



# Allstate®

## The Allstate Corporation

### Investor Supplement Fourth Quarter 2021

The condensed consolidated financial statements and financial exhibits included herein are unaudited and should be read in conjunction with the consolidated financial statements and notes thereto included in the most recent Annual Report on Form 10-K and Quarterly Reports on Form 10-Q. The results of operations for interim periods should not be considered indicative of results to be expected for the full year.

Measures used in these financial statements and exhibits that are not based on generally accepted accounting principles ("non-GAAP") are denoted with an asterisk (\*). These measures are defined on the pages "Definitions of Non-GAAP Measures" and are reconciled to the most directly comparable generally accepted accounting principles ("GAAP") measure herein.

**The Allstate Corporation**  
**Investor Supplement - Fourth Quarter 2021**

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**Table of Contents**

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**Consolidated Operations**

Condensed Consolidated Statements of Operations	1
Contribution to Income	2
Book Value per Common Share and Debt to Capital	3
Return on Allstate Common Shareholders' Equity	4
Policies in Force	5

**Property-Liability**

Results	6
<i>Allstate Protection</i>	
Allstate Protection Profitability Measures	7
Impact of Net Rate Changes Implemented on Premiums Written	8
Auto Profitability Measures	9
Homeowners Profitability Measures	10

**Protection Services**

Segment Results	11
-----------------	----

**Allstate Health and Benefits**

Segment Results and Other Statistics	12
--------------------------------------	----

**Corporate and Other**

Segment Results	13
-----------------	----

**Investments**

Investment Position and Results	14
Investment Position and Results by Strategy	15

**Definitions of Non-GAAP Measures**

	16,17
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**Glossary**

Items included in the glossary are denoted with a caret (^) the first time used.	18
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**The Allstate Corporation**  
**Condensed Consolidated Statements of Operations**

(\$ in millions, except per share data)

	Three months ended				Twelve months ended					
	Dec. 31, 2021	Sept. 30, 2021	June 30, 2021	March 31, 2021	Dec. 31, 2020	Sept. 30, 2020	June 30, 2020	March 31, 2020	Dec. 31, 2021	Dec. 31, 2020
<b>Revenues</b>										
Property and casualty insurance premiums <sup>^</sup>	\$ 10,852	\$ 10,615	\$ 10,444	\$ 10,307	\$ 9,279	\$ 9,336	\$ 9,223	\$ 9,235	\$ 42,218	\$ 37,073
Accident and health insurance premiums and contract charges <sup>^</sup>	459	460	447	455	262	287	263	282	1,821	1,094
Other revenue <sup>^</sup>	587	536	494	555	271	272	257	265	2,172	1,065
Net investment income	847	764	974	708	660	464	220	246	3,293	1,590
Net gains (losses) on investments and derivatives	266	105	287	426	490	319	440	(162)	1,084	1,087
<b>Total revenues</b>	<u>13,011</u>	<u>12,480</u>	<u>12,646</u>	<u>12,451</u>	<u>10,962</u>	<u>10,678</u>	<u>10,403</u>	<u>9,866</u>	<u>50,588</u>	<u>41,909</u>
<b>Costs and expenses</b>										
Property and casualty insurance claims and claims expense	7,804	8,264	7,207	6,043	5,366	6,072	5,222	5,341	29,318	22,001
Shelter-in-Place Payback expense	-	-	29	-	-	-	738	210	29	948
Accident and health insurance policy benefits	269	269	244	233	124	128	123	141	1,015	516
Interest credited to contractholder funds	9	8	8	9	7	8	9	9	34	33
Amortization of deferred policy acquisition costs	1,602	1,582	1,545	1,523	1,382	1,386	1,344	1,365	6,252	5,477
Operating costs and expenses	1,956	1,890	1,683	1,731	1,440	1,322	1,394	1,338	7,260	5,494
Pension and other postretirement rereasurement (gains) losses	(240)	40	(134)	(310)	(371)	(71)	73	318	(644)	(51)
Restructuring and related charges	25	23	71	51	40	196	13	4	170	253
Amortization of purchased intangibles	109	109	105	53	30	31	29	28	376	118
Interest expense	84	69	91	86	80	78	79	81	330	318
<b>Total costs and expenses</b>	<u>11,618</u>	<u>12,254</u>	<u>10,849</u>	<u>9,419</u>	<u>8,098</u>	<u>9,150</u>	<u>9,024</u>	<u>8,835</u>	<u>44,140</u>	<u>35,107</u>
<b>Income from operations before income tax expense</b>	1,393	226	1,797	3,032	2,864	1,528	1,379	1,031	6,448	6,802
Income tax expense	281	20	362	626	594	312	273	194	1,289	1,373
<b>Net income from continuing operations</b>	1,112	206	1,435	2,406	2,270	1,216	1,106	837	5,159	5,429
Income (loss) from discontinued operations, net of tax	(321)	325	196	(3,793)	354	(63)	144	(288)	(3,593)	147
<b>Net income (loss)</b>	791	531	1,631	(1,387)	2,624	1,153	1,250	549	1,566	5,576
Less: Net income (loss) attributable to noncontrolling interest	(26)	(7)	6	(6)	-	-	-	-	(33)	-
<b>Net income (loss) attributable to Allstate</b>	817	538	1,625	(1,381)	2,624	1,153	1,250	549	1,599	5,576
Less: Preferred stock dividends	27	30	30	27	26	27	26	36	114	115
<b>Net income (loss) applicable to common shareholders</b>	<u>\$ 790</u>	<u>\$ 508</u>	<u>\$ 1,595</u>	<u>\$ (1,408)</u>	<u>\$ 2,598</u>	<u>\$ 1,126</u>	<u>\$ 1,224</u>	<u>\$ 513</u>	<u>\$ 1,485</u>	<u>\$ 5,461</u>
<b>Earnings per common share</b>										
<b>Basic</b>										
Continuing operations	\$ 3.90	\$ 0.62	\$ 4.68	\$ 7.88	\$ 7.38	\$ 3.82	\$ 3.44	\$ 2.52	\$ 17.23	\$ 17.06
Discontinued operations	(1.13)	1.11	0.66	(12.53)	1.16	(0.20)	0.46	(0.90)	(12.19)	0.47
<b>Total</b>	<u>\$ 2.77</u>	<u>\$ 1.73</u>	<u>\$ 5.34</u>	<u>\$ (4.65)</u>	<u>\$ 8.54</u>	<u>\$ 3.62</u>	<u>\$ 3.90</u>	<u>\$ 1.62</u>	<u>\$ 5.04</u>	<u>\$ 17.53</u>
<b>Diluted</b>										
Continuing operations	\$ 3.84	\$ 0.62	\$ 4.61	\$ 7.78	\$ 7.30	\$ 3.78	\$ 3.41	\$ 2.48	\$ 16.98	\$ 16.84
Discontinued operations	(1.11)	1.09	0.65	(12.38)	1.15	(0.20)	0.45	(0.89)	(12.02)	0.47
<b>Total</b>	<u>\$ 2.73</u>	<u>\$ 1.71</u>	<u>\$ 5.26</u>	<u>\$ (4.60)</u>	<u>\$ 8.45</u>	<u>\$ 3.58</u>	<u>\$ 3.86</u>	<u>\$ 1.59</u>	<u>\$ 4.96</u>	<u>\$ 17.31</u>
Weighted average common shares - Basic	285.0	293.1	298.8	302.5	304.3	311.2	313.7	317.4	294.8	311.6
Weighted average common shares - Diluted	289.0	297.9	303.3	306.4	307.6	314.1	317.0	322.4	299.1	315.5
<b>Cash dividends declared per common share</b>	\$ 0.81	\$ 0.81	\$ 0.81	\$ 0.81	\$ 0.54	\$ 0.54	\$ 0.54	\$ 0.54	\$ 3.24	\$ 2.16

**The Allstate Corporation  
Contribution to Income**

(\$ in millions, except per share data)

	Three months ended				Twelve months ended					
	Dec. 31, 2021	Sept. 30, 2021	June 30, 2021	March 31, 2021	Dec. 31, 2020	Sept. 30, 2020	June 30, 2020	March 31, 2020	Dec. 31, 2021	Dec. 31, 2020
<b>Contribution to income</b>										
Net income (loss) applicable to common shareholders	\$ 790	\$ 508	\$ 1,595	\$ (1,408)	\$ 2,598	\$ 1,126	\$ 1,224	\$ 513	\$ 1,485	\$ 5,461
Net (gains) losses on investments and derivatives	(266)	(105)	(287)	(426)	(490)	(319)	(440)	162	(1,084)	(1,087)
Pension and other postretirement remeasurement (gains) losses	(240)	40	(134)	(310)	(371)	(71)	73	318	(644)	(51)
Curtailed (gains) losses	-	-	-	-	-	(8)	-	-	-	(8)
Reclassification of periodic settlements and accruals on non-hedge derivative instruments	(1)	-	-	1	(1)	1	-	-	-	-
Business combination expenses and the amortization of purchased intangibles	109	109	105	75	30	31	29	28	398	118
Business combination fair value adjustment	-	-	(6)	-	-	-	-	-	(6)	-
(Income) loss from discontinued operations	177	(235)	(493)	4,163	(446)	86	(167)	370	3,612	(157)
Income tax expense (benefit)	227	(100)	369	(224)	272	54	97	(189)	272	234
<b>Adjusted net income *</b>	<u>\$ 796</u>	<u>\$ 217</u>	<u>\$ 1,149</u>	<u>\$ 1,871</u>	<u>\$ 1,592</u>	<u>\$ 900</u>	<u>\$ 816</u>	<u>\$ 1,202</u>	<u>\$ 4,033</u>	<u>\$ 4,510</u>
<b>Income per common share - Diluted</b>										
Net income (loss) applicable to common shareholders	\$ 2.73	\$ 1.71	\$ 5.26	\$ (4.60)	\$ 8.45	\$ 3.58	\$ 3.86	\$ 1.59	\$ 4.96	\$ 17.31
Net (gains) losses on investments and derivatives	(0.92)	(0.35)	(0.95)	(1.39)	(1.59)	(1.01)	(1.39)	0.50	(3.63)	(3.44)
Pension and other postretirement remeasurement (gains) losses	(0.83)	0.13	(0.44)	(1.01)	(1.21)	(0.22)	0.23	0.99	(2.15)	(0.16)
Curtailed (gains) losses	-	-	-	-	-	(0.02)	-	-	-	(0.03)
Reclassification of periodic settlements and accruals on non-hedge derivative instruments	-	-	-	-	-	-	-	-	-	-
Business combination expenses and the amortization of purchased intangibles	0.38	0.37	0.35	0.25	0.10	0.10	0.09	0.09	1.33	0.37
Business combination fair value adjustment	-	-	(0.02)	-	-	-	-	-	(0.02)	-
(Income) loss from discontinued operations	0.61	(0.79)	(1.63)	13.59	(1.45)	0.27	(0.52)	1.15	12.08	(0.50)
Income tax expense (benefit)	0.78	(0.34)	1.22	(0.73)	0.88	0.17	0.31	(0.59)	0.91	0.74
<b>Adjusted net income *</b>	<u>\$ 2.75</u>	<u>\$ 0.73</u>	<u>\$ 3.79</u>	<u>\$ 6.11</u>	<u>\$ 5.18</u>	<u>\$ 2.87</u>	<u>\$ 2.58</u>	<u>\$ 3.73</u>	<u>\$ 13.48</u>	<u>\$ 14.29</u>
Weighted average common shares - Diluted	289.0	297.9	303.3	306.4	307.6	314.1	317.0	322.4	299.1	315.5

