Catastrophe Reinsurance Program
Effective June 1, 2016 to May 31, 2017

Northbrook, Ill., May 4, 2016 – We have completed the placement of our 2016 personal lines catastrophe reinsurance program* for the personal lines property and automobile business units of The Allstate Corporation (NYSE: ALL), except for the Florida component, which is expected to be placed in the second quarter of 2016.

Our catastrophe reinsurance program allows us to continue to provide customers with insurance while protecting capital from the costs associated with major catastrophe losses. It was designed, utilizing our risk management methodology, to address our exposure to catastrophes nationwide. Our program provides reinsurance protection for catastrophes resulting from multiple perils, including hurricanes, windstorms, hail, tornadoes, earthquakes, fires following earthquakes, riots, freeze, and wildfires. These reinsurance agreements are part of our catastrophe management strategy, which is intended to provide our shareholders an acceptable return on the risks assumed in our personal lines business, and to reduce variability of earnings while providing protection to our customers. We place coverage in the traditional reinsurance and capital markets considering a number of factors including coverage, cost, terms, and the period of protection.

Our 2016 reinsurance program continues to support our goal to have no more than a 1% likelihood of having greater than $2 billion in average annual aggregate hurricane and earthquake losses, net of reinsurance, based on modeling assumptions and applications currently available. Since the 2006 inception of Allstate's catastrophe reinsurance program, our exposure to wind loss has been materially reduced and we have substantially eliminated our exposure to homeowners' earthquake loss. Similar to our 2015 program, we have designed our 2016 program to respond to these exposure changes by including coverage in all agreements for multiple perils, in addition to hurricanes and earthquakes, except for the following agreements which reinsure specific perils:

- the "2013-1 PCS Excess Catastrophe Reinsurance agreement"- an agreement comprising two contracts which provides coverage in specific states for hurricanes and earthquakes, including fires following earthquakes, based on insured industry losses as reported by the Property Claim Service ("PCS");
- the "2014-1 PCS Excess Catastrophe Reinsurance agreement"- an agreement comprising three contracts which provides coverage in specific states for hurricanes and earthquakes, including fires following earthquakes, based on insured industry losses as reported by PCS;
- the "Sanders Re 2014-2 Excess Reinsurance contract"- which provides coverage to qualifying personal lines property losses in the State of Florida arising out of a Named Storm Event, a Severe Thunderstorm Event, or an Earthquake event, all as defined in the contract;
- the "E&S Earthquake agreement"- an agreement which provides coverage for earthquakes, shake damage only, in the State of California, resulting from losses to personal lines property policies written by our excess and surplus lines insurer; and
- a Kentucky agreement which provides coverage for earthquakes and fires following earthquakes.

The Nationwide Per Occurrence Excess Catastrophe Reinsurance program, as described below, provides $4.55 billion of reinsurance coverage less a $500 million retention and subject to the amount of reinsurance placed in each of its ten layers. Similar to the expiring program, the 2016 program includes a Per Occurrence Excess Catastrophe Reinsurance agreement which reinsures our personal lines property and automobile excess catastrophe losses resulting from multiple perils in every state except New Jersey, and including only personal lines automobile excess catastrophe losses in Florida. The agreement includes coverage for the first six layers of the program with each layer 95% placed; provides coverage for the Sixth Gap Fill Layer and a portion of the Ninth Layer; and includes a reinstatement of limits for each of the first six layers and a portion of the program's Ninth Layer. For June 1, 2016 to May 31, 2017, the program also consists of two additional agreements: a 2013-1 PCS Excess Catastrophe Reinsurance agreement and a 2014-1 PCS Excess Catastrophe Reinsurance agreement. These agreements provide additional limits above the Seventh Layer of the Per Occurrence Excess Catastrophe Reinsurance agreement and do not include a reinstatement of limits. In addition, the PCS agreements provide coverage in specific states** solely for hurricanes and earthquakes, including fires following earthquakes.

* A reinsurance program comprises one or more reinsurance agreements and a reinsurance agreement comprises one or more reinsurance contracts.

** While the 2014-1 PCS Excess Catastrophe Reinsurance agreement does not provide reinsurance recoveries for New Jersey hurricane exposures for the risk period, beginning May 22, 2016, the agreement allows for the potential of these recoveries in the remaining risk periods.

A description of the catastrophe reinsurance agreements that reinsure the personal lines property and automobile business as of June 1, 2016 follows:

- Nationwide Per Occurrence Excess Catastrophe Reinsurance program, excluding New Jersey and including only personal lines automobile business in Florida, for the June 1, 2016 to May 31, 2017 term:
    - The Per Occurrence Excess Catastrophe Reinsurance agreement reinsures personal lines property and automobile excess catastrophe losses caused by multiple perils in Layers One through Six and Layer Nine of the program. We employ a multi-year approach to placing reinsurance coverage to lessen the amount of reinsurance being placed in the market in any one year. Coverage is provided as follows:

      First Layer: $250 million limit in excess of a $500 million retention, 1 reinstatement
      Second Layer: $250 million limit in excess of a $750 million retention, 1 reinstatement
      Third Layer: $500 million limit in excess of a $1.00 billion retention, 1 reinstatement
      Fourth Layer: $750 million limit in excess of a $1.50 billion retention, 1 reinstatement
      Fifth Layer: $500 million limit in excess of a $2.25 billion retention, 1 reinstatement

      Coverage for each of the First through Fifth Layers comprises three contracts, with each contract providing one third of 95% of the total layer limit and expiring as of May 31, 2017, May 31, 2018, and May 31, 2019. Unlike the contracts expiring May 31, 2017 and May 31, 2018, the newly placed contracts expiring May 31, 2019 include coverage for automobile losses in Florida. The contracts for each of the First through Fifth Layers include one reinstatement of limits, per year, with premium required. Reinsurance premiums are subject to redetermination for exposure changes on an annual basis.

      Sixth Layer: $324 million limit in excess of a $2.75 billion retention, 1 reinstatement
      Ninth Layer: $446 million limit in excess of a $3.75 billion retention, 1 reinstatement

      The Sixth Layer contract is 95% placed and expires May 31, 2022. The Ninth Layer contract expires May 31, 2022 and provides $131 million in limits for the Ninth Layer.

      The Sixth Layer and Ninth Layer contracts are placed in the traditional reinsurance market and contain comparable contract terms and conditions as Layers One through Five. Unlike Layer One through Five contracts, each contract contains a variable reset option which the ceding entities may elect to invoke at each anniversary allowing for the annual adjustment of each contract's attachment and exhaustion levels within specified limits. The variable reset option requires a premium adjustment for an increase or decrease in the updated modeled annual expected loss from the initial modeled annual expected loss. The Sixth and Ninth Layer contracts each contain one reinstatement of limits over each of their seven year terms with premium required. Reinsurance premiums are subject to redetermination for exposure changes on an annual basis.

      Sixth Layer and above Gap Fill Excess contract: $175 million limit in excess of $2.75 billion retention, no reinstatement

      The Gap Fill Excess contract reinsures personal lines property and automobile excess catastrophe losses caused by multiple perils in all states excluding New Jersey and including only personal lines automobile business in Florida. The contract's one year term incepts June 1, 2016 and expires May 31, 2017. The contract provides one annual limit of $175 million in excess of a $2.75 billion retention. Recoveries under the Sixth and Ninth Layers of the Nationwide Per Occurrence agreement and the PCS excess catastrophe reinsurance agreements inure to the benefit of this contract. The contract is placed in the traditional reinsurance market with comparable terms as Layers One through Six and Layer Nine. The contract does not include a reinstatement of limits. Reinsurance premium is subject to redetermination for exposure changes.

    - The 2013-1 PCS Excess Catastrophe Reinsurance agreement reinsures personal lines property and automobile excess catastrophe losses caused by hurricanes in 28 states and the District of Columbia, and earthquakes, including fires following earthquakes, in California, New York, and Washington. This agreement is placed with a Bermuda insurance company, Sanders Re Ltd. ("Sanders Re"), which completed an offering to unrelated investors of principal at risk, variable market rate notes to collateralize losses covered by the agreement. Amounts payable under the agreement are based on insured industry losses as reported by PCS and further indexed by annual pay-out factors specific to personal lines property and automobile exposures in the agreement's covered areas (the "pay-out factors"). Reinsurance recoveries under the 2013-1 PCS Excess Catastrophe Reinsurance agreement are limited to our ultimate net loss from a PCS reported hurricane or earthquake event, in excess of each contract's specific attachment level and subject to each contract's limit. The agreement's risk period is for four years from May 4, 2013 to May 3, 2017. The placement of these contracts achieves, for the perils of hurricane and earthquakes, including fires following earthquakes, a $150 million limit or 44.38% of $338 million between a $3.22 billion to $3.56 billion layer and a $200 million limit or 44.74% of $447 million between a $3.75 billion to $4.20 billion layer. The contracts do not include a reinstatement of limits.

