



The Allstate Corporation

Investor Supplement Second Quarter 2026

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 - Second Quarter 2026

Table of Contents			
Consolidated Operations		Protection Services	
Condensed Consolidated Statements of Operations	1	Segment Results	11
Contribution to Income	2		
Book Value per Common Share and Debt to Capital	3	Corporate	
Return on Allstate Common Shareholders' Equity	4	Segment Results	12
Policies in Force	5		
		Investments	
Property-Liability		Investment Position and Results	13
Results	6	Investment Position and Results by Strategy	14
<i>Allstate Protection</i>			
Profitability Measures	7	Definitions of Non-GAAP Measures	15,16
Impact of Net Rate Changes Implemented on Premiums Written	8		
Auto Profitability Measures and Statistics	9	Glossary	17
Homeowners Profitability Measures and Statistics	10		
		Items included in the glossary are denoted with a caret (^) the first time used.	

As a result of the dispositions of the employer voluntary benefits and group health businesses, starting in the third quarter of 2025, the Allstate Health and Benefits segment is no longer a reportable segment.

The Allstate Corporation
Condensed Consolidated Statements of Operations

(In millions, except per share data)

	Three months ended				Six months ended			
	June 30, 2026	March 31, 2026	Dec. 31, 2025	Sept. 30, 2025	June 30, 2025	March 31, 2025	June 30, 2026	June 30, 2025
Revenues								
Property and casualty insurance premiums [^]	\$ 15,670	\$ 15,553	\$ 15,511	\$ 15,253	\$ 15,041	\$ 14,698	\$ 31,223	\$ 29,739
Accident and health insurance premiums and contract charges [^]	134	136	114	110	235	487	270	722
Other revenue [^]	728	719	755	691	747	762	1,447	1,509
Net investment income	1,009	938	892	949	754	854	1,947	1,608
Net gains (losses) on investments and derivatives	1,055	(405)	73	252	(144)	(349)	650	(493)
Total revenues	<u>18,596</u>	<u>16,941</u>	<u>17,345</u>	<u>17,255</u>	<u>16,633</u>	<u>16,452</u>	<u>35,537</u>	<u>33,085</u>
Costs and expenses								
Property and casualty insurance claims and claims expense	9,862	9,185	7,736	8,654	10,249	10,815	19,047	21,064
Accident, health and other policy benefits	72	76	68	67	188	333	148	521
Amortization of deferred policy acquisition costs	2,202	2,178	2,125	2,101	2,076	2,087	4,380	4,163
Operating costs and expenses	2,315	2,225	2,332	2,265	2,135	2,245	4,540	4,380
Pension and other postretirement remeasurement (gains) losses	(146)	19	(5)	(108)	—	78	(127)	78
Restructuring and related charges	7	5	13	17	15	16	12	31
Amortization of purchased intangibles	46	47	56	59	57	59	93	116
Interest expense	96	98	98	101	100	100	194	200
Total costs and expenses	<u>14,454</u>	<u>13,833</u>	<u>12,423</u>	<u>13,156</u>	<u>14,820</u>	<u>15,733</u>	<u>28,287</u>	<u>30,553</u>
Gain (loss) on disposition of operations	—	—	(7)	720	890	—	—	890
Income from operations before income tax expense	<u>4,142</u>	<u>3,108</u>	<u>4,915</u>	<u>4,819</u>	<u>2,703</u>	<u>719</u>	<u>7,250</u>	<u>3,422</u>
Income tax expense	871	650	1,088	1,075	604	123	1,521	727
Net income	<u>3,271</u>	<u>2,458</u>	<u>3,827</u>	<u>3,744</u>	<u>2,099</u>	<u>596</u>	<u>5,729</u>	<u>2,695</u>
Less: Net income (loss) attributable to noncontrolling interest	—	1	(5)	(2)	(10)	1	1	(9)
Net income attributable to Allstate	<u>3,271</u>	<u>2,457</u>	<u>3,832</u>	<u>3,746</u>	<u>2,109</u>	<u>595</u>	<u>5,728</u>	<u>2,704</u>
Less: Preferred stock dividends	30	29	29	29	30	29	59	59
Net income applicable to common shareholders	<u>\$ 3,241</u>	<u>\$ 2,428</u>	<u>\$ 3,803</u>	<u>\$ 3,717</u>	<u>\$ 2,079</u>	<u>\$ 566</u>	<u>\$ 5,669</u>	<u>\$ 2,645</u>
Earnings per common share								
Net income applicable to common shareholders per common share - Basic	\$ 12.66	\$ 9.36	\$ 14.55	\$ 14.13	\$ 7.86	\$ 2.13	\$ 22.00	\$ 9.98
Weighted average common shares - Basic	256.0	259.4	261.3	263.1	264.6	265.3	257.7	264.9
Net income applicable to common shareholders per common share - Diluted	\$ 12.51	\$ 9.25	\$ 14.37	\$ 13.95	\$ 7.76	\$ 2.11	\$ 21.73	\$ 9.85
Weighted average common shares - Diluted	259.1	262.6	264.7	266.4	267.9	268.8	260.9	268.4
Cash dividends declared per common share	\$ 1.08	\$ 1.08	\$ 1.00	\$ 1.00	\$ 1.00	\$ 1.00	\$ 2.16	\$ 2.00

The Allstate Corporation Contribution to Income

(In millions, except per share data)

