The Allstate Corporation

Third Quarter 2022 Earnings Presentation

11.03.2022

Forward-looking Statements and Non-GAAP Financial Information

This presentation contains forward-looking statements and information. This presentation also contains non-GAAP measures that are denoted with an asterisk. You can find the reconciliation of those measures to GAAP measures within our most recent earnings release and investor supplement.

Additional information on factors that could cause results to differ materially from this presentation is available in the 2021 Form 10-K, Form 10-Q for September 30, 2022, our most recent earnings release, and at the end of these slides. These materials are available on our website, www.allstateinvestors.com, under the “Financials” link.

Allstate's Strategy To Increase Shareholder Value

Increase Personal Property-Liability Market Share

Allstate. You're in good hands.

NATIONAL GENERAL. an Allstate company

Answer financial.

Leveraging Allstate brand, customer base and capabilities

Expand Protection Services

Allstate. PROTECTION PLANS

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Allstate. BUSINESS INSURANCE

Allstate. IDENTITY PROTECTION

Allstate. ROADSIDE

Allstate. BENEFITS

Avail protected by Allstate

Allstate. DEALER SERVICES

Third quarter 2022 highlights

- Executing comprehensive plan to improve auto insurance profitability
  - Broadly raising insurance rates
  - Reducing operating expenses and advertising
  - Implementing underwriting restrictions in underperforming states
  - Modifying claims operating processes to manage loss costs
- Advancing Transformative Growth strategy
- Protection Services generating profitable growth
- Investment results benefited from proactive risk reduction
- Strong cash returns to shareholders

Allstate Is Focused on Improving Profitability

Increased Property-Liability earned premiums driven by higher average premiums in auto and homeowners insurance

($ in millions, except per share data and ratios)	Three months ended September 30, 2022	Three months ended September 30, 2021	Three months ended September 30, Change	Nine months ended September 30, 2022	Nine months ended September 30, 2021	Nine months ended September 30, Change
Total revenues	$13,208	$12,480	5.8%	$37,765	$37,577	0.5%
Property-Liability insurance premiums	11,157	10,159	9.8%	32,529	30,064	8.2%
Accident and health insurance premiums and contract charges	463	460	0.7%	1,398	1,362	2.6%
Net investment income	690	764	(9.7%)	1,846	2,446	(24.5%)
Net gains (losses) on investments and derivatives	(167)	105	NM	(1,167)	818	NM
Income applicable to common shareholders:						
Net income (loss)	(694)	508	NM	(1,106)	695	NM
Adjusted net income (loss)*	(420)	217	NM	97	3,237	(97.0%)
Per diluted common share[1]						
Net income (loss)	(2.58)	1.71	NM	(4.04)	2.30	NM
Adjusted net income (loss)*	(1.56)	0.73	NM	0.35	10.70	(96.7%)
Return on Allstate common shareholders' equity (trailing twelve months)						
Net income applicable to common shareholders				(1.6%)	13.2%	(14.8) pts
Adjusted net income*				4.3%	21.2%	(16.9) pts

Lower equity valuations and losses on fixed income sales

Reflects reserve increases for prior years

NM = Not meaningful

[1] In periods where a net loss or adjusted net loss is reported, weighted average shares for basic earnings per share is used for calculating diluted earnings per share because all dilutive potential common shares are anti-dilutive and are therefore excluded from the calculation.

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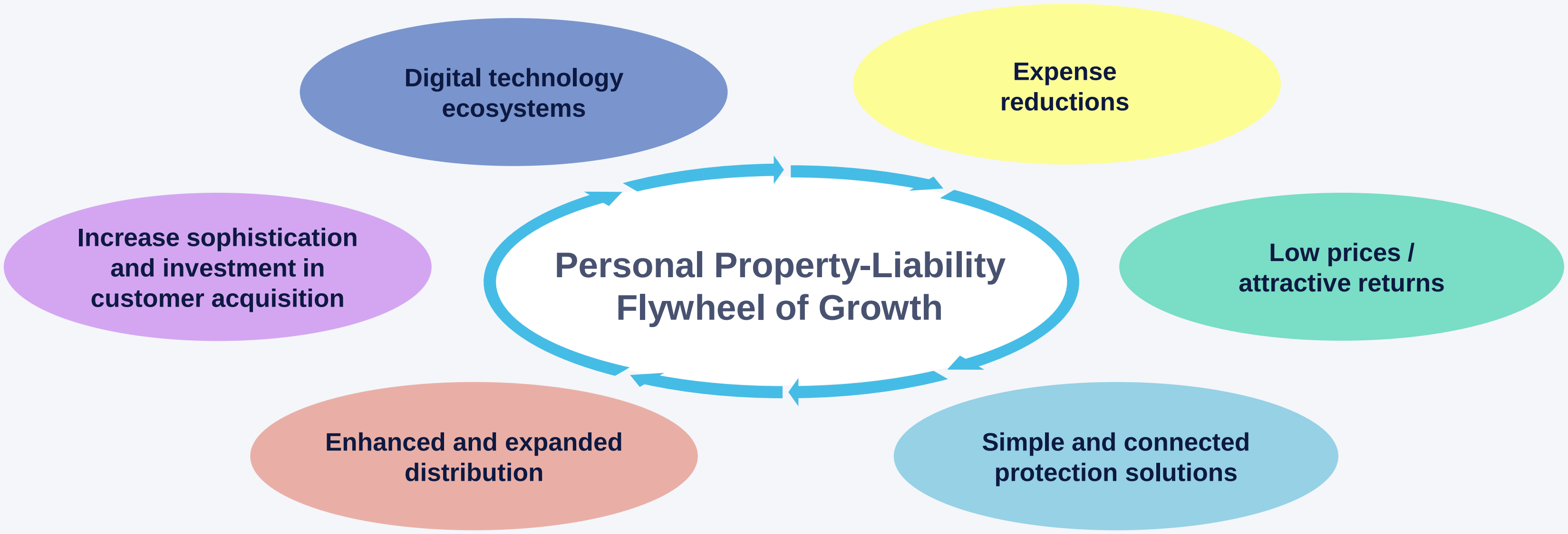
Transformative Growth To Increase Personal Property-Liability Market Share

Multi-year initiative to build a low-cost digital insurer with broad distribution

- Improve customer value
- Expand customer access
- Increase sophistication and investment in customer acquisition
- Deploy new technology ecosystems
- Drive organizational transformation