  - The 2014-1 PCS Excess Catastrophe Reinsurance agreement reinsures personal lines property and automobile excess catastrophe losses caused by hurricanes in 29 states and the District of Columbia, and earthquakes, including fires following earthquakes, in California, New York, and Washington. This agreement is placed with Sanders Re which utilized privately placed funding similarly employed for the 2013-1 PCS Excess Catastrophe Reinsurance agreement to provide collateral equal to the agreement's limits for qualifying covered losses. Amounts payable under the agreement are based on insured industry losses as reported by PCS and further indexed by pay-out factors as described above. For the May 22, 2016 to May 21, 2017 risk period, the pay-out factors for personal lines property and automobile hurricane exposures in New Jersey are zero. Reinsurance recoveries under the 2014-1 PCS Excess Catastrophe Reinsurance agreement are limited to our ultimate net loss from a PCS reported hurricane or earthquake event, in excess of each contract's specific attachment level and subject to each contract's limit. The agreement comprises three contracts with each contract's risk period beginning on May 22, 2014 and with two of the three contracts' risk periods expiring on May 21, 2018 and one contract's risk period expiring on May 21, 2019. The placement of these contracts achieves, for the perils of hurricane and earthquakes, including fires following earthquakes, a $305 million limit or 50.58% of $603 million between a $3.15 billion to $3.75 billion layer; a $115 million limit or 25.73% of $447 million between a $3.75 billion to $4.20 billion layer; and a $330 million limit or 95.1% of $347 million between a $4.20 billion to $4.55 billion layer. The contracts comprising the agreement contain a variable reset option which the ceding entities may elect to invoke for risk periods subsequent to the first risk period and which allows for the annual adjustment of each contract's attachment and exhaustion levels within specified limits. The variable reset option requires a premium adjustment for an increase or decrease in the updated modeled annual expected loss from the initial modeled annual expected loss. The contracts do not include a reinstatement of limits.

- The New Jersey Excess Catastrophe Reinsurance agreement is designed apart from the other components of the program to address the distinct needs of our separately capitalized companies in that state and comprises two existing and a newly placed contract that reinsure personal lines property and automobile excess catastrophe losses in New Jersey. The contracts expire May 31, 2017, May 31, 2018 and May 31, 2019 and provide 31.67%, 31.66%, and 31.67%, respectively, of $400 million of limits excess of a provisional $169 million retention, a $162 million retention, and a $150 million retention, respectively. Each contract includes one reinstatement of limits per contract year with premium due. The reinsurance premium and retention are subject to redetermination for exposure changes on an annual basis.

- The Pennsylvania Excess Catastrophe Reinsurance agreement comprises a three-year term contract that reinsures personal lines property losses in Pennsylvania caused by multiple perils. The contract expires May 31, 2018 and provides three limits of $100 million in excess of a $100 million retention with two limits available in any one contract year and is 95% placed. The reinsurance premium and retention are not subject to redetermination for exposure changes.

- The Kentucky Earthquake Excess Catastrophe Reinsurance agreement comprises a three-year term contract that reinsures personal lines property losses in Kentucky caused by earthquakes and fires following earthquakes. The contract expires May 31, 2017 and provides $25 million in excess of a $5 million retention with two limits available in any one contract year and is 95% placed. The reinsurance premium and retention are not subject to redetermination for exposure changes.

- The E&S Earthquake agreement comprises one contract which reinsures personal lines property catastrophe losses in California caused by the peril of earthquakes and insured by our excess and surplus lines insurer. The contract expires June 30, 2018. Unlike the other contracts comprising the Nationwide Program, the E&S Earthquake agreement provides reinsurance on a 100% quota share basis with no retention. The contract allows for cession of policies providing earthquake coverage so long as the total amount of in-force building limits provided by those policies does not exceed $400 million. This $400 million cap limits the policies that are covered by the reinsurance and not the amount of loss eligible for cession which includes losses to dwellings, other structures, personal property, and additional living expenses on policies covered by this program. The cap limit has not been exceeded. The E&S Earthquake agreement reinsures only shake damage resulting from the earthquake peril.

- The Florida Excess Catastrophe Reinsurance agreement is designed apart from the other components of the program to address the distinct needs of our separately capitalized companies in that state and comprises six contracts which reinsure Castle Key Insurance Company ("CKIC") and Castle Key Indemnity Company

("CKI", and together with CKIC, "Castle Key") for personal lines property excess catastrophe losses in Florida. We anticipate completing the placement of the 2016 Florida Excess Catastrophe Reinsurance agreement in the second quarter 2016. For the June 1, 2015 to May 31, 2016 term, the agreement includes CKIC's and CKI's reimbursement contracts with the Florida Hurricane Catastrophe Fund (the "Mandatory FHCF contracts")[***]. All contracts comprising the agreement, except the Sanders Re 2014-2 Class A contract ("Sanders Re 2014-2 contract"), provide a one year term effective June 1, 2015 through May 31, 2016 with reinsurance premium subject to redetermination for exposure changes. The Sanders Re 2014-2 contract is a three year term contract with a risk period effective June 1, 2014 through May 31, 2017. Sanders Re utilized privately placed funding similarly employed for the Nationwide Program's two agreements to provide collateral equal to the contract's limit for qualified covered losses. The Sanders Re 2014-2 contract contains a variable reset option which Castle Key may elect to invoke for the last two risk periods and which allows for annual adjustment of the contract's attachment level, within specified limits, and at a corresponding premium adjustment. With the exception of the Mandatory FHCF contracts and the Sanders Re 2014-2 contract, all contracts provide reinsurance for qualifying losses to personal lines property arising out of multiple perils in addition to hurricanes. The Mandatory FHCF contracts reinsure qualifying personal lines property losses caused by storms the National Hurricane Center declares to be hurricanes, and the Sanders Re 2014-2 contract reinsures qualifying losses to personal lines property caused by a Named Storm Event, a Severe Thunderstorm Event, or an Earthquake Event. These Events are defined in the Sanders Re 2014-2 contract as Events declared by various reporting agencies, including PCS, and in the case of a Severe Thunderstorm Event, should PCS cease to report on Severe Thunderstorms, then such event will be deemed a Severe Thunderstorm if the Companies have assigned a catastrophe code to such Severe Thunderstorm.

The Mandatory FHCF contracts include an estimated maximum provisional limit of 90% of $181 million or $163 million, in excess of a provisional retention of $66 million, and also include reimbursement of up to 5% eligible loss adjustment expenses. The limit and retention of the Mandatory FHCF contracts are subject to re-measurement based on June 30, 2015 exposure data. In addition, the FHCF's retention is subject to adjustment upward or downward to an actual retention based on submitted exposures to the FHCF by all participants. For each of the two largest hurricanes, the provisional retention is $66 million and a retention equal to one third of that amount, or approximately $22 million, is applicable to all other hurricanes for the season beginning June 1, 2015. All the contracts comprising the Florida agreement are listed and described below:

- Below FHCF contract – provides limits of $51 million in excess of $15 million and is 100% placed. The first reinstatement of limits is prepaid and the second and final reinstatement requires additional premium.

- Mandatory FHCF contracts – provide 90% of $181 million excess of a provisional retention of $66 million with no reinstatement of limits. For each of the two largest hurricanes, the provisional retention is $66 million and retention equal to one third of that amount, or approximately $22 million, is applicable to all other hurricanes for the season beginning June 1, 2015.

- FHCF Sliver contract – provides limits for the 10% co-participation of the mandatory FHCF coverage up to $18 million with no reinstatement of limits.

- Excess contract – provides limits of $275 million in excess of $66 million (the FHCF retention), and in excess of an estimated $181 million limit (100% of the FHCF Sliver contract limit as opposed to its actual 10% placed limit of $18 million). This contract is 100% placed with no reinstatement of limits. This contract's retention adjusts downward when qualifying losses consume the FHCF Sliver contract limit of $181 million which is deemed to have been placed, and thereafter further adjusts downward upon the exhaustion of any portion of the Below FHCF contract limit and once the Below the FHCF contract's limits and the two reinstatements of these limits have been expended by qualifying losses. When applying the dropdown adjustment, the qualifying losses are deemed to be those reinsured pursuant to the multiple perils coverage provided by the FHCF Sliver contract.

- Sanders Re 2014-2 contract – provides limits of $200 million in excess of $66 million and in excess of "Stated Reinsurance," as defined on the 2015 Florida Excess Catastrophe Reinsurance Agreement chart on page 13 and, for the first annual period, consists of the Mandatory FHCF contracts as if each contract were 100% placed and the Excess contract. Under the Sanders Re contract, Stated Reinsurance is deemed to be provided on a multiple perils basis pursuant to the terms of the non-

[***] CKIC's and CKI" Mandatory FHCF coverage is provided under reimbursement contracts distinct to each entity; CKIC's FHCF Reimbursement contract provides a $40,166,638 retention with a $110,069,578 limit, and CKI's Reimbursement contract provides a $25,801,620 retention with a $70,704,785 limit. For ease of reference, the FHCF's provisional retentions and limits have been consolidated for purposes of this disclosure.

FHCF contracts. Further, the Stated Reinsurance includes an erosion feature which provides that upon the exhaustion of a portion of the Stated Reinsurance, coverage under the Sanders Re contract shall be concurrently placed above and contiguous to the unexhausted portion of the Stated Reinsurance, if any.

The reinsurance agreements have been placed in the global reinsurance market. All reinsurers participating on our program, except Sanders Re, are rated by A.M. Best and maintain an A.M. Best insurance financial strength rating of A- or better. Sanders Re, who is not rated by A.M. Best or Standard & Poor's ("S&P"), has provided collateral in an amount equal to its reinsurance limits. All rated reinsurers also maintain an S&P rating of A- or better.

The total cost of our property catastrophe reinsurance programs during the first quarter of 2016 was $103 million. The total cost of our catastrophe reinsurance programs during 2015 was $111 million in the first quarter, $109 million in the second quarter, $103 million in the third quarter and $104 million in the fourth quarter. These quarterly costs reflect premium re-measurements recognized in the quarter.