	Three months ended						Six months ended	
	June 30, 2026	March 31, 2026	Dec. 31, 2025	Sept. 30, 2025	June 30, 2025	March 31, 2025	June 30, 2026	June 30, 2025
Contribution to income								
Net income applicable to common shareholders	\$ 3,241	\$ 2,428	\$ 3,803	\$ 3,717	\$ 2,079	\$ 566	\$ 5,669	\$ 2,645
Net (gains) losses on investments and derivatives	(1,055)	405	(73)	(252)	144	349	(650)	493
Pension and other postretirement remeasurement (gains) losses	(146)	19	(5)	(108)	—	78	(127)	78
Amortization of purchased intangibles	46	47	56	59	57	59	93	116
Gain on disposition ⁽¹⁾	(1)	(6)	—	(723)	(893)	—	(7)	(893)
Income tax expense (benefit)	245	(96)	7	283	204	(103)	149	101
Adjusted net income *	<u>\$ 2,330</u>	<u>\$ 2,797</u>	<u>\$ 3,788</u>	<u>\$ 2,976</u>	<u>\$ 1,591</u>	<u>\$ 949</u>	<u>\$ 5,127</u>	<u>\$ 2,540</u>
Income per common share - Diluted								
Net income applicable to common shareholders	\$ 12.51	\$ 9.25	\$ 14.37	\$ 13.95	\$ 7.76	\$ 2.11	\$ 21.73	\$ 9.85
Net (gains) losses on investments and derivatives	(4.07)	1.54	(0.28)	(0.95)	0.54	1.30	(2.49)	1.84
Pension and other postretirement remeasurement (gains) losses	(0.57)	0.07	(0.02)	(0.40)	—	0.29	(0.49)	0.29
Amortization of purchased intangibles	0.18	0.18	0.21	0.22	0.21	0.22	0.36	0.43
Gain on disposition ⁽¹⁾	—	(0.02)	—	(2.71)	(3.33)	—	(0.03)	(3.33)
Income tax expense (benefit)	0.94	(0.37)	0.03	1.06	0.76	(0.39)	0.57	0.38
Adjusted net income *	<u>\$ 8.99</u>	<u>\$ 10.65</u>	<u>\$ 14.31</u>	<u>\$ 11.17</u>	<u>\$ 5.94</u>	<u>\$ 3.53</u>	<u>\$ 19.65</u>	<u>\$ 9.46</u>
Weighted average common shares - Diluted	259.1	262.6	264.7	266.4	267.9	268.8	260.9	268.4

⁽¹⁾ Includes changes in the value of contingent consideration related to the sale of Allstate Life Insurance Company and certain affiliates in 2021 that are included within operating costs and expenses on the Condensed Consolidated Statements of Operations.

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

(\$ in millions, except per share data)	June 30, 2026	March 31, 2026	Dec. 31, 2025	Sept. 30, 2025	June 30, 2025	March 31, 2025
Book value per common share						
Numerator:						
Allstate common shareholders' equity ⁽¹⁾	\$ 31,697	\$ 29,606	\$ 28,609	\$ 25,504	\$ 22,018	\$ 20,054
Denominator:						
Common shares outstanding and dilutive potential common shares outstanding ⁽²⁾	256.9	260.8	263.8	265.8	267.2	268.8
Book value per common share	\$ 123.38	\$ 113.52	\$ 108.45	\$ 95.95	\$ 82.40	\$ 74.61
Book value per common share, excluding the impact of unrealized net capital gains and losses on fixed income securities						
Numerator:						
Allstate common shareholders' equity ⁽¹⁾	\$ 31,697	\$ 29,606	\$ 28,609	\$ 25,504	\$ 22,018	\$ 20,054
Less: Unrealized net capital gains and losses on fixed income securities	(74)	(220)	303	357	40	(351)
Adjusted Allstate common shareholders' equity	\$ 31,771	\$ 29,826	\$ 28,306	\$ 25,147	\$ 21,978	\$ 20,405
Denominator:						
Common shares outstanding and dilutive potential common shares outstanding ⁽²⁾	256.9	260.8	263.8	265.8	267.2	268.8
Book value per common share, excluding the impact of unrealized net capital gains and losses on fixed income securities *	\$ 123.67	\$ 114.36	\$ 107.30	\$ 94.61	\$ 82.25	\$ 75.91
Total debt	\$ 7,492	\$ 7,491	\$ 7,490	\$ 8,089	\$ 8,087	\$ 8,086
Total capital resources	\$ 41,190	\$ 39,098	\$ 38,100	\$ 35,594	\$ 32,106	\$ 30,141
Ratio of debt to Allstate shareholders' equity	22.2 %	23.7 %	24.5 %	29.4 %	33.7 %	36.7 %
Ratio of debt to capital resources	18.2 %	19.2 %	19.7 %	22.7 %	25.2 %	26.8 %

⁽¹⁾ Excludes equity related to preferred stock of \$2,001 million for all periods shown.

⁽²⁾ Common shares outstanding were 253,535,417 and 260,135,910 as of June 30, 2026 and December 31, 2025, respectively.

The Allstate Corporation
Return on Allstate Common Shareholders' Equity

(\$ in millions)

As of or for the twelve months ended

	June 30, 2026	March 31, 2026	Dec. 31, 2025	Sept. 30, 2025	June 30, 2025	March 31, 2025
Return on Allstate common shareholders' equity						
Numerator:						
Net income applicable to common shareholders	\$ 13,189	\$ 12,027	\$ 10,165	\$ 8,261	\$ 5,705	\$ 3,927
Denominator:						
Beginning Allstate common shareholders' equity	\$ 22,018	\$ 20,054	\$ 19,441	\$ 18,876	\$ 16,592	\$ 16,638
Ending Allstate common shareholders' equity ⁽¹⁾	31,697	29,606	28,609	25,504	22,018	20,054
Average Allstate common shareholders' equity [^]	\$ 26,858	\$ 24,830	\$ 24,025	\$ 22,190	\$ 19,305	\$ 18,346
Return on Allstate common shareholders' equity	49.1 %	48.4 %	42.3 %	37.2 %	29.6 %	21.4 %
Adjusted net income return on Allstate common shareholders' equity						
Numerator:						
Adjusted net income *	\$ 11,891	\$ 11,152	\$ 9,304	\$ 7,578	\$ 5,650	\$ 4,488
Denominator:						
Beginning Allstate common shareholders' equity	\$ 22,018	\$ 20,054	\$ 19,441	\$ 18,876	\$ 16,592	\$ 16,638
Less: Unrealized net capital gains and losses	36	(351)	(771)	361	(938)	(819)
Adjusted beginning Allstate common shareholders' equity	21,982	20,405	20,212	18,515	17,530	17,457
Ending Allstate common shareholders' equity ⁽¹⁾	31,697	29,606	28,609	25,504	22,018	20,054
Less: Unrealized net capital gains and losses	(79)	(221)	297	351	36	(351)
Adjusted ending Allstate common shareholders' equity	31,776	29,827	28,312	25,153	21,982	20,405
Average adjusted Allstate common shareholders' equity [^]	\$ 26,879	\$ 25,116	\$ 24,262	\$ 21,834	\$ 19,756	\$ 18,931
Adjusted net income return on Allstate common shareholders' equity *	44.2 %	44.4 %	38.3 %	34.7 %	28.6 %	23.7 %

⁽¹⁾ Excludes equity related to preferred stock of \$2,001 million for all periods shown.

