

THE ALLSTATE CORPORATION

Investor Supplement First Quarter 2016

The consolidated financial statements and financial exhibits included herein are unaudited. These consolidated financial statements and exhibits 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 (*) the first time they appear. These measures are defined on the page "Definitions of Non-GAAP Measures" and are reconciled to the most directly comparable generally accepted accounting principles ("GAAP") measure herein.



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THE ALLSTATE CORPORATION
Investor Supplement - First Quarter 2016
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THE ALLSTATE CORPORATION
CONSOLIDATED STATEMENTS OF OPERATIONS

(\$ in millions, except per share data)

Three months ended

	March 31, 2016	Dec. 31, 2015	Sept. 30, 2015	June 30, 2015	March 31, 2015
Revenues					
Property-liability insurance premiums	\$ 7,723	\$ 7,684	\$ 7,650	\$ 7,549	\$ 7,426
Life and annuity premiums and contract charges	566	547	538	536	537
Net investment income	731	710	807	789	850
Realized capital gains and losses:					
Total other-than-temporary impairment ("OTTI") losses	(91)	(166)	(186)	(47)	(53)
OTTI losses reclassified to (from) other comprehensive income	10	16	12	4	4
Net OTTI losses recognized in earnings	(81)	(150)	(174)	(43)	(49)
Sales and other realized capital gains and losses	(68)	(100)	207	151	188
Total realized capital gains and losses	(149)	(250)	33	108	139
Total revenues	<u>8,871</u>	<u>8,691</u>	<u>9,028</u>	<u>8,982</u>	<u>8,952</u>
Costs and expenses					
Property-liability insurance claims and claims expense	5,684	5,199	5,255	5,587	4,993
Life and annuity contract benefits	455	456	460	446	441
Interest credited to contractholder funds	190	183	194	185	199
Amortization of deferred policy acquisition costs	1,129	1,116	1,092	1,086	1,070
Operating costs and expenses	982	938	992	1,061	1,090
Restructuring and related charges	5	7	9	19	4
Interest expense	73	73	73	73	73
Total costs and expenses	<u>8,518</u>	<u>7,972</u>	<u>8,075</u>	<u>8,457</u>	<u>7,870</u>
Gain (loss) on disposition of operations	2	1	2	1	(1)
Income from operations before income tax expense	355	720	955	526	1,081
Income tax expense	109	231	305	171	404
Net income	<u>\$ 246</u>	<u>\$ 489</u>	<u>\$ 650</u>	<u>\$ 355</u>	<u>\$ 677</u>
Preferred stock dividends	29	29	29	29	29
Net income applicable to common shareholders	<u>\$ 217</u>	<u>\$ 460</u>	<u>\$ 621</u>	<u>\$ 326</u>	<u>\$ 648</u>
Earnings per common share:					
Net income applicable to common shareholders per common share - Basic	<u>\$ 0.57</u>	<u>\$ 1.19</u>	<u>\$ 1.56</u>	<u>\$ 0.80</u>	<u>\$ 1.56</u>
Weighted average common shares - Basic	<u>378.1</u>	<u>385.0</u>	<u>397.0</u>	<u>407.0</u>	<u>415.8</u>
Net income applicable to common shareholders per common share - Diluted	<u>\$ 0.57</u>	<u>\$ 1.18</u>	<u>\$ 1.54</u>	<u>\$ 0.79</u>	<u>\$ 1.53</u>
Weighted average common shares - Diluted	<u>382.9</u>	<u>390.2</u>	<u>402.1</u>	<u>412.6</u>	<u>422.6</u>
Cash dividends declared per common share	<u>\$ 0.33</u>	<u>\$ 0.30</u>	<u>\$ 0.30</u>	<u>\$ 0.30</u>	<u>\$ 0.30</u>

THE ALLSTATE CORPORATION
CONTRIBUTION TO INCOME
(\$ in millions, except per share data)

Three months ended

	March 31, 2016	Dec. 31, 2015	Sept. 30, 2015	June 30, 2015	March 31, 2015
Contribution to income					
Operating income before the impact of restructuring and related charges	\$ 325	\$ 629	\$ 616	\$ 274	\$ 619
Restructuring and related charges, after-tax	<u>(3)</u>	<u>(4)</u>	<u>(6)</u>	<u>(12)</u>	<u>(3)</u>
Operating income *	322	625	610	262	616
Realized capital gains and losses, after-tax	(96)	(161)	21	69	90
Valuation changes on embedded derivatives that are not hedged, after-tax	(4)	2	(2)	4	(5)
DAC and DSI amortization relating to realized capital gains and losses and valuation changes on embedded derivatives that are not hedged, after-tax	(1)	-	(1)	(2)	-
Reclassification of periodic settlements and accruals on non-hedge derivative instruments, after-tax	1	1	-	-	1
Amortization of purchased intangible assets, after-tax	(6)	(8)	(8)	(8)	(8)
Gain (loss) on disposition of operations, after-tax	1	1	1	1	(1)
Change in accounting for investments in qualified affordable housing projects, after-tax	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(45)</u>
Net income applicable to common shareholders	<u>\$ 217</u>	<u>\$ 460</u>	<u>\$ 621</u>	<u>\$ 326</u>	<u>\$ 648</u>
Income per common share - Diluted					
Operating income before the impact of restructuring and related charges	\$ 0.85	\$ 1.61	\$ 1.53	\$ 0.66	\$ 1.46
Restructuring and related charges, after-tax	<u>(0.01)</u>	<u>(0.01)</u>	<u>(0.01)</u>	<u>(0.03)</u>	<u>-</u>
Operating income	0.84	1.60	1.52	0.63	1.46
Realized capital gains and losses, after-tax	(0.25)	(0.41)	0.05	0.17	0.21
Valuation changes on embedded derivatives that are not hedged, after-tax	(0.01)	0.01	(0.01)	0.01	(0.01)
DAC and DSI amortization relating to realized capital gains and losses and valuation changes on embedded derivatives that are not hedged, after-tax	-	-	-	-	-
Reclassification of periodic settlements and accruals on non-hedge derivative instruments, after-tax	-	-	-	-	-
Amortization of purchased intangible assets, after-tax	(0.01)	(0.02)	(0.02)	(0.02)	(0.02)
Gain (loss) on disposition of operations, after-tax	-	-	-	-	-
Change in accounting for investments in qualified affordable housing projects, after-tax	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(0.11)</u>
Net income applicable to common shareholders	<u>\$ 0.57</u>	<u>\$ 1.18</u>	<u>\$ 1.54</u>	<u>\$ 0.79</u>	<u>\$ 1.53</u>
Weighted average common shares - Diluted	<u>382.9</u>	<u>390.2</u>	<u>402.1</u>	<u>412.6</u>	<u>422.6</u>

THE ALLSTATE CORPORATION
REVENUES
(\$ in millions)

Three months ended

	March 31, 2016	Dec. 31, 2015	Sept. 30, 2015	June 30, 2015	March 31, 2015
Property-Liability					
Property-Liability insurance premiums	\$ 7,723	\$ 7,684	\$ 7,650	\$ 7,549	\$ 7,426
Net investment income	302	280	307	292	358
Realized capital gains and losses	(99)	(153)	(161)	49	28
Total Property-Liability revenues	7,926	7,811	7,796	7,890	7,812
Allstate Financial					
Life and annuity premiums and contract charges	566	547	538	536	537
Net investment income	419	420	491	489	484
Realized capital gains and losses	(49)	(97)	194	59	111
Total Allstate Financial revenues	936	870	1,223	1,084	1,132
Corporate and Other					
Service fees ⁽¹⁾	1	1	-	1	1
Net investment income	10	10	9	8	8
Realized capital gains and losses	(1)	-	-	-	-
Total Corporate and Other revenues before reclassification of services fees	10	11	9	9	9
Reclassification of service fees ⁽¹⁾	(1)	(1)	-	(1)	(1)
Total Corporate and Other revenues	9	10	9	8	8
Consolidated revenues	\$ 8,871	\$ 8,691	\$ 9,028	\$ 8,982	\$ 8,952

⁽¹⁾ For presentation in the Consolidated Statements of Operations, service fees of the Corporate and Other segment are reclassified to Operating costs and expenses.

THE ALLSTATE CORPORATION
CONSOLIDATED STATEMENTS OF FINANCIAL POSITION
(\$ in millions)

	March 31, 2016	Dec. 31, 2015	Sept. 30, 2015	June 30, 2015	March 31, 2015		March 31, 2016	Dec. 31, 2015	Sept. 30, 2015	June 30, 2015	March 31, 2015
Assets						Liabilities					
Investments						Reserve for property-liability insurance claims and claims expense	\$ 24,605	\$ 23,869	\$ 23,757	\$ 23,702	\$ 23,103
Fixed income securities, at fair value (amortized cost \$55,627, \$57,201, \$56,918, \$57,971 and \$58,235)	\$ 57,291	\$ 57,948	\$ 58,257	\$ 59,930	\$ 61,403	Reserve for life-contingent contract benefits	12,224	12,247	12,229	12,227	12,318
Equity securities, at fair value (cost \$4,792, \$4,806, \$4,123, \$3,649 and \$3,752)	5,117	5,082	4,236	4,000	4,166	Contractholder funds	21,092	21,295	21,559	21,968	22,267
Mortgage loans	4,302	4,338	4,402	4,343	4,276	Unearned premiums	12,036	12,202	12,343	11,858	11,489
Limited partnership interests	5,091	4,874	4,823	4,536	4,699	Claim payments outstanding	852	842	804	820	796
Short-term, at fair value (amortized cost \$3,526, \$2,122, \$3,036, \$2,821 and \$2,497)	3,526	2,122	3,036	2,821	2,497	Deferred income taxes	479	90	243	475	779
Other	3,550	3,394	3,588	3,511	3,396	Other liabilities and accrued expenses	5,704	5,304	5,558	5,462	5,635
Total investments	<u>78,877</u>	<u>77,758</u>	<u>78,342</u>	<u>79,141</u>	<u>80,437</u>	Long-Term Debt	5,108	5,124	5,123	5,133	5,140
						Separate Accounts	3,507	3,658	3,677	4,121	4,304
Cash	531	495	905	805	916	Total liabilities	<u>85,607</u>	<u>84,631</u>	<u>85,293</u>	<u>85,766</u>	<u>85,831</u>
Premium installment receivables, net	5,558	5,544	5,711	5,599	5,502						
Deferred policy acquisition costs	3,807	3,861	3,811	3,708	3,527	Equity					
Reinsurance recoverables, net ⁽¹⁾	8,573	8,518	8,468	8,520	8,408	Preferred stock and additional capital paid-in, 72.2 thousand shares outstanding	1,746	1,746	1,746	1,746	1,746
Accrued investment income	567	569	575	610	597	Common stock, 375 million, 381 million, 390 million, 402 million and 409 million shares outstanding	9	9	9	9	9
Property and equipment, net	1,011	1,024	1,050	1,038	1,026	Additional capital paid-in	3,237	3,245	3,224	3,205	3,109
Goodwill	1,219	1,219	1,219	1,219	1,219	Retained income	39,505	39,413	39,068	38,567	38,363
Other assets	2,297	2,010	2,039	2,303	2,074	Deferred ESOP expense	(13)	(13)	(23)	(23)	(23)
Separate Accounts	3,507	3,658	3,677	4,121	4,304	Treasury stock, at cost (525 million, 519 million, 510 million, 498 million and 491 million shares)	(23,994)	(23,620)	(23,058)	(22,273)	(21,799)
Total assets	<u>\$ 105,947</u>	<u>\$ 104,656</u>	<u>\$ 105,797</u>	<u>\$ 107,064</u>	<u>\$ 108,010</u>	Accumulated other comprehensive income:					
						Unrealized net capital gains and losses:					
						Unrealized net capital gains and losses on fixed income securities with other-than-temporary impairments	31	56	57	62	71
						Other unrealized net capital gains and losses	1,259	608	886	1,435	2,255
						Unrealized adjustment to DAC, DSI and insurance reserves	(90)	(44)	(64)	(78)	(189)
						Total unrealized net capital gains and losses	<u>1,200</u>	<u>620</u>	<u>879</u>	<u>1,419</u>	<u>2,137</u>
						Unrealized foreign currency translation adjustments	(46)	(60)	(52)	(38)	(29)
						Unrecognized pension and other postretirement benefit cost	(1,304)	(1,315)	(1,289)	(1,314)	(1,334)
						Total accumulated other comprehensive (loss) income	<u>(150)</u>	<u>(755)</u>	<u>(462)</u>	<u>67</u>	<u>774</u>
						Total shareholders' equity	<u>20,340</u>	<u>20,025</u>	<u>20,504</u>	<u>21,298</u>	<u>22,179</u>
						Total liabilities and shareholders' equity	<u>\$ 105,947</u>	<u>\$ 104,656</u>	<u>\$ 105,797</u>	<u>\$ 107,064</u>	<u>\$ 108,010</u>

⁽¹⁾ Reinsurance recoverables of unpaid losses related to Property-Liability were \$5.96 billion, \$5.89 billion, \$5.85 billion, \$5.85 billion and \$5.72 billion as of March 31, 2016, December 31, 2015, September 30, 2015, June 30, 2015 and March 31, 2015, respectively.