The terms, retentions and limits for Allstate's Catastrophe Reinsurance Program in place as of June 1, 2016 are contained in the following tables.

Nationwide Catastrophe Reinsurance Program
($ in millions)

Excess of Loss Contracts	Effective date	% of placed layer Yr 1	Yr 2	Yr 3	Reinstatements	Retention	Per occurrence Limit
Per Occurrence Excess Catastrophe Reinsurance Agreement (1)							
Per Occurrence First Layer	6/1/2016	95	63.33	31.67	1 annual limit each contract year	$500	$250
Per Occurrence Second Layer	6/1/2016	95	63.33	31.67	1 annual limit each contract year	750	250
Per Occurrence Third Layer	6/1/2016	95	63.33	31.67	1 annual limit each contract year	1,000	500
Per Occurrence Fourth Layer	6/1/2016	95	63.33	31.67	1 annual limit each contract year	1,500	750
Per Occurrence Fifth Layer	6/1/2016	95	63.33	31.67	1 annual limit each contract year	2,250	500
Per Occurrence Sixth Layer	6/1/2016	95	95	95	1 limit over the contract's seven year term	2,750	324
Per Occurrence Ninth Layer	6/1/2016	29.37	**	**	1 limit over the contract's seven year term	3,745	446
Per Occurrence Sixth Layer and Above Gap Fill Excess contract (4)	6/1/2016	100			None	2,750	175
2013-1 PCS Excess Catastrophe Reinsurance Agreement (2)							
Class B Excess Catastrophe Reinsurance contract Eighth Layer	5/4/2013	44.38	*		None	3,218	338
Class A Excess Catastrophe Reinsurance contract Ninth Layer	5/4/2013	44.74	*		None	3,751	447
2014-1 PCS Excess Catastrophe Reinsurance Agreement (3)							
Class D Excess Catastrophe Reinsurance contract Eighth Layer	5/22/2014	50.58	*	*	None	3,148	603
Class C Excess Catastrophe Reinsurance contract Ninth Layer	5/22/2014	25.73	*	*	None	3,751	447
Class B Excess Catastrophe Reinsurance contract Tenth Layer	5/22/2014	95.1	*	*	None	4,198	347
New Jersey (5)							
New Jersey	6/1/2016	31.67	31.67	31.67	1 annual limit each contract year	150	400
New Jersey	6/1/2015	31.66	31.66		1 annual limit each contract year	162	400
New Jersey	6/1/2014	31.67			1 annual limit each contract year	169	400

Pennsylvania [6]	6/1/2015	95	95	3 limits over 3 years, prepaid	100	100
Kentucky [7]	6/1/2014	95		2 limits over remaining term, prepaid	5	25

Quota Share Contract	**Effective date**	**% Ceded**	**Retention**	**Limit**
E&S Earthquake [8]	7/1/2013 to 6/30/2018	100	None	None

(1) The Per Occurrence Excess Catastrophe Reinsurance agreement reinsures personal lines property and automobile excess catastrophe losses caused by multiple perils in all states, excluding New Jersey and including only personal lines automobile business in Florida. Each of the First through the Fifth Layers of the agreement comprise three contracts, each expiring 5/31/2017, 2018, and 2019, with each contract providing one third of 95% of the total layer limit. Unlike the contracts expiring 5/31/2017 and 5/31/2018, the newly placed contracts expiring 5/31/2019 include coverage for automobile losses in Florida. The Sixth Layer is 95% placed and comprises one contract expiring May 31, 2022. The Ninth Layer contract provides 29.37% of $446 million in limits or $131 million and expires May 31, 2022. The Gap Fill Excess contract is a one year term contract effective June 1, 2016 and provides one limit of $175 million and is 100% placed. Recoveries under the Sixth and Ninth Layers of the Nationwide Per Occurrence agreement and the PCS excess catastrophe reinsurance agreements inure to the benefit of this contract. The Sixth and Ninth Layer contracts and the Gap Fill Excess contract are placed in the traditional reinsurance market with comparable terms as Layers One to Five. The contracts for Layers One to Five include one annual reinstatement of limits with premium required. The Sixth and Ninth Layer contracts include one reinstatement of limits over each of the contracts' seven year terms with premium required. The Gap Fill Excess contract does not include a reinstatement of limits. Reinsurance premium is subject to redetermination for exposure changes.

(2) The 2013-1 PCS Excess Catastrophe Reinsurance agreement comprises two contracts that reinsure personal lines property and automobile excess catastrophe losses caused by hurricanes in 28 states and the District of Columbia, and earthquakes, including fires following earthquakes, in California, New York, and Washington. The Class B Excess Catastrophe Reinsurance contract is a four year term contract and provides one limit of $150 million or 44.38% of $338 million excess of a $3.22 billion attachment level. The Class A Excess Catastrophe Reinsurance contract is a four year term contract and provides one limit of $200 million or 44.74% of $447 million excess of a $3.75 billion attachment level. The contracts do not include a reinstatement.

(3) The 2014-1 PCS Excess Catastrophe Reinsurance agreement comprises three contracts that reinsure personal lines property and automobile excess catastrophe losses caused by hurricanes in 29 states and the District of Columbia, and earthquakes, including fires following earthquakes, in California, New York, and Washington. The Class D Excess Catastrophe Reinsurance contract is a five year term contract and provides one limit of $305 million or 50.58% of $603 million excess of a $3.15 billion attachment level. The Class C Excess Catastrophe Reinsurance contract and Class B Excess Catastrophe Reinsurance contract are four year term contracts and provide one limit of $115 million or 25.73% of $447 million excess of a $3.75 billion attachment level and one limit of $330 million or 95.1% of $347 million in excess of a $4.20 billion attachment level respectively. The contracts do not include a reinstatement. The contracts contain a variable reset option which the ceding entities may elect to invoke for risk periods subsequent to the first risk period and which allows for the annual adjustment of each contract's attachment and exhaustion levels, within specified limits, and subject to a corresponding premium adjustment.

(4) The Gap Fill Excess contract reinsures personal lines property and automobile excess catastrophe losses caused by multiple perils in all states excluding New Jersey and including only personal lines automobile business in Florida. Recoveries under the Sixth and Ninth Layers of the Nationwide Per Occurrence agreement and the PCS excess catastrophe reinsurance agreements inure to the benefit of this contract which is for a one year term and expires on May 31, 2017. The contract provides one limit of $175 million excess of a $2.75 billion retention and does not include a reinstatement of limits. The contract is placed in the traditional reinsurance market with comparable terms as Layers One through Six and Layer 9. The reinsurance premium is subject to redetermination for exposure changes.

(5) The New Jersey agreement comprises two existing contracts and a newly placed contract that reinsure personal lines property and automobile excess catastrophe losses in New Jersey caused by multiple perils. The two existing contracts expiring May 31, 2017 and May 31, 2018 and the newly placed contract expiring May 31, 2019 each provide 31.67%, 31.66% and 31.67%, respectively, of the $400 million limit in excess of a provisional $169 million retention, a $162 million retention, and a $150 million retention, respectively. Each contract includes one reinstatement of limits per contract year, with premium due. The reinsurance premium and retention are subject to redetermination for exposure changes on an annual basis.

(6) The Pennsylvania agreement reinsures personal lines property excess catastrophe losses in Pennsylvania caused by multiple perils. The contract has a three year term effective 6/1/2015 to 5/31/2018 and provides three limits over three years, with two limits available in any one contract year. The reinsurance premium and retention are not subject to redetermination for exposure changes.

(7) The Kentucky Earthquake agreement reinsures personal lines property excess catastrophe losses caused by earthquakes or fires following earthquakes in Kentucky. The contract has a three year term effective June 1, 2014 to May 31, 2017 and provides three limits over three years subject to two limits being available in any one contract year. The reinsurance premium and retention are not subject to redetermination for exposure changes.

(8) The E&S Earthquake agreement reinsures personal lines property catastrophe losses caused by earthquakes (shake only) in California for business written by our excess and surplus lines insurer. The contract is effective from July 1, 2013 to June 30, 2018, and provides reinsurance on a 100% quota share basis with no retention. The contract allows for cession of policies providing earthquake coverage so long as the total amount of in-force building limits provided by those policies does not exceed $400 million. This $400 million cap limits the policies that are covered by the reinsurance and not the amount of loss eligible for cession. If the $400 million cap is exceeded, no new policies may be ceded to the agreement until the in-force building limits provided by the policies reinsured under the agreement are less than $400 million. The reinsurance premium varies depending on the location of the insured property subject to the agreement.

* The percentage of the placed layer which the limit of each contract comprising the 2013-1 PCS Excess Catastrophe Reinsurance agreement and each contract comprising the 2014-1 PCS Excess Catastrophe Reinsurance agreement represents will vary from year to year and therefore is noted only for the 2016 catastrophe reinsurance program.

**The percentage of the placed layer which the limit of the Ninth Layer Per Occurrence contract represents will vary from year to year and therefore is noted only for the 2016 catastrophe reinsurance program.