The Allstate Corporation Policies in Force

	June 30, 2026	March 31, 2026	Dec. 31, 2025	Sept. 30, 2025	June 30, 2025	March 31, 2025
Policies in force statistics (in thousands) ⁽¹⁾						
Allstate Protection						
Auto	25,951	25,758	25,504	25,332	25,243	25,100
Homeowners	7,819	7,739	7,697	7,642	7,596	7,549
Specialty lines	4,945	4,902	4,898	4,908	4,885	4,874
Commercial lines	182	177	176	174	176	189
Total	<u>38,897</u>	<u>38,576</u>	<u>38,275</u>	<u>38,056</u>	<u>37,900</u>	<u>37,712</u>
Protection Services						
Protection Plans	168,703	165,210	164,650	163,451	162,315	161,503
Roadside	1,520	1,379	1,244	1,119	988	867
Dealer Services	3,601	3,628	3,663	3,681	3,697	3,690
Identity Protection	2,719	2,752	2,626	2,694	2,669	2,648
Total	<u>176,543</u>	<u>172,969</u>	<u>172,183</u>	<u>170,945</u>	<u>169,669</u>	<u>168,708</u>
All other	495	507	479	480	482	478
Total policies in force ⁽²⁾	<u><u>215,935</u></u>	<u><u>212,052</u></u>	<u><u>210,937</u></u>	<u><u>209,481</u></u>	<u><u>208,051</u></u>	<u><u>206,898</u></u>

⁽¹⁾ 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.
- Lender-placed policies are excluded from policy counts because relationships are with the lenders.
- Protection Plans represents active consumer product protection plans. Policies in force at June 30, 2026 includes 2.9 million policies that primarily relate to periods from September 30, 2025 through March 31, 2026 and were not reflected in previously reported numbers.
- Roadside reflects memberships in force and does not include their wholesale partners as the customer relationship is managed by the wholesale partner.
- 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.
- Identity Protection reflects individual customer counts for identity protection products.
- All other reflects certificate counts for the individual health business.

⁽²⁾ As a result of the dispositions of the employer voluntary benefits and group health businesses, starting in the third quarter of 2025, the Allstate Health and Benefits segment is no longer a reportable segment. Historical totals exclude employer voluntary benefits and group health businesses that have been divested.

The Allstate Corporation Property-Liability Results

(\$ in millions, except ratios)

	Three months ended						Six months ended	
	June 30, 2026	March 31, 2026	Dec. 31, 2025	Sept. 30, 2025	June 30, 2025	March 31, 2025	June 30, 2026	June 30, 2025
Premiums written	\$ 15,431	\$ 14,625	\$ 14,572	\$ 15,630	\$ 15,047	\$ 14,297	\$ 30,056	\$ 29,344
Premiums earned	\$ 14,918	\$ 14,802	\$ 14,776	\$ 14,533	\$ 14,346	\$ 14,027	\$ 29,720	\$ 28,373
Other revenue	568	544	541	518	504	488	1,112	992
Claims and claims expense	(9,668)	(8,992)	(7,567)	(8,466)	(10,084)	(10,660)	(18,660)	(20,744)
Amortization of deferred policy acquisition costs	(1,840)	(1,821)	(1,772)	(1,757)	(1,742)	(1,732)	(3,661)	(3,474)
Operating costs and expenses	(1,928)	(1,835)	(1,917)	(1,873)	(1,685)	(1,701)	(3,763)	(3,386)
Restructuring and related charges	(6)	(1)	(10)	(15)	(13)	(16)	(7)	(29)
Amortization of purchased intangibles	(38)	(39)	(45)	(46)	(46)	(46)	(77)	(92)
Underwriting income (loss) ⁽¹⁾	\$ 2,006	\$ 2,658	\$ 4,006	\$ 2,894	\$ 1,280	\$ 360	\$ 4,664	\$ 1,640
Catastrophe losses	\$ (1,722)	\$ (1,240)	\$ (209)	\$ (558)	\$ (1,990)	\$ (2,202)	\$ (2,962)	\$ (4,192)
Claims expense excluding catastrophe expense [^]	(799)	(783)	(755)	(765)	(751)	(734)	(1,582)	(1,485)
Operating ratios and reconciliations to underlying ratios								
Loss ratio	64.8	60.7	51.2	58.3	70.3	76.0	62.8	73.1
Effect of catastrophe losses	(11.5)	(8.4)	(1.4)	(3.8)	(13.9)	(15.7)	(10.0)	(14.8)
Effect of prior year reserve reestimates, excluding catastrophes	4.6	6.9	5.4	2.7	2.6	1.7	5.8	2.2
Underlying loss ratio *	57.9	59.2	55.2	57.2	59.0	62.0	58.6	60.5
Expense ratio [^]	21.8	21.3	21.7	21.8	20.8	21.4	21.5	21.1
Effect of amortization of purchased intangibles	(0.3)	(0.2)	(0.3)	(0.3)	(0.3)	(0.3)	(0.3)	(0.3)
Underlying expense ratio *	21.5	21.1	21.4	21.5	20.5	21.1	21.2	20.8
Effect of advertising expense	(3.5)	(3.7)	(3.8)	(4.0)	(3.1)	(3.7)	(3.6)	(3.4)
Effect of restructuring and related charges	—	—	(0.1)	(0.1)	(0.1)	(0.1)	—	(0.1)
Adjusted underwriting expense ratio *	18.0	17.4	17.5	17.4	17.3	17.3	17.6	17.3
Claims expense ratio excluding catastrophe expense [^]	5.4	5.3	5.1	5.3	5.2	5.2	5.3	5.2
Adjusted expense ratio *	23.4	22.7	22.6	22.7	22.5	22.5	22.9	22.5
Combined ratio	86.6	82.0	72.9	80.1	91.1	97.4	84.3	94.2
Effect of catastrophe losses	(11.5)	(8.4)	(1.4)	(3.8)	(13.9)	(15.7)	(10.0)	(14.8)
Effect of prior year reserve reestimates, excluding catastrophes	4.6	6.9	5.4	2.7	2.6	1.7	5.8	2.2
Effect of amortization of purchased intangibles	(0.3)	(0.2)	(0.3)	(0.3)	(0.3)	(0.3)	(0.3)	(0.3)
Underlying combined ratio *	79.4	80.3	76.6	78.7	79.5	83.1	79.8	81.3
Effect of Run-off Property-Liability on combined ratio	—	—	—	1.0	—	—	—	—
⁽¹⁾ Underwriting income (loss)								
Allstate Protection	\$ 2,006	\$ 2,659	\$ 4,007	\$ 3,040	\$ 1,283	\$ 364	\$ 4,665	\$ 1,647
Run-off Property-Liability	—	(1)	(1)	(146)	(3)	(4)	(1)	(7)
Property-Liability	\$ 2,006	\$ 2,658	\$ 4,006	\$ 2,894	\$ 1,280	\$ 360	\$ 4,664	\$ 1,640
Other financial information								
Net investment income	\$ 885	\$ 845	\$ 814	\$ 873	\$ 687	\$ 783	\$ 1,730	\$ 1,470
Income tax expense on operations	(608)	(744)	(1,074)	(790)	(402)	(227)	(1,352)	(629)
Net income (loss) attributable to noncontrolling interest, after-tax	1	1	(5)	(1)	(10)	1	2	(9)

