



Allstate®

You're in good hands.

Sanford C. Bernstein Twenty-Ninth Annual

Strategic Decisions Conference

May 29, 2013

Thomas J. Wilson

Chairman, President, and Chief Executive Officer



Safe Harbor

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, business combination expenses, and the amortization of purchased intangible assets for 2013, our investment portfolio and our capital management plan. Additional information on factors that could cause results to differ materially from those projected in this presentation is available in the 2012 Form 10-K and in 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 and “Conference Call Archive” link. Forward-looking 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.

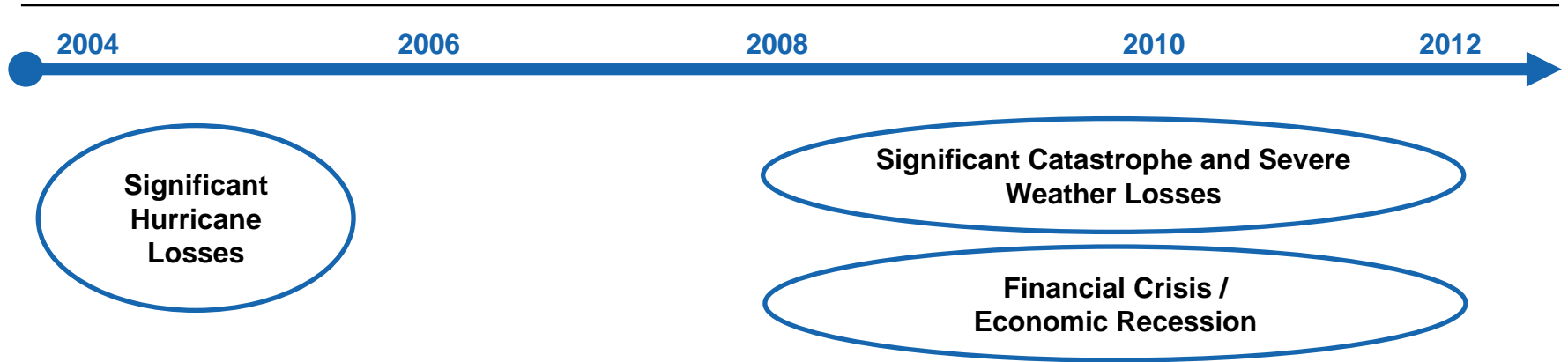
- Premiums written and premiums earned, the denominator of the underlying combined ratio, may be materially less than projected. Policyholder attrition may be greater than anticipated resulting in a lower amount of insurance in force.
- Unanticipated increases in the severity or frequency of standard 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.
- The actions we have taken to reduce the sensitivity of our investment portfolio to a rise in interest rates may not be effective.
- Statements about the implementation of our capital management plan are subject to market conditions.

We undertake no obligation to publicly correct or update any forward-looking statements. This news release contains unaudited financial information.