Castle Key Group

($ in millions)	Effective date	% placed	Reinstatement	Retention	Per occurrence Limit
Below FHCF [1]	6/1/2015	100	3 limits over 1-year term	$15	$51
Mandatory FHCF Coverage [2]	6/1/2015	90	None	66 for each of the 2 largest storms, 22 for all other storms	mandatory FHCF Coverage limit of 181
FHCF Sliver [3]	6/1/2015	100	None	66	10% co-participation of the mandatory FHCF coverage; recoveries estimated at 18
Excess [4]	6/1/2015	100	None	66, and an estimated 181 equivalent to the FHCF Sliver as if 100% placed	275
Sanders Re 2014-2 Class A Excess Catastrophe contract[5]	6/1/2015	100	None	66, and 456 which is equivalent to the Mandatory FHCF Coverage as if 100% placed and the Excess	200

[1] Below FHCF - provides coverage beginning 6/1/2015 for 1 year covering personal lines property excess catastrophe losses on policies written by Castle Key Insurance Company and Castle Key Indemnity Company. The preliminary reinsurance premium is subject to redetermination for exposure changes. Reinsurance premium to reinstate the limit is prepaid for the first limit and required for the additional and final reinstatement limit.

[2] Mandatory Florida Hurricane Catastrophe Fund (“FHCF”) Coverage– provides 90% reimbursement on qualifying personal lines property losses caused by storms the National Hurricane Center declares to be hurricanes up to an estimated maximum per hurricane season. Estimated limits and retentions are calculated for Castle Key Insurance Company and Castle Key Indemnity Company independently, and are subject to annual re-measurements based on June 30, 2015 exposure data. The retentions are initial estimates subject to adjustment upward or downward to the actual retention which is determined based on the submitted exposures of all FHCF participants.

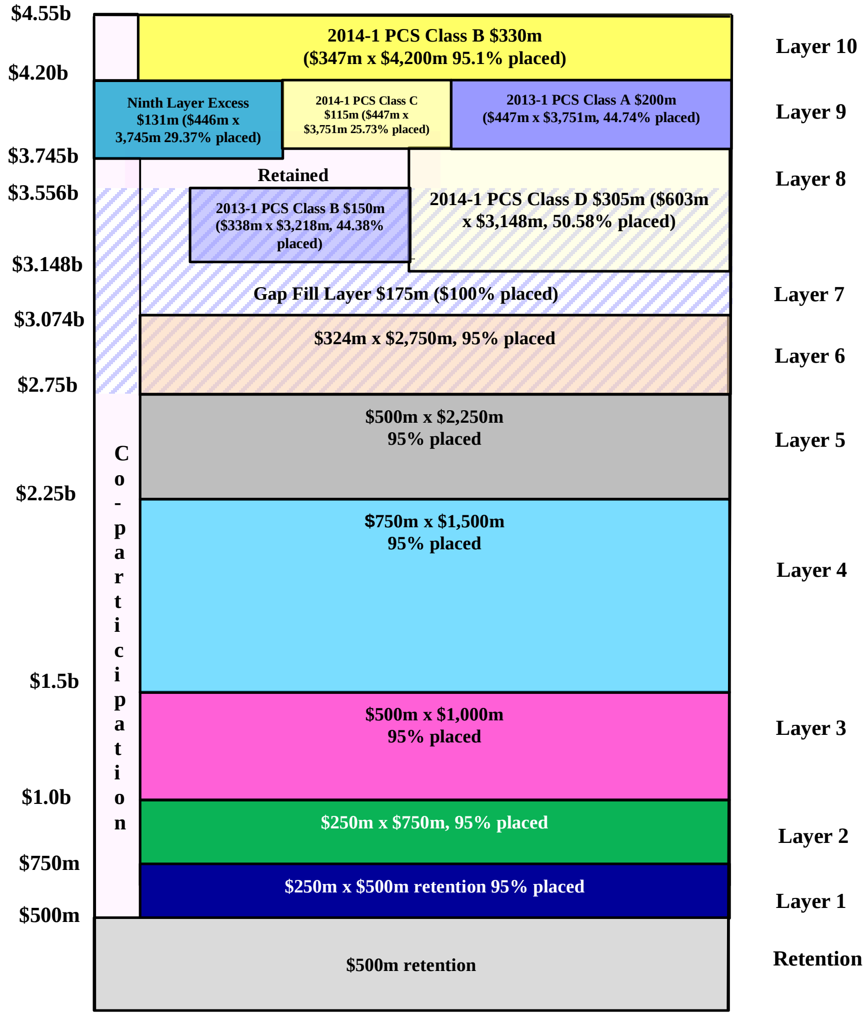
[3] FHCF Sliver - provides coverage beginning 6/1/2015 for 1 year covering primarily personal lines property excess catastrophe losses not reimbursed by the FHCF. The retention is $66 million and is subject to adjustment upward or downward to an actual retention that will equal the mandatory FHCF Coverage retention as respects business covered by this contract. The preliminary reinsurance premium is subject to redetermination for exposure changes. Estimated limits and retentions are calculated for Castle Key Insurance Company and Castle Key Indemnity Company independently.

[4] Excess - provides coverage beginning 6/1/2015 for 1 year covering personal lines property excess catastrophe losses and is designed to attach in excess of $66 million and the FHCF Sliver as if 100% placed. The preliminary reinsurance premium is subject to redetermination for exposure changes. The estimated limit is calculated for Castle Key Insurance Company and Castle Key Indemnity Company on a consolidated basis, and estimated retentions are calculated for each company independently.

[5] Sanders Re 2014-2 Class A Excess Catastrophe contract – provides coverage beginning 6/1/2014 for 3 years covering personal lines property excess catastrophe losses. For the period beginning 6/1/2015, the coverage attaches in excess of $66 million and in excess of Stated Reinsurance which, for the period beginning 6/1/2015, consists of the Mandatory FHCF contracts as if each contract were 100% placed and as if coverage is provided for multiple perils; and the Excess contract. The limit applies to Castle Key Insurance Company and Castle Key Indemnity Company on a consolidated basis, and retentions apply to each company independently. The contract contains a variable reset option which may be invoked for the last two risk periods and which allows for annual adjustment of the contract’s attachment level, within specified limits, and subject to a corresponding premium adjustment.

2016 Nationwide Per Occurrence Excess Catastrophe Reinsurance Program

The Nationwide Per Occurrence Excess Catastrophe Reinsurance program comprises three agreements; The Per Occurrence Excess Catastrophe Reinsurance agreement; the 2013-1 PCS Excess Catastrophe Reinsurance agreement; and the 2014-1 PCS Excess Catastrophe Reinsurance agreement. Each is described below.



Retention: The retention and limit of the agreement apply to Allstate and the other ceding companies as a group.

Per Occurrence 1st Layer Limit is $250 million excess of $500 million and is subject to one reinstatement.

Per Occurrence 2nd Layer Limit is $250 million excess of $750 million and is subject to one reinstatement.

Per Occurrence 3rd Layer Limit is $500 million excess of $1.00 billion and is subject to one reinstatement.

Per Occurrence 4th Layer Limit is $750 million excess of $1.50 billion and is subject to one reinstatement.

Per Occurrence 5th Layer Limit is $500 million excess of $2.25 billion and is subject to one reinstatement.

Per Occurrence 6th Layer Limit is $324 million excess of $2.75 billion and is subject to one reinstatement.

Per Occurrence 6th Layer and above (Gap Fill Excess Contract) Limit is $175 million excess of $2.75 billion and is not subject to reinstatement.

Per Occurrence 9th Layer Limit is $131 million or 29.37% of $446 million excess of $3.75 billion and is subject to one reinstatement.

Per Occurrence Excess Catastrophe Reinsurance Agreement

The Per Occurrence Excess Catastrophe Reinsurance agreement comprises Layers 1 through 6 and a portion of Layers 7, 8, and 9 of the Per Occurrence Excess Catastrophe Reinsurance program and reinsures personal lines property and automobile excess catastrophe losses resulting from multiple perils excluding New Jersey and excluding personal lines property in Florida. Coverage for each of the First through the Fifth Layers comprises three contracts, with each contract providing one third of 95% of the total Layer limit and expiring May 31, 2017, May 31, 2018 and May 31, 2019. Coverage for the Sixth Layer and for a portion of the Ninth Layer is provided by two contracts, distinct to each layer, and both with seven year terms expiring May 31, 2022. The Gap Fill Excess Contract provides coverage for a portion of the layers above the Fifth Layer and is a one year term contract expiring May 31, 2017. Recoveries under the Sixth and Ninth Layers of the Nationwide Per Occurrence agreement, and the PCS excess catastrophe reinsurance agreements, inure to the benefit of the Gap Fill Excess Contract.

2013-1 PCS Class B 8th Layer Limit is $150 million or 44.38% of $338 million between a $3.22 billion to $3.56 billion layer and is not subject to reinstatement.

2013-1 PCS Class A 9th Layer Limit is $200 million or 44.74% of $447 million between a $3.75 billion to $4.20 billion layer and is not subject to reinstatement.

2013-1 PCS Excess Catastrophe Reinsurance Agreement

The 2013-1 PCS Excess Catastrophe Reinsurance agreement comprises parts of Layers 8 and 9 of the Nationwide Excess Catastrophe Reinsurance program and reinsures personal lines property and automobile excess catastrophe losses caused by hurricanes in 28 states and the District of Columbia, and earthquakes, including fires following earthquakes, in California, New York, and Washington. This agreement is placed with a Bermuda insurance company, Sanders Re Ltd. ("Sanders Re"), which completed an offering to unrelated investors of principal at risk, variable market rate notes to collateralize losses covered by the agreement. The agreement comprises two contracts: a Class B Excess Catastrophe Reinsurance contract which provides $150 million in limits excess of a $3.22 billion attachment level, and a Class A Excess Catastrophe Reinsurance contract which provides $200 million in limits excess of a $3.75 billion attachment level. The contracts' risk period began on May 4, 2013 and expires on May 3, 2017. The contracts do not include a reinstatement of limits. In addition to reinsuring Allstate and the same 15 affiliates reinsured under the Nationwide Per Occurrence Excess Catastrophe Reinsurance agreement, the 2013-1 PCS Excess Catastrophe Reinsurance agreement also includes coverage for two Esurance affiliates.