The Allstate Corporation
Allstate Protection Profitability Measures

(\$ in millions, except ratios)

	Three months ended				Six months ended			
	June 30, 2026	March 31, 2026	Dec. 31, 2025	Sept. 30, 2025	June 30, 2025	March 31, 2025	June 30, 2026	June 30, 2025
Premiums written								
Auto	\$ 9,572	\$ 9,850	\$ 9,399	\$ 9,869	\$ 9,533	\$ 9,848	\$ 19,422	\$ 19,381
Homeowners	4,752	3,741	4,110	4,607	4,395	3,453	8,493	7,848
Specialty lines	886	768	784	887	865	729	1,654	1,594
Commercial lines	121	112	107	101	100	94	233	194
Brokered solutions and collateral protection ^	100	154	172	166	154	173	254	327
Total	<u>\$ 15,431</u>	<u>\$ 14,625</u>	<u>\$ 14,572</u>	<u>\$ 15,630</u>	<u>\$ 15,047</u>	<u>\$ 14,297</u>	<u>\$ 30,056</u>	<u>\$ 29,344</u>
Premiums earned								
Auto	\$ 9,644	\$ 9,547	\$ 9,622	\$ 9,593	\$ 9,528	\$ 9,347	\$ 19,191	\$ 18,875
Homeowners	4,201	4,164	4,055	3,880	3,771	3,657	8,365	7,428
Specialty lines	822	820	814	800	779	741	1,642	1,520
Commercial lines	107	101	103	99	104	113	208	217
Brokered solutions and collateral protection	144	170	182	161	164	169	314	333
Total	<u>\$ 14,918</u>	<u>\$ 14,802</u>	<u>\$ 14,776</u>	<u>\$ 14,533</u>	<u>\$ 14,346</u>	<u>\$ 14,027</u>	<u>\$ 29,720</u>	<u>\$ 28,373</u>
Underwriting income (loss)								
Auto	\$ 1,606	\$ 1,729	\$ 1,851	\$ 1,726	\$ 1,331	\$ 816	\$ 3,335	\$ 2,147
Homeowners	226	685	1,813	1,107	(76)	(451)	911	(527)
Specialty lines	108	157	205	61	(11)	(65)	265	(76)
Commercial lines	13	21	45	93	(17)	16	34	(1)
Brokered solutions and collateral protection	52	64	92	52	54	41	116	95
Answer Financial	1	3	1	1	2	7	4	9
Total	<u>\$ 2,006</u>	<u>\$ 2,659</u>	<u>\$ 4,007</u>	<u>\$ 3,040</u>	<u>\$ 1,283</u>	<u>\$ 364</u>	<u>\$ 4,665</u>	<u>\$ 1,647</u>
Claims expense excluding catastrophe expense	\$ 799	\$ 783	\$ 755	\$ 741	\$ 750	\$ 731	\$ 1,582	\$ 1,481
Operating ratios and reconciliations to underlying ratios								
Loss ratio	64.8	60.7	51.2	57.3	70.3	76.0	62.8	73.1
Effect of catastrophe losses	(11.5)	(8.4)	(1.4)	(3.8)	(13.9)	(15.7)	(10.0)	(14.8)
Effect of prior year reserve reestimates, excluding catastrophes	4.6	6.9	5.4	3.7	2.6	1.7	5.8	2.2
Underlying loss ratio *	<u>57.9</u>	<u>59.2</u>	<u>55.2</u>	<u>57.2</u>	<u>59.0</u>	<u>62.0</u>	<u>58.6</u>	<u>60.5</u>
Expense ratio	21.8	21.3	21.7	21.8	20.8	21.4	21.5	21.1
Effect of amortization of purchased intangibles	(0.3)	(0.2)	(0.3)	(0.3)	(0.3)	(0.3)	(0.3)	(0.3)
Underlying expense ratio *	21.5	21.1	21.4	21.5	20.5	21.1	21.2	20.8
Effect of advertising expense	(3.5)	(3.7)	(3.8)	(4.0)	(3.1)	(3.7)	(3.6)	(3.4)
Effect of restructuring and related charges	—	—	(0.1)	(0.1)	(0.1)	(0.1)	—	(0.1)
Adjusted underwriting expense ratio *	<u>18.0</u>	<u>17.4</u>	<u>17.5</u>	<u>17.4</u>	<u>17.3</u>	<u>17.3</u>	<u>17.6</u>	<u>17.3</u>
Combined ratio	86.6	82.0	72.9	79.1	91.1	97.4	84.3	94.2
Underlying combined ratio *	79.4	80.3	76.6	78.7	79.5	83.1	79.8	81.3
Claims expense ratio excluding catastrophe expense	5.4	5.3	5.1	5.1	5.2	5.2	5.3	5.2