THE ALLSTATE CORPORATION
BOOK VALUE PER COMMON SHARE
(\$ in millions, except per share data)

	March 31, 2016	Dec. 31, 2015	Sept. 30, 2015	June 30, 2015	March 31, 2015
Book value per common share					
Numerator:					
Common shareholders' equity ⁽¹⁾	\$ <u>18,594</u>	\$ <u>18,279</u>	\$ <u>18,758</u>	\$ <u>19,552</u>	\$ <u>20,433</u>
Denominator:					
Common shares outstanding and dilutive potential common shares outstanding	<u>380.3</u>	<u>386.1</u>	<u>394.6</u>	<u>407.7</u>	<u>415.4</u>
Book value per common share	\$ <u>48.89</u>	\$ <u>47.34</u>	\$ <u>47.54</u>	\$ <u>47.96</u>	\$ <u>49.19</u>
Book value per common share, excluding the impact of unrealized net capital gains and losses on fixed income securities *					
Numerator:					
Common shareholders' equity	\$ 18,594	\$ 18,279	\$ 18,758	\$ 19,552	\$ 20,433
Unrealized net capital gains and losses on fixed income securities	<u>993</u>	<u>443</u>	<u>807</u>	<u>1,196</u>	<u>1,871</u>
Adjusted common shareholders' equity	\$ <u>17,601</u>	\$ <u>17,836</u>	\$ <u>17,951</u>	\$ <u>18,356</u>	\$ <u>18,562</u>
Denominator:					
Common shares outstanding and dilutive potential common shares outstanding	<u>380.3</u>	<u>386.1</u>	<u>394.6</u>	<u>407.7</u>	<u>415.4</u>
Book value per common share, excluding the impact of unrealized net capital gains and losses on fixed income securities	\$ <u>46.28</u>	\$ <u>46.20</u>	\$ <u>45.49</u>	\$ <u>45.02</u>	\$ <u>44.68</u>

⁽¹⁾ Excludes equity related to preferred stock of \$1,746 million in each period.

THE ALLSTATE CORPORATION
RETURN ON COMMON SHAREHOLDERS' EQUITY
(\$ in millions)

Twelve months ended

	March 31, 2016	Dec. 31, 2015	Sept. 30, 2015	June 30, 2015	March 31, 2015
Return on Common Shareholders' Equity					
Numerator:					
Net income applicable to common shareholders ⁽¹⁾	\$ <u>1,624</u>	\$ <u>2,055</u>	\$ <u>2,390</u>	\$ <u>2,519</u>	\$ <u>2,807</u>
Denominator:					
Beginning common shareholders' equity	\$ 20,433	\$ 20,558	\$ 20,583	\$ 21,126	\$ 20,600
Ending common shareholders' equity	18,594	18,279	18,758	19,552	20,433
Average common shareholders' equity ⁽²⁾	\$ <u>19,514</u>	\$ <u>19,419</u>	\$ <u>19,671</u>	\$ <u>20,339</u>	\$ <u>20,517</u>
Return on common shareholders' equity	<u>8.3</u> %	<u>10.6</u> %	<u>12.2</u> %	<u>12.4</u> %	<u>13.7</u> %
Operating Income Return on Common Shareholders' Equity *					
Numerator:					
Operating income ⁽¹⁾	\$ <u>1,819</u>	\$ <u>2,113</u>	\$ <u>2,224</u>	\$ <u>2,212</u>	\$ <u>2,395</u>
Denominator:					
Beginning common shareholders' equity	\$ 20,433	\$ 20,558	\$ 20,583	\$ 21,126	\$ 20,600
Unrealized net capital gains and losses	2,137	1,926	1,827	2,150	2,091
Adjusted beginning common shareholders' equity	<u>18,296</u>	<u>18,632</u>	<u>18,756</u>	<u>18,976</u>	<u>18,509</u>
Ending common shareholders' equity	18,594	18,279	18,758	19,552	20,433
Unrealized net capital gains and losses	1,200	620	879	1,419	2,137
Adjusted ending common shareholders' equity	<u>17,394</u>	<u>17,659</u>	<u>17,879</u>	<u>18,133</u>	<u>18,296</u>
Average adjusted common shareholders' equity ⁽²⁾	\$ <u>17,845</u>	\$ <u>18,146</u>	\$ <u>18,318</u>	\$ <u>18,555</u>	\$ <u>18,403</u>
Operating income return on common shareholders' equity	<u>10.2</u> %	<u>11.6</u> %	<u>12.1</u> %	<u>11.9</u> %	<u>13.0</u> %

⁽¹⁾ Net income applicable to common shareholders and operating income reflect a trailing twelve-month period.

⁽²⁾ Average common shareholders' equity and average adjusted common shareholders' equity are determined using a two-point average, with the beginning and ending common shareholders' equity and adjusted common shareholders' equity, respectively, for the twelve-month period as data points.

THE ALLSTATE CORPORATION
DEBT TO CAPITAL
(\$ in millions)

	March 31, 2016	Dec. 31, 2015	Sept. 30, 2015	June 30, 2015	March 31, 2015
Debt					
Short-term debt	\$ -	\$ -	\$ -	\$ -	\$ -
Long-term debt	5,108	5,124	5,123	5,133	5,140
Total debt	<u>\$ 5,108</u>	<u>\$ 5,124</u>	<u>\$ 5,123</u>	<u>\$ 5,133</u>	<u>\$ 5,140</u>
Capital resources					
Debt	\$ 5,108	\$ 5,124	\$ 5,123	\$ 5,133	\$ 5,140
Shareholders' equity					
Preferred stock and additional capital paid-in	1,746	1,746	1,746	1,746	1,746
Common stock	9	9	9	9	9
Additional capital paid-in	3,237	3,245	3,224	3,205	3,109
Retained income	39,505	39,413	39,068	38,567	38,363
Deferred ESOP expense	(13)	(13)	(23)	(23)	(23)
Treasury stock	(23,994)	(23,620)	(23,058)	(22,273)	(21,799)
Unrealized net capital gains and losses	1,200	620	879	1,419	2,137
Unrealized foreign currency translation adjustments	(46)	(60)	(52)	(38)	(29)
Unrecognized pension and other postretirement benefit cost	(1,304)	(1,315)	(1,289)	(1,314)	(1,334)
Total shareholders' equity	<u>20,340</u>	<u>20,025</u>	<u>20,504</u>	<u>21,298</u>	<u>22,179</u>
Total capital resources	<u>\$ 25,448</u>	<u>\$ 25,149</u>	<u>\$ 25,627</u>	<u>\$ 26,431</u>	<u>\$ 27,319</u>
Ratio of debt to shareholders' equity	<u>25.1 %</u>	<u>25.6 %</u>	<u>25.0 %</u>	<u>24.1 %</u>	<u>23.2 %</u>
Ratio of debt to capital resources	<u>20.1 %</u>	<u>20.4 %</u>	<u>20.0 %</u>	<u>19.4 %</u>	<u>18.8 %</u>

THE ALLSTATE CORPORATION
CONSOLIDATED STATEMENTS OF CASH FLOW
(\$ in millions)

Three months ended

	March 31, 2016	Dec. 31, 2015	Sept. 30, 2015	June 30, 2015	March 31, 2015
CASH FLOWS FROM OPERATING ACTIVITIES					
Net income	\$ 246	\$ 489	\$ 650	\$ 355	\$ 677
Adjustments to reconcile net income to net cash provided by operating activities:					
Depreciation, amortization and other non-cash items	91	96	96	92	87
Realized capital gains and losses	149	250	(33)	(108)	(139)
(Gain) loss on disposition of operations	(2)	(1)	(2)	(1)	1
Interest credited to contractholder funds	190	183	194	185	199
Changes in:					
Policy benefits and other insurance reserves	459	(27)	(26)	411	115
Unearned premiums	(205)	(124)	518	361	(117)
Deferred policy acquisition costs	(7)	(20)	(87)	(97)	(35)
Premium installment receivables, net	11	156	(132)	(92)	(66)
Reinsurance recoverables, net	(40)	(45)	11	(120)	(24)
Income taxes	(26)	(59)	223	(342)	59
Other operating assets and liabilities	(152)	32	(29)	93	(191)
Net cash provided by operating activities	<u>714</u>	<u>930</u>	<u>1,383</u>	<u>737</u>	<u>566</u>
CASH FLOWS FROM INVESTING ACTIVITIES					
Proceeds from sales:					
Fixed income securities	6,216	5,897	6,784	6,559	9,453
Equity securities	1,664	1,066	614	922	1,152
Limited partnership interests	180	306	204	295	296
Mortgage loans	7	-	6	-	-
Other investments	87	367	46	85	47
Investment collections:					
Fixed income securities	949	1,184	1,005	1,030	1,213
Mortgage loans	79	233	(52)	243	114
Other investments	43	39	77	117	60
Investment purchases:					
Fixed income securities	(5,401)	(7,830)	(6,446)	(7,272)	(9,210)
Equity securities	(1,733)	(1,722)	(1,318)	(748)	(1,172)
Limited partnership interests	(270)	(413)	(367)	(198)	(365)
Mortgage loans	(44)	(163)	(15)	(307)	(202)
Other investments	(253)	(159)	(225)	(325)	(193)
Change in short-term investments, net	(1,357)	962	(186)	(328)	(63)
Change in other investments, net	(19)	(36)	-	(18)	2
Purchases of property and equipment, net	(52)	(84)	(86)	(74)	(59)
Net cash provided by (used in) investing activities	<u>96</u>	<u>(353)</u>	<u>41</u>	<u>(19)</u>	<u>1,073</u>
CASH FLOWS FROM FINANCING ACTIVITIES					
Repayments of long-term debt	(16)	-	(11)	(9)	-
Contractholder fund deposits	261	268	257	266	261
Contractholder fund withdrawals	(492)	(534)	(641)	(580)	(572)
Dividends paid on common stock	(115)	(118)	(122)	(125)	(118)
Dividends paid on preferred stock	(29)	(29)	(29)	(29)	(29)
Treasury stock purchases	(456)	(592)	(792)	(414)	(1,010)
Shares reissued under equity incentive plans, net	30	9	12	45	64
Excess tax benefits on share-based payment arrangements	12	1	1	17	26
Other	31	8	1	-	(2)
Net cash used in financing activities	<u>(774)</u>	<u>(987)</u>	<u>(1,324)</u>	<u>(829)</u>	<u>(1,380)</u>
NET INCREASE (DECREASE) IN CASH	36	(410)	100	(111)	259
CASH AT BEGINNING OF PERIOD	495	905	805	916	657
CASH AT END OF PERIOD	<u>\$ 531</u>	<u>\$ 495</u>	<u>\$ 905</u>	<u>\$ 805</u>	<u>\$ 916</u>

THE ALLSTATE CORPORATION
ANALYSIS OF DEFERRED POLICY ACQUISITION COSTS
(\$ in millions)

Change in Deferred Policy Acquisition Costs
For the three months ended March 31, 2016

Reconciliation of Deferred Policy
Acquisition Costs as of March 31, 2016

	Beginning balance Dec. 31, 2015	Acquisition costs deferred	Amortization before adjustments ^{(1) (2)}	Amortization relating to realized capital gains and losses and valuation changes on embedded derivatives that are not hedged ⁽²⁾	Amortization (acceleration) deceleration for changes in assumptions ⁽²⁾	Effect of unrealized capital gains and losses	Ending balance Mar. 31, 2016	DAC before impact of unrealized capital gains and losses	Impact of unrealized capital gains and losses	DAC after impact of unrealized capital gains and losses
Property-Liability	\$ 2,029	\$ 1,068	\$ (1,056)	\$ -	\$ -	\$ -	\$ 2,041	\$ 2,041	\$ -	\$ 2,041
Allstate Financial:										
Traditional life and accident and health	792	46	(42)	-	-	-	796	796	-	796
Interest-sensitive life	993	26	(28)	(2)	-	(65)	924	1,055	(131)	924
Fixed annuity	47	-	(1)	-	-	-	46	46	-	46
Subtotal	1,832	72	(71)	(2)	-	(65)	1,766	1,897	(131)	1,766
Consolidated	\$ 3,861	\$ 1,140	\$ (1,127)	\$ (2)	\$ -	\$ (65)	\$ 3,807	\$ 3,938	\$ (131)	\$ 3,807

Change in Deferred Policy Acquisition Costs
For the three months ended March 31, 2015

Reconciliation of Deferred Policy
Acquisition Costs as of March 31, 2015

	Beginning balance Dec. 31, 2014	Acquisition costs deferred	Amortization before adjustments ^{(1) (2)}	Amortization relating to realized capital gains and losses and valuation changes on embedded derivatives that are not hedged ⁽²⁾	Amortization (acceleration) deceleration for changes in assumptions ⁽²⁾	Effect of unrealized capital gains and losses	Ending balance Mar. 31, 2015	DAC before impact of unrealized capital gains and losses	Impact of unrealized capital gains and losses	DAC after impact of unrealized capital gains and losses
Property-Liability	\$ 1,820	\$ 1,032	\$ (1,000)	\$ -	\$ -	\$ -	\$ 1,852	\$ 1,852	\$ -	\$ 1,852
Allstate Financial:										
Traditional life and accident and health	753	44	(40)	-	-	-	757	757	-	757
Interest-sensitive life	905	26	(28)	(2)	-	(27)	874	1,066	(192)	874
Fixed annuity	47	-	(1)	1	-	(3)	44	52	(8)	44
Subtotal	1,705	70	(69)	(1)	-	(30)	1,675	1,875	(200)	1,675
Consolidated	\$ 3,525	\$ 1,102	\$ (1,069)	\$ (1)	\$ -	\$ (30)	\$ 3,527	\$ 3,727	\$ (200)	\$ 3,527

⁽¹⁾ Amortization before adjustments reflects total DAC amortization before amortization/accretion related to realized capital gains and losses and valuation changes on embedded derivatives that are not hedged and amortization acceleration/deceleration for changes in assumptions.

⁽²⁾ Included as a component of amortization of DAC on the Consolidated Statements of Operations.