Amounts payable under the agreement are based on insured industry losses as reported by PCS and further indexed by an annual pay-out factor specific to personal lines property and personal lines automobile exposures in the agreement's covered areas. Reinsurance recoveries under the 2013-1 PCS Excess Catastrophe Reinsurance agreement are limited to our ultimate net loss from a PCS reported hurricane or earthquake event, in excess of each contract's specific attachment level and subject to each contract's limit.

2014-1 PCS Class D 7th Layer Limit is $305 million or 50.58% of $603 million between a $3.15 billion to $3.75 billion layer and is not subject to reinstatement.

2014-1 PCS Class C 9th Layer Limit is $115 million or 25.73% of $447 million between a $3.75 billion to $4.02 billion layer and is not subject to reinstatement.

2014-1 PCS Class B 10th Layer Limit is $330 million or 95.1% of $347 million between a $4.20 billion to $4.55 billion layer and is not subject to reinstatement.

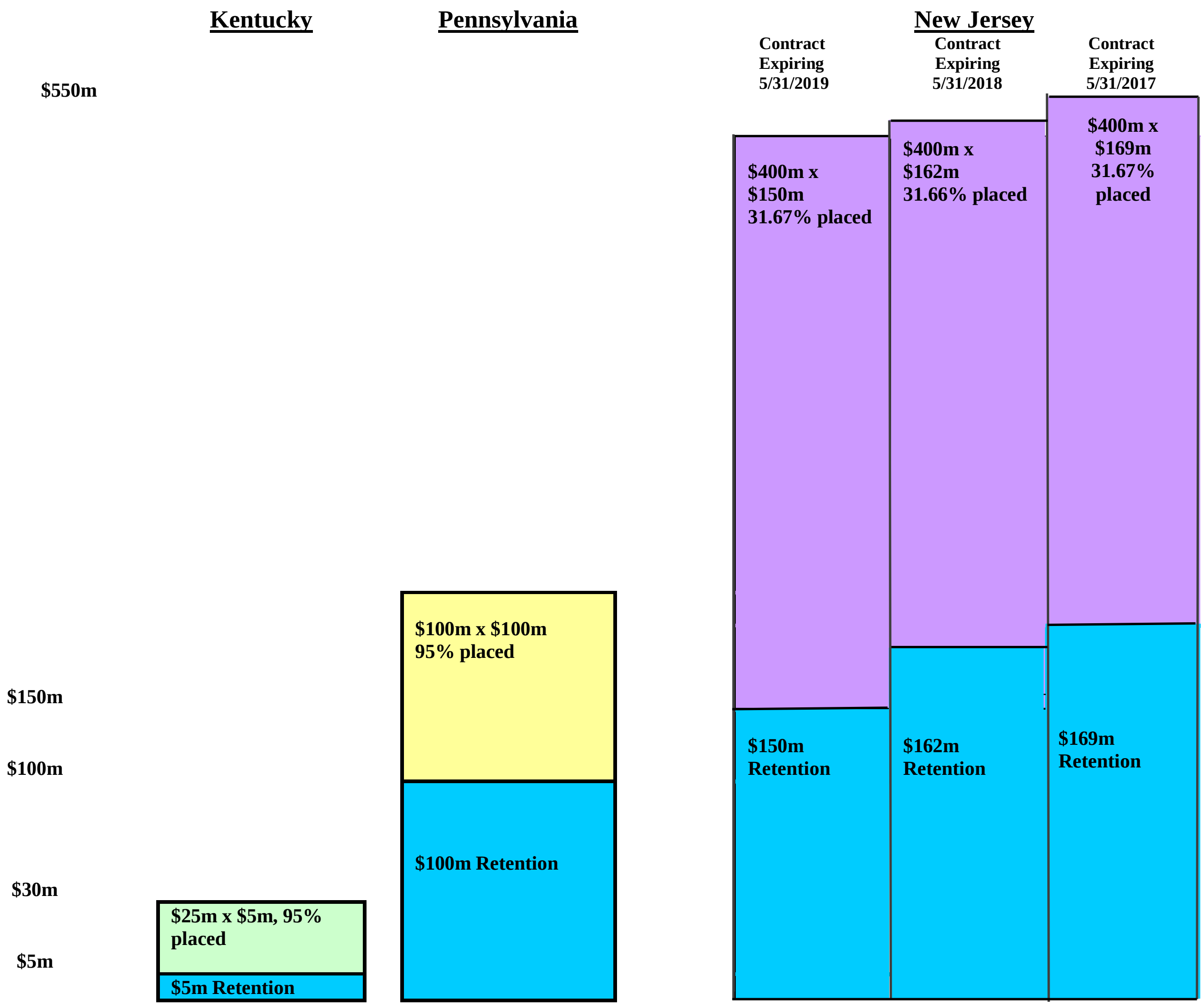
2014-1 PCS Excess Catastrophe Reinsurance Agreement

The 2014-1 PCS Excess Catastrophe Reinsurance agreement comprises parts of Layers 8, 9, and 10 of the Nationwide Excess Catastrophe Reinsurance program and reinsures personal lines property and automobile excess catastrophe losses caused by hurricanes in 29 states and the District of Columbia, and earthquakes, including fires following earthquakes, in California, New York, and Washington. This agreement is placed with a Bermuda insurance company, Sanders Re Ltd. ("Sanders Re"), which completed an offering to unrelated investors of principal at risk, variable market rate notes to collateralize losses covered by the agreement. The agreement comprises three contracts: a Class D Excess Catastrophe Reinsurance contract which provides $305 million in limits excess of a $3.15 billion attachment level, a Class C Excess Catastrophe Reinsurance contract which provides $115 million in limits excess of a $3.75 billion attachment level, and a Class B Excess Catastrophe Reinsurance contract which provides $330 million in limits excess of a $4.20 billion attachment level. The contracts are effective on May 22, 2014 with the risk period for the Class D Excess Catastrophe Reinsurance contract expiring on May 21, 2019 and the risk periods for the Class C Excess Catastrophe Reinsurance contract and the Class B Excess Catastrophe Reinsurance contract expiring on May 21, 2018. The contracts comprising the agreement contain a variable reset option which the ceding entities may elect to invoke for risk periods subsequent to the first risk period and which allows for the annual adjustment of each contract's attachment and exhaustion levels within specified limits. The variable reset option requires a premium adjustment for an increase or decrease in the updated modeled annual expected loss from the initial modeled annual expected loss. The contracts do not include a reinstatement of limits. In addition to reinsuring Allstate and the same

17 affiliates reinsured under the 2013-1 PCS Excess Catastrophe Reinsurance agreement, the 2014-1 PCS Excess Catastrophe Reinsurance agreement also includes coverage for affiliates that underwrite business exclusively in the State of New Jersey. While the 2014-1 PCS Excess Catastrophe Reinsurance agreement does not provide reinsurance recoveries for New Jersey hurricane exposures for the May 22, 2016 to May 21, 2017 risk period, the agreement allows for the potential of these recoveries in the remaining risk periods.

Amounts payable under the agreement are based on insured industry losses as reported by PCS and further indexed by an annual pay-out factor specific to personal lines property and automobile exposures in the agreement's covered areas. Reinsurance recoveries under the PCS Excess Catastrophe Reinsurance agreement are limited to our ultimate net loss from a PCS reported hurricane or earthquake event, in excess of each contract's specific attachment level and subject to each contract's limit.

2016 Excess Catastrophe Per Occurrence Reinsurance Agreements for Kentucky, Pennsylvania and New Jersey



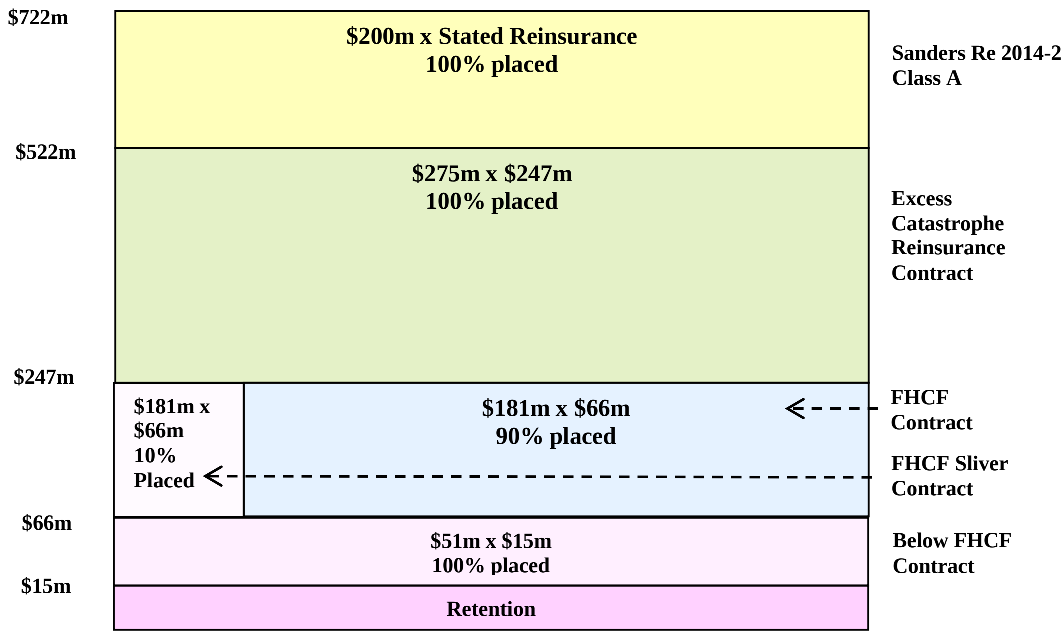
The retention and limit of each contract apply to the ceding companies named on the contract as a group and not individually.