**The Allstate Corporation**  
**Book Value per Common Share and Debt to Capital**

(\$ in millions, except per share data)

	Dec. 31, 2021	Sept. 30, 2021	June 30, 2021	March 31, 2021	Dec. 31, 2020	Sept. 30, 2020	June 30, 2020	March 31, 2020
<b>Book value per common share</b>								
Numerator:								
Allstate common shareholders' equity <sup>(1)</sup>	\$ 23,209	\$ 24,759	\$ 26,037	\$ 24,649	\$ 28,247	\$ 25,293	\$ 25,016	\$ 22,203
Denominator:								
Common shares outstanding and dilutive potential common shares outstanding <sup>(2)</sup>	284.7	292.6	301.6	304.0	308.7	307.0	315.8	318.7
<b>Book value per common share</b>	\$ 81.52	\$ 84.62	\$ 86.33	\$ 81.08	\$ 91.50	\$ 82.39	\$ 79.21	\$ 69.67
<b>Book value per common share, excluding the impact of unrealized net capital gains and losses on fixed income securities</b>								
Numerator:								
Allstate common shareholders' equity	\$ 23,209	\$ 24,759	\$ 26,037	\$ 24,649	\$ 28,247	\$ 25,293	\$ 25,016	\$ 22,203
Less: Unrealized net capital gains and losses on fixed income securities	601	1,830	2,167	1,680	3,185	2,750	2,610	534
Adjusted Allstate common shareholders' equity	\$ 22,608	\$ 22,929	\$ 23,870	\$ 22,969	\$ 25,062	\$ 22,543	\$ 22,406	\$ 21,669
Denominator:								
Common shares outstanding and dilutive potential common shares outstanding	284.7	292.6	301.6	304.0	308.7	307.0	315.8	318.7
<b>Book value per common share, excluding the impact of unrealized net capital gains and losses on fixed income securities *</b>	\$ 79.41	\$ 78.36	\$ 79.14	\$ 75.56	\$ 81.19	\$ 73.43	\$ 70.95	\$ 67.99
<b>Total debt</b>	\$ 7,976	\$ 7,980	\$ 7,996	\$ 7,996	\$ 7,825	\$ 6,635	\$ 6,634	\$ 6,633
<b>Total capital resources</b>	\$ 33,155	\$ 34,709	\$ 36,203	\$ 34,815	\$ 38,042	\$ 33,898	\$ 33,620	\$ 30,806
<b>Ratio of debt to Allstate shareholders' equity</b>	31.7 %	29.9 %	28.3 %	29.8 %	25.9 %	24.3 %	24.6 %	27.4 %
<b>Ratio of debt to capital resources</b>	24.1 %	23.0 %	22.1 %	23.0 %	20.6 %	19.6 %	19.7 %	21.5 %

<sup>(1)</sup> Excludes equity related to preferred stock of \$1,970 million at December 31, 2021 and September 30, 2021, \$2,170 million at June 30, 2021 and March 31, 2021 and \$1,970 million for all other periods presented.

<sup>(2)</sup> Common shares outstanding were 280,594,850 and 304,192,788 as of December 31, 2021 and December 31, 2020, respectively.

**The Allstate Corporation**  
**Return on Allstate Common Shareholders' Equity**

(\$ in millions)

Twelve months ended

	Dec. 31, 2021	Sept. 30, 2021	June 30, 2021	March 31, 2021	Dec. 31, 2020	Sept. 30, 2020	June 30, 2020	March 31, 2020
<b>Return on Allstate common shareholders' equity</b>								
Numerator:								
Net income applicable to common shareholders <sup>(1)</sup>	\$ 1,485	\$ 3,293	\$ 3,911	\$ 3,540	\$ 5,461	\$ 4,570	\$ 4,333	\$ 3,930
Denominator:								
Beginning Allstate common shareholders' equity	\$ 28,247	\$ 25,293	\$ 25,016	\$ 22,203	\$ 23,750	\$ 23,088	\$ 22,546	\$ 21,488
Ending Allstate common shareholders' equity <sup>(2)</sup>	23,209	24,759	26,037	24,649	28,247	25,293	25,016	22,203
Average Allstate common shareholders' equity <sup>^</sup>	\$ 25,728	\$ 25,026	\$ 25,527	\$ 23,426	\$ 25,999	\$ 24,191	\$ 23,781	\$ 21,846
Return on Allstate common shareholders' equity	5.8 %	13.2 %	15.3 %	15.1 %	21.0 %	18.9 %	18.2 %	18.0 %
<b>Adjusted net income return on Allstate common shareholders' equity</b>								
Numerator:								
Adjusted net income * <sup>(1)</sup>	\$ 4,033	\$ 4,829	\$ 5,512	\$ 5,179	\$ 4,510	\$ 3,897	\$ 3,887	\$ 3,687
Denominator:								
Beginning Allstate common shareholders' equity	\$ 28,247	\$ 25,293	\$ 25,016	\$ 22,203	\$ 23,750	\$ 23,088	\$ 22,546	\$ 21,488
Less: Unrealized net capital gains and losses	3,180	2,744	2,602	530	1,887	2,023	1,654	972
Adjusted beginning Allstate common shareholders' equity	<u>25,067</u>	<u>22,549</u>	<u>22,414</u>	<u>21,673</u>	<u>21,863</u>	<u>21,065</u>	<u>20,892</u>	<u>20,516</u>
Ending Allstate common shareholders' equity	23,209	24,759	26,037	24,649	28,247	25,293	25,016	22,203
Less: Unrealized net capital gains and losses	598	1,828	2,164	1,680	3,180	2,744	2,602	530
Adjusted ending Allstate common shareholders' equity	<u>22,611</u>	<u>22,931</u>	<u>23,873</u>	<u>22,969</u>	<u>25,067</u>	<u>22,549</u>	<u>22,414</u>	<u>21,673</u>
Average adjusted Allstate common shareholders' equity <sup>^</sup>	\$ 23,839	\$ 22,740	\$ 23,144	\$ 22,321	\$ 23,465	\$ 21,807	\$ 21,653	\$ 21,095
Adjusted net income return on Allstate common shareholders' equity *	16.9 %	21.2 %	23.8 %	23.2 %	19.2 %	17.9 %	18.0 %	17.5 %

<sup>(1)</sup> Net income applicable to common shareholders and adjusted net income reflect a trailing twelve-month period.

<sup>(2)</sup> Excludes equity related to preferred stock of \$1,970 million at December 31, 2021 and September 30, 2021, \$2,170 million at June 30, 2021 and March 31, 2021 and \$1,970 million for all other periods presented.

**The Allstate Corporation  
Policies in Force**

	Dec. 31, 2021	Sept. 30, 2021	June 30, 2021	March 31, 2021	Dec. 31, 2020	Sept. 30, 2020	June 30, 2020	March 31, 2020
<b>Policies in force statistics (in thousands) <sup>(1)</sup></b>								
<b>Allstate Protection</b>								
Auto	25,916	25,654	25,614	25,453	22,260	22,360	22,451	22,311
Homeowners	7,159	7,138	7,111	7,090	6,643	6,634	6,616	6,590
Other personal lines	4,866	4,848	4,816	4,774	4,530	4,528	4,489	4,460
Commercial lines	315	319	322	325	216	219	221	224
Total	<u>38,256</u>	<u>37,959</u>	<u>37,863</u>	<u>37,642</u>	<u>33,649</u>	<u>33,741</u>	<u>33,777</u>	<u>33,585</u>
<b>Allstate brand</b>								
Auto	21,972	21,951	21,920	21,824	21,809	21,900	21,978	21,826
Homeowners	6,525	6,496	6,459	6,427	6,427	6,414	6,391	6,360
<b>National General <sup>(2)</sup></b>								
Auto	3,944	3,703	3,694	3,629	451	460	473	485
Homeowners	634	642	652	663	216	220	225	230
<b>Protection Services</b>								
Allstate Protection Plans	141,073	141,809	139,453	133,510	128,982	125,831	120,301	107,124
Allstate Dealer Services	3,956	3,980	4,013	3,996	4,042	4,075	4,101	4,096
Allstate Roadside	525	533	539	540	548	558	562	576
Allstate Identity Protection	2,802	3,197	3,041	2,702	2,700	2,490	2,312	1,932
Total	<u>148,356</u>	<u>149,519</u>	<u>147,046</u>	<u>140,748</u>	<u>136,272</u>	<u>132,954</u>	<u>127,276</u>	<u>113,728</u>
<b>Allstate Health and Benefits</b>	4,333	4,378	4,452	4,522	3,950	4,092	4,410	4,309
<b>Total policies in force</b>	<u>190,945</u>	<u>191,856</u>	<u>189,361</u>	<u>182,912</u>	<u>173,871</u>	<u>170,787</u>	<u>165,463</u>	<u>151,622</u>

<sup>(1)</sup> Policy counts are based on items rather than customers.

- A multi-car customer would generate multiple item (policy) counts, even if all cars were insured under one policy.
- PIF does not reflect banking relationships for our lender-placed insurance products to customers including fire, home and flood products, as well as collateral protection insurance and guaranteed asset protection products for automobiles.
- Commercial lines PIF for shared economy agreements reflect contracts that cover multiple drivers as opposed to individual drivers.
- Allstate Roadside reflects memberships in force and do not include their wholesale partners as the customer relationship is managed by the wholesale partner.
- Allstate Dealer Services reflects service contracts and other products sold in conjunction with auto lending and vehicle sales transactions and do not include their third party administrators ("TPAs") as the customer relationship is managed by the TPAs.
- Allstate Protection Plans represents active consumer product protection plans.
- Allstate Identity Protection reflects individual customer counts for identity protection products.
- Allstate Health and Benefits reflects certificate counts as opposed to group counts.

<sup>(2)</sup> Encompass brand has been combined into National General beginning in the first quarter of 2021 and results prior to 2021 reflect Encompass brand results only.