Strategically Responded to Dramatic External Change, Now Positioned for Growth

Selected Dramatic External Shocks



Creating Sustainable Growth by Focusing on the Customer

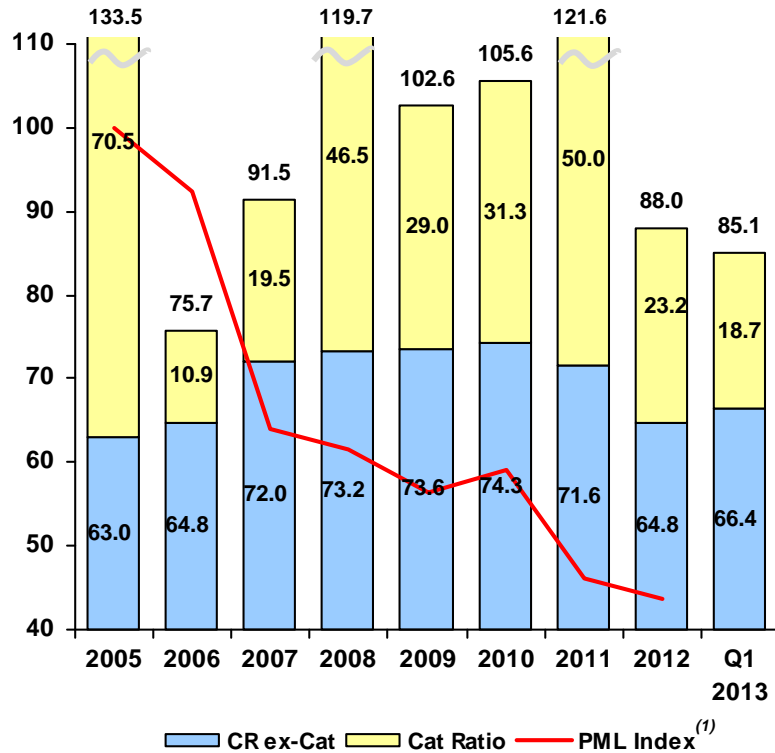




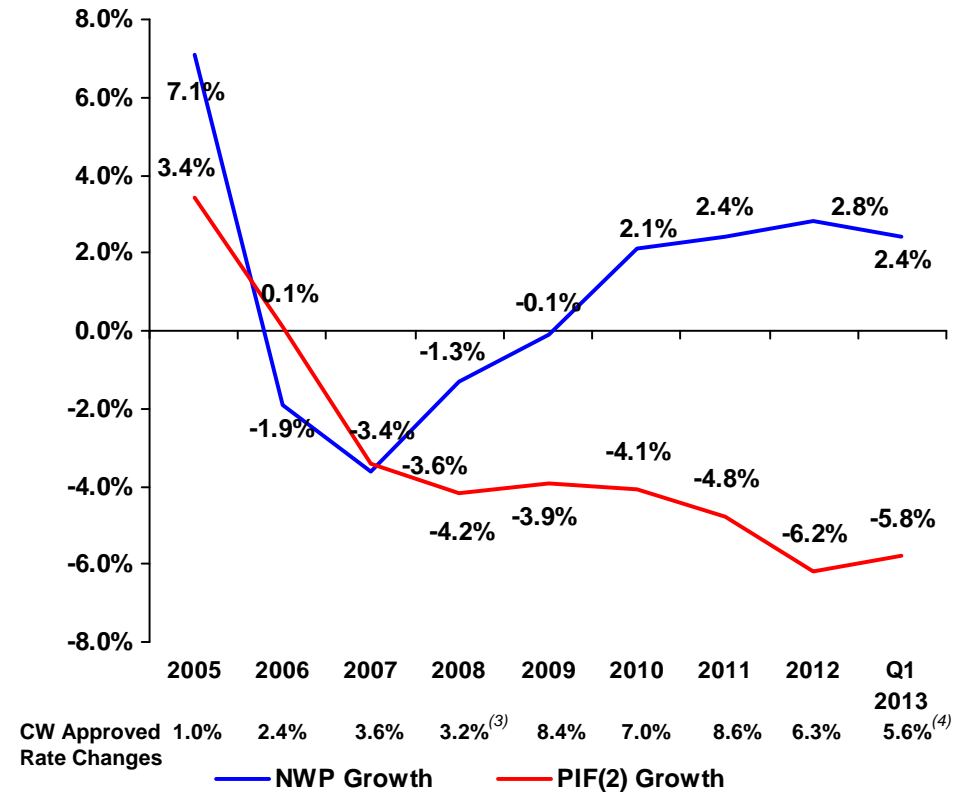
Improving Returns from Homeowners

Combined Ratio

(% of Earned Premium and Index to 2005)



Written Premium / Policies in Force



- Combined ratio excluding catastrophes has declined for the last 3 years
- Policies in force have declined while rates have increased premiums written

(1) Probable maximum loss for hurricanes and earthquakes as calculated by external risk models and after reinsurance recoveries