New Jersey – The Excess Catastrophe Reinsurance agreement – New Jersey comprises two existing contracts and a newly placed contract that reinsures personal lines property and automobile excess catastrophe losses in New Jersey caused by multiple perils. The two existing contracts expiring May 31, 2017 and May 31, 2018 and the newly placed contract expiring May 31, 2019 provide 31.67%, 31.66%, and 31.67%, respectively, of the $400 million limit in excess of a provisional $169 million retention, a $162 million retention, and a $150 million retention, respectively. Each contract includes one reinstatement per contract year, with premium due. The reinsurance premium and retention are subject to redetermination for exposure changes on an annual basis.

Pennsylvania – The Excess Catastrophe Reinsurance agreement - Pennsylvania is effective June 1, 2015 for three years and reinsures personal lines property excess catastrophe losses caused by multiple perils in the state of Pennsylvania. The contract provides three limits of $100 million in excess of a $100 million retention subject to two limits being available in any one contract year and is 95% placed. The reinsurance premium and retention are not subject to redetermination for exposure changes.

Kentucky – The Earthquake Excess Catastrophe Reinsurance agreement – Kentucky is effective June 1, 2014 for three years and reinsures personal lines property excess catastrophe losses caused by earthquakes or fires following earthquakes in Kentucky. The contract provides three limits of $25 million in excess of a $5 million retention with two limits available in any one year and is 95% placed. The reinsurance premium and retention are not subject to redetermination for exposure changes.

2015 Florida Excess Catastrophe Reinsurance Agreement



Estimated retentions are calculated for each Company independently for all contracts with the exception of the Below FHCF Catastrophe Reinsurance contract where the retention applies on a combined company basis.

The Below FHCF Catastrophe Reinsurance contract provides $51 million excess of $15 million and is subject to two reinstatements.

The Mandatory FHCF contracts provide 90% of $181 million excess of $66 million*. Their estimated limits and retentions are subject to re-measurement based on June 30, 2015 exposure data. The FHCF retention is subject to adjustment upward or downward to an actual retention which is determined based on the submitted exposures of all FHCF participants.

The FHCF Sliver contract reinsures Castle Key's 10% co-participation, on a multiple perils basis, of the $181 million limit excess of $66 million provided by the FHCF contract. It is not subject to reinstatement.

The Excess contract provides $275 million in excess of $66 million (the FHCF retention) and in excess of an estimated $181 million (the FHCF Sliver contract as if 100% placed). It is not subject to reinstatement. This contract's retention adjusts downward when qualifying losses consume the FHCF Sliver contract limit of $181 million which is deemed to have been placed, and thereafter further adjusts downward upon the exhaustion of any portion of the Below FHCF contract limit and once the Below the FHCF contract's limits and the two reinstatements of these limits have been expended by qualifying losses. When applying the dropdown adjustment, the qualifying losses are deemed to be those reinsured pursuant to the multiple perils coverage provided by the FHCF Sliver contract.

The Sanders Re 2014-2 contract provides $200 million in limits excess of $66 million and in excess of Stated Reinsurance which, for the first annual period, consists of the Mandatory FHCF contracts as if each contract were 100% placed and as if coverage is provided for multiple perils, and the Excess contract. The Sanders Re 2014-2 contract will drop down as the Stated Reinsurance is exhausted. All Stated Reinsurance is deemed to be eroded on a multiple perils basis pursuant to the terms of the non-FHCF contracts.

*CKIC's Mandatory FHCF contract provides a provisional $40,166,638 retention with a $110,069,578 limit and CKI's Mandatory FHCF contract provides a $25,801,620 retention with a $70,704,785 limit. For ease of reference, FHCF provisional retentions and limits have been consolidated for the purposes of this disclosure.

The Florida Excess Catastrophe Reinsurance agreement reinsures Castle Key Insurance Company ("CKIC") and Castle Key Indemnity Company ("CKI", and together with CKIC, "Castle Key") for personal lines property excess catastrophe losses in Florida. This agreement comprises six contracts and includes Castle Key's participation in the mandatory Florida Hurricane Catastrophe Fund ("FHCF"). All contracts comprising the agreement and as described below, except the Sanders Re 2014-2 Class A contract ("Sanders Re 2014-2 contract"), provide a one year term effective June 1, 2015 through May 31, 2016 with reinsurance premium subject to redetermination for exposure changes. The Sanders Re 2014-2 contract is a three year term contract with a risk period effective June 1, 2014 through May 31, 2017. The contact contains a variable reset option which Castle Key may elect to invoke for the last two risk periods and which allows for annual adjustment of the contract's attachment level, within specified limits, and with a corresponding premium adjustment. With the exception of the Mandatory FHCF contracts and the Sanders Re 2014-2 contract, all contracts provide reinsurance for qualifying losses to personal lines property arising out of multiple perils in addition to hurricanes. The Mandatory FHCF contracts reinsure qualifying personal lines property losses caused by storms the National Hurricane Center declares to be hurricanes, and the Sanders Re 2014-2 contract reinsures qualifying losses to personal lines property caused by a Named Storm Event, a Severe Thunderstorm Event, or an Earthquake Event, all as defined in the contract.

Illustration of Utilization of Reinsurance Coverage (a)

The following 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 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. Provisional retentions for the 2016 program have been used.

(in millions)

Example 1 - One hurricane landfalls in South Carolina. (Total loss of $2.10 billion, net loss of $580.0 million or 27.6%.)

		Amount	Notes	Per Occurrence	2013-1 PCS Excess	2014-1 PCS Excess	Gap Fill Layer	New Jersey	Castle Key Group (b) Below FHCF	Castle Key Group (b) FHCF	Castle Key Group (b) FHCF Sliver	Castle Key Group (b) Excess	Sanders Re 2014-2
Hurricane in South Carolina													
Per Occurrence Excess Catastrophe Reinsurance Agreement													
Loss		2,100.0											
Retention		500.0	Retention										
Subject Loss		1,600.0	Total loss less 500 retention										
Layer 1			**250 x 500, 95% placed**										
	Retained	12.5	5% of 250 x 500										
	Recoverable	(237.5)	95% of 250 x 500, limit reinstates to 250	(237.5)									
Layer 2			**250 x 750, 95% placed**										
	Retained	12.5	5% of 250 x 750										
	Recoverable	(237.5)	95% of 250 x 750; limit reinstates to 250	(237.5)									
Layer 3			**500 x 1,000, 95% placed**										
	Retained	25.0	5% of 500 x 1,000										
	Recoverable	(475.0)	95% of 500 x 1,000; limit reinstates to 500	(475.0)									
Layer 4			**750 x 1,500, 95% placed**										
	Retained	30.0	5% of 600 x 1,500										
	Recoverable	(570.0)	95% of 600 x 1,500; limit reinstates to 750	(570.0)									
South Carolina loss		**2,100.0**											
Less recoverables		**(1,520.0)**											
Net loss		**580.0**		**(1,520.0)**									

Illustration of Utilization of Reinsurance Coverage (a)

The following 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 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. Provisional retentions for the 2016 program have been used.

(in millions)

Example 2 - First hurricane landfalls in South Carolina, total loss of $1.05 billion; second hurricane landfalls in Texas, total loss of $1.40 billion. (Total loss of $2.45 billion, net loss of $1.07 billion or 43.8%.)

	Amount	Notes	Per Occurrence	2013-1 PCS Excess	2014-1 PCS Excess	Gap Fill Layer	New Jersey	Castle Key Group (b) Below FHCF	Castle Key Group (b) FHCF	Castle Key Group (b) FHCF Sliver	Castle Key Group (b) Excess	Sanders Re 2014-2
Hurricane in South Carolina												
Per Occurrence Excess Catastrophe Agreement												
Loss	1,050.0											
Retention	500.0	500 retention										
Subject Loss	550.0	Total loss less 500 retention										
Layer 1		**250 x 500, 95% placed**										
Retained	12.5	5% of 250 x 500										
Recoverable	(237.5)	95% of 250 x 500; limit reinstates to 250	(237.5)									
Layer 2		**250 x 750, 95% placed**										
Retained	12.5	5% of 250 x 750										
Recoverable	(237.5)	95% of 250 x 750; limit reinstates to 250	(237.5)									
Layer 3		**500 x 1,000, 95% placed**										
Retained	2.5	5% of 50 x 1,000										
Recoverable	(47.5)	95% of 50 x 1,000; limit reinstates to 500	(47.5)									
South Carolina loss	**1,050.0**											
Less recoverables	**(522.5)**											
Net loss	**527.5**											
Hurricane in Texas												
Per Occurrence Excess Catastrophe Agreement												
Loss	1,400.0											
Retention	500.0	500 retention										
Subject Loss	900.0	Total loss less 500 retention										
Layer 1		**250 x 500, 95% placed**										
Retained	12.5	5% of 250 x 500										
Recoverable	(237.5)	95% of 250 x 500; reinstated limit now exhausted	(237.5)									
Layer 2		**250 x 750, 95% placed**										
Retained	12.5	5% of 250 x 750										
Recoverable	(237.5)	95% of 250 x 750; 250 reinstated limit now exhausted	(237.5)									
Layer 3		**500 x 1,000, 95% placed**										
Retained	20.0	5% of 400 x 1,000										
Recoverable	(380.0)	95% of 400 x 1,000; limit reinstates to 500	(380.0)									
Texas loss	**1,400.0**											
Less recoverables	**(855.0)**											
Net loss	**545.0**											
Total losses	**2,450.0**											
Less recoverables	**(1,377.5)**											
Net loss	**1,072.5**		**(1,377.5)**									

Illustration of Utilization of Reinsurance Coverage (a)

The following 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 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. Provisional retentions for the 2016 program have been used.