**The Allstate Corporation  
Property-Liability Results**

(\$ in millions, except ratios)

	Three months ended				Twelve months ended					
	Dec. 31, 2021	Sept. 30, 2021	June 30, 2021	March 31, 2021	Dec. 31, 2020	Sept. 30, 2020	June 30, 2020	March 31, 2020	Dec. 31, 2021	Dec. 31, 2020
Premiums written	\$ 10,301	\$ 10,966	\$ 10,323	\$ 9,768	\$ 8,609	\$ 9,395	\$ 9,172	\$ 8,592	\$ 41,358	\$ 35,768
Decrease (increase) in unearned premiums	121	(672)	(312)	(280)	244	(470)	(349)	370	(1,143)	(205)
Other	(32)	(135)	(2)	408	31	27	40	(81)	239	17
Premiums earned	10,390	10,159	10,009	9,896	8,884	8,952	8,863	8,881	40,454	35,580
Other revenue	366	365	321	385	218	220	206	213	1,437	857
Claims and claims expense	(7,683)	(8,145)	(7,103)	(5,945)	(5,268)	(5,968)	(5,139)	(5,251)	(28,876)	(21,626)
Shelter-in-Place Payback expense	-	-	(29)	-	-	-	(738)	(210)	(29)	(948)
Amortization of deferred policy acquisition costs	(1,345)	(1,346)	(1,319)	(1,303)	(1,168)	(1,158)	(1,149)	(1,167)	(5,313)	(4,642)
Operating costs and expenses	(1,507)	(1,477)	(1,313)	(1,325)	(1,202)	(1,104)	(1,130)	(1,113)	(5,622)	(4,549)
Restructuring and related charges	(32)	(15)	(66)	(32)	(36)	(187)	(8)	(4)	(145)	(235)
Amortization of purchased intangibles	(76)	(75)	(71)	(19)	(5)	(3)	(3)	(1)	(241)	(12)
<b>Underwriting income (loss) <sup>(1)</sup></b>	<b>\$ 113</b>	<b>\$ (534)</b>	<b>\$ 429</b>	<b>\$ 1,657</b>	<b>\$ 1,423</b>	<b>\$ 752</b>	<b>\$ 902</b>	<b>\$ 1,348</b>	<b>\$ 1,665</b>	<b>\$ 4,425</b>
Catastrophe losses	\$ 528	\$ 1,269	\$ 952	\$ 590	\$ 424	\$ 990	\$ 1,186	\$ 211	\$ 3,339	\$ 2,811
Claims expense excluding catastrophe expense <sup>^</sup>	642	563	558	553	514	517	553	572	2,316	2,156
<b>Operating ratios and reconciliations to underlying ratios</b>										
<b>Loss ratio</b>	73.9	80.2	71.0	60.1	59.3	66.7	58.0	59.1	71.4	60.8
Effect of catastrophe losses	(5.1)	(12.5)	(9.5)	(6.0)	(4.8)	(11.1)	(13.4)	(2.4)	(8.3)	(7.9)
Effect of prior year non-catastrophe reserve reestimates	(1.8)	(1.6)	0.2	(0.1)	-	(0.8)	0.4	(0.3)	(0.8)	(0.2)
<b>Underlying loss ratio *</b>	<b>67.0</b>	<b>66.1</b>	<b>61.7</b>	<b>54.0</b>	<b>54.5</b>	<b>54.8</b>	<b>45.0</b>	<b>56.4</b>	<b>62.3</b>	<b>52.7</b>
<b>Expense ratio <sup>^</sup></b>	<b>25.0</b>	<b>25.1</b>	<b>24.7</b>	<b>23.2</b>	<b>24.7</b>	<b>24.9</b>	<b>31.8</b>	<b>25.7</b>	<b>24.5</b>	<b>26.8</b>
Effect of amortization of purchased intangibles	(0.7)	(0.8)	(0.7)	(0.1)	(0.1)	-	-	-	(0.6)	(0.1)
<b>Underlying expense ratio *</b>	<b>24.3</b>	<b>24.3</b>	<b>24.0</b>	<b>23.1</b>	<b>24.6</b>	<b>24.9</b>	<b>31.8</b>	<b>25.7</b>	<b>23.9</b>	<b>26.7</b>
Effect of advertising expense	(2.9)	(3.2)	(3.1)	(3.2)	(3.7)	(2.3)	(2.4)	(2.3)	(3.1)	(2.6)
Effect of restructuring and related charges	(0.3)	(0.1)	(0.6)	(0.3)	(0.4)	(2.1)	(0.1)	-	(0.4)	(0.7)
Effect of Coronavirus related expenses <sup>^</sup>	-	-	(0.2)	-	0.1	(0.2)	(8.8)	(2.4)	(0.1)	(2.9)
<b>Adjusted underwriting expense ratio *</b>	<b>21.1</b>	<b>21.0</b>	<b>20.1</b>	<b>19.6</b>	<b>20.6</b>	<b>20.3</b>	<b>20.5</b>	<b>21.0</b>	<b>20.3</b>	<b>20.5</b>
Claims expense ratio excluding catastrophe expense <sup>^</sup>	6.2	5.5	5.6	5.6	5.8	5.8	6.2	6.4	5.7	6.1
<b>Adjusted expense ratio *</b>	<b>27.3</b>	<b>26.5</b>	<b>25.7</b>	<b>25.2</b>	<b>26.4</b>	<b>26.1</b>	<b>26.7</b>	<b>27.4</b>	<b>26.0</b>	<b>26.6</b>
<b>Combined ratio</b>	<b>98.9</b>	<b>105.3</b>	<b>95.7</b>	<b>83.3</b>	<b>84.0</b>	<b>91.6</b>	<b>89.8</b>	<b>84.8</b>	<b>95.9</b>	<b>87.6</b>
Effect of catastrophe losses	(5.1)	(12.5)	(9.5)	(6.0)	(4.8)	(11.1)	(13.4)	(2.4)	(8.3)	(7.9)
Effect of prior year non-catastrophe reserve reestimates	(1.8)	(1.6)	0.2	(0.1)	-	(0.8)	0.4	(0.3)	(0.8)	(0.2)
Effect of amortization of purchased intangibles	(0.7)	(0.8)	(0.7)	(0.1)	(0.1)	-	-	-	(0.6)	(0.1)
<b>Underlying combined ratio *</b>	<b>91.3</b>	<b>90.4</b>	<b>85.7</b>	<b>77.1</b>	<b>79.1</b>	<b>79.7</b>	<b>76.8</b>	<b>82.1</b>	<b>86.2</b>	<b>79.4</b>
Effect of Run-off Property-Liability on combined ratio	-	1.2	-	0.1	0.1	1.5	-	-	0.3	0.4
<b><sup>(1)</sup> Underwriting income (loss)</b>										
Allstate brand	\$ 174	\$ (311)	\$ 414	\$ 1,515	\$ 1,414	\$ 842	\$ 899	\$ 1,336	\$ 1,792	\$ 4,491
National General <sup>(2)</sup>	(62)	(112)	15	138	12	43	6	14	(21)	75
Answer Financial	3	2	2	7	-	2	-	1	14	3
<b>Total underwriting income for Allstate Protection</b>	<b>115</b>	<b>(421)</b>	<b>431</b>	<b>1,660</b>	<b>1,426</b>	<b>887</b>	<b>905</b>	<b>1,351</b>	<b>1,785</b>	<b>4,569</b>
Run-off Property-Liability	(2)	(113)	(2)	(3)	(3)	(135)	(3)	(3)	(120)	(144)
<b>Total underwriting income (loss) for Property-Liability</b>	<b>\$ 113</b>	<b>\$ (534)</b>	<b>\$ 429</b>	<b>\$ 1,657</b>	<b>\$ 1,423</b>	<b>\$ 752</b>	<b>\$ 902</b>	<b>\$ 1,348</b>	<b>\$ 1,665</b>	<b>\$ 4,425</b>
<b>Other financial information</b>										
Net investment income	\$ 804	\$ 710	\$ 931	\$ 673	\$ 619	\$ 422	\$ 178	\$ 202	\$ 3,118	\$ 1,421
Income tax expense on operations	(195)	(26)	(283)	(475)	(415)	(241)	(210)	(303)	(979)	(1,169)

<sup>(2)</sup> Encompass brand has been combined into National General beginning in the first quarter of 2021 and results prior to 2021 reflect Encompass brand results only.



**The Allstate Corporation**  
**Allstate Protection Profitability Measures**

(\$ in millions, except ratios)

	Three months ended								Twelve months ended	
	Dec. 31, 2021	Sept. 30, 2021	June 30, 2021	March 31, 2021	Dec. 31, 2020	Sept. 30, 2020	June 30, 2020	March 31, 2020	Dec. 31, 2021	Dec. 31, 2020
<b>Premiums written</b>										
Auto	\$ 6,864	\$ 7,171	\$ 6,818	\$ 7,012	\$ 5,886	\$ 6,326	\$ 6,190	\$ 6,209	\$ 27,865	\$ 24,611
Homeowners	2,680	3,004	2,722	2,083	2,045	2,339	2,284	1,732	10,489	8,400
Other personal lines	517	584	579	476	465	542	528	430	2,156	1,965
Commercial lines	240	207	204	197	213	188	170	221	848	792
<b>Total</b>	<u>\$ 10,301</u>	<u>\$ 10,966</u>	<u>\$ 10,323</u>	<u>\$ 9,768</u>	<u>\$ 8,609</u>	<u>\$ 9,395</u>	<u>\$ 9,172</u>	<u>\$ 8,592</u>	<u>\$ 41,358</u>	<u>\$ 35,768</u>
<b>Net premiums earned</b>										
Auto	\$ 7,019	\$ 6,912	\$ 6,883	\$ 6,809	\$ 6,103	\$ 6,210	\$ 6,172	\$ 6,155	\$ 27,623	\$ 24,640
Homeowners	2,602	2,522	2,411	2,392	2,090	2,073	2,054	2,037	9,927	8,254
Other personal lines	532	521	519	505	484	486	478	471	2,077	1,919
Commercial lines	237	204	196	190	207	183	159	218	827	767
<b>Total</b>	<u>\$ 10,390</u>	<u>\$ 10,159</u>	<u>\$ 10,009</u>	<u>\$ 9,896</u>	<u>\$ 8,884</u>	<u>\$ 8,952</u>	<u>\$ 8,863</u>	<u>\$ 8,881</u>	<u>\$ 40,454</u>	<u>\$ 35,580</u>
<b>Underwriting income (loss)</b>										
Auto	\$ (300)	\$ (159)	\$ 394	\$ 1,327	\$ 883	\$ 906	\$ 998	\$ 657	\$ 1,262	\$ 3,444
Homeowners	335	(277)	(7)	268	449	(67)	(139)	581	319	824
Other personal lines	121	40	39	33	89	42	43	90	233	264
Commercial lines	(77)	(54)	(25)	(2)	(16)	(14)	(11)	5	(158)	(36)
Other business lines ^	33	27	28	27	21	18	14	17	115	70
Answer Financial	3	2	2	7	-	2	-	1	14	3
<b>Total</b>	<u>\$ 115</u>	<u>\$ (421)</u>	<u>\$ 431</u>	<u>\$ 1,660</u>	<u>\$ 1,426</u>	<u>\$ 887</u>	<u>\$ 905</u>	<u>\$ 1,351</u>	<u>\$ 1,785</u>	<u>\$ 4,569</u>
Claims expense excluding catastrophe expense ^	\$ 641	\$ 560	\$ 556	\$ 552	\$ 511	\$ 515	\$ 551	\$ 569	\$ 2,309	\$ 2,146
<b>Operating ratios and reconciliations to underlying ratios</b>										
<b>Loss ratio</b>	73.9	79.0	71.0	60.0	59.3	65.2	58.0	59.1	71.1	60.4
Effect of catastrophe losses	(5.1)	(12.5)	(9.5)	(6.0)	(4.8)	(11.1)	(13.4)	(2.4)	(8.3)	(7.9)
Effect of prior year non-catastrophe reserve reestimates	(1.8)	(0.4)	0.2	-	-	0.7	0.4	(0.3)	(0.5)	0.2
<b>Underlying loss ratio *</b>	<u>67.0</u>	<u>66.1</u>	<u>61.7</u>	<u>54.0</u>	<u>54.5</u>	<u>54.8</u>	<u>45.0</u>	<u>56.4</u>	<u>62.3</u>	<u>52.7</u>
<b>Expense ratio</b>	25.0	25.1	24.7	23.2	24.6	24.9	31.8	25.7	24.5	26.8
Effect of amortization of purchased intangibles	(0.7)	(0.8)	(0.7)	(0.1)	-	-	-	-	0.6	(0.1)
<b>Underlying expense ratio *</b>	<u>24.3</u>	<u>24.3</u>	<u>24.0</u>	<u>23.1</u>	<u>24.6</u>	<u>24.9</u>	<u>31.8</u>	<u>25.7</u>	<u>23.9</u>	<u>26.7</u>
Effect of advertising expense	(2.9)	(3.2)	(3.1)	(3.2)	(3.7)	(2.3)	(2.4)	(2.3)	(3.1)	(2.6)
Effect of restructuring and related charges	(0.3)	(0.2)	(0.6)	(0.3)	(0.4)	(2.1)	(0.1)	-	(0.4)	(0.7)
Effect of Coronavirus related expenses ^	-	-	(0.2)	-	0.1	(0.2)	(8.8)	(2.4)	(0.1)	(2.9)
<b>Adjusted underwriting expense ratio *</b>	<u>21.1</u>	<u>20.9</u>	<u>20.1</u>	<u>19.6</u>	<u>20.6</u>	<u>20.3</u>	<u>20.5</u>	<u>21.0</u>	<u>20.3</u>	<u>20.5</u>
<b>Combined ratio</b>	98.9	104.1	95.7	83.2	83.9	90.1	89.8	84.8	95.6	87.2
<b>Underlying combined ratio *</b>	91.3	90.4	85.7	77.1	79.1	79.7	76.8	82.1	86.2	79.4
Claims expense ratio excluding catastrophe expense ^	6.2	5.5	5.6	5.6	5.8	5.8	6.2	6.4	5.7	6.0