(2) Excludes Canada

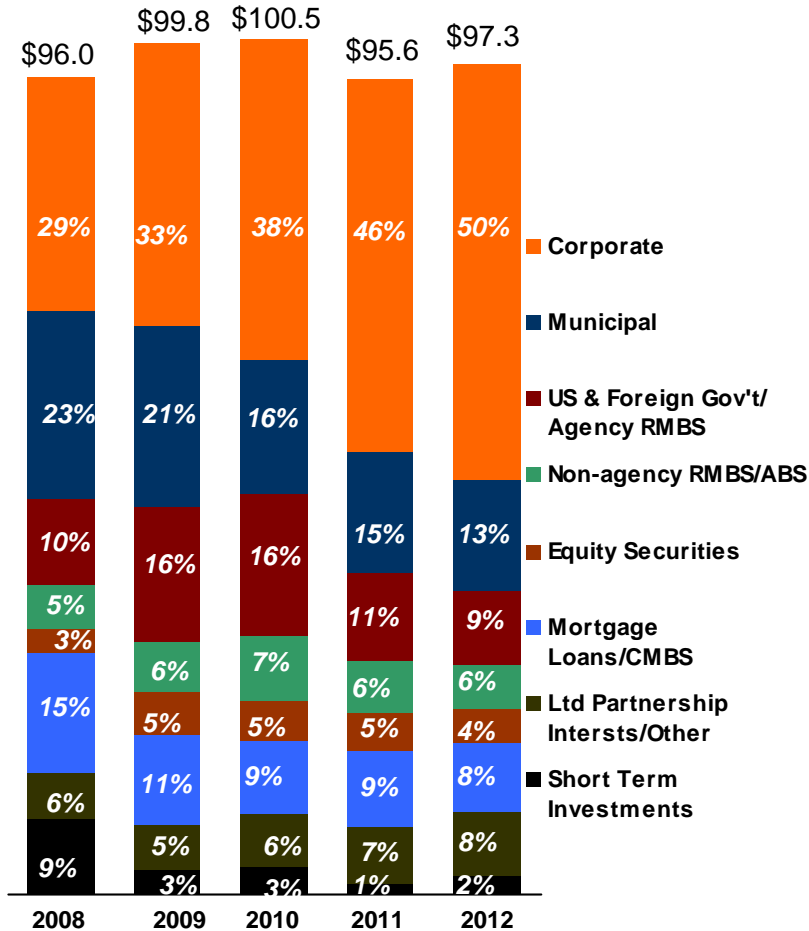
(3) Excludes TX and CA mandated rate reductions

(4) Q1 2013 results on a 12 month moving basis for NWP Growth



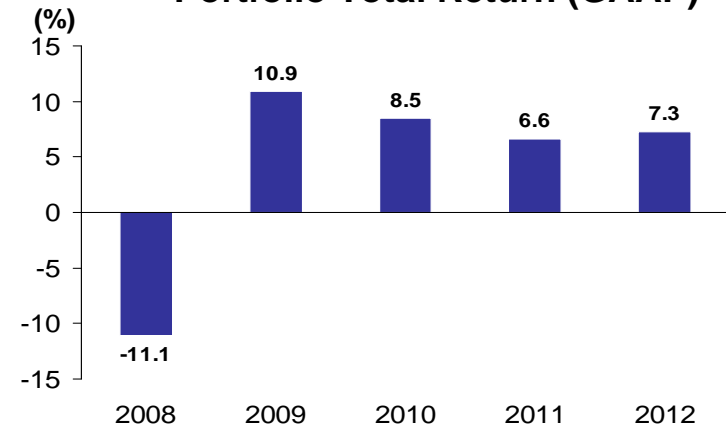
Focus on Delivering Attractive Risk Adjusted Returns

Carrying Value (\$ in billions)

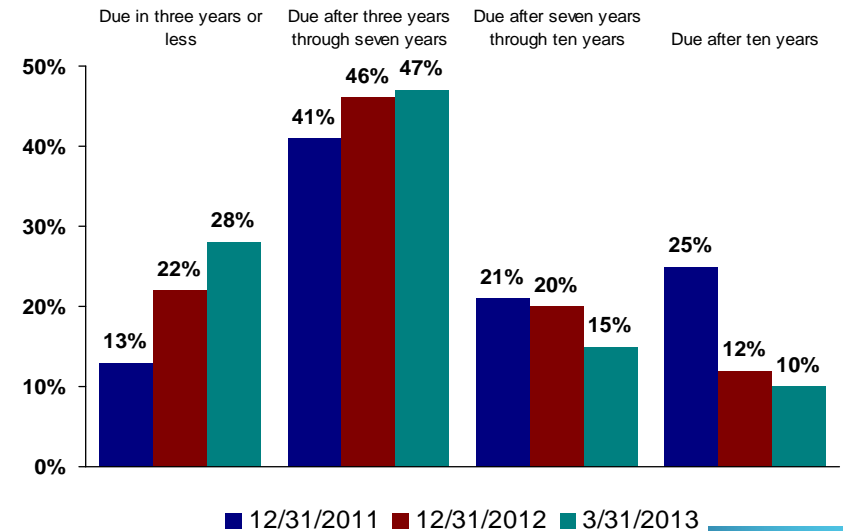


(Measured at Year End)