The Allstate Corporation

Allstate Protection Impact of Net Rate Changes Implemented on Premiums Written

	Three months ended June 30, 2026			Three months ended March 31, 2026		
	Number of locations ⁽¹⁾	Total (%) ^{(2) (3)}	Location specific (%) ⁽⁴⁾	Number of locations ⁽¹⁾	Total (%) ⁽³⁾	Location specific (%)
Auto	36	—	—	39	—	—
Homeowners ⁽⁵⁾	33	(0.1)	(1.9)	18	1.4	7.2

	Three months ended December 31, 2025			Three months ended September 30, 2025		
	Number of locations	Total (%) ⁽³⁾	Location specific (%)	Number of locations	Total (%) ⁽³⁾	Location specific (%)
Auto	34	0.2	1.8	46	0.6	2.4
Homeowners ⁽⁵⁾	15	0.8	5.4	21	1.4	12.0

⁽¹⁾ Refers to the number of U.S. states, the District of Columbia or Canadian provinces where rate changes have been implemented.

⁽²⁾ Represents the impact in the locations where rate changes were implemented during the period as a percentage of total prior year-end premiums written. The impact reflects the combined effect of rate increases and decreases implemented during the period.

⁽³⁾ Implemented auto insurance rate decreases totaled \$4 million and \$2 million in the second and first quarters of 2026, respectively, after implementing rate increases of \$81 million and \$232 million in the fourth and third quarters of 2025, respectively.

⁽⁴⁾ Represents the impact in the locations where rate changes were implemented during the period as a percentage of its respective total prior year-end premiums written in those same locations.

⁽⁵⁾ Excludes the impact to average premium from inflation in insured home replacement costs and other aging factor adjustments, which could be significant.

The Allstate Corporation
Auto Profitability Measures and Statistics

(\$ in millions, except ratios)

	Three months ended						Six months ended	
	June 30, 2026	March 31, 2026	Dec. 31, 2025	Sept. 30, 2025	June 30, 2025	March 31, 2025	June 30, 2026	June 30, 2025
Allstate Protection								
Premiums written	\$ 9,572	\$ 9,850	\$ 9,399	\$ 9,869	\$ 9,533	\$ 9,848	\$ 19,422	\$ 19,381
Premiums earned	9,644	9,547	9,622	9,593	9,528	9,347	19,191	18,875
Underwriting income	1,606	1,729	1,851	1,726	1,331	816	3,335	2,147
Operating ratios and reconciliations to underlying ratios								
Loss ratio	61.4	60.6	58.9	60.6	65.0	69.3	61.0	67.1
Effect of catastrophe losses	(2.2)	(0.9)	(0.4)	(0.7)	(2.2)	(2.2)	(1.6)	(2.2)
Effect of prior year reserve reestimates, excluding catastrophes	6.6	8.8	7.5	5.0	4.3	2.5	7.7	3.4
Underlying loss ratio *	<u>65.8</u>	<u>68.5</u>	<u>66.0</u>	<u>64.9</u>	<u>67.1</u>	<u>69.6</u>	<u>67.1</u>	<u>68.3</u>
Expense ratio	21.9	21.3	21.9	21.4	21.0	22.0	21.6	21.5
Effect of amortization of purchased intangibles	(0.1)	(0.3)	(0.3)	(0.3)	(0.3)	(0.4)	(0.2)	(0.3)
Underlying expense ratio *	<u>21.8</u>	<u>21.0</u>	<u>21.6</u>	<u>21.1</u>	<u>20.7</u>	<u>21.6</u>	<u>21.4</u>	<u>21.2</u>
Combined ratio	83.3	81.9	80.8	82.0	86.0	91.3	82.6	88.6
Effect of catastrophe losses	(2.2)	(0.9)	(0.4)	(0.7)	(2.2)	(2.2)	(1.6)	(2.2)
Effect of prior year reserve reestimates, excluding catastrophes	6.6	8.8	7.5	5.0	4.3	2.5	7.7	3.4
Effect of amortization of purchased intangibles	(0.1)	(0.3)	(0.3)	(0.3)	(0.3)	(0.4)	(0.2)	(0.3)
Underlying combined ratio *	<u>87.6</u>	<u>89.5</u>	<u>87.6</u>	<u>86.0</u>	<u>87.8</u>	<u>91.2</u>	<u>88.5</u>	<u>89.5</u>
Annualized average earned premium [^] (\$)	1,486	1,483	1,509	1,515	1,510	1,490	1,479	1,495
Average underlying loss (incurred pure premium) * [^] (\$)	978	1,016	996	983	1,013	1,037	992	1,021
Average underlying loss (incurred pure premium) * (%) change year-over-year	(3.5)	(2.0)	(4.0)	(4.7)	(2.9)	(0.6)	(2.8)	(2.3)
Average underlying loss (incurred pure premium) and expense * [^] (\$)	1,302	1,327	1,322	1,303	1,326	1,359	1,309	1,338
New issued applications by channel (in thousands) [^]								
Exclusive agency	805	807	794	823	764	748	1,612	1,512
Independent agency	745	742	719	696	685	686	1,487	1,371
Direct	797	848	713	809	708	757	1,645	1,465
Total	<u>2,347</u>	<u>2,397</u>	<u>2,226</u>	<u>2,328</u>	<u>2,157</u>	<u>2,191</u>	<u>4,744</u>	<u>4,348</u>
Allstate brand								
Average premium - gross written [^] (\$)	819	832	844	853	850	853	826	852

The Allstate Corporation
Homeowners Profitability Measures and Statistics

(\$ in millions, except ratios)