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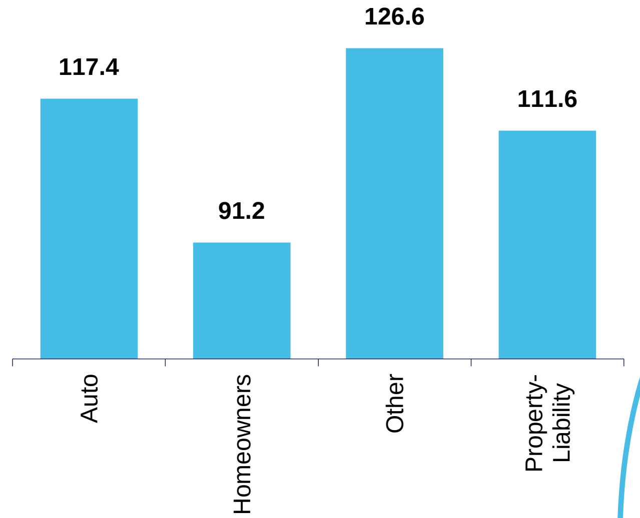
Underwriting Margins Impacted by Higher Loss Costs

Margin pressure driven by rapid escalation of current and prior year severities beginning in 2021

Underlying combined ratio* above target levels due to elevated loss cost trends in auto, homeowners and other lines

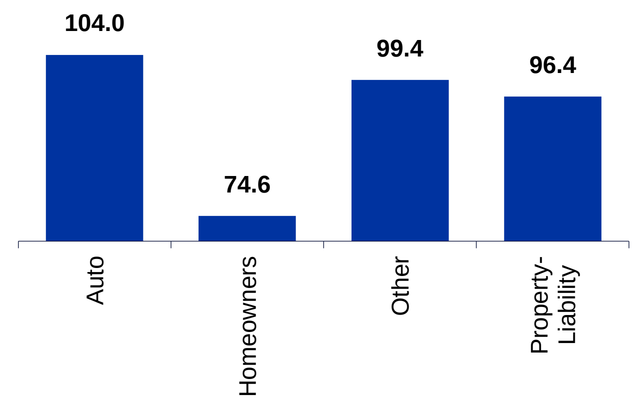
Recorded combined ratio – Q3 2022



Underlying combined ratio* excludes:

- Prior year reserve reestimates, excluding catastrophes, of $875 million (7.8 points)
- Catastrophe losses of $763 million (6.8 points)
- Amortization of purchased intangibles of $61 million (0.6 points)

Underlying combined ratio* - Q3 2022



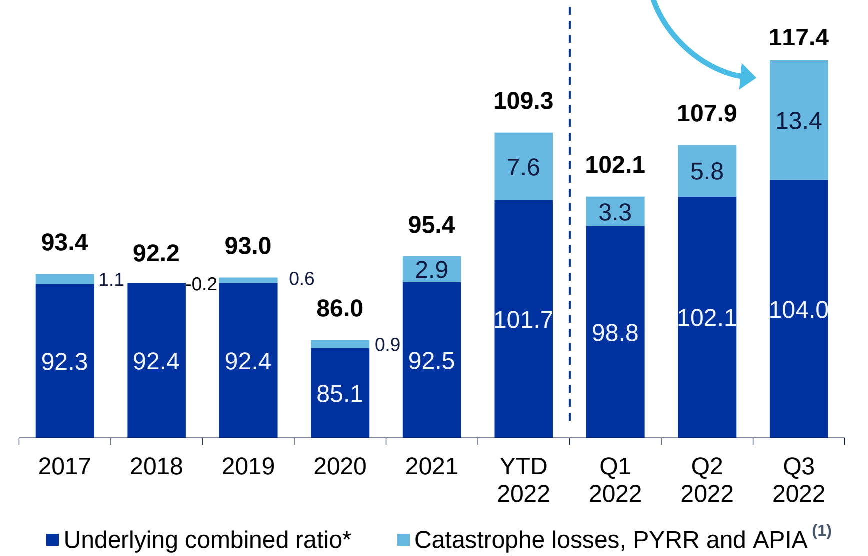
Catastrophe losses decreased compared to the prior year quarter; net impact of Hurricane Ian was mitigated due to exposure management and comprehensive reinsurance

Auto Insurance Continues to Be Impacted by Rising Loss Costs

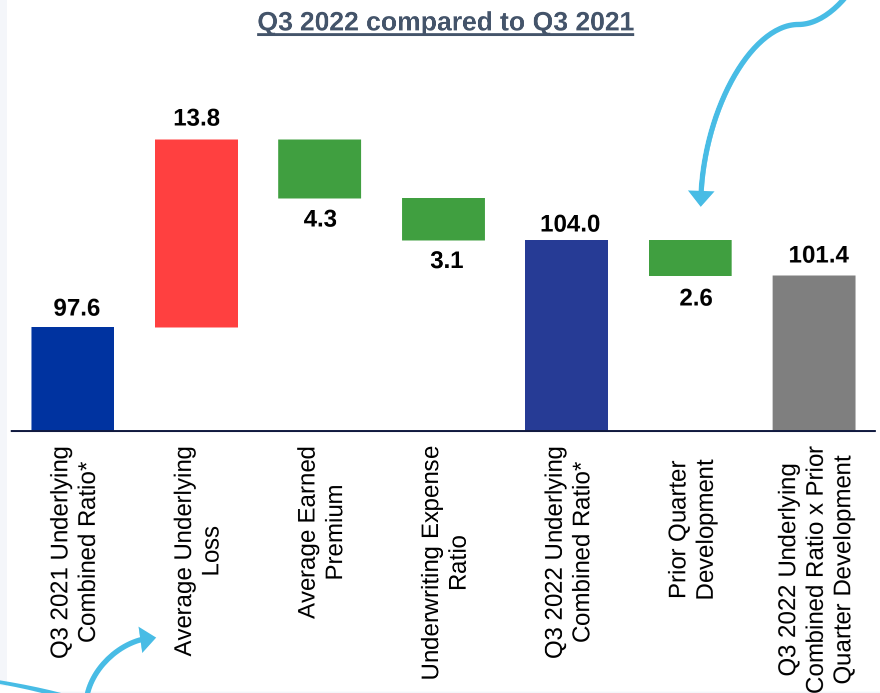
Prior year non-catastrophe reserve strengthening primarily due to bodily injury drove 8.5 points while catastrophe losses, primarily due to Hurricane Ian, added 4.4 points to the third quarter combined ratio

Strengthening of current report year severities in third quarter drove 3.7 points on the combined ratio with 2.6 points related to prior 2022 quarter (Q1 and Q2) development

Allstate Protection auto combined ratio



Allstate Protection auto underlying combined ratio*



2022 report year incurred severity[2] for collision, property damage and bodily injury coverages are 17%, 17% and 12% higher than full report year 2021

[1] Reflects combined ratio impact of catastrophe losses, prior year reserve reestimates and amortization of purchased intangibles
[2] Allstate brand report year severity excluding Esurance and Canada