(in millions)

Example 3 - First hurricane landfalls in Alabama, total loss of $350 million; second hurricane landfalls in Georgia, total loss of $900 million; third hurricane landfalls in South Carolina, total loss of $750 million. (Total loss of $2.00 billion, net loss of $1.38 billion or 69.1%.)

	Amount	Notes	Per Occurrence	2013-1 PCS Excess	2014-1 PCS Excess	Gap Fill Layer	New Jersey	Castle Key Group (b) Below FHCF	Castle Key Group (b) FHCF	Castle Key Group (b) FHCF Sliver	Castle Key Group (b) Excess	Sanders Re 2014-2
Hurricane in Alabama												
Per Occurrence Excess Catastrophe Agreement												
Loss	350.0											
Retention	500.0	500 retention										
Recoverable	0.0	Retention exceeds total loss										
Alabama loss	**350.0**											
Less recoverable	**0.0**											
Net loss	**350.0**											
Hurricane in Georgia												
Per Occurrence Excess Catastrophe Agreement												
Loss	900.0											
Retention	500.0	500 retention										
Subject Loss	400.0	Total loss less 500 retention										
Layer 1		**250 x 500, 95% placed**										
Retained	12.5	5% of 250 x 500										
Recoverable	(237.5)	5% of 250 x 500; limit reinstates to 250	(237.5)									
Layer 2		**250 x 750, 95% placed**										
Retained	7.5	5% of 150 x 750										
Recoverable	(142.5)	95% of 150 x 750; limit reinstates to 250	(142.5)									
Georgia loss	**900.0**											
Less recoverables	**(380.0)**											
Net loss	**520.0**											
Hurricane in South Carolina												
Per Occurrence Excess Catastrophe Agreement												
Loss	750.0											
Retention	500.0	500 retention										
Subject Loss	250.0											
Layer 1		**250 x 500, 95% placed**										
Retained	12.5	5% of 250 x 500										
Recoverable	(237.5)	95% of 250 x 500; limit now exhausted	(237.5)									
South Carolina loss	**750.0**											
Less recoverables	**(237.5)**											
Net loss	**512.5**											
Total loss	**2,000.0**											
Less recoverables	**(617.5)**											
Net loss	**1,382.5**		**(617.5)**									

Illustration of Utilization of Reinsurance Coverage (a)

The following 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 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. Provisional retentions for the 2016 program have been used.

(in millions)

Example 4 - First hurricane landfalls in Maryland, total loss $600 million; second hurricane landfalls in New Jersey, total loss of $500 million; third hurricane landfalls in Maine, total loss of $200 million; fire losses reported in California following an earthquake, total loss of $1.70 billion. (Total loss of $3 billion, net loss of $1.44 billion or 48.0%.)

								Castle Key Group (b)				
	Amount	Notes	Per Occurrence	2013-1 PCS Excess	2014-1 PCS Excess	Gap Fill Layer	New Jersey	Below FHCF	FHCF	FHCF Sliver	Excess	Sanders Re 2014-2
Hurricane in Maryland												
Per Occurrence Excess Catastrophe Agreement												
Loss	600.0											
Retention	500.0	500 retention										
Subject loss	100.0	Total loss less 500 retention										
Layer 1		**250 x 500, 95% placed**										
Retained	5.0	5% of 100 x 500										
Recoverable	(95.0)	95% of 100 x 500; limit reinstates to 250	(95.0)									
Maryland loss	**600.0**											
Less recoverables	**(95.0)**											
Net loss	**505.0**											
Hurricane in New Jersey												
Multi-Peril Expiring 2017		**400 x 169, 32% placed**										
Loss	500.0											
Retention	169.0	169 retention										
Subject Loss	331.0	Total loss less 169 retention										
Retained	225.1	68% retained on 331 x 169										
Recoverable	(105.9)	32% of 331 x 169; limit reinstates to 400					(105.9)					
Multi-Peril Expiring 2018		**400 x 162, 32% placed**										
Loss	500.0											
Retention	162.0	162 retention										
Subject Loss	338.0	Total loss less 162 retention										
Retained	229.8	68% retained on 338 x 162										
Recoverable	(108.2)	32% of 338 x 162; limit reinstates to 400					(108.2)					
Multi-Peril Expiring 2019		**400 x 150, 32% placed**										
Loss	500.0											
Retention	150.0	150 retention										
Subject Loss	350.0	Total loss less 150 retention										
Retained	238.0	68% retained on 350 x 150										
Recoverable	(112.0)	32% of 350 xs 150; limit reinstates to 400					(112.0)					
New Jersey loss	**500.0**											
Less recoverable	**(326.1)**											
Net loss	**173.9**											

Illustration of Utilization of Reinsurance Coverage (a)

The following 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 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. Provisional retentions for the 2016 program have been used.

(in millions)

	Amount	Notes	Per Occurrence	2013-1 PCS Excess	2014-1 PCS Excess	Gap Fill Layer	New Jersey	Castle Key Group (b) Below FHCF	FHCF	FHCF Sliver	Excess	Sanders Re 2014-2
Example 4 - continuation												
Hurricane in Maine												
Per Occurrence Excess Catastrophe Agreement												
Loss	200.0											
Retention	500.0	500 retention										
Subject Loss	0.0	Retention exceeds total loss										
Maine loss	**200.0**											
Less recoverable	**0.0**											
Net loss	**200.0**											
Fire losses in California following an earthquake												
Per Occurrence Excess Catastrophe Agreement												
Loss	1,700.0											
Retention	500.0	500 retention										
Subject loss	1,200.0	Total loss less 500 retention										
Layer 1		**250 x 500, 95% placed**										
Retained	12.5	5% of 250 x 500										
Recoverable	(237.5)	95% of 250 x 500; limit reinstates to 150	(237.5)									
Layer 2		**250 x 750, 95% placed**										
Retained	12.5	5% of 250 x 750										
Recoverable	(237.5)	95% of 250 x 750; limit reinstates to 250	(237.5)									
Layer 3		**500 x 1,000, 95% placed**										
Retained	25.0	5% of 500 x 1,000										
Recoverable	(475.0)	95% of 500 x 1,000; limit reinstates to 500	(475.0)									
Layer 4		**750 x 1,500, 95% placed**										
Retained	10.0	5% of 200 x 1,500										
Recoverable	(190.0)	95% of 200 x 1,500; limit reinstates to 750	(190.0)									
CA loss	**1,700.0**											
Less recoverable	**(1,140.0)**											
Net loss	**560.0**											
Total loss	**3,000.0**											
Less recoverables	**(1,561.1)**											
Net loss	**1,438.9**		**(1235.0)**				**(326.1)**					

Illustration of Utilization of Reinsurance Coverage (a)

The following 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 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. Provisional retentions for the 2016 program have been used.

(in millions)

Example 5 - First hurricane landfalls in Louisiana, total loss of $1 billion; second hurricane landfalls in Texas, total loss of $3.80 billion. PCS declares the Texas event to be a $47.50 billion Personal Lines Property Industry Event and a $4.95 billion Auto Hurricane Industry Event. A third hurricane landfalls in Florida, total loss of $600 million. (Total loss of $5.40 billion, net loss of $1.17 billion or 21.7%.) [c]