	Three months ended				Six months ended			
	June 30, 2026	March 31, 2026	Dec. 31, 2025	Sept. 30, 2025	June 30, 2025	March 31, 2025	June 30, 2026	June 30, 2025
Allstate Protection								
Premiums written	\$ 4,752	\$ 3,741	\$ 4,110	\$ 4,607	\$ 4,395	\$ 3,453	\$ 8,493	\$ 7,848
Premiums earned	4,201	4,164	4,055	3,880	3,771	3,657	8,365	7,428
Underwriting income (loss)	226	685	1,813	1,107	(76)	(451)	911	(527)
Operating ratios and reconciliations to underlying ratios								
Loss ratio	72.4	61.5	33.2	48.5	81.2	91.8	67.0	86.4
Effect of catastrophe losses	(33.5)	(25.1)	(4.2)	(12.3)	(42.8)	(49.9)	(29.3)	(46.3)
Effect of prior year reserve reestimates, excluding catastrophes	0.7	2.3	0.6	1.0	(0.3)	0.2	1.5	—
Underlying loss ratio *	<u>39.6</u>	<u>38.7</u>	<u>29.6</u>	<u>37.2</u>	<u>38.1</u>	<u>42.1</u>	<u>39.2</u>	<u>40.1</u>
Expense ratio	22.2	22.0	22.1	23.0	20.8	20.5	22.1	20.7
Effect of amortization of purchased intangibles	(0.3)	(0.2)	(0.3)	(0.4)	(0.3)	(0.2)	(0.3)	(0.3)
Underlying expense ratio *	<u>21.9</u>	<u>21.8</u>	<u>21.8</u>	<u>22.6</u>	<u>20.5</u>	<u>20.3</u>	<u>21.8</u>	<u>20.4</u>
Combined ratio	94.6	83.5	55.3	71.5	102.0	112.3	89.1	107.1
Effect of catastrophe losses	(33.5)	(25.1)	(4.2)	(12.3)	(42.8)	(49.9)	(29.3)	(46.3)
Effect of prior year reserve reestimates, excluding catastrophes	0.7	2.3	0.6	1.0	(0.3)	0.2	1.5	—
Effect of amortization of purchased intangibles	(0.3)	(0.2)	(0.3)	(0.4)	(0.3)	(0.2)	(0.3)	(0.3)
Underlying combined ratio *	<u>61.5</u>	<u>60.5</u>	<u>51.4</u>	<u>59.8</u>	<u>58.6</u>	<u>62.4</u>	<u>61.0</u>	<u>60.5</u>
New issued applications by channel (in thousands)								
Exclusive agency	260	241	237	262	251	232	501	483
Independent agency	65	36	36	41	48	47	101	95
Direct	86	81	69	69	54	41	167	95
Total	<u>411</u>	<u>358</u>	<u>342</u>	<u>372</u>	<u>353</u>	<u>320</u>	<u>769</u>	<u>673</u>
Allstate brand								
Average premium - gross written (\$)	2,399	2,360	2,267	2,296	2,267	2,210	2,382	2,241

The Allstate Corporation
Protection Services Segment Results

(\$ in millions)

	Three months ended				Six months ended			
	June 30, 2026	March 31, 2026	Dec. 31, 2025	Sept. 30, 2025	June 30, 2025	March 31, 2025	June 30, 2026	June 30, 2025
Protection Services								
Net premiums written	\$ 769	\$ 727	\$ 867	\$ 749	\$ 733	\$ 657	\$ 1,496	\$ 1,390
Premiums earned	\$ 752	\$ 751	\$ 735	\$ 720	\$ 695	\$ 671	\$ 1,503	\$ 1,366
Other revenue	123	117	126	124	111	128	240	239
Intersegment insurance premiums and service fees	35	31	31	33	36	37	66	73
Net investment income	25	23	25	25	25	24	48	49
Claims and claims expense	(198)	(199)	(175)	(193)	(170)	(161)	(397)	(331)
Amortization of deferred policy acquisition costs	(356)	(348)	(345)	(337)	(328)	(318)	(704)	(646)
Non-deferrable commissions	(124)	(126)	(120)	(116)	(110)	(101)	(250)	(211)
Other operating costs and expenses	(186)	(183)	(204)	(194)	(180)	(208)	(369)	(388)
Restructuring and related charges	—	(4)	(2)	(1)	(1)	—	(4)	(1)
Income tax expense on operations	(19)	(15)	(14)	(16)	(18)	(17)	(34)	(35)
Less: net loss attributable to noncontrolling interest	(1)	—	—	(1)	—	—	(1)	—
Adjusted net income ⁽¹⁾	53	47	57	46	60	55	100	115
Depreciation	4	4	4	5	5	5	8	10
Restructuring and related charges	—	4	2	1	1	—	4	1
Income tax expense on operations	19	15	14	16	18	17	34	35
Adjusted earnings before taxes, depreciation and restructuring *	\$ 76	\$ 70	\$ 77	\$ 68	\$ 84	\$ 77	\$ 146	\$ 161
Protection Plans								
Net premiums written	\$ 585	\$ 554	\$ 693	\$ 567	\$ 558	\$ 487	\$ 1,139	\$ 1,045
Premiums earned	578	578	566	552	531	510	1,156	1,041
Revenue [^]	\$ 615	\$ 613	\$ 609	\$ 588	\$ 563	\$ 540	\$ 1,228	\$ 1,103
Claims and claims expense	(156)	(156)	(135)	(152)	(130)	(124)	(312)	(254)
Amortization of deferred policy acquisition costs	(244)	(239)	(236)	(228)	(218)	(210)	(483)	(428)
Non-deferrable commissions	(113)	(114)	(109)	(106)	(99)	(90)	(227)	(189)
Other operating costs and expenses	(46)	(50)	(64)	(55)	(51)	(58)	(96)	(109)
Restructuring and related charges	—	—	(1)	(1)	—	—	—	—
Income tax expense on operations	(15)	(13)	(15)	(13)	(14)	(13)	(28)	(27)
Less: net loss attributable to noncontrolling interest	(1)	—	—	(1)	—	—	(1)	—
Adjusted net income	\$ 42	\$ 41	\$ 49	\$ 34	\$ 51	\$ 45	\$ 83	\$ 96
Roadside								
Revenue	\$ 66	\$ 63	\$ 61	\$ 59	\$ 56	\$ 55	\$ 129	\$ 111
Adjusted net income	13	12	12	12	11	11	25	22
Dealer Services								
Revenue	\$ 147	\$ 148	\$ 148	\$ 148	\$ 148	\$ 146	\$ 295	\$ 294
Adjusted net income	3	5	7	6	4	4	8	8
Identity Protection								
Revenue	\$ 40	\$ 40	\$ 39	\$ 39	\$ 41	\$ 40	\$ 80	\$ 81
Adjusted net income	2	1	1	2	2	1	3	3
Arity								
Revenue	\$ 67	\$ 58	\$ 60	\$ 68	\$ 59	\$ 79	\$ 125	\$ 138
Adjusted net loss	(7)	(12)	(12)	(8)	(8)	(6)	(19)	(14)

⁽¹⁾ Adjusted net income is the GAAP segment measure.