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Broad Auto Insurance Rate Increases Will Continue Into 2023

Growth in average earned premium per policy is accelerating, but lags average gross premium due to 6-month policy terms

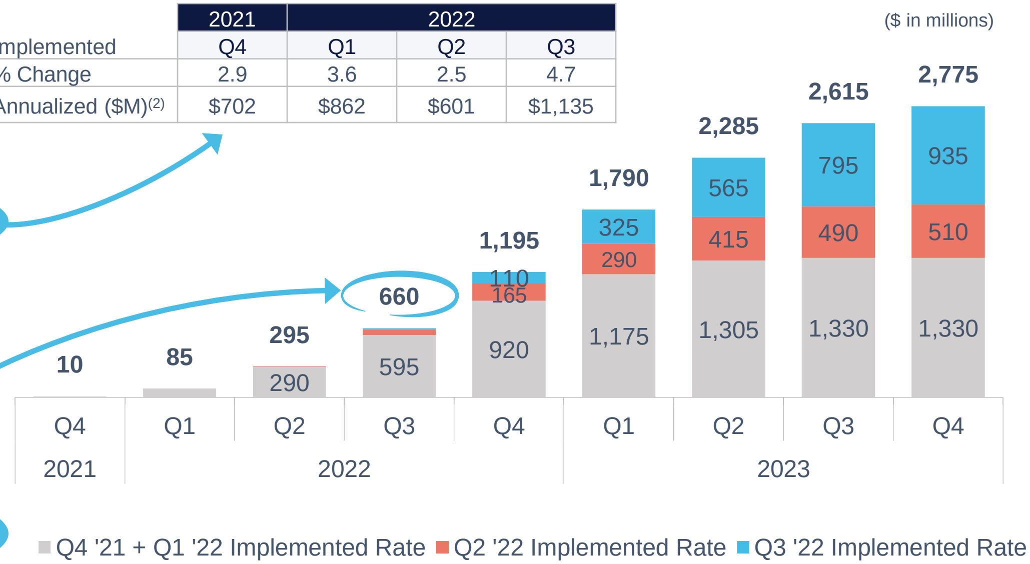
Annualized Allstate brand rate increases of nearly $3.3 billion[1] since the start of Q4 2021

Rate increases implemented to date are influencing earned premium levels and anticipated to increase into 2023

Auto earned premiums lag implemented rate increases

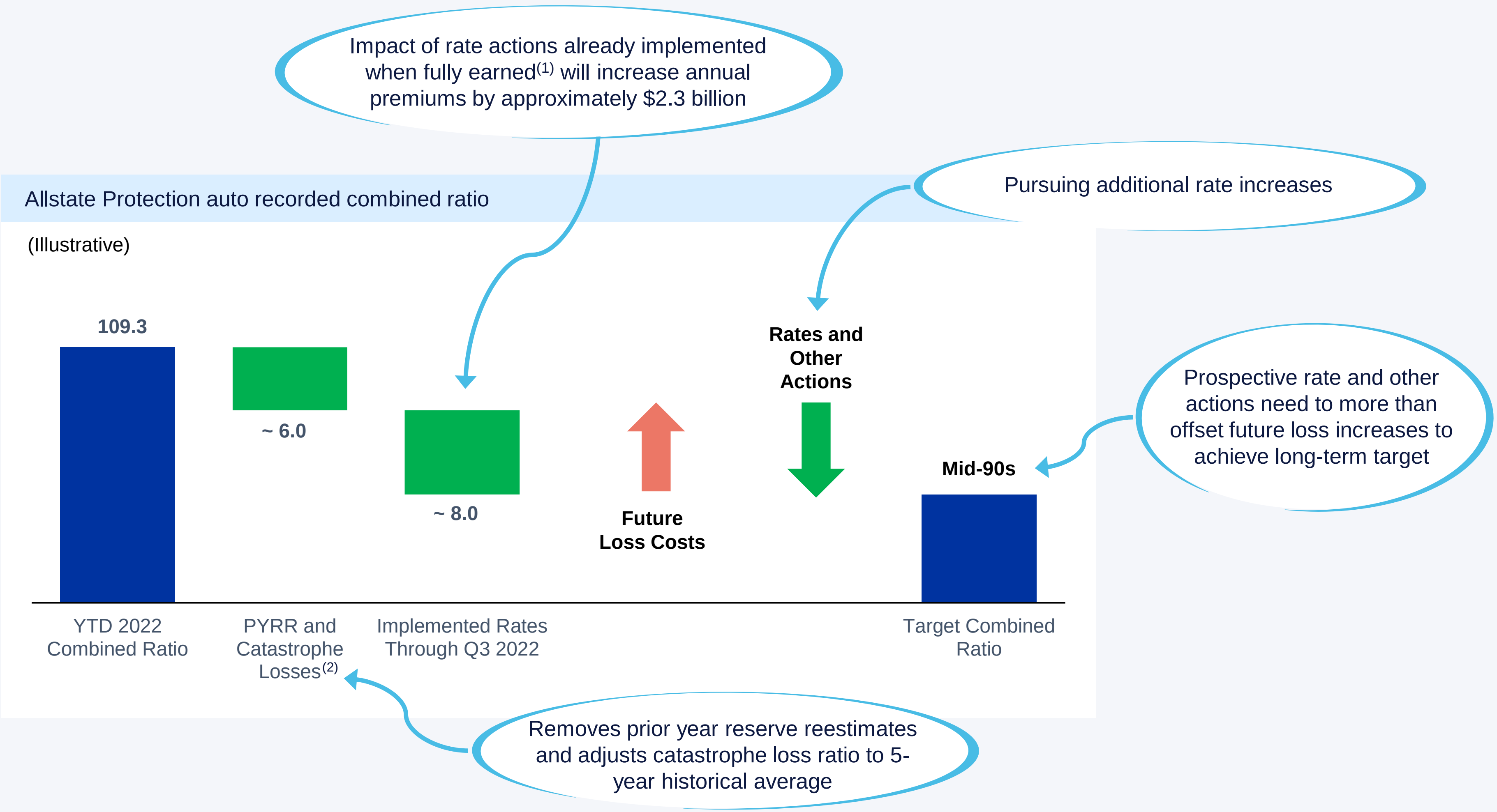
Estimated Allstate brand auto earned premium from rates implemented over last 12 months[1]

	2021	2022		
Implemented	Q4	Q1	Q2	Q3
% Change	2.9	3.6	2.5	4.7
Annualized ($M)[2]	$702	$862	$601	$1,135



[1] Estimated increase to earned premiums from rate increases implemented in Q4 2021, Q1 2022, Q2 2022 and Q3 2022 assuming 85% translates into written and ultimately earned premiums
[2] Leverages prior year end written premium to estimate annualized impact from implemented rate in each quarter. Actual amounts will be based on retention and mix of customers