THE ALLSTATE CORPORATION
PROPERTY-LIABILITY RESULTS
(\$ in millions)

Three months ended

	March 31, 2016	Dec. 31, 2015	Sept. 30, 2015	June 30, 2015	March 31, 2015
Premiums written	\$ 7,515	\$ 7,551	\$ 8,137	\$ 7,877	\$ 7,306
Decrease (increase) in unearned premiums	166	140	(485)	(370)	166
Other	42	(7)	(2)	42	(46)
Premiums earned	7,723	7,684	7,650	7,549	7,426
Claims and claims expense	(5,684)	(5,199)	(5,255)	(5,587)	(4,993)
Amortization of deferred policy acquisition costs	(1,056)	(1,052)	(1,029)	(1,021)	(1,000)
Operating costs and expenses	(853)	(812)	(867)	(934)	(962)
Restructuring and related charges	(5)	(10)	(8)	(17)	(4)
Underwriting income (loss) *	<u>125</u>	<u>611</u>	<u>491</u>	<u>(10)</u>	<u>467</u>
Net investment income	302	280	307	292	358
Periodic settlements and accruals on non-hedge derivative instruments	(1)	(1)	(1)	-	(1)
Amortization of purchased intangible assets	9	13	12	13	12
Income tax expense on operations	<u>(144)</u>	<u>(304)</u>	<u>(259)</u>	<u>(97)</u>	<u>(281)</u>
Operating income	291	599	550	198	555
Realized capital gains and losses, after-tax	(64)	(99)	(104)	31	18
Reclassification of periodic settlements and accruals on non-hedge derivative instruments, after-tax	1	1	-	-	1
Amortization of purchased intangible assets, after-tax	(6)	(8)	(8)	(8)	(8)
(Loss) gain on disposition of operations, after-tax	-	-	(1)	1	-
Change in accounting for investments in qualified affordable housing projects, after-tax	-	-	-	-	(28)
Net income applicable to common shareholders	<u>\$ 222</u>	<u>\$ 493</u>	<u>\$ 437</u>	<u>\$ 222</u>	<u>\$ 538</u>
Catastrophe losses	<u>\$ 827</u>	<u>\$ 358</u>	<u>\$ 270</u>	<u>\$ 797</u>	<u>\$ 294</u>
Operating ratios					
Claims and claims expense ("loss") ratio	73.6	67.6	68.7	74.0	67.2
Expense ratio	24.8	24.4	24.9	26.1	26.5
Combined ratio	<u>98.4</u>	<u>92.0</u>	<u>93.6</u>	<u>100.1</u>	<u>93.7</u>
Combined ratio excluding the effect of catastrophes *	87.7	87.3	90.1	89.5	89.7
Effect of catastrophe losses on combined ratio	10.7	4.7	3.5	10.6	4.0
Combined ratio	<u>98.4</u>	<u>92.0</u>	<u>93.6</u>	<u>100.1</u>	<u>93.7</u>
Underlying loss ratio *	62.5	63.1	64.6	63.2	62.6
Expense ratio, excluding the effect of amortization of purchased intangible assets	24.7	24.3	24.7	25.9	26.4
Underlying combined ratio	<u>87.2</u>	<u>87.4</u>	<u>89.3</u>	<u>89.1</u>	<u>89.0</u>
Combined ratio excluding the effect of catastrophes, prior year reserve reestimates and amortization of purchased intangible assets ("underlying combined ratio") *	87.2	87.4	89.3	89.1	89.0
Effect of catastrophe losses on combined ratio	10.7	4.7	3.5	10.6	4.0
Effect of prior year reserve reestimates on combined ratio	0.3	(0.4)	0.6	0.3	0.5
Effect of catastrophe losses included in prior year reserve reestimates on combined ratio	0.1	0.2	-	(0.1)	0.1
Effect of amortization of purchased intangible assets on combined ratio	0.1	0.1	0.2	0.2	0.1
Combined ratio	<u>98.4</u>	<u>92.0</u>	<u>93.6</u>	<u>100.1</u>	<u>93.7</u>
Effect of restructuring and related charges on combined ratio	<u>0.1</u>	<u>0.1</u>	<u>0.1</u>	<u>0.2</u>	<u>0.1</u>
Effect of Discontinued Lines and Coverages on combined ratio	<u>-</u>	<u>-</u>	<u>0.7</u>	<u>-</u>	<u>-</u>

THE ALLSTATE CORPORATION
PROPERTY-LIABILITY UNDERWRITING RESULTS BY AREA OF BUSINESS
(\$ in millions)

Three months ended

	March 31, 2016	Dec. 31, 2015	Sept. 30, 2015	June 30, 2015	March 31, 2015
Property-Liability Underwriting Summary					
Allstate Protection	\$ 127	\$ 613	\$ 540	\$ (8)	\$ 469
Discontinued Lines and Coverages	(2)	(2)	(49)	(2)	(2)
Underwriting income (loss)	<u>\$ 125</u>	<u>\$ 611</u>	<u>\$ 491</u>	<u>\$ (10)</u>	<u>\$ 467</u>
Allstate Protection Underwriting Summary					
Premiums written	<u>\$ 7,515</u>	<u>\$ 7,551</u>	<u>\$ 8,137</u>	<u>\$ 7,877</u>	<u>\$ 7,306</u>
Premiums earned	\$ 7,723	\$ 7,684	\$ 7,650	\$ 7,549	\$ 7,426
Claims and claims expense	(5,683)	(5,197)	(5,207)	(5,585)	(4,992)
Amortization of deferred policy acquisition costs	(1,056)	(1,052)	(1,029)	(1,021)	(1,000)
Operating costs and expenses	(852)	(812)	(866)	(934)	(961)
Restructuring and related charges	(5)	(10)	(8)	(17)	(4)
Underwriting income (loss)	<u>\$ 127</u>	<u>\$ 613</u>	<u>\$ 540</u>	<u>\$ (8)</u>	<u>\$ 469</u>
Catastrophe losses	<u>\$ 827</u>	<u>\$ 358</u>	<u>\$ 270</u>	<u>\$ 797</u>	<u>\$ 294</u>
Operating ratios					
Loss ratio	73.6	67.6	68.0	74.0	67.2
Expense ratio	24.8	24.4	24.9	26.1	26.5
Combined ratio	<u>98.4</u>	<u>92.0</u>	<u>92.9</u>	<u>100.1</u>	<u>93.7</u>
Effect of catastrophe losses on combined ratio	<u>10.7</u>	<u>4.7</u>	<u>3.5</u>	<u>10.6</u>	<u>4.0</u>
Effect of restructuring and related charges on combined ratio	<u>0.1</u>	<u>0.1</u>	<u>0.1</u>	<u>0.2</u>	<u>0.1</u>
Effect of amortization of purchased intangible assets on combined ratio	<u>0.1</u>	<u>0.1</u>	<u>0.2</u>	<u>0.2</u>	<u>0.1</u>
Discontinued Lines and Coverages Underwriting Summary					
Premiums written	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Premiums earned	\$ -	\$ -	\$ -	\$ -	\$ -
Claims and claims expense	(1)	(2)	(48)	(2)	(1)
Operating costs and expenses	(1)	-	(1)	-	(1)
Underwriting loss	<u>\$ (2)</u>	<u>\$ (2)</u>	<u>\$ (49)</u>	<u>\$ (2)</u>	<u>\$ (2)</u>
Effect of Discontinued Lines and Coverages on the Property-Liability combined ratio	<u>0.1</u>	<u>-</u>	<u>0.7</u>	<u>-</u>	<u>-</u>
Underwriting Income (Loss) by Brand					
Allstate brand	\$ 171	\$ 629	\$ 571	\$ 86	\$ 526
Esurance brand	(25)	(28)	(26)	(41)	(69)
Encompass brand	(18)	14	(4)	(50)	14
Answer Financial	(1)	(2)	(1)	(3)	(2)
Underwriting income (loss)	<u>\$ 127</u>	<u>\$ 613</u>	<u>\$ 540</u>	<u>\$ (8)</u>	<u>\$ 469</u>

THE ALLSTATE CORPORATION
PROPERTY-LIABILITY PREMIUMS WRITTEN BY BRAND
(\$ in millions)

Three months ended

	March 31, 2016	Dec. 31, 2015	Sept. 30, 2015	June 30, 2015	March 31, 2015
Allstate brand ⁽¹⁾					
Auto ⁽²⁾	\$ 4,746	\$ 4,576	\$ 4,746	\$ 4,588	\$ 4,535
Homeowners ⁽³⁾	1,392	1,634	1,879	1,819	1,379
Other personal lines	353	376	429	424	357
Commercial lines	126	126	124	138	128
Other business lines	183	168	205	199	184
	<u>6,800</u>	<u>6,880</u>	<u>7,383</u>	<u>7,168</u>	<u>6,583</u>
Esurance brand					
Auto	439	368	411	363	434
Homeowners	11	9	9	7	5
Other personal lines	2	1	3	1	2
	<u>452</u>	<u>378</u>	<u>423</u>	<u>371</u>	<u>441</u>
Encompass brand					
Auto	138	152	169	173	147
Homeowners	104	116	134	136	111
Other personal lines	21	25	28	29	24
	<u>263</u>	<u>293</u>	<u>331</u>	<u>338</u>	<u>282</u>
Allstate Protection	7,515	7,551	8,137	7,877	7,306
Discontinued Lines and Coverages	-	-	-	-	-
Property-Liability	<u>\$ 7,515</u>	<u>\$ 7,551</u>	<u>\$ 8,137</u>	<u>\$ 7,877</u>	<u>\$ 7,306</u>
Allstate Protection					
Auto	\$ 5,323	\$ 5,096	\$ 5,326	\$ 5,124	\$ 5,116
Homeowners	1,507	1,759	2,022	1,962	1,495
Other personal lines	376	402	460	454	383
Commercial lines	126	126	124	138	128
Other business lines	183	168	205	199	184
	<u>\$ 7,515</u>	<u>\$ 7,551</u>	<u>\$ 8,137</u>	<u>\$ 7,877</u>	<u>\$ 7,306</u>
⁽¹⁾ Canada premiums included in Allstate brand					
Auto	\$ 164	\$ 183	\$ 215	\$ 235	\$ 173
Homeowners	41	50	60	63	41
Other personal lines	10	12	15	15	11
	<u>\$ 215</u>	<u>\$ 245</u>	<u>\$ 290</u>	<u>\$ 313</u>	<u>\$ 225</u>

⁽²⁾ Fluctuation in the Canadian exchange rate has reduced the auto premiums written growth rate in first quarter 2016 by 0.4 points.

⁽³⁾ Fluctuation in the Canadian exchange rate has reduced the homeowner premiums written growth rate in first quarter 2016 by 0.3 points.

**THE ALLSTATE CORPORATION
PROPERTY-LIABILITY
IMPACT OF NET RATE CHANGES APPROVED ON PREMIUMS WRITTEN**

	Three months ended March 31, 2016 ⁽¹⁾			Three months ended December 31, 2015			Three months ended September 30, 2015		
	Number of locations	Total brand (%) ⁽⁴⁾	Location specific (%) ⁽⁵⁾	Number of locations	Total brand (%) ⁽⁴⁾	Location specific (%) ⁽⁵⁾	Number of locations	Total brand (%) ⁽⁴⁾	Location specific (%) ⁽⁵⁾
Allstate brand									
Auto ⁽²⁾	25 ⁽⁶⁾	1.7	7.3	34 ⁽⁶⁾	1.9	5.5	23 ⁽⁶⁾	1.6	5.1
Homeowners ⁽³⁾	15 ⁽⁷⁾	(0.4) ⁽⁸⁾	(2.3)	16 ⁽⁷⁾	1.5	6.1	6 ⁽⁷⁾	0.4	6.4
Esurance brand									
Auto	6	0.3	2.7	18	3.0	6.7	13	1.3	5.1
Encompass brand									
Auto	4	1.6	14.3	9	2.0	5.7	8	1.3	7.6
Homeowners	5	1.4	11.6	5	1.7	7.4	8	1.2	5.9
	Three months ended June 30, 2015			Three months ended March 31, 2015			Three months ended December 31, 2014		
	Number of locations	Total brand (%) ⁽⁴⁾	Location specific (%) ⁽⁵⁾	Number of locations	Total brand (%) ⁽⁴⁾	Location specific (%) ⁽⁵⁾	Number of locations	Total brand (%) ⁽⁴⁾	Location specific (%) ⁽⁵⁾
Allstate brand									
Auto ⁽²⁾	34 ⁽⁶⁾	1.5	3.6	18 ⁽⁶⁾	0.4	3.9	14 ⁽⁶⁾	0.7	3.4
Homeowners ⁽³⁾	9 ⁽⁷⁾	0.7	3.5	10 ⁽⁷⁾	0.2	3.0	16 ⁽⁷⁾	0.9	4.6
Esurance brand									
Auto	13	1.5	5.9	13	1.3	4.4	7	1.4	5.3
Encompass brand									
Auto	16	4.8	8.5	6	1.3	6.9	13	2.8	6.0
Homeowners	15	3.2	8.8	4	0.4	8.1	9	2.5	7.8

⁽¹⁾ Rate changes include changes approved based on our net cost of reinsurance. These rate changes do not reflect initial rates filed for insurance subsidiaries initially writing business. Based on historical premiums written in those states and Canadian provinces, rate changes approved for the three month period ending March 31, 2016 are estimated to total \$314 million. Rate changes do not include rating plan enhancements, including the introduction of discounts and surcharges, that result in no change in the overall rate level in the state.

⁽²⁾ Impacts of Allstate brand auto effective rate changes as a percentage of total brand prior year-end premiums written were 1.4%, 1.8%, 1.5%, 1.1%, 0.8% and 0.4% for the three months ended March 31, 2016, December 31, 2015, September 30, 2015, June 30, 2015, March 31, 2015 and December 31, 2014, respectively. Rate changes are included in the effective calculations in the period the rate change is effective for renewal contracts.