**The Allstate Corporation**  
**Allstate Protection Impact of Net Rate Changes Implemented on Premiums Written**

	Three months ended December 31, 2021			Three months ended September 30, 2021		
	Number of locations <sup>(1)</sup>	Total brand (%) <sup>(2)</sup>	Location specific (%) <sup>(3)</sup>	Number of locations	Total brand (%)	Location specific (%)
<b>Allstate brand</b>						
Auto	25	2.9	7.1	20	0.3	2.1
Homeowners	11	1.0	6.7	10	0.3	4.2
<b>National General</b>						
Auto	22	2.4	5.7	13	2.5	5.6
Homeowners	13	1.0	7.1	8	1.1	6.2
	Three months ended June 30, 2021			Three months ended March 31, 2021		
	Number of locations	Total brand (%)	Location specific (%)	Number of locations	Total brand (%)	Location specific (%)
<b>Allstate brand</b>						
Auto	9	(0.3)	(2.3)	38	(2.1)	(3.9)
Homeowners	7	0.5	3.7	22	1.7	4.4
<b>National General</b>						
Auto	7	0.1	1.6	12	(0.3)	(2.9)
Homeowners	7	0.5	7.7	12	1.3	8.0

- (1) Allstate brand operates in 50 states, the District of Columbia, and 5 Canadian provinces. National General operates in 50 states and the District of Columbia.
- (2) Represents the impact in the states, the District of Columbia and Canadian provinces where rate changes were implemented during the period as a percentage of total brand prior year-end premiums written.
- (3) Represents the impact in the states, the District of Columbia and Canadian provinces where rate changes were implemented during the period as a percentage of its respective total prior year-end premiums written in those same locations.

**The Allstate Corporation**  
**Auto Profitability Measures**

(\$ in millions, except ratios)

	Three months ended								Twelve months ended	
	Dec. 31, 2021	Sept. 30, 2021	June 30, 2021	March 31, 2021	Dec. 31, 2020	Sept. 30, 2020	June 30, 2020	March 31, 2020	Dec. 31, 2021	Dec. 31, 2020
<b>Allstate Protection</b>										
Premiums written	\$ 6,864	\$ 7,171	\$ 6,818	\$ 7,012	\$ 5,886	\$ 6,326	\$ 6,190	\$ 6,209	\$ 27,865	\$ 24,611
Net premiums earned	7,019	6,912	6,883	6,809	6,103	6,210	6,172	6,155	27,623	24,640
Underwriting income (loss)	(300)	(159)	394	1,327	883	906	998	657	1,262	3,444
<b>Operating ratios and reconciliations to underlying ratios</b>										
<b>Loss ratio</b>	78.9	76.9	68.7	57.2	60.2	59.7	47.9	62.2	70.5	57.5
Effect of catastrophe losses	(1.3)	(2.9)	(2.2)	(0.4)	(0.6)	(1.6)	(2.2)	(0.2)	(1.7)	(1.2)
Effect of prior year non-catastrophe reserve reestimates	(2.1)	(1.1)	0.4	0.2	-	0.5	0.8	(0.4)	(0.6)	0.3
<b>Underlying loss ratio *</b>	<u>75.5</u>	<u>72.9</u>	<u>66.9</u>	<u>57.0</u>	<u>59.6</u>	<u>58.6</u>	<u>46.5</u>	<u>61.6</u>	<u>68.2</u>	<u>56.6</u>
<b>Expense ratio</b>	25.4	25.4	25.6	23.3	25.3	25.7	35.9	27.1	24.9	28.5
Effect of amortization of purchased intangibles	(0.7)	(0.7)	(0.7)	(0.2)	-	-	-	-	(0.6)	-
<b>Underlying expense ratio *</b>	<u>24.7</u>	<u>24.7</u>	<u>24.9</u>	<u>23.1</u>	<u>25.3</u>	<u>25.7</u>	<u>35.9</u>	<u>27.1</u>	<u>24.3</u>	<u>28.5</u>
<b>Combined ratio</b>	104.3	102.3	94.3	80.5	85.5	85.4	83.8	89.3	95.4	86.0
Effect of catastrophe losses	(1.3)	(2.9)	(2.2)	(0.4)	(0.6)	(1.6)	(2.2)	(0.2)	(1.7)	(1.2)
Effect of prior year non-catastrophe reserve reestimates	(2.1)	(1.1)	0.4	0.2	-	0.5	0.8	(0.4)	(0.6)	0.3
Effect of amortization of purchased intangibles	(0.7)	(0.7)	(0.7)	(0.2)	-	-	-	-	(0.6)	-
<b>Underlying combined ratio *</b>	<u>100.2</u>	<u>97.6</u>	<u>91.8</u>	<u>80.1</u>	<u>84.9</u>	<u>84.3</u>	<u>82.4</u>	<u>88.7</u>	<u>92.5</u>	<u>85.1</u>
Effect of Shelter-in-Place Payback expense on combined and expense ratios	-	-	0.4	-	-	-	11.9	3.4	0.1	3.8
New issued applications (in thousands) <sup>^</sup>	1,333	1,448	1,421	1,471	846	902	882	897	5,673	3,527
<b>Allstate brand</b>										
Premiums written	\$ 5,937	\$ 6,153	\$ 5,952	\$ 6,060	\$ 5,766	\$ 6,192	\$ 6,054	\$ 6,091	\$ 24,102	\$ 24,103
Net premiums earned	6,029	6,009	6,036	6,014	5,977	6,081	6,037	6,020	24,088	24,115
Underwriting income (loss)	(236)	(123)	364	1,203	882	897	966	659	1,208	3,404
Combined ratio	103.9	102.0	94.0	80.0	85.2	85.2	84.0	89.1	95.0	85.9
Underlying combined ratio *	100.4	97.5	92.0	79.6	84.7	84.2	82.6	88.5	92.4	85.0
New issued applications (in thousands)										
Agency channel	574	648	658	651	603	682	664	672	2,531	2,621
Direct channel	255	284	268	278	227	206	204	209	1,085	846
Average premium - gross written <sup>^</sup> (\$)	610	604	600	607	621	621	612	616	605	617
Renewal ratio <sup>^</sup> (%)	87.2	87.2	87.1	86.7	87.2	87.9	87.6	87.4	87.0	87.5
Property damage gross claim frequency <sup>^</sup> (%)	21.5	16.6	47.3	(18.8)	(28.7)	(28.6)	(46.4)	(12.2)	13.0	(29.1)
Property damage paid claim severity <sup>^</sup> (%)	18.2	15.1	(4.9)	5.5	5.1	7.9	20.4	8.1	8.8	10.0
<b>National General <sup>(1)</sup></b>										
Premiums written	\$ 927	\$ 1,018	\$ 866	\$ 952	\$ 120	\$ 134	\$ 136	\$ 118	\$ 3,763	\$ 508
Net premiums earned	990	903	847	795	126	129	135	135	3,535	525
Underwriting income (loss)	(64)	(36)	30	124	1	9	32	(2)	54	40
Combined ratio	106.5	104.0	96.5	84.4	99.2	93.0	76.3	101.5	98.5	92.4
Underlying combined ratio * <sup>(2)</sup>	99.0	97.7	89.8	83.8	96.0	89.1	74.1	100.0	93.0	89.7
New issued application (in thousands)	504	516	495	542	16	14	14	16	2,057	60

<sup>(1)</sup> Encompass brand has been combined into National General beginning in the first quarter of 2021 and results prior to 2021 reflect Encompass brand results only.

<sup>(2)</sup> Excludes 4.6 points, 5.0 points, 5.5 points, and 1.1 points in the fourth, third, second, and first quarters of 2021, respectively, and 4.1 points for the twelve months ended 2021, related to the effect of amortization of purchased intangibles.