Rate Actions to Date Will Improve Auto Insurance Profitability; Additional Actions Needed to Offset Future Loss Cost Increases



(1) Estimated increase to earned premiums from rate increases implemented assuming 85% translates into written and ultimately earned premiums
(2) Adjusts combined ratio for impact of prior year reserve reestimates year to date and normalizes impact of catastrophe losses to average of the last 5 years

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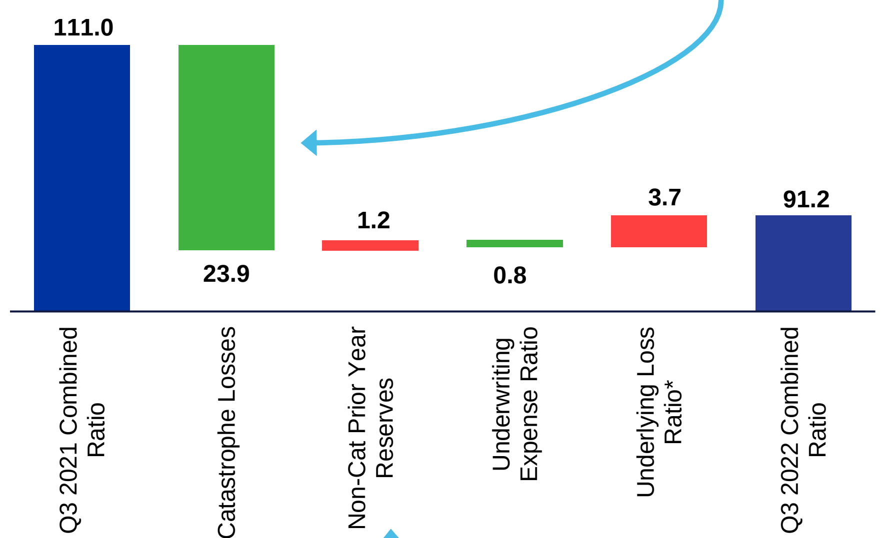
Homeowners Margins Impacted by Higher Severities Though Offset by Lower Catastrophe Losses

Enterprise risk and return management and comprehensive reinsurance program mitigated net losses from Hurricane Ian

Increased average premiums, primarily due to inflation in insured home valuations and implemented rate increases

Allstate Protection homeowners combined ratio



Allstate Protection homeowners operating statistics

	Q3 2022	Var to PY	Q3 YTD	Var to PY
Written premium ($ in millions)	$3,286	9.4%	$8,820	12.9%
Average premium gross written ($) [1]	1,635	13.3%	1,596	13.5%
Combined Ratio	91.2	(19.8) pts	94.2	(6.0) pts
Underlying Combined Ratio*	74.6	3.0 pts	71.4	1.8 pts
Policies in Force (in thousands)			7,237	1.4%

Strengthened non-catastrophe prior year reserves by $51 million in the third quarter as a result of increasing labor and materials costs

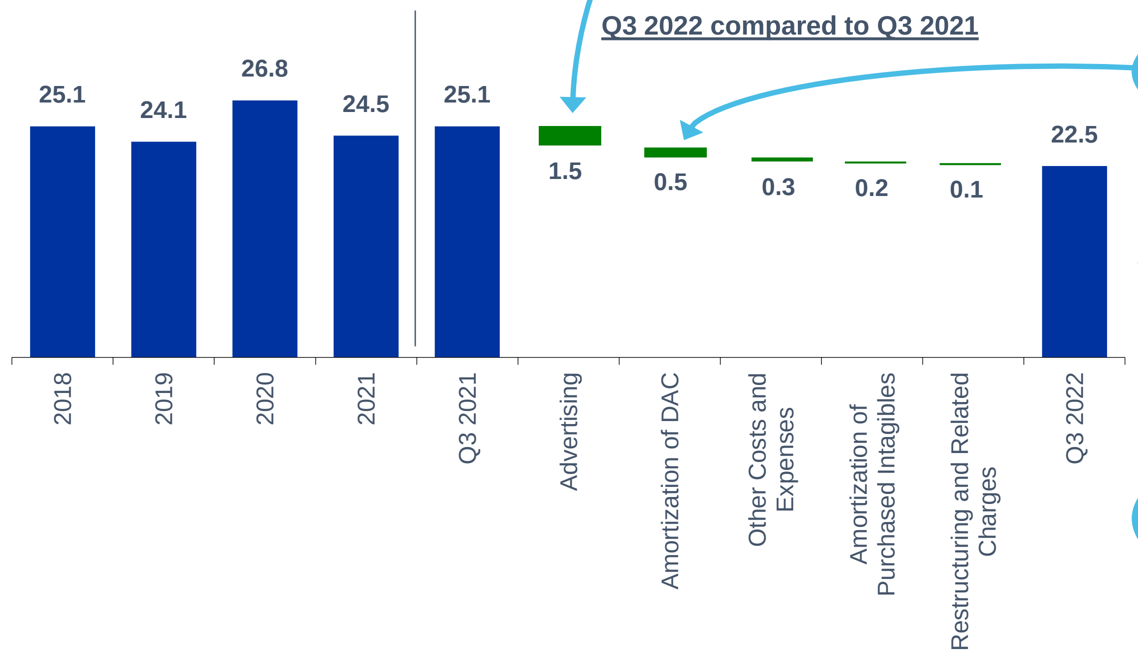
Increased current report year severities in third quarter drove 3.8 points on the combined ratio with 2.4 points related to prior 2022 quarter (Q1 and Q2) development

Limiting new business where margin objectives cannot be achieved near-term, including no longer writing new homeowners in California

[1] Reflects Allstate brand homeowners

Improving Customer Value Through Cost Reductions

Allstate Protection underwriting expense ratio



Reduction of advertising spend given auto insurance profitability

Lower costs primarily driven by phase out of new agent enhanced compensation program

Future cost reductions across three major buckets: Digitization, Sourcing and Operating Efficiency and Distribution Model

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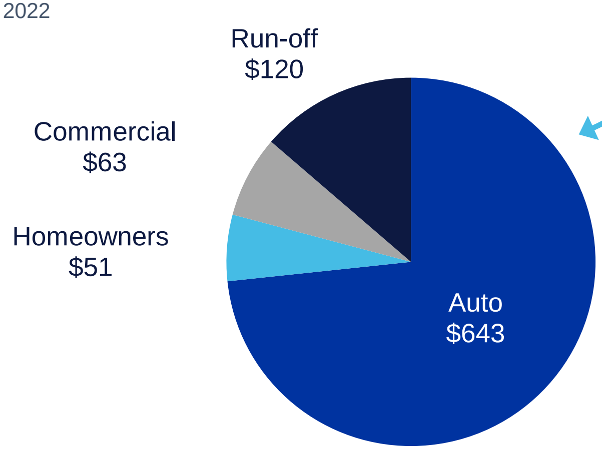
Increased Prior Year Reserves Largely Driven by Auto Insurance Bodily Injury