Portfolio Total Return (GAAP)



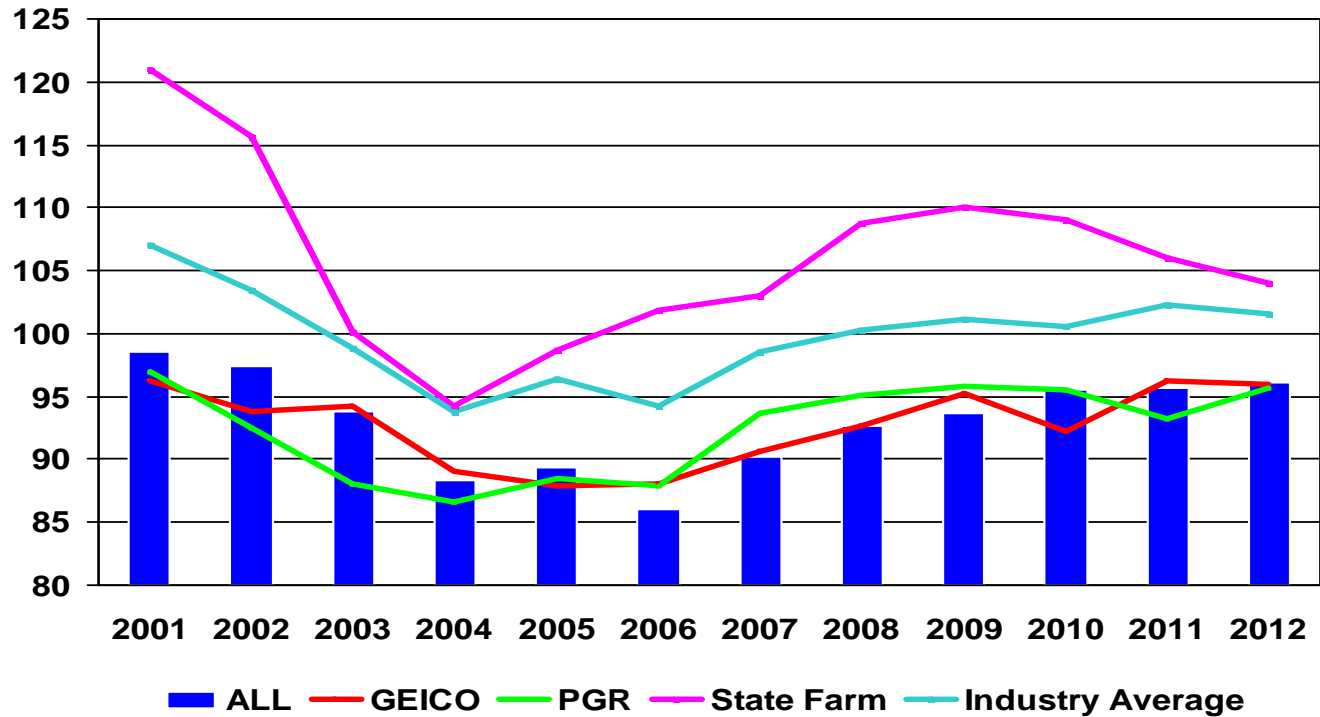
Property-Liability Fixed Income by Scheduled Maturity Date





Delivering Industry-Leading Auto Margins

Standard Auto Combined Ratio



➤ Auto performance has yielded attractive profitability and returns

Notes: ALL data is Allstate Brand Standard Auto
Industry source is SNL
Amounts prior to 2008 do not reflect change in accounting for acquisition costs



