a vendor to protect confidential, proprietary and personal information; (26) intellectual property infringement, misappropriation and third party claims; (27) regulatory changes, including limitations on rate increases and requirements to underwrite business and participate in loss sharing arrangements; (28) regulatory reforms and restrictive regulations; (29) changes in tax laws; (30) our ability to mitigate the capital impact associated with statutory reserving and capital requirements; (31) changes in accounting standards; (32) losses from legal and regulatory actions; (33) our participation in indemnification programs, including state industry pools and facilities; (34) impacts from the Covered Agreement, including changes in state insurance laws; (35) competition in the insurance industry and impact of new or changing technologies; (36) market convergence and regulatory changes on our risk segmentation and pricing; (37) acquisitions and divestitures of businesses; and (38) reducing our concentration in spread-based business and exiting certain distribution channels. 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 are as of the date on which they are made, and we assume no obligation to update or revise any forward-looking statement.