Prior year non-catastrophe reserve strengthening driven by personal auto, run-off property-liability, commercial, and homeowners

Prior year non-catastrophe reserve strengthening primarily driven by non-customer claimants reflects more severe accidents and higher medical and litigation costs

Property-Liability prior year reserve reestimates[1][2]

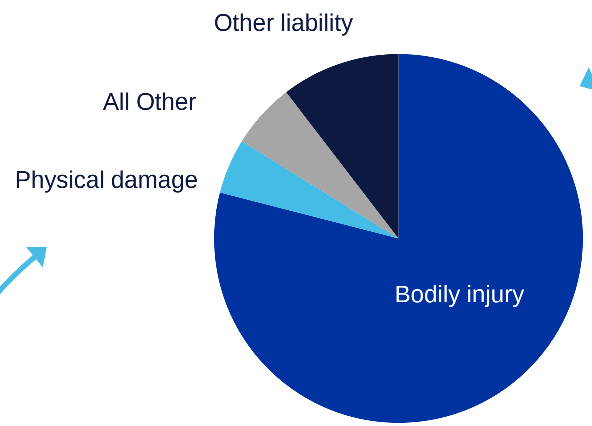
Q3 2022



Total Prior Year Increase - $875 million

Allstate Protection auto prior year reserve reestimates[2]

Q3 2022



Auto Prior Year Reserve Increase - $643 million

Physical damage coverage prior year reserve increases were largely offset by subrogation collection estimates

[1] Prior year reserve increase of $875 million includes favorable impact of $2 million from other personal lines
[2] Excludes prior year catastrophe loss reestimates

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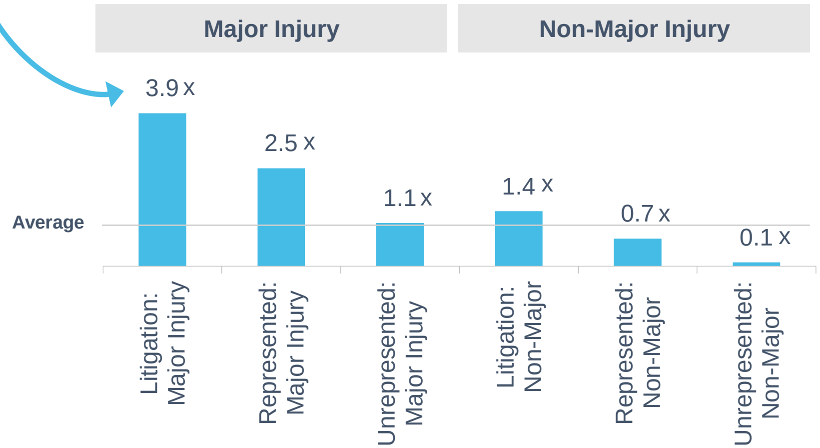
Bodily Injury Reserves Increased to Reflect Increased Accident Severity and Higher Medical and Litigation Costs

Paid severity for major injury claims in litigation are 3.9 times the average bodily injury paid severity

Higher mix of larger, more complex claims has doubled paid and case reserve development variability since 2020 resulting in a wider range of estimated outcomes

Allstate brand bodily injury[1] severity and claim mix

Paid Severity Relativities by Segment[2]

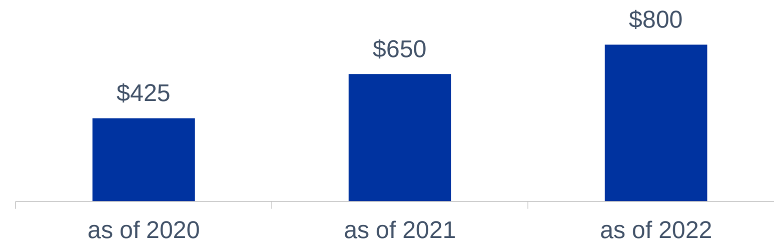


Claim % Distribution[3]

2022	6%	8%	3%	18%	43%	22%
Var to Historical	+2pp	+2pp	-	+6pp	+5pp	-15pp

Variability in bodily injury paid and case reserves

Paid and Case Reserve Development of Latest 6 Report Years (Value of 2 Standard Deviations)



Proactively responding by increasing medical staff review, integration of legal staff into claims processes and redesigning settlement process to promote speed and accuracy

Mix of claims shifting to costlier segments compared to historical periods due to more severe accidents, more complex medical treatment and higher prevalence of attorney involvement

(1) Reflects Allstate brand auto excluding Esurance and Canada
(2) Major segment reflects injuries requiring substantial medical treatment post accident such as surgery; Non-major segment reflects primarily soft tissue injuries requiring less significant medical treatment
(3) 2022 paid claims plus pending by individual claimant segmentation compared to 2016 paid claims plus pending

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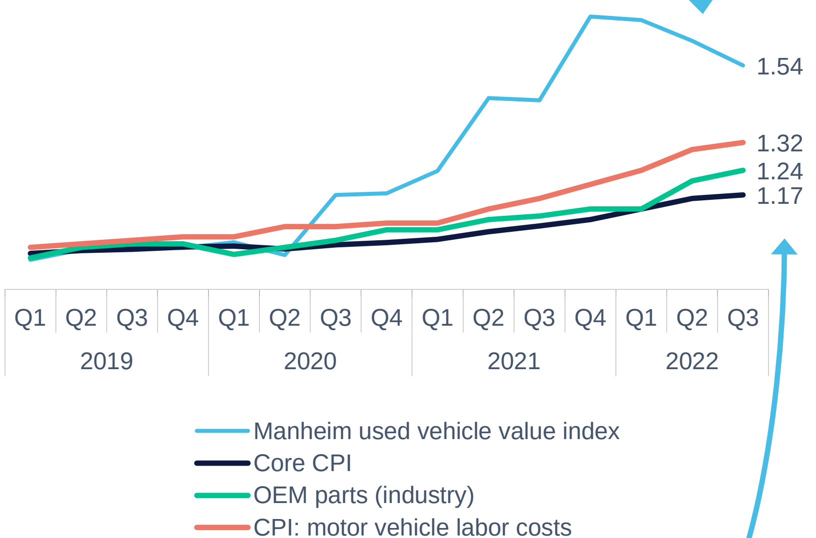
Physical Damage Loss Costs Impacted by Rising Inflation and Delay in Third Party Demands

Used car values below recent peak level is a positive development, though costs remain above earned pricing