**The Allstate Corporation**  
**Homeowners Profitability Measures**

(\$ in millions, except ratios)

	Three months ended								Twelve months ended	
	Dec. 31, 2021	Sept. 30, 2021	June 30, 2021	March 31, 2021	Dec. 31, 2020	Sept. 30, 2020	June 30, 2020	March 31, 2020	Dec. 31, 2021	Dec. 31, 2020
<b>Allstate Protection</b>										
Premiums written	\$ 2,680	\$ 3,004	\$ 2,722	\$ 2,083	\$ 2,045	\$ 2,339	\$ 2,284	\$ 1,732	\$ 10,489	\$ 8,400
Net premiums earned	2,602	2,522	2,411	2,392	2,090	2,073	2,054	2,037	9,927	8,254
Underwriting income (loss)	335	(277)	(7)	268	449	(67)	(139)	581	319	824
<b>Operating ratios and reconciliations to underlying ratios</b>										
<b>Loss ratio</b>	61.7	85.9	76.3	64.9	55.1	80.4	84.8	48.9	72.2	67.3
Effect of catastrophe losses	(16.6)	(38.0)	(30.3)	(20.7)	(16.8)	(39.1)	(46.4)	(9.0)	(26.3)	(27.9)
Effect of prior year non-catastrophe reserve reestimates	-	(0.6)	0.3	(0.2)	(0.1)	0.7	0.2	(0.1)	(0.2)	0.2
<b>Underlying loss ratio *</b>	<u>45.1</u>	<u>47.3</u>	<u>46.3</u>	<u>44.0</u>	<u>38.2</u>	<u>42.0</u>	<u>38.6</u>	<u>39.8</u>	<u>45.7</u>	<u>39.6</u>
<b>Expense ratio</b>	25.4	25.1	24.0	23.9	23.4	22.8	22.0	22.6	24.6	22.7
Effect of amortization of purchased intangibles	(0.9)	(0.8)	(0.8)	(0.2)	(0.1)	-	-	-	(0.7)	-
<b>Underlying expense ratio *</b>	<u>24.5</u>	<u>24.3</u>	<u>23.2</u>	<u>23.7</u>	<u>23.3</u>	<u>22.8</u>	<u>22.0</u>	<u>22.6</u>	<u>23.9</u>	<u>22.7</u>
<b>Combined ratio</b>	87.1	111.0	100.3	88.8	78.5	103.2	106.8	71.5	96.8	90.0
Effect of catastrophe losses	(16.6)	(38.0)	(30.3)	(20.7)	(16.8)	(39.1)	(46.4)	(9.0)	(26.3)	(27.9)
Effect of prior year non-catastrophe reserve reestimates	-	(0.6)	0.3	(0.2)	(0.1)	0.7	0.2	(0.1)	(0.2)	0.2
Effect of amortization of purchased intangibles	(0.9)	(0.8)	(0.8)	(0.2)	(0.1)	-	-	-	(0.7)	-
<b>Underlying combined ratio *</b>	<u>69.6</u>	<u>71.6</u>	<u>69.5</u>	<u>67.7</u>	<u>61.5</u>	<u>64.8</u>	<u>60.6</u>	<u>62.4</u>	<u>69.6</u>	<u>62.3</u>
New issued applications (in thousands)	250	287	285	242	227	256	238	212	1,064	933
<b>Allstate brand</b>										
Premiums written	\$ 2,225	\$ 2,452	\$ 2,313	\$ 1,727	\$ 1,955	\$ 2,234	\$ 2,178	\$ 1,645	\$ 8,717	\$ 8,012
Net premiums earned	2,152	2,080	2,032	2,008	1,993	1,974	1,955	1,936	8,272	7,858
Underwriting income (loss)	350	(208)	7	262	442	(93)	(118)	567	411	798
Combined ratio	83.7	110.0	99.7	87.0	77.8	104.7	106.0	70.7	95.0	89.8
<b>Underlying combined ratio *</b>	65.8	67.5	66.6	63.3	60.8	64.6	60.2	61.8	65.8	61.8
New issued applications (in thousands)										
Agency channel	203	236	236	204	201	231	214	191	879	837
Direct channel	22	23	22	16	17	16	16	13	83	62
Average premium - gross written (\$)	1,489	1,443	1,404	1,360	1,342	1,334	1,324	1,310	1,426	1,328
Renewal ratio (%)	87.0	87.1	87.3	87.0	87.4	87.8	87.3	87.6	87.1	87.5
Gross claim frequency (%)	1.4	3.4	10.4	19.3	3.6	3.5	(8.6)	(13.2)	8.3	(4.0)
Paid claim severity (%)	15.0	15.0	8.3	1.4	0.7	3.3	9.5	15.9	10.0	7.1
<b>National General <sup>(1)</sup></b>										
Premiums written	\$ 455	\$ 552	\$ 409	\$ 356	\$ 90	\$ 105	\$ 106	\$ 87	\$ 1,772	\$ 388
Net premiums earned	450	442	379	384	97	99	99	101	1,655	396
Underwriting income (loss)	(15)	(69)	(14)	6	7	26	(21)	14	(92)	26
Combined ratio	103.3	115.6	103.7	98.4	92.8	73.7	121.2	86.1	105.6	93.4
<b>Underlying combined ratio * <sup>(2)</sup></b>	88.0	91.0	84.7	90.6	76.3	68.7	68.7	75.2	88.6	72.2
New issued application (in thousands)	25	28	27	22	9	9	8	8	102	34

<sup>(1)</sup> Encompass brand has been combined into National General beginning in the first quarter of 2021 and results prior to 2021 reflect Encompass brand results only.

<sup>(2)</sup> Excludes 4.6 points, 4.1 points, 4.8 points, and 1.0 points in the fourth, third, second, and first quarters of 2021, respectively, and 3.7 points for the twelve months ended 2021, related to the effect of amortization of purchased intangibles.

**The Allstate Corporation**  
**Protection Services Segment Results**

(\$ in millions)

	Three months ended				Twelve months ended					
	Dec. 31, 2021	Sept. 30, 2021	June 30, 2021	March 31, 2021	Dec. 31, 2020	Sept. 30, 2020	June 30, 2020	March 31, 2020	Dec. 31, 2021	Dec. 31, 2020
<b>Protection Services</b>										
Net premiums written	\$ 716	\$ 651	\$ 692	\$ 583	\$ 559	\$ 485	\$ 467	\$ 379	\$ 2,642	\$ 1,890
Net premiums earned	\$ 462	\$ 456	\$ 435	\$ 411	\$ 395	\$ 384	\$ 360	\$ 354	\$ 1,764	\$ 1,493
Other revenue	91	85	88	90	53	52	51	52	354	208
Intersegment insurance premiums and service fees	42	46	46	41	38	36	35	38	175	147
Net investment income	11	10	12	10	11	12	11	10	43	44
Claims and claims expense	(124)	(122)	(109)	(103)	(102)	(107)	(85)	(92)	(458)	(386)
Amortization of deferred policy acquisition costs	(214)	(206)	(194)	(181)	(176)	(169)	(160)	(153)	(795)	(658)
Operating costs and expenses	(227)	(209)	(203)	(198)	(167)	(160)	(163)	(161)	(837)	(651)
Restructuring and related charges	(2)	1	(4)	(9)	(2)	2	(3)	-	(14)	(3)
Income tax expense on operations	(9)	(16)	(15)	(12)	(12)	(10)	(8)	(11)	(52)	(41)
Less: net income attributable to noncontrolling interest	1	-	-	-	-	-	-	-	1	-
<b>Adjusted net income<sup>(1)</sup></b>	<b>29</b>	<b>45</b>	<b>56</b>	<b>49</b>	<b>38</b>	<b>40</b>	<b>38</b>	<b>37</b>	<b>179</b>	<b>153</b>
Depreciation	6	7	7	8	8	7	6	7	28	28
Restructuring and related charges	2	(1)	4	9	2	(2)	3	-	14	3
Income tax expense on operations	9	16	15	12	12	10	8	11	52	41
<b>Adjusted earnings before taxes, depreciation and restructuring *</b>	<b>\$ 46</b>	<b>\$ 67</b>	<b>\$ 82</b>	<b>\$ 78</b>	<b>\$ 60</b>	<b>\$ 55</b>	<b>\$ 55</b>	<b>\$ 55</b>	<b>\$ 273</b>	<b>\$ 225</b>
<b>Allstate Protection Plans</b>										
Net premiums written	\$ 519	\$ 439	\$ 467	\$ 388	\$ 385	\$ 300	\$ 310	\$ 221	\$ 1,813	\$ 1,216
Net premiums earned	\$ 298	\$ 295	\$ 279	\$ 260	\$ 248	\$ 236	\$ 219	\$ 206	\$ 1,132	\$ 909
Revenue <sup>^</sup>	314	311	295	275	263	251	232	219	1,195	965
Claims and claims expense	(80)	(77)	(70)	(66)	(69)	(70)	(56)	(55)	(293)	(250)
Amortization of deferred policy acquisition costs	(113)	(109)	(100)	(91)	(87)	(83)	(75)	(70)	(413)	(315)
Other costs and expenses <sup>^</sup>	(88)	(80)	(70)	(61)	(61)	(56)	(57)	(50)	(299)	(224)
Restructuring and related charges	(1)	(2)	(2)	-	-	3	-	-	(5)	3
Income tax expense on operations	(8)	(11)	(11)	(12)	(14)	(9)	(9)	(10)	(42)	(42)
Less: net income attributable to noncontrolling interest	1	-	-	-	-	-	-	-	1	-
Adjusted net income	\$ 23	\$ 32	\$ 42	\$ 45	\$ 32	\$ 36	\$ 35	\$ 34	\$ 142	\$ 137
<b>Allstate Dealer Services</b>										
Revenue	\$ 135	\$ 129	\$ 130	\$ 123	\$ 121	\$ 121	\$ 118	\$ 117	\$ 517	\$ 477
Adjusted net income	9	7	10	8	7	7	8	7	34	29
<b>Allstate Roadside</b>										
Revenue	\$ 61	\$ 64	\$ 60	\$ 59	\$ 58	\$ 59	\$ 53	\$ 60	\$ 244	\$ 230
Adjusted net income	-	1	2	4	4	4	2	2	7	12
<b>Arity</b>										
Revenue	\$ 62	\$ 62	\$ 64	\$ 64	\$ 26	\$ 25	\$ 26	\$ 30	\$ 252	\$ 107
Adjusted net income (loss)	(1)	1	1	2	(2)	(3)	(3)	(3)	3	(11)
<b>Allstate Identity Protection</b>										
Revenue	\$ 34	\$ 31	\$ 32	\$ 31	\$ 29	\$ 28	\$ 28	\$ 28	\$ 128	\$ 113
Adjusted net income (loss)	(2)	4	1	(10)	(3)	(4)	(4)	(3)	(7)	(14)

<sup>(1)</sup> Adjusted net income is the GAAP segment measure.