The Allstate Corporation Corporate Segment Results

(\$ in millions)

Three months ended

Six months ended

	June 30, 2026	March 31, 2026	Dec. 31, 2025	Sept. 30, 2025	June 30, 2025	March 31, 2025	June 30, 2026	June 30, 2025
Other revenue	\$ 12	\$ 17	\$ 19	\$ 24	\$ 23	\$ 15	\$ 29	\$ 38
Net investment income	96	68	52	49	37	22	164	59
Operating costs and expenses	(33)	(33)	(41)	(42)	(45)	(32)	(66)	(77)
Restructuring and related charges	—	—	(1)	—	—	—	—	—
Interest expense	(96)	(98)	(98)	(101)	(100)	(100)	(194)	(200)
Income tax benefit on operations	3	16	14	12	21	27	19	48
Preferred stock dividends	(30)	(29)	(29)	(29)	(30)	(29)	(59)	(59)
Adjusted net loss	<u>\$ (48)</u>	<u>\$ (59)</u>	<u>\$ (84)</u>	<u>\$ (87)</u>	<u>\$ (94)</u>	<u>\$ (97)</u>	<u>\$ (107)</u>	<u>\$ (191)</u>

The Allstate Corporation Investment Position and Results

(\$ in millions)

As of or for the three months ended

As of or for the
six months ended

	June 30, 2026	March 31, 2026	Dec. 31, 2025	Sept. 30, 2025	June 30, 2025	March 31, 2025	June 30, 2026	June 30, 2025
Investment position								
Fixed income securities, at fair value	\$ 60,809	\$ 59,060	\$ 59,115	\$ 57,186	\$ 54,435	\$ 51,993	\$ 60,809	\$ 54,435
Equity securities [^]	11,159	10,431	8,398	5,338	2,397	4,465	11,159	2,397
Mortgage loans, net	842	868	879	831	807	770	842	807
Limited partnership interests [^]	8,967	8,946	8,844	9,213	9,194	9,380	8,967	9,194
Short-term, at fair value	4,872	4,705	4,887	8,743	9,640	6,541	4,872	9,640
Other investments, net	1,153	1,150	1,114	1,017	964	901	1,153	964
Total	<u>\$ 87,802</u>	<u>\$ 85,160</u>	<u>\$ 83,237</u>	<u>\$ 82,328</u>	<u>\$ 77,437</u>	<u>\$ 74,050</u>	<u>\$ 87,802</u>	<u>\$ 77,437</u>
Net investment income								
Fixed income securities	\$ 710	\$ 666	\$ 665	\$ 634	\$ 602	\$ 608	\$ 1,376	\$ 1,210
Equity securities	54	41	43	19	17	20	95	37
Mortgage loans	12	12	11	11	9	10	24	19
Limited partnership interests	240	206	140	226	74	194	446	268
Short-term investments	48	59	72	104	97	72	107	169
Other investments	28	26	48	26	24	21	54	45
Investment income, before expense	1,092	1,010	979	1,020	823	925	2,102	1,748
Investment expense	(83)	(72)	(87)	(71)	(69)	(71)	(155)	(140)
Net investment income	<u>\$ 1,009</u>	<u>\$ 938</u>	<u>\$ 892</u>	<u>\$ 949</u>	<u>\$ 754</u>	<u>\$ 854</u>	<u>\$ 1,947</u>	<u>\$ 1,608</u>
Pre-tax yields on fixed income securities [^] (1)	4.7 %	4.5 %	4.6 %	4.6 %	4.4 %	4.4 %	4.6 %	4.4 %
Net gains (losses) on investments and derivatives, pre-tax by transaction type								
Sales	\$ (80)	\$ (4)	\$ 60	\$ 69	\$ (245)	\$ (137)	\$ (84)	\$ (382)
Credit losses	(18)	(7)	(7)	(23)	(4)	(76)	(25)	(80)
Valuation change of equity investments	1,179	(388)	18	200	170	(117)	791	53
Valuation change and settlements of derivatives	(26)	(6)	2	6	(65)	(19)	(32)	(84)
Total	<u>\$ 1,055</u>	<u>\$ (405)</u>	<u>\$ 73</u>	<u>\$ 252</u>	<u>\$ (144)</u>	<u>\$ (349)</u>	<u>\$ 650</u>	<u>\$ (493)</u>
Total return on investment portfolio [^] (1)								
Net investment income	1.2 %	1.1 %	1.1 %	1.2 %	1.0 %	1.2 %	2.3 %	2.1 %
Valuation-interest bearing	—	(0.8)	—	0.6	0.2	0.4 ⁽²⁾	(0.7)	0.6 ⁽²⁾
Valuation-equity investments	1.4	(0.5)	—	0.2	0.2	(0.2)	0.9	0.1
Total	<u>2.6 %</u>	<u>(0.2) %</u>	<u>1.1 %</u>	<u>2.0 %</u>	<u>1.4 %</u>	<u>1.4 %</u>	<u>2.5 %</u>	<u>2.8 %</u>
Fixed income securities portfolio duration [^] (in years) (1)	5.5	5.5	5.1	5.1	4.1	5.1		
Fixed income securities portfolio duration including interest rate derivative positions (in years) (1)	5.5	5.7	5.1	5.0	4.0	5.1		
Fixed income and short-term investments duration including interest rate derivative positions (in years) (1)	5.1	5.3	4.7	4.3	3.4	4.6		

(1) Beginning in the third quarter of 2024 and through 2025, calculations include investments held for sale.

(2) Includes (0.1%) impact in the first quarter and first six months of 2025 related to losses recorded for variable interest in Reciprocal Exchanges.