Third party carrier ("TPC") demand and inflation expectations led to increased current report year physical damage incurred severity

Price Indices(1)

Indexed to year end 2018



Property Damage Subrogation Demands $ Paid(2)

6MM indexed to year end 2018

Higher replacement parts prices and labor rates continue to increase physical damage claim severities

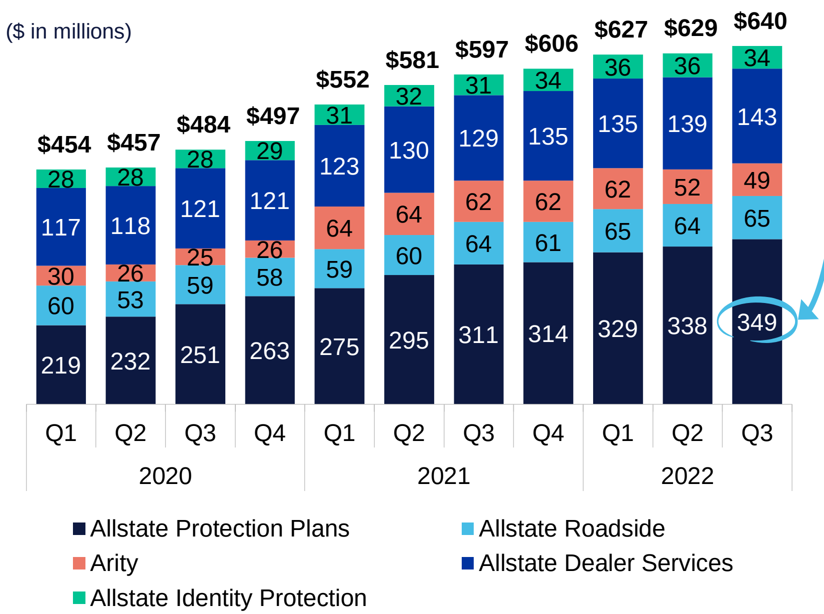
(1) Source: Manheim Used Vehicle Value Index; U.S. Bureau of Labor Statistics seasonally adjusted; CCC original equipment manufacturer industry average price per part
(2) Reflects Allstate brand auto excluding Canada; TPC demands reflects subrogation $ paid from third party carriers due to whole or partial liability for damages from accidents involving Allstate insureds

Protection Services Revenue Growing While Investing in Growth

Allstate Protection Plans revenues of $349 million increased 12.2% compared to the prior year quarter

Decrease in Protection Services adjusted net income reflects increased severity on appliance repair and investments in growth

Protection Services revenues[1]



Protection Services results

($ in millions)

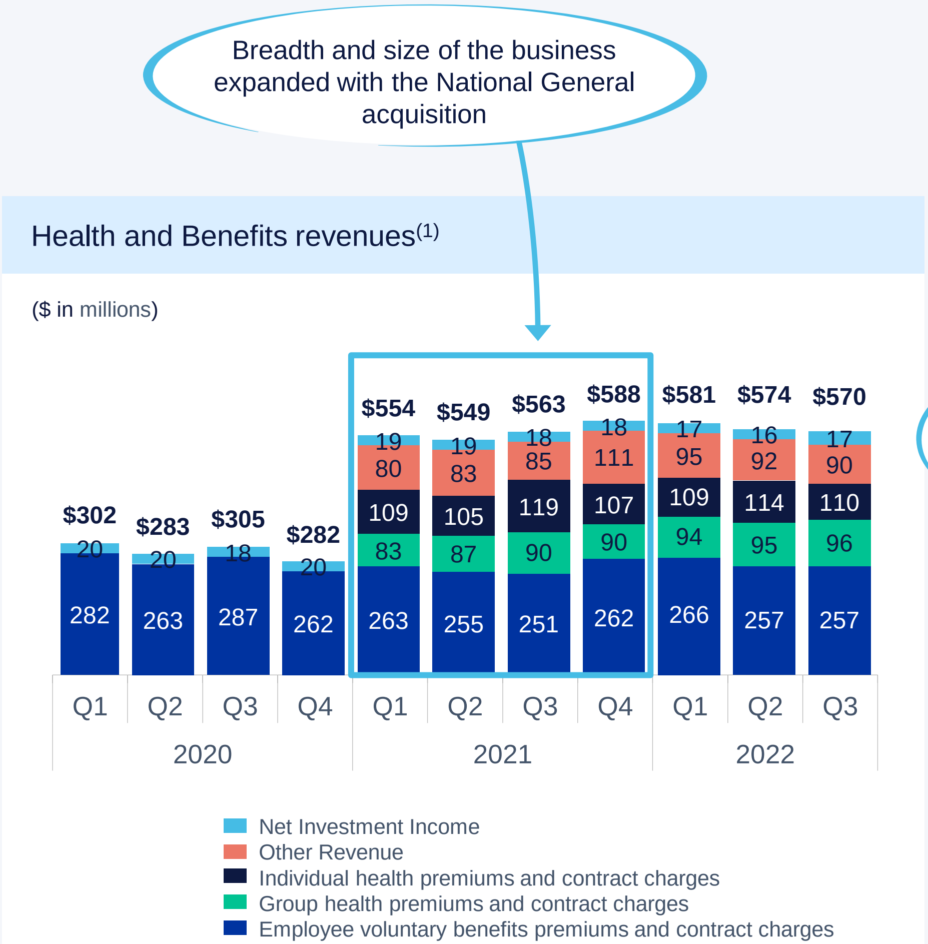
	Three months ended Sep 30,		Nine months ended Sep 30,	
	2022	Var to PY	2022	Var to PY
Revenues[1]	**$640**	**7.2%**	**$1,896**	**9.6%**
Written Premium	**$657**	**0.9%**	**$1,957**	**1.6%**
Allstate Protection Plans	452	3.0	1,337	3.3
Allstate Roadside	50	2.0	154	6.9
Allstate Dealer Services	155	(4.9)	466	(4.5)
Adjusted Net Income (Loss)	**$35**	**($10)**	**$131**	**($19)**
Allstate Protection Plans	29	(3)	108	(11)
Arity	(2)	(3)	(4)	(8)
Allstate Roadside	1	-	4	(3)
Allstate Dealer Services	10	3	27	2
Allstate Identity Protection	(3)	(7)	(4)	1
Policies in Force (M)			**142.1**	**(5.0%)**

[1] Protection Services revenues exclude the impact of net gains and losses on investments and derivatives