**The Allstate Corporation**  
**Allstate Health and Benefits Segment Results and Other Statistics**

(\$ in millions)

	Three months ended								Twelve months ended	
	Dec. 31, 2021	Sept. 30, 2021	June 30, 2021	March 31, 2021	Dec. 31, 2020	Sept. 30, 2020	June 30, 2020	March 31, 2020	Dec. 31, 2021	Dec. 31, 2020
<b>Allstate Health and Benefits</b>										
Premiums	\$ 429	\$ 436	\$ 421	\$ 428	\$ 235	\$ 247	\$ 237	\$ 253	\$ 1,714	\$ 972
Contract charges	30	24	26	27	27	40	26	29	107	122
Other revenue <sup>(1)</sup>	111	85	83	80	-	-	-	-	359	-
Net investment income	18	18	19	19	20	18	20	20	74	78
Accident and health insurance policy benefits	(269)	(269)	(244)	(233)	(124)	(128)	(123)	(141)	(1,015)	(516)
Interest credited to contractholder funds	(9)	(8)	(8)	(9)	(7)	(8)	(9)	(9)	(34)	(33)
Amortization of deferred policy acquisition costs	(43)	(30)	(32)	(39)	(38)	(59)	(35)	(45)	(144)	(177)
Operating costs and expenses	(205)	(206)	(186)	(190)	(69)	(68)	(110) <sup>(2)</sup>	(75)	(787)	(322)
Restructuring and related charges	-	(8)	(1)	-	-	-	(1)	-	(9)	(1)
Income tax expense on operations	(14)	(9)	(16)	(18)	(10)	(9)	-	(8)	(57)	(27)
<b>Adjusted net income <sup>^</sup></b>	<b><u>\$ 48</u></b>	<b><u>\$ 33</u></b>	<b><u>\$ 62</u></b>	<b><u>\$ 65</u></b>	<b><u>\$ 34</u></b>	<b><u>\$ 33</u></b>	<b><u>\$ 5</u></b>	<b><u>\$ 24</u></b>	<b><u>\$ 208</u></b>	<b><u>\$ 96</u></b>
<b>Benefit ratio <sup>^</sup></b>	58.6 %	58.5 %	54.6 %	51.2 %	47.3 %	44.6 %	46.8 %	50.0 %	55.7 %	47.2 %
<b>Premiums and contract charges</b>										
Employer voluntary benefits <sup>^</sup>	\$ 262	\$ 251	\$ 255	\$ 263	\$ 262	\$ 287	\$ 263	\$ 282	\$ 1,031	\$ 1,094
Group health <sup>^</sup>	90	90	87	83	-	-	-	-	350	-
Individual health <sup>^</sup>	107	119	105	109	-	-	-	-	440	-
Total	<b><u>\$ 459</u></b>	<b><u>\$ 460</u></b>	<b><u>\$ 447</u></b>	<b><u>\$ 455</u></b>	<b><u>\$ 262</u></b>	<b><u>\$ 287</u></b>	<b><u>\$ 263</u></b>	<b><u>\$ 282</u></b>	<b><u>\$ 1,821</u></b>	<b><u>\$ 1,094</u></b>

<sup>(1)</sup> Reflects commission revenue, administrative fees, agency fees and technology fees from the group health and individual health business.

<sup>(2)</sup> Includes \$41 million write-off of capitalized software costs associated with a billing system.

**The Allstate Corporation**  
**Corporate and Other Segment Results**

(\$ in millions)

	Three months ended								Twelve months ended	
	Dec. 31, 2021	Sept. 30, 2021	June 30, 2021	March 31, 2021	Dec. 31, 2020	Sept. 30, 2020	June 30, 2020	March 31, 2020	Dec. 31, 2021	Dec. 31, 2020
Other revenue	\$ 19	\$ 1	\$ 2	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 22	\$ -
Net investment income	14	26	12	6	10	12	11	14	58	47
Operating costs and expenses	(57)	(41)	(28)	(32)	(37)	(23)	(25)	(25)	(158)	(110)
Restructuring and related charges	9	(1)	-	(10)	(1)	(11)	-	-	(2)	(12)
Interest expense	(83)	(69)	(91)	(86)	(80)	(78)	(79)	(81)	(329)	(318)
Income tax benefit on operations	22	19	23	26	23	16	20	21	90	80
Preferred stock dividends	(27)	(30)	(30)	(27)	(26)	(27)	(26)	(36)	(114)	(115)
<b>Adjusted net loss <sup>^</sup></b>	<b><u>\$ (103)</u></b>	<b><u>\$ (95)</u></b>	<b><u>\$ (112)</u></b>	<b><u>\$ (123)</u></b>	<b><u>\$ (111)</u></b>	<b><u>\$ (111)</u></b>	<b><u>\$ (99)</u></b>	<b><u>\$ (107)</u></b>	<b><u>\$ (433)</u></b>	<b><u>\$ (428)</u></b>

**The Allstate Corporation  
Investment Position and Results**

(\$ in millions)	As of or for the three months ended								As of or for the twelve months ended	
	Dec. 31, 2021	Sept. 30, 2021	June 30, 2021	March 31, 2021	Dec. 31, 2020	Sept. 30, 2020	June 30, 2020	March 31, 2020	Dec. 31, 2021	Dec. 31, 2020
<b>Investment position</b>										
Fixed income securities, at fair value	\$ 42,136	\$ 39,989	\$ 42,825	\$ 40,594	\$ 42,565	\$ 43,683	\$ 42,034	\$ 38,447	\$ 42,136	\$ 42,565
Equity securities <sup>^</sup>	7,061	3,807	3,059	3,154	3,168	2,977	2,638	2,331	7,061	3,168
Mortgage loans, net	821	752	786	902	746	788	805	766	821	746
Limited partnership interests <sup>^</sup>	8,018	7,578	7,073	6,367	4,563	4,284	4,093	4,154	8,018	4,563
Short-term, at fair value	4,009	6,428	5,516	6,017	6,807	3,145	4,140	4,580	4,009	6,807
Other investments, net	2,656	3,286	3,311	3,042	1,691	1,860	1,949	1,841	2,656	1,691
<b>Total</b>	<u>\$ 64,701</u>	<u>\$ 61,840</u>	<u>\$ 62,570</u>	<u>\$ 60,076</u>	<u>\$ 59,540</u>	<u>\$ 56,737</u>	<u>\$ 55,659</u>	<u>\$ 52,119</u>	<u>\$ 64,701</u>	<u>\$ 59,540</u>
<b>Net investment income</b>										
Fixed income securities	\$ 278	\$ 279	\$ 290	\$ 301	\$ 314	\$ 314	\$ 306	\$ 298	\$ 1,148	\$ 1,232
Equity securities	49	24	13	14	29	18	21	10	100	78
Mortgage loans	12	9	12	10	9	8	8	9	43	34
Limited partnership interests	506	438	651	378	309	123	(117)	(77)	1,973	238
Short-term	2	1	1	1	2	2	2	11	5	17
Other	56	50	48	41	33	29	31	31	195	124
Investment income, before expense	903	801	1,015	745	696	494	251	282	3,464	1,723
Less: Investment expense	(56)	(37)	(41)	(37)	(36)	(30)	(31)	(36)	(171)	(133)
<b>Net investment income</b>	<u>\$ 847</u>	<u>\$ 764</u>	<u>\$ 974</u>	<u>\$ 708</u>	<u>\$ 660</u>	<u>\$ 464</u>	<u>\$ 220</u>	<u>\$ 246</u>	<u>\$ 3,293</u>	<u>\$ 1,590</u>
<b>Pre-tax yields on fixed income securities <sup>^</sup></b>	2.8 %	2.8 %	2.9 %	3.1 %	3.1 %	3.1 %	3.1 %	3.2 %	2.9 %	3.1 %
<b>Net gains (losses) on investments and derivatives, pre-tax by transaction type</b>										
Sales	\$ 137	\$ 80	\$ 115	\$ 246	\$ 212	\$ 214	\$ 160	\$ 388	\$ 578	\$ 974
Credit losses	(44)	(12)	12	2	(3)	7	1	(37)	(42)	(32)
Valuation change of equity investments	178	(9)	163	167	294	128	265	(591)	499	96
Valuation change and settlements of derivatives	(5)	46	(3)	11	(13)	(30)	14	78	49	49
<b>Total</b>	<u>\$ 266</u>	<u>\$ 105</u>	<u>\$ 287</u>	<u>\$ 426</u>	<u>\$ 490</u>	<u>\$ 319</u>	<u>\$ 440</u>	<u>\$ (162)</u>	<u>\$ 1,084</u>	<u>\$ 1,087</u>
<b>Total return on investment portfolio <sup>^</sup></b>										
Net investment income	1.3 %	1.2 %	1.6 %	1.2 %	1.1 %	0.8 %	0.4 %	0.5 %	5.3 %	2.9 %
Valuation-interest bearing	(0.5)	(0.2)	0.7	(1.8)	1.0	0.8	3.9	(1.5)	(1.8)	4.1
Valuation-equity investments	0.3	-	0.3	0.4	0.6	0.2	0.5	(1.1)	0.9	0.2
<b>Total</b>	<u>1.1 %</u>	<u>1.0 %</u>	<u>2.6 %</u>	<u>(0.2) %</u>	<u>2.7 %</u>	<u>1.8 %</u>	<u>4.8 %</u>	<u>(2.1) %</u>	<u>4.4 %</u>	<u>7.2 %</u>
<b>Fixed income securities portfolio duration <sup>^</sup> (in years)</b>	4.20	4.75	4.64	4.81	5.02	5.14	5.15	5.10	4.20	5.02



**The Allstate Corporation**  
**Investment Position and Results by Strategy**

(\$ in millions)