⁽³⁾ Impacts of Allstate brand homeowners effective rate changes as a percentage of total brand prior year-end premiums written were 0.7%, 0.5%, 0.5%, 0.4%, 0.9% and 0.3% for the three months ended March 31, 2016, December 31, 2015, September 30, 2015, June 30, 2015, March 31, 2015 and December 31, 2014, respectively.

⁽⁴⁾ Represents the impact in the states and Canadian provinces where rate changes were approved during the period as a percentage of total brand prior year-end premiums written.

⁽⁵⁾ Represents the impact in the states and Canadian provinces where rate changes were approved during the period as a percentage of its respective total prior year-end premiums written in those same locations. Allstate brand auto and homeowners operates in 50 states, the District of Columbia, and 5 Canadian provinces. Esurance brand auto operates in 43 states and 1 Canadian province. Esurance brand homeowners operates in 25 states. Encompass brand auto and homeowners operates in 40 states and the District of Columbia.

⁽⁶⁾ Includes three, one, five, four, two and one Canadian provinces for auto for the three months ended March 31, 2016, December 31, 2015, September 30, 2015, June 30, 2015, March 31, 2015 and December 31, 2014, respectively.

⁽⁷⁾ Includes two, three, zero, one, two and one Canadian provinces for homeowners for the three months ended March 31, 2016, December 31, 2015, September 30, 2015, June 30, 2015, March 31, 2015 and December 31, 2014, respectively.

⁽⁸⁾ Includes the impact of a rate decrease in California. Excluding California, Allstate brand homeowners total brand and location specific rate changes were 0.6% and 3.7% for the three months ended March 31, 2016, respectively.

**THE ALLSTATE CORPORATION
POLICIES IN FORCE AND OTHER STATISTICS**

	March 31, 2016	Dec. 31, 2015	Sept. 30, 2015	June 30, 2015	March 31, 2015
Policies in Force (in thousands) ⁽¹⁾					
Allstate Brand					
Auto ⁽²⁾	20,145	20,326	20,367	20,258	20,036
Homeowners ⁽³⁾	6,152	6,174	6,163	6,141	6,114
Landlord	732	737	736	737	738
Renter	1,556	1,555	1,550	1,518	1,494
Condominium	667	668	665	662	658
Other	1,253	1,259	1,257	1,253	1,245
Other personal lines	4,208	4,219	4,208	4,170	4,135
Commercial lines	318	324	328	330	326
Other business lines	856	894	920	937	941
Excess and surplus	24	25	26	26	27
Total	31,703	31,962	32,012	31,862	31,579
Esurance Brand					
Auto	1,428	1,415	1,433	1,458	1,470
Homeowners	37	32	26	20	15
Other personal lines	46	44	44	44	42
Total	1,511	1,491	1,503	1,522	1,527
Encompass Brand					
Auto	701	723	746	767	778
Homeowners	329	338	347	355	361
Other personal lines	108	111	114	118	120
Total	1,138	1,172	1,207	1,240	1,259
Total Policies in Force	34,352	34,625	34,722	34,624	34,365
Non-Proprietary Premiums (\$ in millions)					
Ivantage ⁽⁴⁾	\$ 1,504	\$ 1,490	\$ 1,481	\$ 1,461	\$ 1,446
Answer Financial ⁽⁵⁾	151	138	149	145	149
Agency Data					
Total Allstate agencies ⁽⁶⁾⁽⁷⁾	12,100	12,300	12,100	12,000	
Licensed sales professionals ⁽⁷⁾⁽⁸⁾	24,000	24,400	24,000	23,500	
Allstate independent agencies ⁽⁷⁾⁽⁹⁾	2,100	2,100	2,200	2,000	

(1) Policies in Force: 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. Allstate Dealer Services (service contracts and other products sold in conjunction with auto lending and vehicle sales transactions) and Partnership Marketing Group (roadside assistance products) statistics are not included in total policies in force since these are not meaningful. Additionally, non-proprietary products offered by Ivantage (insurance agency) and Answer Financial (independent insurance agency) are not included.

(2) Allstate brand auto PIF increased in 31 states, including 6 out of our largest 10 states, as of March 31, 2016 compared to March 31, 2015.

(3) Allstate brand homeowners PIF increased in 31 states, including 7 out of our largest 10 states, as of March 31, 2016 compared to March 31, 2015.

(4) Represents non-proprietary premiums under management as of the end of the period related to personal and commercial line products offered by Ivantage when an Allstate product is not available. Fees for the three months ended March 31, 2016 were \$23.8 million.

(5) Represents non-proprietary premiums written for the period. Commissions earned for the three months ended March 31, 2016 were \$18.7 million.

(6) Total Allstate agencies represents exclusive Allstate agencies and financial representatives in the United States and Canada.

(7) Rounded to the nearest hundred.

(8) Employees of Allstate agencies who are licensed to sell Allstate products.

(9) Includes 500 and 880 engaged Allstate independent agencies ("AIAs") as of March 31, 2016 and December 31, 2015, respectively. Engaged AIAs, as currently determined, include those that increase the number of policies in force from the prior year.

THE ALLSTATE CORPORATION
ALLSTATE BRAND PROFITABILITY MEASURES
(\$ in millions)

Three months ended

	March 31, 2016	Dec. 31, 2015	Sept. 30, 2015	June 30, 2015	March 31, 2015
Net premiums written	\$ 6,800	\$ 6,880	\$ 7,383	\$ 7,168	\$ 6,583
Net premiums earned					
Auto	\$ 4,667	\$ 4,638	\$ 4,597	\$ 4,524	\$ 4,432
Homeowners	1,678	1,674	1,663	1,645	1,631
Other personal lines	393	395	396	395	391
Commercial lines	129	129	128	128	125
Other business lines	143	135	148	137	141
Total	<u>7,010</u>	<u>6,971</u>	<u>6,932</u>	<u>6,829</u>	<u>6,720</u>
Incurring losses					
Auto	\$ 3,519	\$ 3,495	\$ 3,455	\$ 3,431	\$ 3,175
Homeowners	1,190	816	820	1,147	894
Other personal lines	261	216	241	259	244
Commercial lines	119	100	97	105	98
Other business lines	61	57	71	66	69
Total	<u>5,150</u>	<u>4,684</u>	<u>4,684</u>	<u>5,008</u>	<u>4,480</u>
Expenses					
Auto	\$ 1,103	\$ 1,077	\$ 1,086	\$ 1,155	\$ 1,113
Homeowners	377	372	385	372	389
Other personal lines	103	101	109	105	105
Commercial lines	38	36	36	40	38
Other business lines	68	72	61	63	69
Total	<u>1,689</u>	<u>1,658</u>	<u>1,677</u>	<u>1,735</u>	<u>1,714</u>
Underwriting income (loss)					
Auto	\$ 45	\$ 66	\$ 56	\$ (62)	\$ 144
Homeowners	111	486	458	126	348
Other personal lines	29	78	46	31	42
Commercial lines	(28)	(7)	(5)	(17)	(11)
Other business lines	14	6	16	8	3
Total	<u>171</u>	<u>629</u>	<u>571</u>	<u>86</u>	<u>526</u>
Loss ratio	73.5	67.2	67.6	73.3	66.7
Expense ratio	24.1	23.8	24.2	25.4	25.5
Combined ratio	<u>97.6</u>	<u>91.0</u>	<u>91.8</u>	<u>98.7</u>	<u>92.2</u>
Underlying loss ratio	62.0	62.4	64.1	62.3	61.9
Expense ratio, excluding the effect of amortization of purchased intangible assets	24.1	23.8	24.2	25.4	25.5
Underlying combined ratio	<u>86.1</u>	<u>86.2</u>	<u>88.3</u>	<u>87.7</u>	<u>87.4</u>
Effect of catastrophe losses on combined ratio	11.2	4.9	3.6	10.7	4.1
Effect of prior year reserve reestimates on combined ratio	0.2	(0.3)	(0.2)	0.4	0.7
Effect of advertising expenses on combined ratio	1.5	1.5	2.0	2.4	2.3
Underlying combined ratio	86.1	86.2	88.3	87.7	87.4
Effect of catastrophe losses	11.2	4.9	3.6	10.7	4.1
Effect of prior year non-catastrophe reserve reestimates	0.3	(0.1)	(0.1)	0.3	0.7
Combined ratio	<u><u>97.6</u></u>	<u><u>91.0</u></u>	<u><u>91.8</u></u>	<u><u>98.7</u></u>	<u><u>92.2</u></u>

THE ALLSTATE CORPORATION
ALLSTATE BRAND STATISTICS ⁽¹⁾

	Three months ended				
	March 31, 2016	Dec. 31, 2015	Sept. 30, 2015	June 30, 2015	March 31, 2015
New Issued Applications (in thousands) ⁽²⁾					
Auto	584	562	790	818	792
Homeowners	164	174	218	212	177
Average Premium - Gross Written (\$) ⁽³⁾					
Auto ⁽⁴⁾	507	502	494	488	484
Homeowners ⁽⁵⁾	1,174	1,163	1,158	1,150	1,148
Average Premium - Net Earned (\$) ⁽⁶⁾					
Auto	461	456	452	450	444
Homeowners	1,082	1,078	1,074	1,066	1,060
Renewal Ratio (%) ⁽⁷⁾					
Auto	88.0	88.2	88.6	88.9	88.8
Homeowners	88.1	88.5	88.7	88.4	88.4
Auto Claim Frequency ⁽⁸⁾					
(% change year-over-year)					
Bodily Injury Gross	1.1	3.9	6.4	6.8	6.8
Bodily Injury Paid	5.9	-	3.5	6.0	2.3
Property Damage Gross ⁽⁹⁾	2.1	7.5	8.9	6.9	2.1
Property Damage Paid	2.4	3.7	4.7	4.2	2.5
Auto Paid Claim Severity ⁽¹⁰⁾					
(% change year-over-year)					
Bodily injury	(5.5)	(7.0)	(2.9)	0.6	3.9
Property damage	7.5	4.0	5.4	3.7	4.8
Homeowners Excluding Catastrophe Losses					
(% change year-over-year)					
Gross Claim frequency ⁽⁸⁾	(7.7)	0.9	(1.9)	0.4	(7.9)
Paid Claim frequency ⁽⁸⁾	(2.0)	(2.1)	(3.7)	(0.9)	(7.0)
Paid Claim severity	(2.7)	2.6	4.5	3.6	6.6

⁽¹⁾ Statistics presented for Allstate brand exclude excess and surplus lines.

⁽²⁾ 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 on a policy, which in 2015 was either four or ten depending on the state. In 2016 all states allow ten automobiles on a policy.

⁽³⁾ 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 6 months for auto and 12 months for homeowners.

⁽⁴⁾ Fluctuation in the Canadian exchange rate has reduced the auto average premium written growth rate in first quarter 2016 by 0.4 points.

⁽⁵⁾ Fluctuation in the Canadian exchange rate has reduced the homeowner average premium written growth rate in first quarter 2016 by 0.3 points.

⁽⁶⁾ Average Premium - Net Earned: Earned premium divided by average policies in force for the period. Earned premium includes the impacts from mid-term premium adjustments and ceded reinsurance, but does not include impacts of premium refund accruals. Average premiums represent the appropriate policy term for each line, which is 6 months for auto and 12 months for homeowners.

⁽⁷⁾ Renewal ratio: Renewal policies issued during the period, based on contract effective dates, divided by the total policies issued 6 months prior for auto or 12 months prior for homeowners.

⁽⁸⁾ The frequency statistics are calculated excluding catastrophe impact. The percent change in paid or gross frequency is calculated as the increase or decrease in the paid or gross frequency amount in the current period compared to the same period in the prior year; divided by the prior year paid or gross frequency amount. The paid frequency amount is calculated as annualized notice counts closed with payment in the period divided by the average of policies in force with the applicable coverage during the period. The gross frequency amount 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.

⁽⁹⁾ A decision to more completely capture information on claims involving a vehicle collision with non-vehicle property gave rise to an increase in the number of counted claims, however experience indicates that for these types of claims, payments are not always required to be made. Accordingly, claims closed without payment also increased. Introduction in the third quarter of 2015 resulted in a steady increase in notice counts as the change was more broadly adopted. Quarterly increases (decreases) in property damage gross claim frequency consistently measured were (0.8)%, 5.5% and 7.4% in the first quarter of 2016 and the fourth and third quarter of 2015, respectively. Auto underwriting results for 2016 and 2015 were not impacted.

⁽¹⁰⁾ 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 rate of change in paid severity is the year over year percent increase or decrease in paid claim severity for the period.