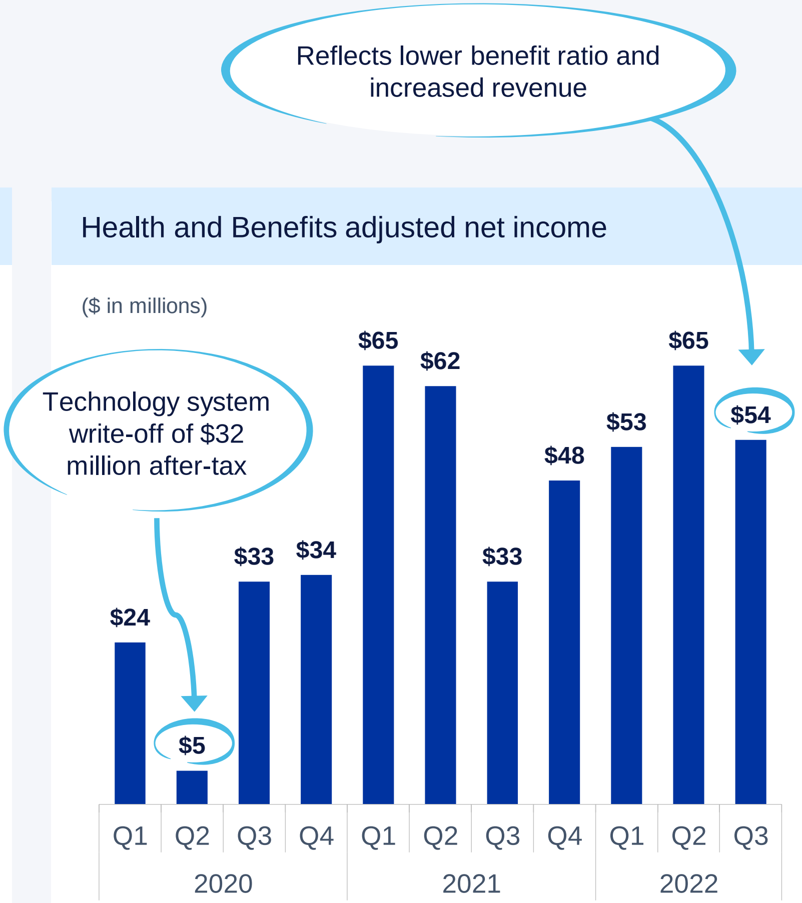
Decline due to expiring Allstate Protection Plans warranties from a major retail account that ended in 2019 and lower retail sales compared to the prior year

Allstate Health and Benefits Growth Through Expanded Protection Offering

Health and Benefits revenues[1]



Health and Benefits adjusted net income



[1] Health and Benefits revenues exclude the impact of net gains and losses on investments and derivatives

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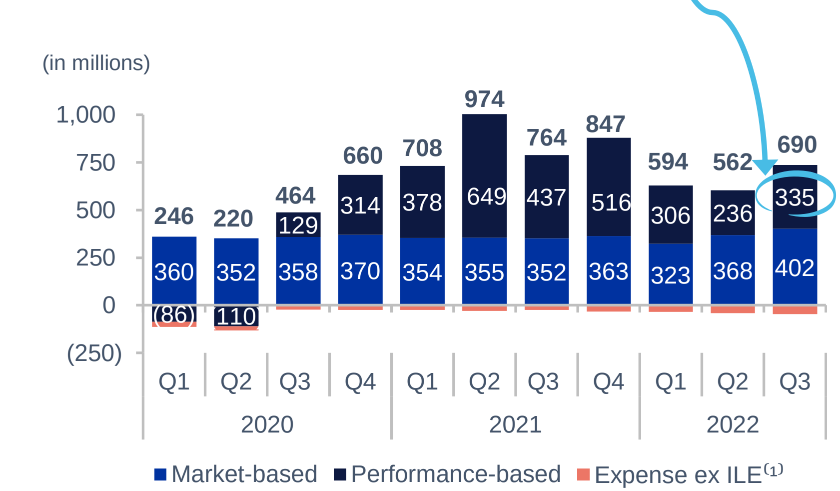
Net Investment Income Benefited From Higher Reinvestment Yields; Proactive Portfolio Management Protected Portfolio Value

Three individual investments generated 97% of performance-based income in Q3

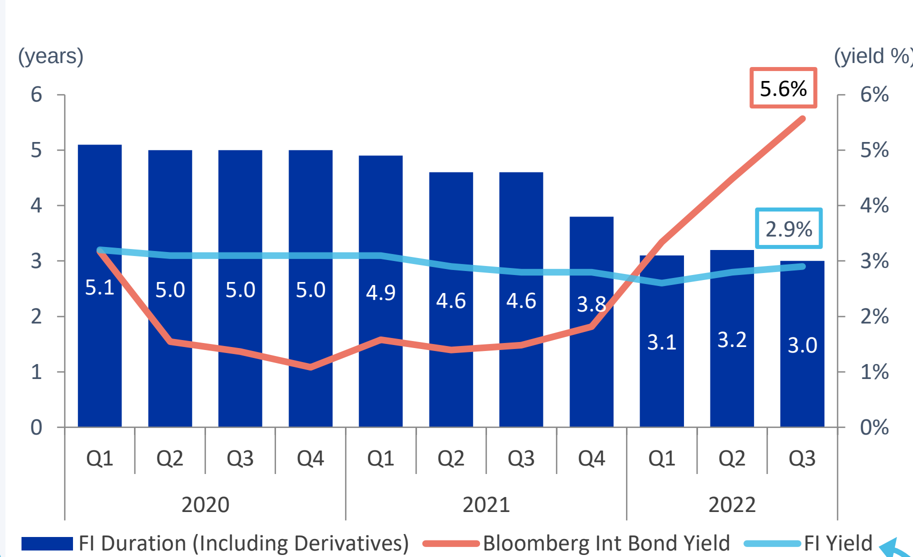
Remained defensively positioned to interest rates and recession/inflation sensitive assets, mitigating negative impact of higher market yields and public equity market decline

Net investment income



% Total Return	(2.1)	4.8	1.8	2.7	(0.2)	2.6	1.0	1.1	(2.8)	(2.8)	(0.8)
% Total TTM[2]	3.9	5.9	5.9	7.2	8.8	6.8	6.0	4.4	1.8	(3.5)	(5.3)

Fixed income duration and yield[3]



Negative total return due to reduced valuations of bonds and equities

Reinvestment into higher market yields will increase future income levels

[1] Investee level expenses (ILE) comprised of asset level operating expenses are netted against market-based and performance-based income
[2] Trailing twelve months
[3] Fixed income duration includes interest rate derivative positions. Corporate Bond Yield is intermediate maturity sourced from Bloomberg