	As of or for the three months ended								As of or for the twelve months ended	
	Dec. 31, 2021	Sept. 30, 2021	June 30, 2021	March 31, 2021	Dec. 31, 2020	Sept. 30, 2020	June 30, 2020	March 31, 2020	Dec. 31, 2021	Dec. 31, 2020
<b>Investment Position</b>										
<b>Market-based <sup>^</sup></b>										
Interest-bearing investments <sup>^</sup>	\$ 48,589	\$ 49,386	\$ 51,367	\$ 49,422	\$ 50,975	\$ 48,581	\$ 48,062	\$ 44,762	\$ 48,589	\$ 50,975
Equity securities <sup>^</sup>	6,689	3,455	2,676	2,787	2,884	2,732	2,395	2,095	6,689	2,884
LP and other alternative investments <sup>^</sup>	805	486	317	298	257	215	180	162	805	257
<b>Total</b>	<u>\$ 56,083</u>	<u>\$ 53,327</u>	<u>\$ 54,360</u>	<u>\$ 52,507</u>	<u>\$ 54,116</u>	<u>\$ 51,528</u>	<u>\$ 50,637</u>	<u>\$ 47,019</u>	<u>\$ 56,083</u>	<u>\$ 54,116</u>
<b>Performance-based <sup>^</sup></b>										
Private equity	\$ 6,726	\$ 6,589	\$ 6,327	\$ 5,702	\$ 3,965	\$ 3,689	\$ 3,491	\$ 3,608	\$ 6,726	\$ 3,965
Real estate	1,892	1,924	1,883	1,867	1,459	1,520	1,531	1,492	1,892	1,459
<b>Total</b>	<u>\$ 8,618</u>	<u>\$ 8,513</u>	<u>\$ 8,210</u>	<u>\$ 7,569</u>	<u>\$ 5,424</u>	<u>\$ 5,209</u>	<u>\$ 5,022</u>	<u>\$ 5,100</u>	<u>\$ 8,618</u>	<u>\$ 5,424</u>
<b>Investment income</b>										
<b>Market-based</b>										
Interest-bearing investments	\$ 316	\$ 319	\$ 330	\$ 331	\$ 339	\$ 339	\$ 331	\$ 336	\$ 1,296	\$ 1,345
Equity securities	45	17	17	15	28	19	20	24	94	91
LP and other alternative investments	4	17	9	9	4	1	2	1	39	8
Investment income, before expense	365	353	356	355	371	359	353	361	1,429	1,444
Investee level expenses	(2)	(1)	(1)	(1)	(1)	(1)	(1)	(1)	(5)	(4)
<b>Income for yield calculation</b>	<u>\$ 363</u>	<u>\$ 352</u>	<u>\$ 355</u>	<u>\$ 354</u>	<u>\$ 370</u>	<u>\$ 358</u>	<u>\$ 352</u>	<u>\$ 360</u>	<u>\$ 1,424</u>	<u>\$ 1,440</u>
<b>Pre-tax yield</b>	2.7 %	2.7 %	2.7 %	2.8 %	2.9 %	2.9 %	2.9 %	3.1 %	2.8 %	3.0 %
<b>Performance-based</b>										
Private equity	\$ 378	\$ 400	\$ 552	\$ 330	\$ 277	\$ 134	\$ (110)	\$ (95)	\$ 1,660	\$ 206
Real estate	160	48	107	60	48	1	8	16	375	73
Investment income, before expense	538	448	659	390	325	135	(102)	(79)	2,035	279
Investee level expenses	(22)	(11)	(10)	(12)	(11)	(6)	(8)	(7)	(55)	(32)
<b>Income for yield calculation</b>	<u>\$ 516</u>	<u>\$ 437</u>	<u>\$ 649</u>	<u>\$ 378</u>	<u>\$ 314</u>	<u>\$ 129</u>	<u>\$ (110)</u>	<u>\$ (86)</u>	<u>\$ 1,980</u>	<u>\$ 247</u>
<b>Pre-tax yield</b>	24.2 %	21.0 %	33.0 %	20.7 %	23.7 %	10.0 %	(8.7) %	(6.7) %	24.8 %	4.8 %
<b>Total return on investments portfolio</b>										
Market-based	0.4 %	0.3 %	1.7 %	(1.1) %	2.3 %	1.8 %	5.5 %	(2.2) %	1.3 %	7.5 %
Performance-based	6.1	5.7	8.6	6.3	6.8	2.3	(2.3)	(1.2)	26.8	5.9
<b>Internal rate of return <sup>(1) ^</sup></b>										
<b>Performance-based</b>										
10 year	12.9 %	12.4 %	12.1 %	11.7 %	11.5 %	11.5 %	11.3 %	12.1 %		
5 year	13.9	13.2	12.1	10.8	9.6	8.5	8.6	10.2		
3 year	14.0	12.4	10.7	8.5	8.0	7.2	7.5	10.4		
1 year	32.6	31.4	27.3	11.1	4.4	(1.1)	(2.2)	6.5		

<sup>(1)</sup> Calculations are based on consolidated results including held for sale investments.

## Definitions of Non-GAAP Measures

We believe that investors' understanding of Allstate's performance is enhanced by our disclosure of the following non-GAAP measures. Our methods for calculating these measures may differ from those used by other companies and therefore comparability may be limited.

### **Adjusted net income is net income (loss) applicable to common shareholders, excluding:**

- Net gains and losses on investments and derivatives except for periodic settlements and accruals on non-hedge derivative instruments, which are reported with net gains and losses on investments and derivatives but included in adjusted net income
- Pension and other postretirement remeasurement gains and losses
- Business combination expenses and the amortization or impairment of purchased intangibles
- Income or loss from discontinued operations
- Adjustments for other significant non-recurring, infrequent or unusual items, when (a) the nature of the charge or gain is such that it is reasonably unlikely to recur within two years, or (b) there has been no similar charge or gain within the prior two years
- Related income tax expense or benefit of these items

Net income (loss) applicable to common shareholders is the GAAP measure that is most directly comparable to adjusted net income. We use adjusted net income as an important measure to evaluate our results of operations. We believe that the measure provides investors with a valuable measure of the Company's ongoing performance because it reveals trends in our insurance and financial services business that may be obscured by the net effect of net gains and losses on investments and derivatives, pension and other postretirement remeasurement gains and losses, business combination expenses and the amortization or impairment of purchased intangibles, income or loss from discontinued operations and adjustments for other significant non-recurring, infrequent or unusual items and the related tax expense or benefit of these items. Net gains and losses on investments and derivatives, and pension and other postretirement remeasurement gains and losses may vary significantly between periods and are generally driven by business decisions and external economic developments such as capital market conditions, the timing of which is unrelated to the insurance underwriting process. Business combination expenses and income or loss from discontinued operations are excluded because they are non-recurring in nature and the amortization or impairment of purchased intangibles is excluded because it relates to the acquisition purchase price and is not indicative of our underlying business results or trends. Non-recurring items are excluded because, by their nature, they are not indicative of our business or economic trends. Accordingly, adjusted net income excludes the effect of items that tend to be highly variable from period to period and highlights the results from ongoing operations and the underlying profitability of our business. A byproduct of excluding these items to determine adjusted net income is the transparency and understanding of their significance to net income variability and profitability while recognizing these or similar items may recur in subsequent periods. Adjusted net income is used by management along with the other components of net income (loss) applicable to common shareholders to assess our performance. We use adjusted measures of adjusted net income in incentive compensation. Therefore, we believe it is useful for investors to evaluate net income (loss) applicable to common shareholders, adjusted net income and their components separately and in the aggregate when reviewing and evaluating our performance. We note that investors, financial analysts, financial and business media organizations and rating agencies utilize adjusted net income results in their evaluation of our and our industry's financial performance and in their investment decisions, recommendations and communications as it represents a reliable, representative and consistent measurement of the industry and the Company and management's performance. We note that the price to earnings multiple commonly used by insurance investors as a forward-looking valuation technique uses adjusted net income as the denominator. Adjusted net income should not be considered a substitute for net income (loss) applicable to common shareholders and does not reflect the overall profitability of our business. A reconciliation of adjusted net income to net income (loss) applicable to common shareholders is provided in the schedule, "Contribution to Income".

**Underlying loss ratio** is a non-GAAP ratio, which is computed as the difference between three GAAP operating ratios: the loss ratio, the effect of catastrophes on the combined ratio, and the effect of prior year non-catastrophe reserve reestimates on the combined ratio. We believe that this ratio is useful to investors and it is used by management to reveal the trends that may be obscured by catastrophe losses and prior year reserve reestimates. Catastrophe losses cause our loss trends to vary significantly between periods as a result of their incidence of occurrence and magnitude, and can have a significant impact on the combined ratio. Prior year reserve reestimates are caused by unexpected loss development on historical reserves. We believe it is useful for investors to evaluate these components separately and in the aggregate when reviewing our underwriting performance. The most directly comparable GAAP measure is the loss ratio. The underlying loss ratio should not be considered a substitute for the loss ratio and does not reflect the overall loss ratio of our business. A reconciliation of underlying loss ratio is provided in the schedules "Property-Liability Results", "Allstate Protection Profitability Measures", "Auto Profitability Measures" and "Homeowners Profitability Measures".

**Underlying expense ratio** is a non-GAAP ratio, which is computed as the difference between the expense ratio and the effect of amortization or impairment of purchased intangibles on the expense ratio. We believe that the measure provides investors with a valuable measure of ongoing performance because it reveals trends that may be obscured by the amortization or impairment of purchased intangible assets. Amortization or Impairment of purchased intangible assets is excluded because it relates to the acquisition purchase price and is not indicative of our business results or trends. We believe it is useful for investors to evaluate these components separately and in the aggregate when reviewing our underwriting performance. The most directly comparable GAAP measure is the expense ratio. The underlying expense ratio should not be considered a substitute for the expense ratio and does not reflect the overall expense ratio of our business. A reconciliation of underlying expense ratio is provided in the schedules "Property-Liability Results", "Allstate Protection Profitability Measures", "Auto Profitability Measures" and "Homeowners Profitability Measures".

Adjusted underwriting expense ratio is a non-GAAP ratio, which is computed as the difference between the expense ratio and the effect of advertising expense, restructuring and related charges, amortization or impairment of purchased intangibles and Coronavirus related expenses on the expense ratio. We believe that the measure provides investors with a valuable measure of ongoing performance because it reveals trends that may be obscured by the advertising expense, restructuring and related charges, amortization or impairment of purchased intangibles and Coronavirus related expenses. Advertising expense is excluded as it may vary significantly from period to period based on business decisions and competitive position. Restructuring and related charges are excluded because these items are not indicative of our business results or trends. Coronavirus related expenses are excluded because these items are related to programs offered during the peak of the pandemic that are no longer available. Amortization or impairment of purchased intangible assets is excluded because it relates to the acquisition purchase price. These are not indicative of our business results or trends. A reduction in expenses enables investment flexibility that can drive growth. We believe it is useful for investors to evaluate these components separately and in the aggregate when reviewing our underwriting performance. The most directly comparable GAAP measure is the expense ratio. The adjusted underwriting expense ratio should not be considered a substitute for the expense ratio and does not reflect the overall expense ratio of our business.

Adjusted expense ratio is a non-GAAP ratio, which is computed as the combination of adjusted underwriting expense ratio and claims expense ratio excluding catastrophe expense. We believe it is useful for investors to evaluate this ratio which is linked to a long-term expense ratio improvement commitment through 2024. The most directly comparable GAAP measure is the expense ratio. The adjusted expense ratio should not be considered a substitute for the expense ratio and does not reflect the overall expense ratio of our business.

Underlying combined ratio is a non-GAAP ratio, which is the sum of the underlying loss and underlying expense ratios. We believe that this ratio is useful to investors and it is used by management to reveal the trends in our Property-Liability business that may be obscured by catastrophe losses, prior year reserve reestimates and amortization or impairment of purchased intangibles. We believe it is useful for investors to evaluate these components separately and in the aggregate when reviewing our underwriting performance. The most directly comparable GAAP measure is the combined ratio. The underlying combined ratio should not be considered a substitute for the combined ratio and does not reflect the overall underwriting profitability of our business. A reconciliation of the underlying combined ratio to combined ratio is provided in the schedule "Property-Liability Results", "Auto Profitability Measures" and "Homeowners Profitability Measures".