		Amount	Notes	Per Occurrence	2013-1 PCS Excess	2014-1 PCS Excess	Gap Fill Layer	New Jersey	Castle Key Group (b) Below FHCF	Castle Key Group (b) FHCF	Castle Key Group (b) FHCF Sliver	Castle Key Group (b) Excess	Sanders Re 2014-2
Hurricane in Louisiana													
Loss		1,000.0											
Retention		500.0	500 retention										
Subject loss		500.0	Total loss less 500 retention										
Layer 1			**250 x 500, 95% placed**										
	Retained	12.5	5% of 250 x 500										
	Recoverable	(237.5)	95% of 250 x 500; limit reinstates to 250	(237.5)									
Layer 2			**250 x 750, 95% placed**										
	Retained	12.5	5% of 250 x 750										
	Recoverable	(237.5)	95% of 250 x 750; limit reinstates to 250	(237.5)									
LA Loss		**1,000.0**											
Less recoverable		**(475.0)**											
Net loss		**525.0**											
Hurricane in Texas													
Per Occurrence Excess Catastrophe Agreement													
Loss		3,800.0											
Retention		500.0	500 retention										
Subject loss		3,300.0	Total loss less 500 retention										
Layer 1			**250 x 500, 95% placed**										
	Retained	12.5	5% of 250 x 500										
	Recoverable	(237.5)	95% of 250 x 500, limit now exhausted	(237.5)									
Layer 2			**250 x 750, 95% placed**										
	Retained	12.5	5% of 250 x 750										
	Recoverable	(237.5)	95% of 250 x 750; limit now exhausted	(237.5)									
Layer 3			**500 x 1,000, 95% placed**										
	Retained	25.0	5% of 500 x 1,000										
	Recoverable	(475.0)	95% of 500 x 1,000; limit reinstates to 500	(475.0)									
Layer 4			**750 x 1,500, 95% placed**										
	Retained	37.5	5% of 750 x 1,500										
	Recoverable	(712.5)	95% of 750 x 1,500; limit reinstates to 750	(712.5)									
Layer 5			**500 x 2,250, 95% placed**										
	Retained	25.0	5% of 500 x 2,250										
	Recoverable	(475.0)	95% of 500 x 2,250; limit reinstates to 500	(475.0)									
Layer 6			**324 x 2,750, 95% placed**										
	Retained	16.2	5% of 324 x 2,750										
	Recoverable	(307.8)	95% of 324 x 2,750; limit reinstates to 324	(307.8)									
Layer 9			**446 x 3,745, 29.37% placed**										
Loss		3,800.0											
Retention		3,745.0	3,745 retention										
Subject Loss		55.00	Total loss less 3,745 retention										
	Retained	38.8	70.63% of 55 x 3,745										
	Recoverable	(16.2)	29.37% of 55 x 3,745; limit reinstates to 391	(16.2)									

Illustration of Utilization of Reinsurance Coverage (a)

The following 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 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. Provisional retentions for the 2016 program have been used.

(in millions)

	Amount	Notes	Per Occurrence	2013-1 PCS Excess	2014-1 PCS Excess	Gap Fill Layer	New Jersey	Castle Key Group (b) Below FHCF	Castle Key Group (b) FHCF	Castle Key Group (b) FHCF Sliver	Castle Key Group (b) Excess	Sanders Re 2014-2
Example 5 - continuation												
2013-1 PCS Class B contract												
Loss	3,800.0											
Retention	3,218.0	3,218 retention										
Subject Loss	582.0											
		150 Limit; 338 x 3,218, 44.38% placed										
	150.0	Contract provides 100% of 150 limit										
	168.75%	Event Index Percentage										
		Event Index Percentage is equal to the Hurricane Index Value - retention / Exhaustion level - retention (Hurricane Index value = PCS declared property loss of 47,500 x the property payout factor for the subject state + PCS declared auto loss of 4,950 x the automobile payout factor for the subject state. Payout factors are applicable to each covered state and are subject to annual adjustment.)										
Recoverable	(150.0)	Event Index Percentage x contract limit, subject to contract limit; limit not subject to reinstatement		(150.0)								
2014-1 PCS Class D contract												
Loss	3,800.0											
Retention	3,148.0	3,148 retention										
Subject Loss	652.0											
		305 Limit; 603 x 3,148, 50.58% placed										
	305.0	Contract provides 100% of 305 limit										
	106.20%	Event Index Percentage										
		Event Index Percentage is equal to the Hurricane Index Value - retention / Exhaustion level - retention (Hurricane Index value = PCS declared property loss of 47,500 x the property payout factor for the subject state + PCS declared auto loss of 4,950 x the automobile payout factor for the subject state. Payout factors are applicable to each covered state and are subject to annual adjustment.)										
Recoverable	(305.0)	Event Index Percentage x contract limit, subject to contract limit; limit not subject to reinstatement			(305.0)							

Illustration of Utilization of Reinsurance Coverage (a)

The following 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 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. Provisional retentions for the 2016 program have been used.

(in millions)

	Amount	Notes	Per Occurrence	2013-1 PCS Excess	2014-1 PCS Excess	Gap Fill Layer	New Jersey	Castle Key Group (b) Below FHCF	Castle Key Group (b) FHCF	Castle Key Group (b) FHCF Sliver	Castle Key Group (b) Excess	Sanders Re 2014-2
Example 5 - continuation												
2013-1 PCS Class A contract												
Loss	3,800.0											
Retention	3,751.0	3,751 retention										
Subject Loss	49.0	**200 Limit; 447 x 3,751, 44.74% placed**										
	8.360%	Event Index Percentage Event Index Percentage is equal to the Hurricane Index Value - retention / Exhaustion level - retention (Hurricane Index value = PCS declared property loss of 47, 500 x the property payout factor for the subject state + PCS declared auto loss of 4,950 x the automobile payout factor for the subject state. Payout factors are applicable to each covered state and are subject to annual adjustment.)										
Recoverable	(16.7)	Event Index Percentage x contract limit subject to contract limit; limit not subject to reinstatement; 183.3 limit remains		(16.7)								
2014-1 PCS Class C contract												
Loss	3,800.0											
Retention	3,751.0	3,751 retention										
Subject Loss	49.0	**115 Limit; 447 x 3,751, 25.73% placed**										
	53.700%	Event Index Percentage Event Index Percentage is equal to the Hurricane Index Value - retention / Exhaustion level - retention (Hurricane Index value = PCS declared property loss of 47,500 x the property payout factor for the subject state + PCS declared auto loss of 4,950 x the automobile payout factor for the subject state. Payout factors are applicable to each covered state and are subject to annual adjustment.)										
Recoverable	(61.8)	Event Index Percentage x contract limit subject to contract limit; limit not subject to reinstatement; 53.2 limit remains			(61.8)							
Gap Fill Layer		**175 x 2,750, 100% placed with recoveries under the 6th and 9th Layer contracts and the PCS agreements inurring**										
Loss	3,800.0											
Retention	2,750.0	**2,750 retention**										
Subject Loss	1050.00											
Less Inurring	(857.4)	Layer 6 and PCS Agreement recoveries										
Recoverable	(175.0)	Loss less inurring contracts subject to 175 limit				(175.0)						
Texas loss	**3,800.0**											
Less recoverable	**(3,170.0)**											
Net loss	**630.0**											

Illustration of Utilization of Reinsurance Coverage (a)

The following 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 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. Provisional retentions for the 2016 program have been used.

(in millions)

	Amount	Notes	Per Occurrence	2013-1 PCS Excess	2014-1 PCS Excess	Gap Fill Layer	New Jersey	Castle Key Group (b) Below FHCF	FHCF	FHCF Sliver	Excess	Sanders Re 2014-2
Example 5- continuation												
Hurricane in Florida												
Below FHCF		**51 x 15, 100% placed**										
Loss	600.0											
Retention	15.0	15 retention										
Subject Loss	585.0	Total loss less 15 retention										
Recoverable	(51.0)	100% of 51 x 15 retention; limit reinstates to 51										
								(51.0)				
FHCF		**181 x 66 retention, 90% placed**										
Loss	600.0											
Retention	66.0	66 retention										
Subject Loss	534.0	Total loss less 66 retention										
Retained	18.1	10% retained on 181 limit										
Recoverable	(162.9)	90% of 181 x 66; limit exhausted							(162.9)			
FHCF Sliver		**181 x 66 retention, 10% placed**										
Loss	600.0											
Retention	66.0	66 retention										
Subject Loss	534.0	Total loss less 66 retention										
Recoverable	(18.1)	10% of 181 x 66; limit exhausted								(18.1)		
Excess		**275 x 247 retention, 100% placed**										
Loss	600.0											
Retention	247.0	247 retention (66 retention below FHCF + FHCF Sliver as if 100% placed)										
Subject Loss	353.0	Total loss less 247 retention										
Recoverable	(275.0)	100% of 275 x 247 retention; limit exhausted									(275.0)	
Sanders Re 2014-2 Class A [d]		**200 x Stated Reinsurance of 522, 100% placed**										
Loss	600.0											
Retention	522.0	522 retention (66 plus Stated Reinsurance equal to the mandatory FHCF as if 100% placed and the Excess coverage)										
Subject Loss	78.0	Total loss less 522 retention										
Recoverable	(78.0)	100% of 78 x 522 retention; 122 limit remains excess of Stated Reinsurance of 66 (15 retention plus 51 Below FHCF limit)										(78.0)
Florida loss	**600.0**											
Less recoverables:												
Below FHCF	**(51.0)**											
FHCF	**(162.9)**											
FHCF Sliver	**(18.1)**											
Excess	**(275.0)**											
Sanders Re 2014-2 Class A	**(78.0)**											
Net loss	**15.0**											
Total loss	**5,400.0**											
Less net recoverables	**(4,230.0)**											
Net loss	**1,170.0**		**(2,936.5)**	**(166.7)**	**(366.8)**	**(175.0)**		**(51.0)**	**(162.9)**	**(18.1)**	**(275.0)**	**(78.0)**

(a) For purposes of these examples, the loss is assumed to have occurred during the contract year 6/1/16 through 5/31/17.
(b) For purposes of these examples, the limits of liability and retentions have been combined for Castle Key Insurance Company and Castle Key Indemnity Company.
(c) Allstate's separately capitalized Florida underwriting entities underwrite only personal lines property business.
(d) The Sanders Re 2014-2 Class A Contract adjusts downward to a $15 million retention upon the exhaustion of both: 1.) the "Stated Reinsurance," as defined in the Contract and as applicable for each annual period; and 2.) the contract limit of the Below the FHCF Contract, including the two rein of its limits. If any portion of the Below the FHCF Contract is unexhausted, the Sanders Re 2014-2 Class A Contract's attachment point remains at $66 million.