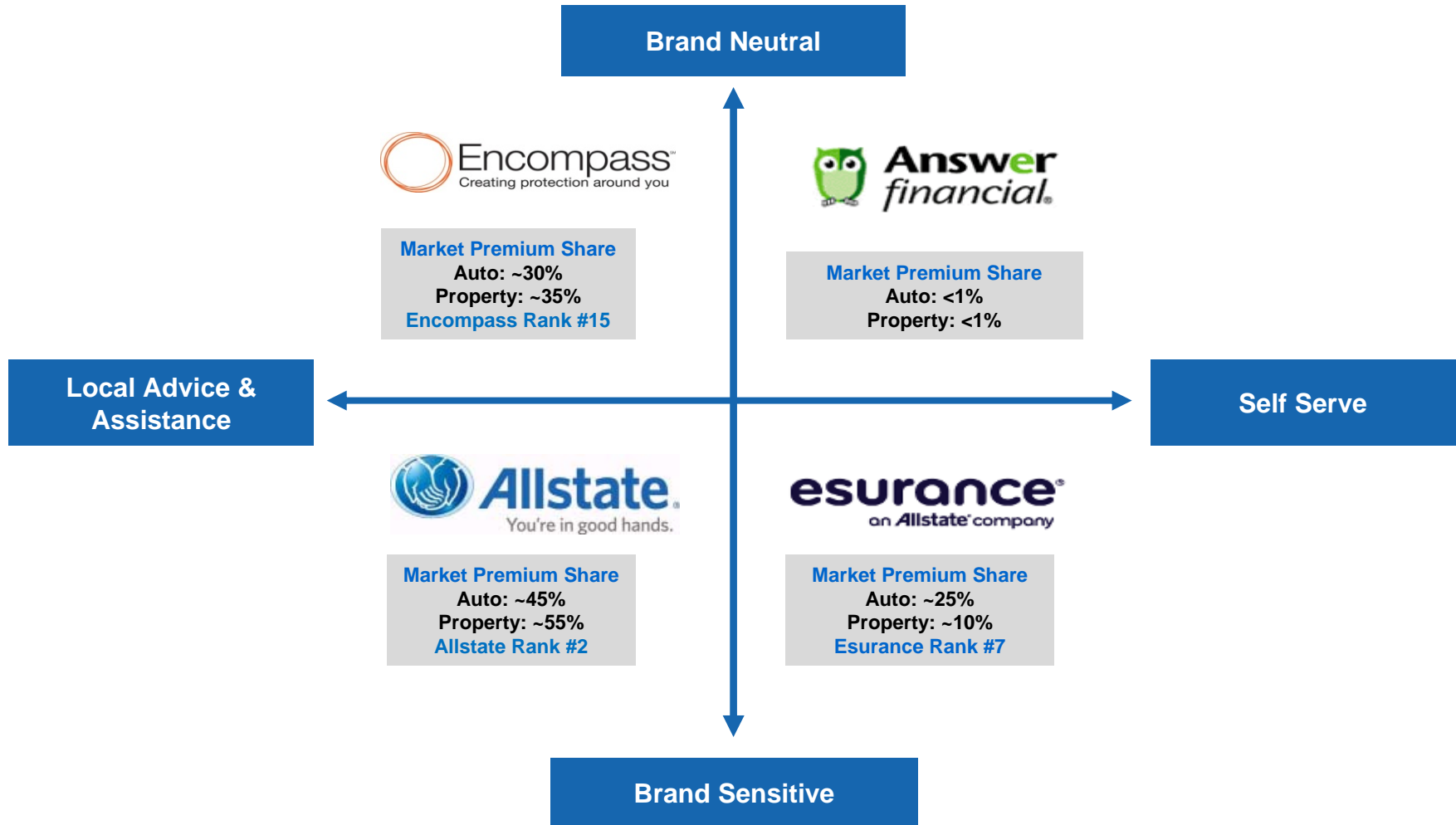
Improving Returns from Allstate Financial

- **Exited variable annuity business in 2006**
- **Reduced fixed annuity business**
 - New premiums and deposits peaked in 2004; were cut in half by 2008, and have exited most product lines today
- **Lowered cost structure by 20% in 2009**
- **Expanding higher margin benefits and Life business**
- **Investing in higher return cash-generating investments**