THE ALLSTATE CORPORATION
ALLSTATE BRAND AUTO CLAIM FREQUENCY STATISTICS ⁽¹⁾
BODILY INJURY % CHANGE IN GROSS AND PAID CLAIM FREQUENCY RATE

2011				2012				2013				2014				2015				2016
Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1

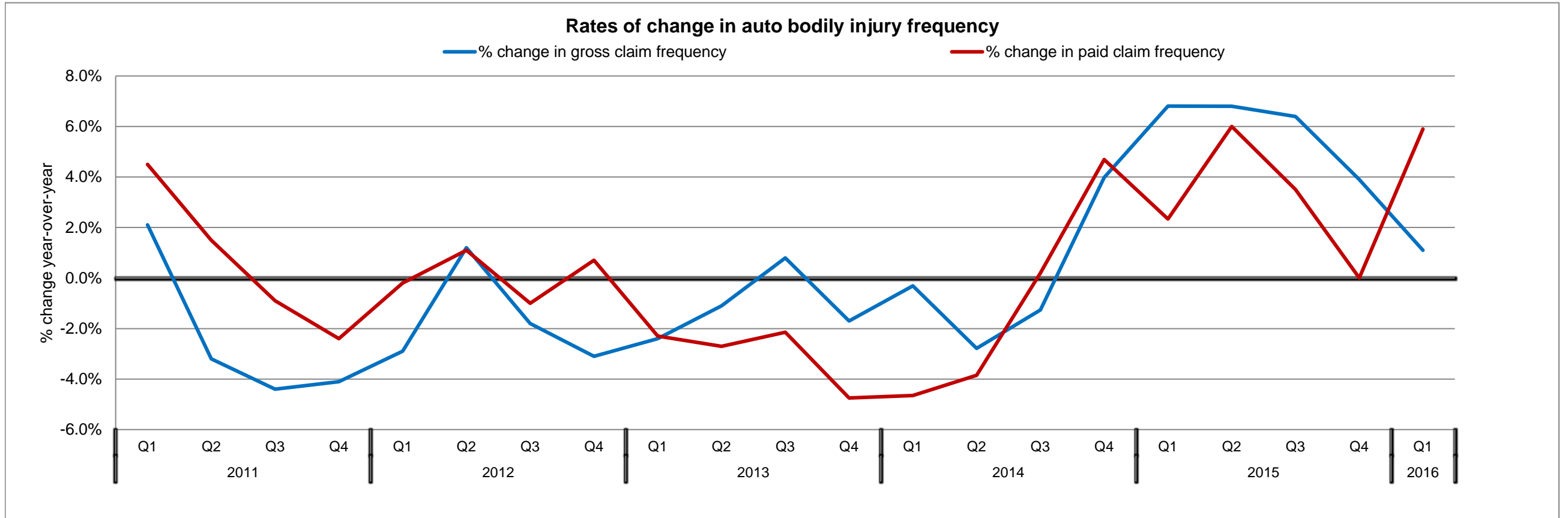
Change in auto claim frequency ⁽²⁾

(% change in frequency rate year over year)

% Change in gross claim frequency

% Change in paid claim frequency

2.1%	-3.2%	-4.4%	-4.1%	-2.9%	1.2%	-1.8%	-3.1%	-2.4%	-1.1%	0.8%	-1.7%	-0.3%	-2.8%	-1.3%	4.0%	6.8%	6.8%	6.4%	3.9%	1.1%
4.5%	1.5%	-0.9%	-2.4%	-0.2%	1.1%	-1.0%	0.7%	-2.3%	-2.7%	-2.1%	-4.7%	-4.7%	-3.8%	0.2%	4.7%	2.3%	6.0%	3.5%	0.0%	5.9%



⁽¹⁾ The frequency statistics are calculated excluding catastrophe impact.

⁽²⁾ The percent change in paid or gross claim frequency is calculated as the increase or decrease in the paid or gross claim frequency amount in the current period compared to the same period in the prior year; divided by the prior year paid or gross claim frequency amount. The paid claim frequency amount is calculated as annualized notice counts closed with payment in the period divided by the average of policies in force with the applicable coverage during the period. The gross claim frequency amount 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.

THE ALLSTATE CORPORATION
ALLSTATE BRAND AUTO CLAIM FREQUENCY STATISTICS ⁽¹⁾
PROPERTY DAMAGE % CHANGE IN GROSS AND PAID CLAIM FREQUENCY

2011				2012				2013				2014				2015				2016
Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1

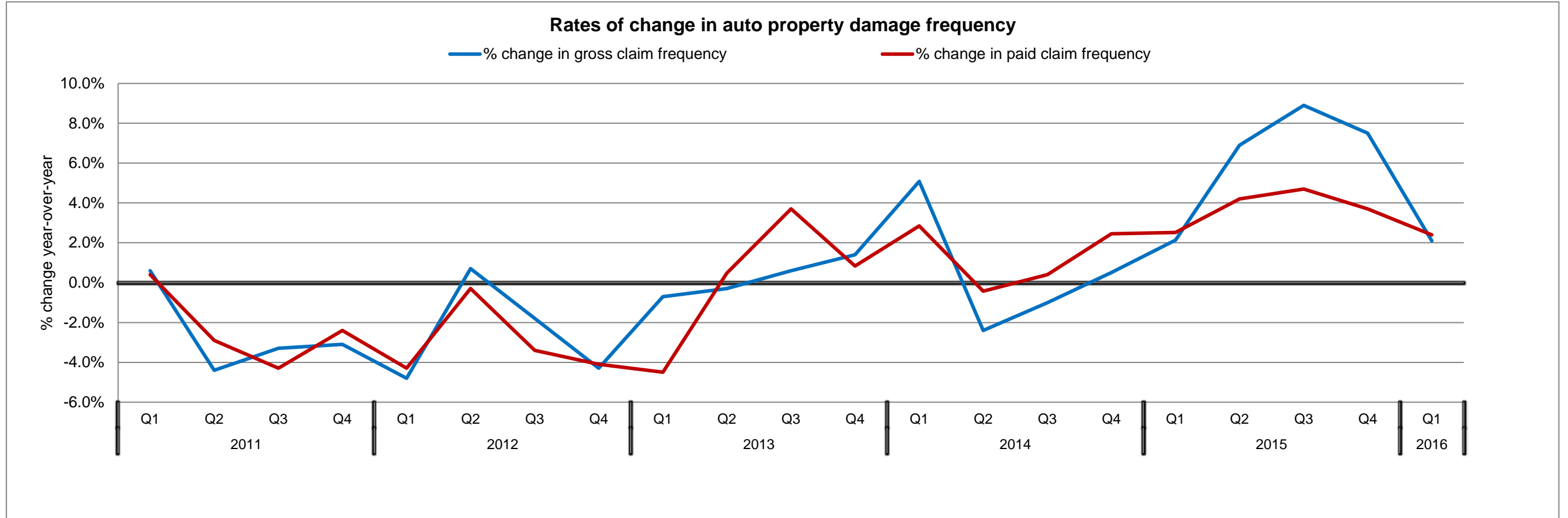
Change in auto claim frequency ⁽²⁾

(% change in frequency rate year over year)

% Change in gross claim frequency ⁽³⁾

% Change in paid claim frequency ⁽³⁾

0.6%	-4.4%	-3.3%	-3.1%	-4.8%	0.7%	-1.8%	-4.3%	-0.7%	-0.3%	0.6%	1.4%	5.1%	-2.4%	-1.0%	0.5%	2.1%	6.9%	8.9%	7.5%	2.1%
0.4%	-2.9%	-4.3%	-2.4%	-4.3%	-0.3%	-3.4%	-4.1%	-4.5%	0.5%	3.7%	0.8%	2.9%	-0.4%	0.4%	2.5%	2.5%	4.2%	4.7%	3.7%	2.4%



⁽¹⁾ The frequency statistics are calculated excluding catastrophe impact.

⁽²⁾ The percent change in paid or gross claim frequency is calculated as the increase or decrease in the paid or gross claim frequency amount in the current period compared to the same period in the prior year; divided by the prior year paid or gross claim frequency amount. The paid claim frequency amount is calculated as annualized notice counts closed with payment in the period divided by the average of policies in force with the applicable coverage during the period. The gross claim frequency amount 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.

⁽³⁾ A decision to more completely capture information on claims involving a vehicle collision with non-vehicle property gave rise to an increase in the number of counted claims, however experience indicates that for these types of claims, payments are not always required to be made. Accordingly, claims closed without payment also increased. Introduction in the third quarter of 2015 resulted in a steady increase in notice counts as the change was more broadly adopted. Quarterly increases (decreases) in property damage gross claim frequency consistently measured were (0.8)%, 5.5% and 7.4% in the first quarter of 2016 and the fourth and third quarter of 2015, respectively. Auto underwriting results for 2016 and 2015 were not impacted.

THE ALLSTATE CORPORATION
ESURANCE PROFITABILITY MEASURES AND STATISTICS

(\$ in millions)

Three months ended

	March 31, 2016	Dec. 31, 2015	Sept. 30, 2015	June 30, 2015	March 31, 2015
Net premiums written	\$ 452	\$ 378	\$ 423	\$ 371	\$ 441
Net premiums earned					
Auto	\$ 394	\$ 391	\$ 392	\$ 397	\$ 382
Homeowners	8	7	5	4	3
Other personal lines	2	2	2	1	2
	<u>404</u>	<u>400</u>	<u>399</u>	<u>402</u>	<u>387</u>
Incurring losses					
Auto	\$ 289	\$ 294	\$ 285	\$ 300	\$ 297
Homeowners	4	4	4	3	1
Other personal lines	1	1	1	1	1
	<u>294</u>	<u>299</u>	<u>290</u>	<u>304</u>	<u>299</u>
Expenses					
Auto	\$ 123	\$ 119	\$ 125	\$ 132	\$ 155
Homeowners	11	9	10	7	-
Other personal lines	1	1	-	-	2
	<u>135</u>	<u>129</u>	<u>135</u>	<u>139</u>	<u>157</u>
Underwriting income (loss)					
Auto	\$ (18)	\$ (22)	\$ (18)	\$ (35)	\$ (70)
Homeowners	(7)	(6)	(9)	(6)	2
Other personal lines	-	-	1	-	(1)
	<u>(25)</u>	<u>(28)</u>	<u>(26)</u>	<u>(41)</u>	<u>(69)</u>
Loss ratio	72.8	74.8	72.7	75.6	77.2
Expense ratio	33.4	32.2	33.8	34.6	40.6
Combined ratio	<u>106.2</u>	<u>107.0</u>	<u>106.5</u>	<u>110.2</u>	<u>117.8</u>
Underlying loss ratio	73.1	75.3	73.5	74.3	78.2
Expense ratio, excluding the effect of amortization of purchased intangible assets	31.9	30.0	31.8	32.4	38.3
Underlying combined ratio	<u>105.0</u>	<u>105.3</u>	<u>105.3</u>	<u>106.7</u>	<u>116.5</u>
Effect of catastrophe losses on combined ratio	0.7	0.8	0.8	2.0	-
Effect of prior year reserve reestimates on combined ratio	(1.0)	(1.3)	(1.3)	(0.7)	(1.0)
Effect of amortization of purchased intangible assets on combined ratio	1.5	2.2	2.0	2.2	2.3
Effect of advertising expenses on combined ratio	11.6	9.8	11.0	12.4	17.3
Underlying combined ratio	105.0	105.3	105.3	106.7	116.5
Effect of catastrophe losses	0.7	0.8	0.8	2.0	-
Effect of prior year non-catastrophe reserve reestimates	(1.0)	(1.3)	(1.6)	(0.7)	(1.0)
Effect of amortization of purchased intangible assets	1.5	2.2	2.0	2.2	2.3
Combined ratio	<u><u>106.2</u></u>	<u><u>107.0</u></u>	<u><u>106.5</u></u>	<u><u>110.2</u></u>	<u><u>117.8</u></u>
Policies in Force (in thousands)					
Auto	1,428	1,415	1,433	1,458	1,470
Homeowners	37	32	26	20	15
Other personal lines	46	44	44	44	42
	<u>1,511</u>	<u>1,491</u>	<u>1,503</u>	<u>1,522</u>	<u>1,527</u>
New Issued Applications (in thousands)					
Auto	168	139	145	148	195
Homeowners	7	7	8	7	6
Other personal lines	10	7	9	10	12
	<u>185</u>	<u>153</u>	<u>162</u>	<u>165</u>	<u>213</u>
Average Premium - Gross Written (\$)					
Auto	547	526	513	506	520
Homeowners	891	821	838	814	849
Renewal Ratio (%)					
Auto	79.6	78.8	78.7	80.4	79.9

THE ALLSTATE CORPORATION
ENCOMPASS BRAND PROFITABILITY MEASURES AND STATISTICS
(\$ in millions)

Three months ended

	March 31, 2016	Dec. 31, 2015	Sept. 30, 2015	June 30, 2015	March 31, 2015
Net premiums written	\$ 263	\$ 293	\$ 331	\$ 338	\$ 282
Net premiums earned					
Auto	\$ 159	\$ 162	\$ 165	\$ 165	\$ 165
Homeowners	124	124	127	126	127
Other personal lines	26	27	27	27	27
Total	<u>309</u>	<u>313</u>	<u>319</u>	<u>318</u>	<u>319</u>
Incurred losses					
Auto	\$ 123	\$ 126	\$ 135	\$ 129	\$ 116
Homeowners	85	61	75	117	74
Other personal lines	31	27	23	27	23
Total	<u>239</u>	<u>214</u>	<u>233</u>	<u>273</u>	<u>213</u>
Expenses					
Auto	\$ 45	\$ 44	\$ 46	\$ 50	\$ 47
Homeowners	36	34	36	38	37
Other personal lines	7	7	8	7	8
Total	<u>88</u>	<u>85</u>	<u>90</u>	<u>95</u>	<u>92</u>
Underwriting income (loss)					
Auto	\$ (9)	\$ (8)	\$ (16)	\$ (14)	\$ 2
Homeowners	3	29	16	(29)	16
Other personal lines	(12)	(7)	(4)	(7)	(4)
Total	<u>(18)</u>	<u>14</u>	<u>(4)</u>	<u>(50)</u>	<u>14</u>
Loss ratio	77.3	68.4	73.1	85.8	66.8
Expense ratio	28.5	27.1	28.2	29.9	28.8
Combined ratio	<u>105.8</u>	<u>95.5</u>	<u>101.3</u>	<u>115.7</u>	<u>95.6</u>
Underlying loss ratio	59.8	65.2	62.7	66.6	61.8
Expense ratio, excluding the effect of amortization of purchased intangible assets	28.5	27.1	28.2	29.9	28.8
Underlying combined ratio	<u>88.3</u>	<u>92.3</u>	<u>90.9</u>	<u>96.5</u>	<u>90.6</u>
Effect of catastrophe losses on combined ratio	13.3	4.8	5.3	18.6	6.3
Effect of prior year reserve reestimates on combined ratio	4.5	(1.9)	5.4	0.9	(2.2)
Effect of advertising expenses on combined ratio	-	-	0.3	0.6	0.6
Underlying combined ratio	88.3	92.3	90.9	96.5	90.6
Effect of catastrophe losses	13.3	4.8	5.3	18.6	6.3
Effect of prior year non-catastrophe reserve reestimates	4.2	(1.6)	5.1	0.6	(1.3)
Combined ratio	<u>105.8</u>	<u>95.5</u>	<u>101.3</u>	<u>115.7</u>	<u>95.6</u>
Policies in Force (in thousands)					
Auto	701	723	746	767	778
Homeowners	329	338	347	355	361
Other personal lines	108	111	114	118	120
	<u>1,138</u>	<u>1,172</u>	<u>1,207</u>	<u>1,240</u>	<u>1,259</u>
New Issued Applications (in thousands)					
Auto	15	16	20	23	23
Homeowners	9	10	12	14	12
Average Premium - Gross Written (\$)					
Auto	981	981	963	925	913
Homeowners	1,618	1,587	1,583	1,532	1,519
Renewal Ratio (%)					
Auto	76.1	76.1	76.7	78.0	78.5
Homeowners	81.5	81.3	82.5	83.2	83.2