The Allstate Corporation
Investment Position and Results by Strategy

(\$ in millions)

As of or for the three months ended

As of or for the
six months ended

	June 30, 2026	March 31, 2026	Dec. 31, 2025	Sept. 30, 2025	June 30, 2025	March 31, 2025	June 30, 2026	June 30, 2025
Investment Position								
Market-based [▲]								
Interest-bearing investments [▲]	\$ 66,968	\$ 65,014	\$ 65,236	\$ 66,973	\$ 65,060	\$ 59,411	\$ 66,968	\$ 65,060
Equity securities	10,806	10,052	8,009	4,762	1,786	3,795	10,806	1,786
LP and other alternative investments [▲]	256	183	146	232	211	281	256	211
Total	<u>\$ 78,030</u>	<u>\$ 75,249</u>	<u>\$ 73,391</u>	<u>\$ 71,967</u>	<u>\$ 67,057</u>	<u>\$ 63,487</u>	<u>\$ 78,030</u>	<u>\$ 67,057</u>
Performance-based [▲]								
Private equity	\$ 7,461	\$ 7,633	\$ 7,658	\$ 8,134	\$ 8,208	\$ 8,393	\$ 7,461	\$ 8,208
Real estate	2,311	2,278	2,188	2,227	2,172	2,170	2,311	2,172
Total	<u>\$ 9,772</u>	<u>\$ 9,911</u>	<u>\$ 9,846</u>	<u>\$ 10,361</u>	<u>\$ 10,380</u>	<u>\$ 10,563</u>	<u>\$ 9,772</u>	<u>\$ 10,380</u>
Investment income								
Market-based								
Interest-bearing investments	\$ 783	\$ 748	\$ 758	\$ 759	\$ 716	\$ 698	\$ 1,531	\$ 1,414
Equity securities	54	39	43	19	16	18	93	34
LP and other alternative investments ⁽¹⁾	—	4	3	2	1	3	4	4
Income for yield calculation	<u>\$ 837</u>	<u>\$ 791</u>	<u>\$ 804</u>	<u>\$ 780</u>	<u>\$ 733</u>	<u>\$ 719</u>	<u>\$ 1,628</u>	<u>\$ 1,452</u>
Pre-tax yield ⁽²⁾	4.4 %	4.3 %	4.5 %	4.5 %	4.4 %	4.4 %	4.3 %	4.4 %
Performance-based								
Private equity	\$ 143	\$ 111	\$ 123	\$ 197	\$ 74	\$ 103	\$ 254	\$ 177
Real estate	112	108	52	43	16	103	220	119
Investment income, before expense	255	219	175	240	90	206	474	296
Investee level expenses	(16)	(12)	(29)	(13)	(11)	(10)	(28)	(21)
Income for yield calculation	<u>\$ 239</u>	<u>\$ 207</u>	<u>\$ 146</u>	<u>\$ 227</u>	<u>\$ 79</u>	<u>\$ 196</u>	<u>\$ 446</u>	<u>\$ 275</u>
Pre-tax yield	9.7 %	8.4 %	5.9 %	8.9 %	3.0 %	7.5 %	9.1 %	5.3 %
Total return on investment portfolio								
Market-based ⁽²⁾	2.7 %	(0.4) %	1.2 %	2.0 %	1.6 %	1.5 % ⁽³⁾	2.4 %	3.1 % ⁽³⁾
Performance-based	2.6	1.9	0.9	2.5	1.0	1.6	4.5	2.6
Internal rate of return [▲]								
Performance-based								
10 year	11.2 %	11.1 %	11.1 %	10.9 %	11.0 %	11.2 %		
5 year	9.9		13.1	14.3	14.4	12.2		
3 year	6.1	5.9	5.6	5.7	4.7	5.4		
1 year	8.7	7.6	5.8	7.1	5.0	4.5		

⁽¹⁾ Net of any investee level expenses.

⁽²⁾ Beginning in the third quarter of 2024 and through 2025, calculations include investments held for sale.

⁽³⁾ Includes (0.1%) impact in the first quarter and first six months of 2025 related to losses recorded for variable interest in Reciprocal Exchanges.

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

- Net gains and losses on investments and derivatives
- Pension and other postretirement remeasurement gains and losses
- Amortization or impairment of purchased intangibles
- Gain or loss on disposition
- 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, amortization or impairment of purchased intangibles, gain or loss on disposition 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. Gain or loss on disposition is excluded because it is 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 reserve reestimates, excluding catastrophes 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".

Average underlying loss (incurred pure premium) and average underlying loss (incurred pure premium) and expense per policy are calculated as the underlying loss ratio and the underlying combined ratio (non-GAAP ratios), respectively, multiplied by the annualized GAAP earned premium ("annualized average earned premium"). We believe that these measures are useful to investors and are used by management for the same reasons noted above for the underlying loss and underlying combined ratios. The components of the calculation are available on the "Auto Profitability Measures and Statistics" page.

Definitions of Non-GAAP Measures (continued)

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 and 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 advertising expense, restructuring and related charges and amortization or impairment of purchased intangibles. 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. 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 the adjusted underwriting expense ratio and claims expense ratio excluding catastrophe expense. 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".

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 (loss) 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 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 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 include premiums for individual health, employer voluntary benefits through March 31, 2025 and group health through June 30, 2025.

Adjusted net income is the GAAP segment measure used for the Protection Services and Corporate 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, specialty lines, commercial lines, and brokered solutions and collateral protection products, as well as consumer product protection plans, roadside assistance and automotive protection and insurance products.

Property-Liability

Annualized average earned premium is calculated by annualizing net earned premium reported in the quarter and year-to-date divided by policies in force at quarter end.

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.

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

New issued applications: Item counts of automobile and homeowner insurance applications for insurance policies that were issued during the period, regardless of whether the customer was previously insured by another Allstate Protection brand.

Brokered solutions and collateral protection primarily represent commissions earned and other costs and expenses for Ivantage, non-proprietary life and annuity products, and lender-placed products.

Protection Services

Revenue includes premiums earned, other revenue, intersegment insurance premiums and service fees and net investment income.

Investments

Duration measures the price sensitivity of fixed income and short-term investments 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 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 LPs is generally recognized on a three-month delay due to the availability of the investee financial statements.

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, including infrastructure investments, and real estate, most of which were limited partnerships.

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 derivative instruments, the change in unrealized net capital gains and losses, and the change in the difference between fair value and carrying value of mortgage and bank loans divided by the average fair value balances.