Competitively Differentiated Customer Value Propositions

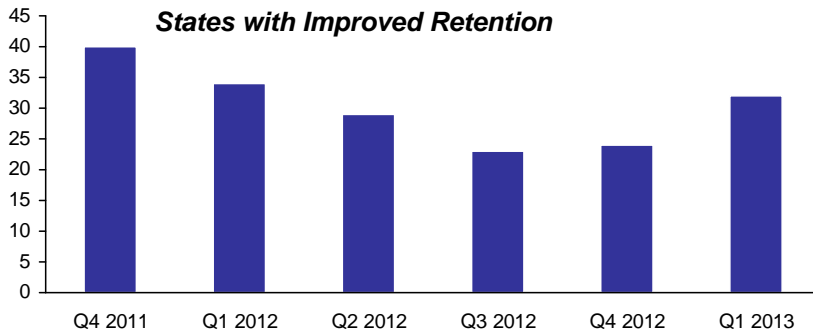
Distinct offerings and strategies to drive growth in all consumer segments





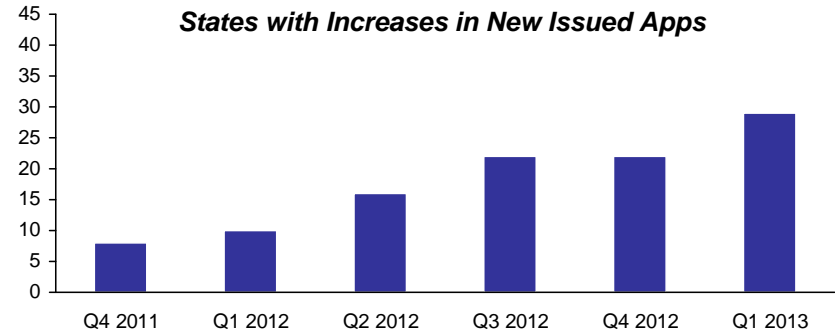
Allstate Brand Unit Growth Trend Slowly Improving . . .

Allstate Brand Standard Auto
States with Improved Retention



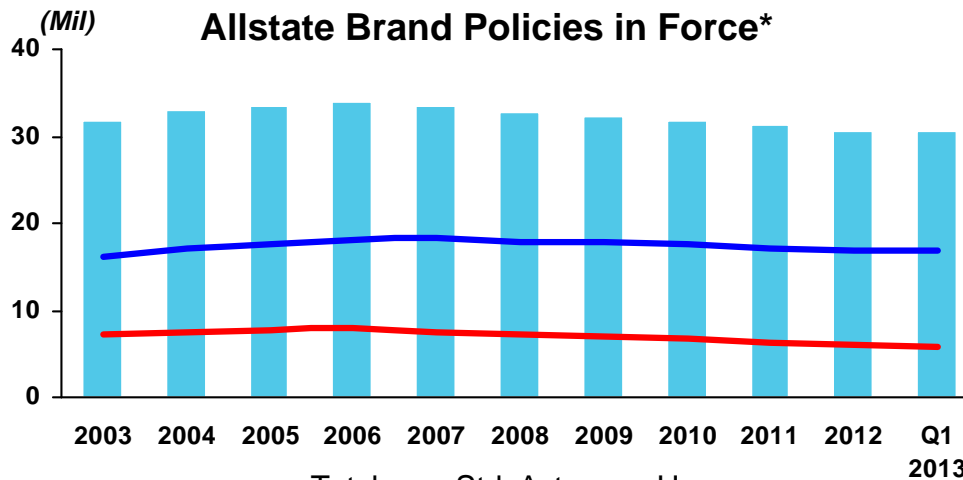
In 2012, 27 states had favorable comparisons to 2011.

Allstate Brand Standard Auto
States with Increases in New Issued Apps



In 2012, 11 states had favorable comparisons to 2011.