**THE ALLSTATE CORPORATION
AUTO PROFITABILITY MEASURES**

Three months ended

(\$ in millions)	March 31, 2016	Dec. 31, 2015	Sept. 30, 2015	June 30, 2015	March 31, 2015
Net premiums written					
Allstate brand	\$ 4,746	\$ 4,576	\$ 4,746	\$ 4,588	\$ 4,535
Esurance brand	439	368	411	363	434
Encompass brand	138	152	169	173	147
	<u>5,323</u>	<u>5,096</u>	<u>5,326</u>	<u>5,124</u>	<u>5,116</u>
Net premiums earned					
Allstate brand	\$ 4,667	\$ 4,638	\$ 4,597	\$ 4,524	\$ 4,432
Esurance brand	394	391	392	397	382
Encompass brand	159	162	165	165	165
	<u>5,220</u>	<u>5,191</u>	<u>5,154</u>	<u>5,086</u>	<u>4,979</u>
Incurred losses					
Allstate brand	\$ 3,519	\$ 3,495	\$ 3,455	\$ 3,431	\$ 3,175
Esurance brand	289	294	285	300	297
Encompass brand	123	126	135	129	116
	<u>3,931</u>	<u>3,915</u>	<u>3,875</u>	<u>3,860</u>	<u>3,588</u>
Expenses					
Allstate brand	\$ 1,103	\$ 1,077	\$ 1,086	\$ 1,155	\$ 1,113
Esurance brand	123	119	125	132	155
Encompass brand	45	44	46	50	47
	<u>1,271</u>	<u>1,240</u>	<u>1,257</u>	<u>1,337</u>	<u>1,315</u>
Underwriting income (loss)					
Allstate brand	\$ 45	\$ 66	\$ 56	\$ (62)	\$ 144
Esurance brand	(18)	(22)	(18)	(35)	(70)
Encompass brand	(9)	(8)	(16)	(14)	2
	<u>18</u>	<u>36</u>	<u>22</u>	<u>(111)</u>	<u>76</u>
Loss ratio					
Allstate brand	75.4	75.4	75.2	75.9	71.7
Esurance brand	73.4	75.2	72.7	75.6	77.7
Encompass brand	77.4	77.8	81.8	78.2	70.3
Allstate Protection	75.3	75.4	75.2	75.9	72.1
Expense ratio					
Allstate brand	23.6	23.2	23.6	25.5	25.1
Esurance brand	31.2	30.4	31.9	33.2	40.6
Encompass brand	28.3	27.1	27.9	30.3	28.5
Allstate Protection	24.4	23.9	24.4	26.3	26.4
Combined ratio					
Allstate brand	99.0	98.6	98.8	101.4	96.8
Esurance brand	104.6	105.6	104.6	108.8	118.3
Encompass brand	105.7	104.9	109.7	108.5	98.8
Allstate Protection	99.7	99.3	99.6	102.2	98.5
Effect of catastrophe losses on combined ratio					
Allstate brand	2.9	1.1	0.5	3.2	0.3
Esurance brand	0.5	0.5	0.5	1.8	-
Encompass brand	1.3	0.6	0.6	3.0	-
Allstate Protection	2.7	1.0	0.5	3.1	0.3
Effect of prior year reserve reestimates on combined ratio					
Allstate brand	0.1	(0.3)	0.1	0.4	0.8
Esurance brand	(1.0)	(1.3)	(1.3)	(0.8)	(1.0)
Encompass brand	1.3	(0.6)	7.9	(1.2)	(4.8)
Allstate Protection	0.1	(0.4)	0.3	0.2	0.5
Effect of catastrophe losses included in prior year reserve reestimates on combined ratio					
Allstate brand	(0.1)	(0.2)	(0.1)	-	(0.1)
Esurance brand	-	-	0.2	-	-
Encompass brand	-	-	-	-	(0.6)
Allstate Protection	(0.1)	(0.2)	-	(0.1)	-
Effect of amortization of purchased intangible assets on combined ratio					
Esurance brand	1.5	2.3	2.0	2.3	2.3
Allstate Protection	0.1	0.2	0.2	0.1	0.2

**THE ALLSTATE CORPORATION
HOMEOWNERS PROFITABILITY MEASURES**

Three months ended

(\$ in millions)	March 31, 2016	Dec. 31, 2015	Sept. 30, 2015	June 30, 2015	March 31, 2015
Net premiums written					
Allstate brand	\$ 1,392	\$ 1,634	\$ 1,879	\$ 1,819	\$ 1,379
Esurance brand	11	9	9	7	5
Encompass brand	104	116	134	136	111
	<u>1,507</u>	<u>1,759</u>	<u>2,022</u>	<u>1,962</u>	<u>1,495</u>
Net premiums earned					
Allstate brand	\$ 1,678	\$ 1,674	\$ 1,663	\$ 1,645	\$ 1,631
Esurance brand	8	7	5	4	3
Encompass brand	124	124	127	126	127
	<u>1,810</u>	<u>1,805</u>	<u>1,795</u>	<u>1,775</u>	<u>1,761</u>
Incurred losses					
Allstate brand	\$ 1,190	\$ 816	\$ 820	\$ 1,147	\$ 894
Esurance brand	4	4	4	3	1
Encompass brand	85	61	75	117	74
	<u>1,279</u>	<u>881</u>	<u>899</u>	<u>1,267</u>	<u>969</u>
Expenses					
Allstate brand	\$ 377	\$ 372	\$ 385	\$ 372	\$ 389
Esurance brand	11	9	10	7	-
Encompass brand	36	34	36	38	37
	<u>424</u>	<u>415</u>	<u>431</u>	<u>417</u>	<u>426</u>
Underwriting income (loss)					
Allstate brand	\$ 111	\$ 486	\$ 458	\$ 126	\$ 348
Esurance brand	(7)	(6)	(9)	(6)	2
Encompass brand	3	29	16	(29)	16
	<u>107</u>	<u>509</u>	<u>465</u>	<u>91</u>	<u>366</u>
Loss ratio					
Allstate brand	70.9	48.8	49.3	69.7	54.8
Esurance brand	50.0	57.1	80.0	75.0	33.3
Encompass brand	68.6	49.2	59.1	92.8	58.3
Allstate Protection	70.7	48.8	50.1	71.4	55.0
Expense ratio					
Allstate brand	22.5	22.2	23.2	22.6	23.9
Esurance brand	137.5	128.6	200.0	175.0	-
Encompass brand	29.0	27.4	28.3	30.2	29.1
Allstate Protection	23.4	23.0	24.0	23.5	24.2
Combined ratio					
Allstate brand	93.4	71.0	72.5	92.3	78.7
Esurance brand	187.5	185.7	280.0	250.0	33.3
Encompass brand	97.6	76.6	87.4	123.0	87.4
Allstate Protection	94.1	71.8	74.1	94.9	79.2
Effect of catastrophe losses on combined ratio					
Allstate brand	34.2	15.0	12.4	32.1	13.9
Esurance brand	12.5	14.3	20.0	25.0	-
Encompass brand	30.7	9.7	11.8	41.3	14.2
Allstate Protection	33.9	14.6	12.4	32.7	13.9
Effect of prior year reserve reestimates on combined ratio					
Allstate brand	(0.5)	(0.5)	(0.9)	-	0.2
Esurance brand	-	-	-	-	-
Encompass brand	0.8	(4.9)	-	2.3	(1.6)
Allstate Protection	(0.4)	(0.8)	(0.8)	0.2	0.1
Effect of catastrophe losses included in prior year reserve reestimates on combined ratio					
Allstate brand	(0.3)	(0.5)	(0.1)	0.5	(0.1)
Esurance brand	-	-	-	-	-
Encompass brand	1.6	(0.8)	1.6	-	(1.6)
Allstate Protection	(0.2)	(0.5)	0.1	0.4	(0.1)

THE ALLSTATE CORPORATION
OTHER PERSONAL LINES PROFITABILITY MEASURES ⁽¹⁾

Three months ended

(\$ in millions)	March 31, 2016	Dec. 31, 2015	Sept. 30, 2015	June 30, 2015	March 31, 2015
Net premiums written					
Allstate brand	\$ 353	\$ 376	\$ 429	\$ 424	\$ 357
Esurance brand	2	1	3	1	2
Encompass brand	21	25	28	29	24
	<u>376</u>	<u>402</u>	<u>460</u>	<u>454</u>	<u>383</u>
Net premiums earned					
Allstate brand	\$ 393	\$ 395	\$ 396	\$ 395	\$ 391
Esurance brand	2	2	2	1	2
Encompass brand	26	27	27	27	27
	<u>421</u>	<u>424</u>	<u>425</u>	<u>423</u>	<u>420</u>
Incurred losses					
Allstate brand	\$ 261	\$ 216	\$ 241	\$ 259	\$ 244
Esurance brand	1	1	1	1	1
Encompass brand	31	27	23	27	23
	<u>293</u>	<u>244</u>	<u>265</u>	<u>287</u>	<u>268</u>
Expenses					
Allstate brand	\$ 103	\$ 101	\$ 109	\$ 105	\$ 105
Esurance brand	1	1	-	-	2
Encompass brand	7	7	8	7	8
	<u>111</u>	<u>109</u>	<u>117</u>	<u>112</u>	<u>115</u>
Underwriting income (loss)					
Allstate brand	\$ 29	\$ 78	\$ 46	\$ 31	\$ 42
Esurance brand	-	-	1	-	(1)
Encompass brand	(12)	(7)	(4)	(7)	(4)
	<u>17</u>	<u>71</u>	<u>43</u>	<u>24</u>	<u>37</u>
Loss ratio					
Allstate brand	66.4	54.7	60.9	65.6	62.4
Esurance brand	50.0	50.0	50.0	100.0	50.0
Encompass brand	119.3	100.0	85.2	100.0	85.2
Allstate Protection	69.6	57.6	62.4	67.8	63.8
Expense ratio					
Allstate brand	26.2	25.6	27.5	26.6	26.9
Esurance brand	50.0	50.0	-	-	100.0
Encompass brand	26.9	25.9	29.6	25.9	29.6
Allstate Protection	26.4	25.7	27.5	26.5	27.4
Combined ratio					
Allstate brand	92.6	80.3	88.4	92.2	89.3
Esurance brand	100.0	100.0	50.0	100.0	150.0
Encompass brand	146.2	125.9	114.8	125.9	114.8
Allstate Protection	96.0	83.3	89.9	94.3	91.2
Effect of catastrophe losses on combined ratio					
Allstate brand	16.0	8.4	4.5	11.9	7.4
Esurance brand	-	-	-	-	-
Encompass brand	3.8	7.4	3.7	7.4	7.4
Allstate Protection	15.2	8.3	4.5	11.6	7.4
Effect of prior year reserve reestimates on combined ratio					
Allstate brand	(1.5)	(0.3)	1.8	1.1	(0.5)
Esurance brand	-	-	-	-	-
Encompass brand	42.3	3.7	14.8	7.4	11.1
Allstate Protection	1.2	-	2.6	1.4	0.2
Effect of catastrophe losses included in prior year reserve reestimates on combined ratio					
Allstate brand	-	(0.3)	-	-	(0.3)
Esurance brand	-	-	-	-	-
Encompass brand	(3.9)	-	(3.7)	3.7	-
Allstate Protection	(0.3)	(0.2)	(0.2)	0.3	(0.3)

⁽¹⁾ Other personal lines include renter, condominium, landlord and other personal lines products.

THE ALLSTATE CORPORATION
COMMERCIAL LINES PROFITABILITY MEASURES ⁽¹⁾

Three months ended

(\$ in millions)	March 31, 2016	Dec. 31, 2015	Sept. 30, 2015	June 30, 2015	March 31, 2015
Net premiums written	\$ 126	\$ 126	\$ 124	\$ 138	\$ 128
Net premiums earned	\$ 129	\$ 129	\$ 128	\$ 128	\$ 125
Incurred losses	\$ 119	\$ 100	\$ 97	\$ 105	\$ 98
Expenses	\$ 38	\$ 36	\$ 36	\$ 40	\$ 38
Underwriting (loss) income	\$ (28)	\$ (7)	\$ (5)	\$ (17)	\$ (11)
Loss ratio	92.2	77.5	75.8	82.0	78.4
Expense ratio	29.5	27.9	28.1	31.3	30.4
Combined ratio	121.7	105.4	103.9	113.3	108.8
Effect of catastrophe losses on combined ratio	7.0	4.6	2.3	9.4	4.0
Effect of prior year reserve reestimates on combined ratio	15.5	-	(9.3)	3.1	8.0
Effect of catastrophe losses included in prior year reserve reestimates on combined ratio	2.4	0.8	-	2.3	0.8

⁽¹⁾ Commercial lines are all Allstate Brand products.