## Definitions of Non-GAAP Measures (continued)

**Protection Services adjusted earnings before taxes, depreciation and restructuring**, is a non-GAAP measure, which is computed as adjusted net income (loss), excluding taxes, depreciation and restructuring. Adjusted net income (loss) is the GAAP measure that is most directly comparable to adjusted earnings before taxes, depreciation and restructuring. We use adjusted earnings before taxes, depreciation and restructuring, as an important measure to evaluate Protection Services' results of operations. We believe that the measure provides investors with a valuable measure of Protection Services' ongoing performance because it reveals trends that may be obscured by the taxes, depreciation and restructuring expenses. Taxes, depreciation and restructuring are excluded because these are not directly attributable to the underlying operating performance of Protection Services' segment. Adjusted earnings before taxes, depreciation and restructuring highlights the results from ongoing operations and the underlying profitability of our business and is used by management along with the other components of adjusted net income (loss) to assess our performance. We believe it is useful for investors to evaluate adjusted net income (loss), adjusted earnings before taxes, depreciation and restructuring, and their components separately and in the aggregate when reviewing and evaluating Protection Services segment's performance. Adjusted earnings before taxes, depreciation and restructuring should not be considered a substitute for adjusted net income (loss) and does not reflect the overall profitability of our business. A reconciliation of adjusted net income (loss) to adjusted earnings before taxes, depreciation and restructuring, is provided in the schedule, "Protection Services Segment Results".

Adjusted net income return on Allstate common shareholders' equity is a ratio that uses a non-GAAP measure. It is calculated by dividing the rolling 12-month adjusted net income by the average of Allstate common shareholders' equity at the beginning and at the end of the 12-months, after excluding the effect of unrealized net capital gains and losses. Return on Allstate common shareholders' equity is the most directly comparable GAAP measure. We use adjusted net income as the numerator for the same reasons we use adjusted net income, as discussed previously. We use average Allstate common shareholders' equity excluding the effect of unrealized net capital gains and losses for the denominator as a representation of common shareholders' equity primarily applicable to Allstate's earned and realized business operations because it eliminates the effect of items that are unrealized and vary significantly between periods due to external economic developments such as capital market conditions like changes in equity prices and interest rates, the amount and timing of which are unrelated to the insurance underwriting process. We use it to supplement our evaluation of net income (loss) applicable to common shareholders and return on Allstate common shareholders' equity because it excludes the effect of items that tend to be highly variable from period to period. We believe that this measure is useful to investors and that it provides a valuable tool for investors when considered along with return on Allstate common shareholders' equity because it eliminates the after-tax effects of realized and unrealized net capital gains and losses that can fluctuate significantly from period to period and that are driven by economic developments, the magnitude and timing of which are generally not influenced by management. In addition, it eliminates non-recurring items that are not indicative of our ongoing business or economic trends. A byproduct of excluding the items noted above to determine adjusted net income return on Allstate common shareholders' equity from return on Allstate common shareholders' equity is the transparency and understanding of their significance to return on common shareholders' equity variability and profitability while recognizing these or similar items may recur in subsequent periods. We use adjusted measures of adjusted net income return on Allstate common shareholders' equity in incentive compensation. Therefore, we believe it is useful for investors to have adjusted net income return on Allstate common shareholders' equity and return on Allstate common shareholders' equity when evaluating our performance. We note that investors, financial analysts, financial and business media organizations and rating agencies utilize adjusted net income return on common shareholders' equity results in their evaluation of our and our industry's financial performance and in their investment decisions, recommendations and communications as it represents a reliable, representative and consistent measurement of the industry and the company and management's utilization of capital. Adjusted net income return on Allstate common shareholders' equity should not be considered a substitute for return on Allstate common shareholders' equity and does not reflect the overall profitability of our business. A reconciliation of return on Allstate common shareholders' equity and adjusted net income return on Allstate common shareholders' equity can be found in the schedule, "Return on Allstate Common Shareholders' Equity".

**Book value per common share**, excluding the impact of unrealized net capital gains and losses on fixed income securities, is a ratio that uses a non-GAAP measure. It is calculated by dividing Allstate common shareholders' equity after excluding the impact of unrealized net capital gains and losses on fixed income securities and related DAC, DSI and life insurance reserves by total common shares outstanding plus dilutive potential common shares outstanding. We use the trend in book value per common share, excluding the impact of unrealized net capital gains and losses on fixed income securities, in conjunction with book value per common share to identify and analyze the change in net worth applicable to management efforts between periods. We believe the non-GAAP ratio is useful to investors because it eliminates the effect of items that can fluctuate significantly from period to period and are generally driven by economic developments, primarily capital market conditions, the magnitude and timing of which are generally not influenced by management, and we believe it enhances understanding and comparability of performance by highlighting underlying business activity and profitability drivers. We note that book value per common share, excluding the impact of unrealized net capital gains and losses on fixed income securities, is a measure commonly used by insurance investors as a valuation technique. Book value per common share is the most directly comparable GAAP measure. Book value per common share, excluding the impact of unrealized net capital gains and losses on fixed income securities, should not be considered a substitute for book value per common share, and does not reflect the recorded net worth of our business. A reconciliation of book value per common share, excluding the impact of unrealized net capital gains on fixed income securities, and book value per common share can be found in the schedule, "Book Value per Common Share and Debt to Capital".

## Glossary

### Consolidated Operations

**Accident and health insurance premiums and contract charges** are reported in the Allstate Health and Benefits segment and include employer voluntary benefits, group health and individual health products.

**Adjusted net income** is the GAAP segment measure used for the Protection Services, Allstate Health and Benefits, and Corporate and Other segments.

**Average Allstate common shareholders' equity and average adjusted Allstate common shareholders' equity** are determined using a two-point average, with the beginning and ending Allstate common shareholders' equity and Allstate adjusted common shareholders' equity, respectively, for the twelve-month period as data points.

**Other revenue** primarily represents fees collected from policyholders relating to premium installment payments, commissions on sales of non-proprietary products, sales of identity protection services, fee-based services and other revenue transactions.

**Property and casualty insurance premiums** are reported in the Allstate Protection and Protection Services segments and include auto, homeowners, other personal lines and commercial lines insurance products, as well as consumer product protection plans, roadside assistance and finance and insurance products.

### Property-Liability

**Average premium - gross written:** Gross premiums written divided by issued item count. Gross premiums written include the impacts from discounts, surcharges and ceded reinsurance premiums and exclude the impacts from mid-term premium adjustments and premium refund accruals. Average premiums represent the appropriate policy term for each line, which is generally 6 months for auto and 12 months for homeowners.

**Claims expense ratio excluding catastrophe expense:** Incurred loss adjustment expenses, net of reinsurance, excluding expenses related to catastrophes. These expenses are embedded within the loss ratio.

**Coronavirus related expenses** includes shelter-in-place payback and special payment plan bad debt expenses.

**Expense ratio:** Other revenue is deducted from other costs and expenses in the expense ratio calculation.

**Gross claim frequency** is calculated as annualized notice counts received in the period divided by the average of policies in force with the applicable coverage during the period. It includes all actual notice counts, regardless of their current status (open or closed) or their ultimate disposition (closed with a payment or closed without payment). Frequency statistics exclude counts associated with catastrophe events. The percent change in gross claim frequency is calculated as the amount of increase or decrease in the gross claim frequency in the current period compared to the same period in the prior year; divided by the prior year gross claim frequency.

**New issued applications:** Item counts of automobiles or homeowners insurance applications for insurance policies that were issued during the period, regardless of whether the customer was previously insured by another Allstate Protection brand. Allstate brand includes automobiles added by existing customers when they exceed the number allowed (currently 10) on a policy.

**Other business lines** primarily represent commissions earned and other costs and expenses for Advantage and non-proprietary life and annuity products.

**Paid claim severity** is calculated by dividing the sum of paid losses and loss expenses by claims closed with a payment during the period. The percent change in paid claim severity is calculated as the amount of increase or decrease in paid claim severity in the current period compared to the same period in the prior year; divided by the prior year paid claims severity.

**Renewal ratio:** Renewal policy item counts issued during the period, based on contract effective dates, divided by the total policy item counts issued generally 6 months prior for auto or 12 months prior for homeowners.

### Protection Services

**Other costs and expenses** may include amortization of deferred policy acquisition costs, operating costs and expenses, and restructuring and related charges.

**Revenue** may include net premiums earned, intersegment insurance premiums and service fees, other revenue, revenue earned from external customers and net investment income.

### Allstate Health and Benefits

**Benefit ratio** is contract benefits divided by premiums and contract charges.

**Employer voluntary benefits** includes supplemental life and health products offered through workplace enrollment.

**Group health** includes health products and administrative services sold to employers.

**Individual health** includes short-term medical and other health products sold directly to individuals.

### Investments

**Duration** measures the price sensitivity of assets and liabilities to changes in interest rates.

**Equity securities** include investments in exchange traded and mutual funds whose underlying investments are fixed income securities.

**Interest-bearing investments** comprise fixed income securities, mortgage loans, short-term investments, and other investments including bank and agent loans and derivatives.

**Internal rate of return** is one of the measures we use to evaluate the performance of these investments. The IRR represents the rate of return on the investments considering the cash flows paid and received and, until the investment is fully liquidated, the estimated value of investment holdings at the end of the measurement period. The calculated IRR for any measurement period is highly influenced by the values of the portfolio at the beginning and end of the period, which reflect the estimated fair values of the investments as of such dates. As a result, the IRR can vary significantly for different measurement periods based on macroeconomic or other events that impact the estimated beginning or ending portfolio value, such as the global financial crisis. Our IRR calculation method may differ from those used by other investors. The timing of the recognition of income in the financial statements may differ significantly from the cash distributions and changes in the value of these investments.

**Limited partnership interests:** Income from equity method of accounting LP is generally recognized on a three-month delay due to the availability of the related financial statements from investees.

**LP and other investments** comprise limited partnership interests and other alternative investments, including real estate investments classified as other investments. Market-based investments include publicly traded equity securities classified as limited partnerships.

**Market-based strategy** seeks to deliver predictable earnings aligned to business needs and take advantage of short-term opportunities primarily through public and private fixed income investments and public equity securities.

**Performance-based strategy** seeks to deliver attractive risk-adjusted returns and supplement market risk with idiosyncratic risk primarily through investments in private equity and real estate.

**Pre-tax yields:** Quarterly pre-tax yield is calculated as annualized quarterly investment income, before investment expense divided by the average of the ending investment balances of the current and prior quarter. Year-to-date pre-tax yield is calculated as annualized year-to-date investment income, before investment expense divided by the average of investment balances at the beginning of the year and the end of each quarter during the year. For the purposes of the pre-tax yield calculation, income for directly held real estate and other investments is net of investee level expenses (asset level operating expenses reported in investment expense). Fixed income securities investment balances exclude unrealized capital gains and losses. Equity securities investment balances use cost in the calculation.

**Total return on investment portfolio** is calculated from GAAP results, including the total of net investment income, net gains and losses on investments and derivatives, the change in unrealized net capital gains and losses, and the change in the difference between fair value and carrying value of mortgage loans, bank loans and agent loans divided by the average fair value balances.