Allstate Brand Policies in Force*

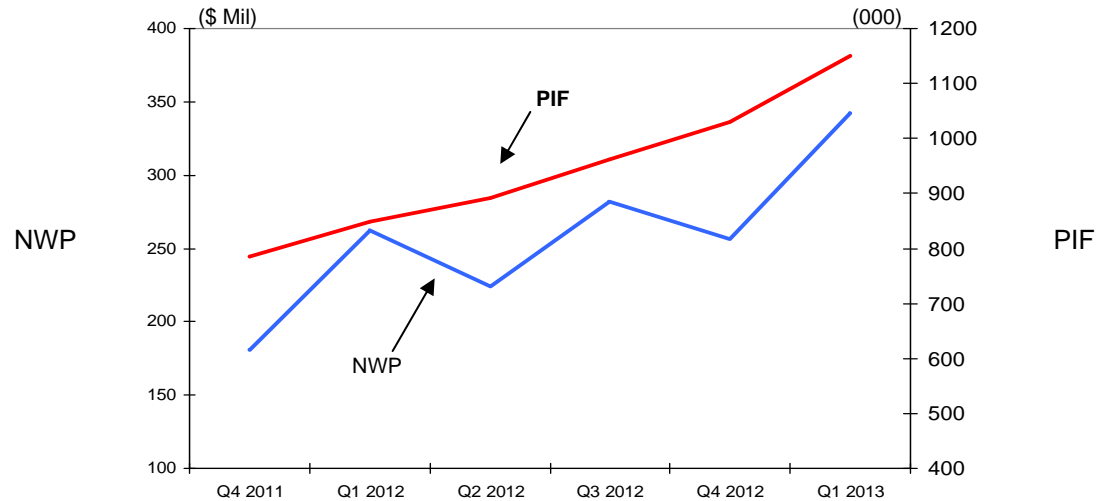


* U.S. Total Std. Auto Homeowners

	Q1 2013 (Mil)	Change since 2003
Total	30.5	-1.3
Std. Auto	16.9	.6
N/S Auto	.5	-.9
Home.	5.9	-1.2
All Other	7.2	.2



Esurance . . . Off To a Good Start



Objective	Progress
Improve marketing effectiveness	<ul style="list-style-type: none"> Launched successful new ad campaign Improved awareness, consideration, and conversion rate Increased advertising spending
Improve customer mix and increase policyholder retention	<ul style="list-style-type: none"> Shifting new business mix towards preferred Writing more multi-car policies Improving customer retention Increasing lifetime premium
Broaden product portfolio	<ul style="list-style-type: none"> Expanded auto coverage to additional states Launched renters Launching homeowners and motorcycle
Leverage claims capabilities	<ul style="list-style-type: none"> Applying best practices and technology Improved vendor pricing
Utilize Allstate's scale	<ul style="list-style-type: none"> Achieving savings from Allstate's purchasing scale, personnel costs, operating centers, information technology development and investments



2013 Priorities

- **Grow insurance premiums**
 - Overall net premiums written increased 2.5% from Q1 2012, with all brands contributing
- **Maintain auto profitability**
 - Allstate brand standard auto combined ratio of 94.2, an underlying combined ratio of 93.5
 - Esurance combined ratio of 116.7 remains elevated due to higher new business growth
 - Encompass combined ratio of 105.8, trend improved, further profit improvement actions required
- **Raise returns in the homeowners and annuity businesses**
 - Improved Allstate brand homeowners profitability with an underlying combined ratio of 65.8 and a recorded combined ratio of 85.1
 - Annuity returns declined due to reduced limited partnership income and continued low interest rates
- **Proactively manage investments**
 - Total return on investment portfolio ... 1.2% for Q1 2013
 - Progress made on strategic initiatives to deliver more attractive risk-adjusted returns
- **Reduce our cost structure**
 - Operating expenses increased driven by employee costs and accelerated technology investments
 - Reinsurance program costs lowered beginning June 1, 2013



Innovating Around the Connected Consumer with Drivewise®



- 1 Sign up.**
Get an immediate 10% off your premium just for enrolling. Look for an email with your Customer Agreement to complete enrollment.
- 2 Plug in.**
Allstate will send you a small device that easily plugs into your car's OBD-II port under your dashboard.
- 3 Drive safely.**
Get in your car and go.
- 4 Save.**
Go to your online profile to check the progress of your Drive-Wise Performance Rating Discount.

- Value proposition extends beyond pricing
- Currently in 16 states
- High acceptance rate
- Over 40,000 enrollments each month
- More than 450 million miles recorded
- Aggressively expanding into new states while building innovative services to augment current offering



Additional Growth Platforms





Actively Manage Capital to Increase Shareholder Value Opportunities

- **Capital Management Plan . . . Actions enhance Allstate's strategic and capital flexibility**
 - **Lower cost of capital**
 - **Minimal impact on earnings**
 - **No impact on share repurchase program**



A Focused Strategy and Proven Ability to Execute Creates Value for Customers and Shareholders

- **Unparalleled brand and franchise**
- **Only competitor able to offer products and services to all four unique consumer segments**
- **Focused and consistent priorities**
- **Proactive execution**
- **Significant return of capital**
- **Business model and capabilities to drive real growth**



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