THE ALLSTATE CORPORATION
OTHER BUSINESS LINES PROFITABILITY MEASURES ⁽¹⁾

Three months ended

(\$ in millions)	March 31, 2016	Dec. 31, 2015	Sept. 30, 2015	June 30, 2015	March 31, 2015
Net premiums written	\$ 183	\$ 168	\$ 205	\$ 199	\$ 184
Net premiums earned	\$ 143	\$ 135	\$ 148	\$ 137	\$ 141
Incurred losses	\$ 61	\$ 57	\$ 71	\$ 66	\$ 69
Expenses	\$ 68	\$ 72	\$ 61	\$ 63	\$ 69
Underwriting income	\$ 14	\$ 6	\$ 16	\$ 8	\$ 3
Loss ratio	42.7	42.2	48.0	48.2	49.0
Expense ratio	47.5	53.4	41.2	46.0	48.9
Combined ratio	90.2	95.6	89.2	94.2	97.9
Effect of catastrophe losses on combined ratio	-	-	-	-	-
Effect of prior year reserve reestimates on combined ratio	-	-	0.7	0.7	-
Effect of catastrophe losses included in prior year reserve reestimates on combined ratio	-	-	-	-	-
Effect of amortization of purchased intangible assets	0.7	0.8	0.7	0.8	0.7

⁽¹⁾ Other business lines include Allstate Roadside Services, Allstate Dealer Services and other business lines, primarily Allstate Brand.

THE ALLSTATE CORPORATION
AUTO, HOMEOWNERS AND OTHER PERSONAL LINES UNDERLYING COMBINED RATIOS

Three months ended

	March 31, 2016	Dec. 31, 2015	Sept. 30, 2015	June 30, 2015	March 31, 2015
Auto					
Allstate brand underlying combined ratio	95.9	97.6	98.1	97.8	95.6
Effect of catastrophe losses on combined ratio	2.9	1.1	0.5	3.2	0.3
Effect of prior year non-catastrophe reserve reestimates on combined ratio	0.2	(0.1)	0.2	0.4	0.9
Allstate brand combined ratio	<u>99.0</u>	<u>98.6</u>	<u>98.8</u>	<u>101.4</u>	<u>96.8</u>
Esurance brand underlying combined ratio	103.6	104.1	103.6	105.5	117.0
Effect of catastrophe losses on combined ratio	0.5	0.5	0.5	1.8	-
Effect of prior year non-catastrophe reserve reestimates on combined ratio	(1.0)	(1.3)	(1.5)	(0.8)	(1.0)
Effect of amortization of purchased intangible assets on combined ratio	1.5	2.3	2.0	2.3	2.3
Esurance brand combined ratio	<u>104.6</u>	<u>105.6</u>	<u>104.6</u>	<u>108.8</u>	<u>118.3</u>
Encompass brand underlying combined ratio	103.1	104.9	101.2	106.7	103.0
Effect of catastrophe losses on combined ratio	1.3	0.6	0.6	3.0	-
Effect of prior year non-catastrophe reserve reestimates on combined ratio	1.3	(0.6)	7.9	(1.2)	(4.2)
Encompass brand combined ratio	<u>105.7</u>	<u>104.9</u>	<u>109.7</u>	<u>108.5</u>	<u>98.8</u>
Homeowners					
Allstate brand underlying combined ratio	59.4	56.0	60.9	60.7	64.5
Effect of catastrophe losses on combined ratio	34.2	15.0	12.4	32.1	13.9
Effect of prior year non-catastrophe reserve reestimates on combined ratio	(0.2)	-	(0.8)	(0.5)	0.3
Allstate brand combined ratio	<u>93.4</u>	<u>71.0</u>	<u>72.5</u>	<u>92.3</u>	<u>78.7</u>
Encompass brand underlying combined ratio	67.7	71.0	77.2	79.4	73.2
Effect of catastrophe losses on combined ratio	30.7	9.7	11.8	41.3	14.2
Effect of prior year non-catastrophe reserve reestimates on combined ratio	(0.8)	(4.1)	(1.6)	2.3	-
Encompass brand combined ratio	<u>97.6</u>	<u>76.6</u>	<u>87.4</u>	<u>123.0</u>	<u>87.4</u>
Other Personal Lines					
Allstate brand underlying combined ratio	78.1	71.9	82.1	79.2	82.1
Effect of catastrophe losses on combined ratio	16.0	8.4	4.5	11.9	7.4
Effect of prior year non-catastrophe reserve reestimates on combined ratio	(1.5)	-	1.8	1.1	(0.2)
Allstate brand combined ratio	<u>92.6</u>	<u>80.3</u>	<u>88.4</u>	<u>92.2</u>	<u>89.3</u>
Encompass brand underlying combined ratio	96.2	114.8	92.6	114.8	96.3
Effect of catastrophe losses on combined ratio	3.8	7.4	3.7	7.4	7.4
Effect of prior year non-catastrophe reserve reestimates on combined ratio	46.2	3.7	18.5	3.7	11.1
Encompass brand combined ratio	<u>146.2</u>	<u>125.9</u>	<u>114.8</u>	<u>125.9</u>	<u>114.8</u>

THE ALLSTATE CORPORATION
ALLSTATE BRAND AUTO AND HOMEOWNERS UNDERLYING LOSS AND EXPENSE

	Three months ended				
	March 31, 2016	Dec. 31, 2015	Sept. 30, 2015	June 30, 2015	March 31, 2015
Auto					
Annualized average premium ⁽¹⁾	\$ 927	\$ 913	\$ 903	\$ 893	\$ 885
Underlying combined ratios	95.9	97.6	98.1	97.8	95.6
Average underlying loss (incurred pure premium) and expense *	\$ 889	\$ 891	\$ 886	\$ 874	\$ 846
Homeowners					
Annualized average premium ⁽¹⁾	\$ 1,091	\$ 1,085	\$ 1,079	\$ 1,071	\$ 1,067
Underlying combined ratios	59.4	56.0	60.9	60.7	64.5
Average underlying loss (incurred pure premium) and expense	\$ 648	\$ 607	\$ 657	\$ 650	\$ 688

⁽¹⁾ Calculated by annualizing net earned premium reported in the quarter divided by policies in force at quarter end.

THE ALLSTATE CORPORATION
HOMEOWNERS SUPPLEMENTAL INFORMATION

(\$ in millions)

Three months ended March 31, 2016

Primary Exposure Groupings ⁽¹⁾	Earned premiums	Incurred losses	Loss ratios	Catastrophe losses	Effect of catastrophes on loss ratio	Number of catastrophes	Premium rate changes ⁽³⁾	
							Number of locations	Annual impact of rate changes on state specific premiums written
Florida	\$ 26	\$ 18	69.2%	\$ -	0.0%			
Other hurricane exposure states	969	876	90.4%	549	56.7%			
Total hurricane exposure states ⁽²⁾	995	894	89.8%	549	55.2%		8	7.6%
Other catastrophe exposure states ⁽⁴⁾	815	385	47.2%	64	7.9%		11	(7.5)%
Total	\$ 1,810	\$ 1,279	70.7%	\$ 613	33.9%	17	19	(1.6)%

⁽¹⁾ **Basis of Presentation**

This homeowners supplemental information schedule displays financial results for the homeowners business (defined to include standard homeowners, scheduled personal property and other than primary residence lines). Each state in which the Company writes business has been categorized into one of two exposure groupings (Hurricane or Other). Hurricane exposure states are comprised of those states in which hurricanes are the primary catastrophe exposure. However, the catastrophe losses for these states include losses due to other kinds of catastrophes. A catastrophe is defined by Allstate as an event that produces pre-tax losses before reinsurance in excess of \$1 million and involves multiple first party policyholders, or a winter weather event that produces a number of claims in excess of a preset, per-event threshold of average claims in a specific area, occurring within a certain amount of time following the event.

⁽²⁾ Hurricane exposure states include the following coastal locations: Alabama, Connecticut, Delaware, Florida, Georgia, Louisiana, Maine, Maryland, Massachusetts, Mississippi, New Hampshire, New Jersey, New York, North Carolina, Pennsylvania, Rhode Island, South Carolina, Texas, Virginia and Washington, D.C.

⁽³⁾ Represents the impact in the locations where rate changes were approved during the year as a percentage of total prior year-end premiums written in those locations.

⁽⁴⁾ Includes Canada.

THE ALLSTATE CORPORATION
CATASTROPHE LOSSES BY BRAND
(\$ in millions)

Three months ended

	March 31, 2016	Dec. 31, 2015	Sept. 30, 2015	June 30, 2015	March 31, 2015
Allstate brand					
Auto	\$ 137	\$ 50	\$ 22	\$ 143	\$ 13
Homeowners	574	251	207	528	227
Other personal lines	63	33	18	47	29
Commercial lines	9	6	3	12	5
Other business lines	-	-	-	-	-
Total	<u>783</u>	<u>340</u>	<u>250</u>	<u>730</u>	<u>274</u>
Esurance brand					
Auto	2	2	2	7	-
Homeowners	1	1	1	1	-
Other personal lines	-	-	-	-	-
Total	<u>3</u>	<u>3</u>	<u>3</u>	<u>8</u>	<u>-</u>
Encompass brand					
Auto	2	1	1	5	-
Homeowners	38	12	15	52	18
Other personal lines	1	2	1	2	2
Total	<u>41</u>	<u>15</u>	<u>17</u>	<u>59</u>	<u>20</u>
Allstate Protection	<u>\$ 827</u>	<u>\$ 358</u>	<u>\$ 270</u>	<u>\$ 797</u>	<u>\$ 294</u>
Allstate Protection					
Auto	\$ 141	\$ 53	\$ 25	\$ 155	\$ 13
Homeowners	613	264	223	581	245
Other personal lines	64	35	19	49	31
Commercial lines	9	6	3	12	5
Other business lines	-	-	-	-	-
Total	<u>\$ 827</u>	<u>\$ 358</u>	<u>\$ 270</u>	<u>\$ 797</u>	<u>\$ 294</u>

THE ALLSTATE CORPORATION
PROPERTY-LIABILITY
EFFECT OF CATASTROPHE LOSSES ON THE COMBINED RATIO
(\$ in millions)

	Effect of all catastrophe losses on the Property-Liability combined ratio					Premiums earned year-to-date	Total catastrophe losses by year	Excludes the effect of catastrophe losses relating to earthquakes and hurricanes	
	Quarter 1	Quarter 2	Quarter 3	Quarter 4	Year			Total catastrophe losses by year	Effect on the Property-Liability combined ratio
2007	2.4	6.3	5.0	7.0	5.2	\$ 27,233	\$ 1,409	1,336	4.9
2008	8.4	10.3	26.8	3.9	12.4	26,967	3,342	1,876	7.0
2009	7.8	12.5	6.2	5.0	7.9	26,194	2,069	2,159	8.2
2010	10.0	9.8	5.9	8.3	8.5	25,957	2,207	2,272	8.8
2011	5.2	36.2	16.7	1.0	14.7	25,942	3,815	3,298	12.7
2012	3.9	12.3	3.1	15.7	8.8	26,737	2,345	1,324	5.0
2013	5.3	9.4	1.8	1.7	4.5	27,618	1,251	1,352	4.9
2014	6.3	13.0	7.1	1.3	6.9	28,929	1,993	2,000	6.9
2015	4.0	10.6	3.5	4.7	5.7	30,309	1,719	1,749	5.8
2016	10.7					7,723	827	827	10.7
Average	6.4	13.2	8.3	5.3	8.3				7.2

THE ALLSTATE CORPORATION
CATASTROPHE BY SIZE OF EVENT
(\$ in millions)

Three months ended March 31, 2016

Size of catastrophe	Number of events		Claims and claims expense		Combined ratio impact	Average catastrophe loss per event
Greater than \$250 million	1	5.9 %	\$ 340	41.1 %	4.4 %	\$ 340
\$101 million to \$250 million	1	5.9	196	23.7	2.6	196
\$50 million to \$100 million	1	5.9	63	7.6	0.8	63
Less than \$50 million	14	82.3	231	27.9	3.0	17
Total	<u>17</u>	<u>100.0 %</u>	<u>830</u>	<u>100.3</u>	<u>10.8</u>	<u>49</u>
Prior year reserve reestimates			(3)	(0.3)	(0.1)	
Total catastrophe losses			<u>\$ 827</u>	<u>100.0 %</u>	<u>10.7 %</u>	

THE ALLSTATE CORPORATION
PROPERTY-LIABILITY
PRIOR YEAR RESERVE REESTIMATES
(\$ in millions)

Three months ended

	March 31, 2016	Dec. 31, 2015	Sept. 30, 2015	June 30, 2015	March 31, 2015
Prior Year Reserve Reestimates ⁽¹⁾					
Auto	\$ 5	\$ (19)	\$ 14	\$ 11	\$ 24
Homeowners	(7)	(14)	(15)	4	1
Other personal lines	5	-	11	6	1
Commercial lines	20	-	(12)	4	10
Other business lines	-	-	1	1	-
Allstate Protection	23	(33)	(1)	26	36
Discontinued Lines and Coverages	1	2	48	2	1
Property-Liability	<u>\$ 24</u>	<u>\$ (31)</u>	<u>\$ 47</u>	<u>\$ 28</u>	<u>\$ 37</u>
Allstate brand ⁽²⁾	\$ 13	\$ (22)	\$ (13)	\$ 26	\$ 47
Esurance brand	(4)	(5)	(5)	(3)	(4)
Encompass brand ⁽²⁾	14	(6)	17	3	(7)
Allstate Protection ⁽²⁾	<u>\$ 23</u>	<u>\$ (33)</u>	<u>\$ (1)</u>	<u>\$ 26</u>	<u>\$ 36</u>
Effect of Prior Year Reserve Reestimates on Combined Ratio ⁽¹⁾⁽³⁾					
Auto	-	(0.2)	0.2	0.2	0.3
Homeowners	(0.1)	(0.2)	(0.2)	-	-
Other personal lines	-	-	0.1	0.1	-
Commercial lines	0.3	-	(0.1)	-	0.2
Other business lines	-	-	-	-	-
Allstate Protection	0.2	(0.4)	-	0.3	0.5
Discontinued Lines and Coverages	0.1	-	0.6	-	-
Property-Liability	<u>0.3</u>	<u>(0.4)</u>	<u>0.6</u>	<u>0.3</u>	<u>0.5</u>
Allstate brand ⁽²⁾	0.1	(0.3)	(0.2)	0.3	0.6
Esurance brand	(0.1)	-	-	-	-
Encompass brand ⁽²⁾	0.2	(0.1)	0.2	-	(0.1)
Allstate Protection ⁽²⁾	<u>0.2</u>	<u>(0.4)</u>	<u>-</u>	<u>0.3</u>	<u>0.5</u>

⁽¹⁾ Favorable reserve reestimates are shown in parentheses.