Financial Condition and Capital Position Remain Strong

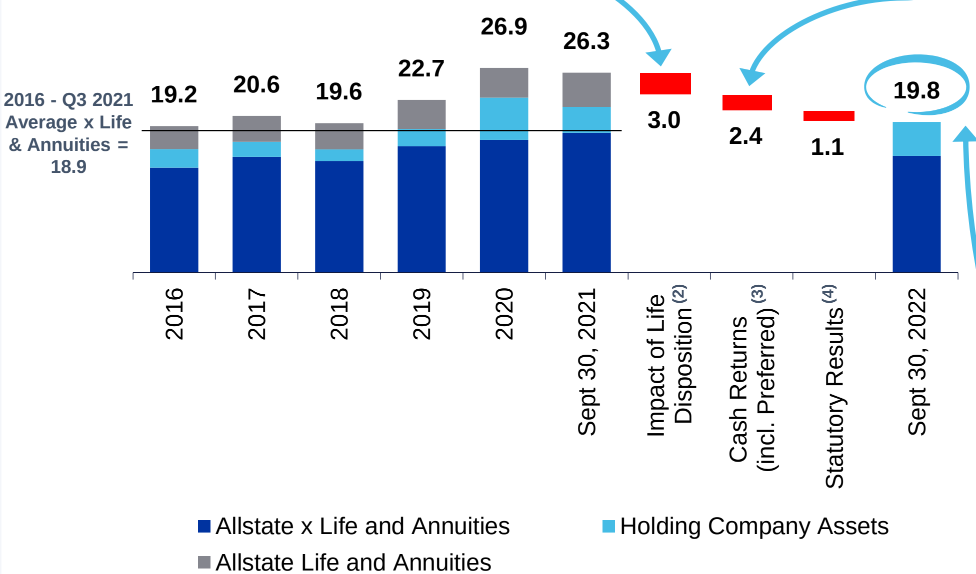
Life and annuities sale reduced surplus by $1.3 billion. Due to a lower risk profile, this also increased deployable capital by $1.7 billion, which was included in our current $5 billion repurchase program

Cash returns represents $1.4 billion of repurchases and $1.0 billion of dividends, excluding the $1.7 billion attributable to the life and annuities sale

Statutory Surplus and Holding Company Assets[1]

(in billions)

9/30/2022 vs 9/30/2021



Holding Company Assets and Fixed Charges

(in billions)

	9/30/2022
Holding Company Assets	$4.5
Remaining Repurchase Authorization	$1.2
Sub-Total	$3.3
Fixed Charges (TTM)[5]	$1.3

Statutory surplus and holding company assets remain in excess of historical levels

(1) September 30, 2022 statutory surplus is preliminary with final third quarter statutory results expected to be filed on November 11, 2022
(2) Reflects net statutory impact from sale of life and annuities businesses and previously disclosed increase in deployable capital of $1.7 billion that was part of the current $5 billion repurchase authorization
(3) Reflects cash returns excluding the amount referenced in footnote 2
(4) Primarily includes statutory loss, change in unrealized net gains and losses on equity investments and interest expense
(5) Reflects common and preferred shareholder dividends and interest expense, after-tax, over the trailing twelve month period

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Strong Cash Returns to Shareholders

Strong cash returns through combination of $2.14 billion in share repurchases and $698 million in common shareholder dividends

Achieving our target combined ratios will generate returns in our 14-17% target range

Capital Position

	9/30/2021	9/30/2022	Inc / (Dec)
Adjusted net income return on equity*	21.2%	4.3%	(16.9) pts
Cash returned to common shareholders (in billions)	$3.04	$2.84	(6.6)%
Common shares outstanding (in millions)	288.0	265.9	(7.7%)
Quarterly common shareholder dividend	$0.81	$0.85	4.9%

$1.2 billion remaining on the $5.0 billion common share repurchase program; expected to be completed after the first quarter of 2023 as we moderate the pace of repurchases

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Forward-looking Statements

This presentation contains "forward-looking statements" that anticipate results based on our estimates, assumptions and plans that are subject to uncertainty. These statements are made subject to the safe-harbor provisions of the Private Securities Litigation Reform Act of 1995. Forward-looking statements do not relate strictly to historical or current facts and may be identified by their use of words like "plans," "seeks," "expects," "will," "should," "anticipates," "estimates," "intends," "believes," "likely," "targets" and other words with similar meanings. These statements may address, among other things, our strategy for growth, catastrophe, exposure management, product development, investment results, regulatory approvals, market position, expenses, financial results, litigation, and reserves. We believe that these statements are based on reasonable estimates, assumptions and plans. Forward-looking statements speak only as of the date on which they are made, and we assume no obligation to update any forward-looking statements as a result of new information or future events or developments. In addition, forward-looking statements are subject to certain risks or uncertainties that could cause actual results to differ materially from those communicated in these forward-looking statements. Factors that could cause actual results to differ materially from those expressed in, or implied by, the forward-looking statements include risks related to:

- Insurance and Financial Services (1) unexpected increases in claim frequency and severity; (2) catastrophes and severe weather events; (3) limitations in analytical models used for loss cost estimates; (4) price competition and changes in regulation and underwriting standards; (5) actual claims costs exceeding current reserves; (6) market risk and declines in credit quality of our investment portfolio; (7) our subjective determination of fair value and amount of credit losses for investments; (8) our participation in indemnification programs, including state industry pools and facilities; (9) inability to mitigate the impact associated with changes in capital requirements; (10) a downgrade in financial strength ratings;
- Business, Strategy and Operations (11) competition in the industries in which we compete and new or changing technologies; (12) implementation of our transformative growth strategy; (13) our catastrophe management strategy; (14) restrictions on our subsidiaries' ability to pay dividends; (15) restrictions under terms of certain of our securities on our ability to pay dividends or repurchase our stock; (16) the availability of reinsurance at current levels and prices; (17) counterparty risk related to reinsurance; (18) acquisitions and divestitures of businesses; (19) intellectual property infringement, misappropriation and third-party claims;
- Macro, Regulatory and Risk Environment (20) conditions in the global economy and capital markets, including the economic impacts from the recent military conflict between Russia and Ukraine; (21) a large-scale pandemic, the occurrence of terrorism, military actions, or social unrest; (22) the failure in cyber or other information security controls, as well as the occurrence of events unanticipated in our disaster recovery processes and business continuity planning; (23) changing climate and weather conditions; (24) restrictive regulations and regulatory reforms, including limitations on rate increases and requirements to underwrite business and participate in loss sharing arrangements; (25) losses from legal and regulatory actions; (26) changes in or the application of accounting standards; (27) loss of key vendor relationships or failure of a vendor to protect our data, confidential and proprietary information, or personal information of our customers, claimants or employees; (28) our ability to attract, develop and retain talent; and (29) misconduct or fraudulent acts by employees, agents and third parties.

Additional information concerning these and other factors may be found in our filings with the Securities and Exchange Commission, including the "Risk Factors" section in our most recent annual report on Form 10-K.