⁽²⁾ (Favorable) unfavorable reserve reestimates included in catastrophe losses for Allstate brand, Esurance brand, Encompass brand and Allstate Protection totaled \$(4) million, \$0 million, \$1 million, \$(3) million and \$(2) million, \$0 million, \$(3) million and \$(5) million, respectively, in the three months ended March 31, 2016 and 2015, respectively.

⁽³⁾ Calculated using Property-Liability premiums earned for the respective period.

THE ALLSTATE CORPORATION
ASBESTOS AND ENVIRONMENTAL RESERVES
(\$ in millions)

	Three months ended March 31, 2016	Twelve months ended December 31,				
		2015	2014	2013	2012	2011
(net of reinsurance)						
Asbestos claims						
Beginning reserves	\$ 960	\$ 1,014	\$ 1,017	\$ 1,026	\$ 1,078	\$ 1,100
Incurred claims and claims expense	-	39	87	74	26	26
Claims and claims expense paid	(53)	(93)	(90)	(83)	(78)	(48)
Ending reserves	<u>\$ 907</u>	<u>\$ 960</u>	<u>\$ 1,014</u>	<u>\$ 1,017</u>	<u>\$ 1,026</u>	<u>\$ 1,078</u>
Claims and claims expense paid as a percent of ending reserves	5.8%	9.7%	8.9%	8.2%	7.6%	4.5%
Environmental claims						
Beginning reserves	\$ 179	\$ 203	\$ 208	\$ 193	\$ 185	\$ 201
Incurred claims and claims expense	-	1	15	30	22	-
Claims and claims expense paid	(2)	(25)	(20)	(15)	(14)	(16)
Ending reserves	<u>\$ 177</u>	<u>\$ 179</u>	<u>\$ 203</u>	<u>\$ 208</u>	<u>\$ 193</u>	<u>\$ 185</u>
Claims and claims expense paid as a percent of ending reserves	1.1%	14.0%	9.9%	7.2%	7.3%	8.6%

THE ALLSTATE CORPORATION
ALLSTATE PERSONAL LINES - AUTO, HOMEOWNERS, OTHER PERSONAL LINES AND COMMERCIAL LINES PROFITABILITY MEASURES ⁽¹⁾
(\$ in millions)

Three months ended

	March 31, 2016	Dec. 31, 2015	Sept. 30, 2015	June 30, 2015	March 31, 2015
Net premiums written					
Auto	\$ 4,746	\$ 4,576	\$ 4,746	\$ 4,588	\$ 4,535
Homeowners	1,392	1,634	1,879	1,819	1,379
Landlord	122	137	143	138	128
Renter	67	65	84	73	67
Condominium	53	58	64	63	51
Other	111	116	138	150	111
Other personal lines	353	376	429	424	357
Commercial lines	126	126	124	138	128
Total	<u>6,617</u>	<u>6,712</u>	<u>7,178</u>	<u>6,969</u>	<u>6,399</u>
Net premiums earned					
Auto	\$ 4,667	\$ 4,638	\$ 4,597	\$ 4,524	\$ 4,432
Homeowners	1,678	1,674	1,663	1,645	1,631
Other personal lines	393	395	396	395	391
Commercial lines	129	129	128	128	125
Total	<u>6,867</u>	<u>6,836</u>	<u>6,784</u>	<u>6,692</u>	<u>6,579</u>
Incurred losses					
Auto	\$ 3,519	\$ 3,495	\$ 3,455	\$ 3,431	\$ 3,175
Homeowners	1,190	816	820	1,147	894
Other personal lines	261	216	241	259	244
Commercial lines	119	100	97	105	98
Total	<u>5,089</u>	<u>4,627</u>	<u>4,613</u>	<u>4,942</u>	<u>4,411</u>
Expenses					
Auto	\$ 1,103	\$ 1,077	\$ 1,086	\$ 1,155	\$ 1,113
Homeowners	377	372	385	372	389
Other personal lines	103	101	109	105	105
Commercial lines	38	36	36	40	38
Total	<u>1,621</u>	<u>1,586</u>	<u>1,616</u>	<u>1,672</u>	<u>1,645</u>
Underwriting income (loss)					
Auto	\$ 45	\$ 66	\$ 56	\$ (62)	\$ 144
Homeowners	111	486	458	126	348
Other personal lines	29	78	46	31	42
Commercial lines	(28)	(7)	(5)	(17)	(11)
Total	<u>157</u>	<u>623</u>	<u>555</u>	<u>78</u>	<u>523</u>
Loss ratio	74.1	67.7	68.0	73.8	67.1
Expense ratio	<u>23.6</u>	<u>23.2</u>	<u>23.8</u>	<u>25.0</u>	<u>25.0</u>
Combined ratio	97.7	90.9	91.8	98.8	92.1
Effect of catastrophe losses on combined ratio	11.4	5.0	3.7	10.9	4.2
Effect of prior year reserve reestimates on combined ratio	0.2	(0.3)	(0.2)	0.3	0.7
Underlying combined ratio	86.1	86.0	88.3	87.7	87.1
Effect of catastrophe losses	11.4	5.0	3.7	10.9	4.2
Effect of prior year non-catastrophe reserve reestimates	0.2	(0.1)	(0.2)	0.2	0.8
Combined ratio	<u>97.7</u>	<u>90.9</u>	<u>91.8</u>	<u>98.8</u>	<u>92.1</u>
Policies in Force (in thousands)					
Auto	20,145	20,326	20,367	20,258	20,036
Homeowners	6,152	6,174	6,163	6,141	6,114
Other personal lines	4,208	4,219	4,208	4,170	4,135
Commercial lines	318	324	328	330	326
Excess and surplus	24	25	26	26	27
Total	<u>30,847</u>	<u>31,068</u>	<u>31,092</u>	<u>30,925</u>	<u>30,638</u>

(1) Allstate Personal Lines comprise Allstate brand auto, homeowners, other personal lines and commercial lines. Allstate Protection segment comprises Allstate Personal Lines and Emerging Businesses.

THE ALLSTATE CORPORATION
EMERGING BUSINESSES - ESURANCE, ENCOMPASS, OTHER BUSINESS LINES AND ANSWER FINANCIAL PROFITABILITY MEASURES ⁽¹⁾
(\$ in millions)

Three months ended

	March 31, 2016	Dec. 31, 2015	Sept. 30, 2015	June 30, 2015	March 31, 2015
Net premiums written					
Esurance	\$ 452	\$ 378	\$ 423	\$ 371	\$ 441
Encompass	263	293	331	338	282
Allstate Roadside Services	77	70	87	88	91
Allstate Dealer Services	106	98	118	111	93
Other business lines	183	168	205	199	184
Total	<u>898</u>	<u>839</u>	<u>959</u>	<u>908</u>	<u>907</u>
Net premiums earned					
Esurance	\$ 404	\$ 400	\$ 399	\$ 402	\$ 387
Encompass	309	313	319	318	319
Other business lines	143	135	148	137	141
Total	<u>856</u>	<u>848</u>	<u>866</u>	<u>857</u>	<u>847</u>
Incurred losses					
Esurance	\$ 294	\$ 299	\$ 290	\$ 304	\$ 299
Encompass	239	214	233	273	213
Other business lines	61	57	71	66	69
Total	<u>594</u>	<u>570</u>	<u>594</u>	<u>643</u>	<u>581</u>
Expenses					
Esurance	\$ 135	\$ 129	\$ 135	\$ 139	\$ 157
Encompass	88	85	90	95	92
Other business lines	68	72	61	63	69
Answer Financial	1	2	1	3	2
Total	<u>292</u>	<u>288</u>	<u>287</u>	<u>300</u>	<u>320</u>
Underwriting income (loss)					
Esurance	\$ (25)	\$ (28)	\$ (26)	\$ (41)	\$ (69)
Encompass	(18)	14	(4)	(50)	14
Other business lines	14	6	16	8	3
Answer Financial	(1)	(2)	(1)	(3)	(2)
Total	<u>(30)</u>	<u>(10)</u>	<u>(15)</u>	<u>(86)</u>	<u>(54)</u>
Loss ratio	69.4	67.2	68.6	75.0	68.6
Expense ratio	34.1	34.0	33.1	35.0	37.8
Combined ratio	<u>103.5</u>	<u>101.2</u>	<u>101.7</u>	<u>110.0</u>	<u>106.4</u>
Effect of catastrophe losses on combined ratio	5.1	2.1	2.3	7.8	2.4
Effect of prior year reserve reestimates on combined ratio	1.2	(1.3)	1.5	0.1	(1.3)
Effect of amortization of purchased intangible assets	-	1.6	1.4	1.5	1.4
Underlying combined ratio	97.3	98.7	96.8	100.7	103.5
Effect of catastrophe losses	5.1	2.1	2.3	7.8	2.4
Effect of prior year non-catastrophe reserve reestimates	1.1	(1.2)	1.2	-	(0.9)
Effect of amortization of purchased intangible assets	-	1.6	1.4	1.5	1.4
Combined ratio	<u>103.5</u>	<u>101.2</u>	<u>101.7</u>	<u>110.0</u>	<u>106.4</u>
Policies in Force (in thousands)					
Esurance	1,511	1,491	1,503	1,522	1,527
Encompass	1,138	1,172	1,207	1,240	1,259
Other business lines	856	894	920	937	941
Total	<u>3,505</u>	<u>3,557</u>	<u>3,630</u>	<u>3,699</u>	<u>3,727</u>

⁽¹⁾ Emerging businesses include Esurance, Encompass, Allstate Roadside Services, Allstate Dealer Services, Ivantage and Answer Financial.

THE ALLSTATE CORPORATION
ALLSTATE FINANCIAL RESULTS
(\$ in millions)

Three months ended

	March 31, 2016	Dec. 31, 2015	Sept. 30, 2015	June 30, 2015	March 31, 2015
Premiums	\$ 354	\$ 339	\$ 329	\$ 326	\$ 328
Contract charges	212	208	209	210	209
Net investment income	419	420	491	489	484
Contract benefits	(455)	(456)	(460)	(446)	(441)
Interest credited to contractholder funds	(184)	(186)	(191)	(191)	(192)
Amortization of deferred policy acquisition costs	(71)	(65)	(61)	(62)	(69)
Operating costs and expenses	(123)	(119)	(112)	(118)	(123)
Restructuring and related charges	-	3	(1)	(2)	-
Income tax expense on operations	(48)	(46)	(66)	(67)	(62)
Operating income	104	98	138	139	134
Realized capital gains and losses, after-tax	(32)	(62)	125	38	72
Valuation changes on embedded derivatives that are not hedged, after-tax	(4)	2	(2)	4	(5)
DAC and DSI amortization relating to realized capital gains and losses and valuation changes on embedded derivatives that are not hedged, after-tax	(1)	-	(1)	(2)	-
Gain (loss) on disposition of operations, after-tax	1	1	2	-	(1)
Change in accounting for investments in qualified affordable housing projects, after-tax	-	-	-	-	(17)
Net income applicable to common shareholders	\$ 68	\$ 39	\$ 262	\$ 179	\$ 183

THE ALLSTATE CORPORATION
ALLSTATE FINANCIAL
RETURN ON ATTRIBUTED EQUITY
(\$ in millions)

Twelve months ended

	March 31, 2016	Dec. 31, 2015	Sept. 30, 2015	June 30, 2015	March 31, 2015
Return on Attributed Equity					
Numerator:					
Net income applicable to common shareholders ⁽¹⁾	\$ <u>548</u>	\$ <u>663</u>	\$ <u>832</u>	\$ <u>686</u>	\$ <u>652</u>
Denominator:					
Beginning attributed equity ⁽²⁾	\$ 7,920	\$ 7,672	\$ 7,356	\$ 7,262	\$ 7,812
Ending attributed equity	7,680	7,350	7,475	7,621	7,920
Average attributed equity ⁽³⁾	\$ <u>7,800</u>	\$ <u>7,511</u>	\$ <u>7,416</u>	\$ <u>7,442</u>	\$ <u>7,866</u>
Return on attributed equity	<u>7.0</u> %	<u>8.8</u> %	<u>11.2</u> %	<u>9.2</u> %	<u>8.3</u> %
Operating Income Return on Attributed Equity					
Numerator:					
Operating income ⁽¹⁾	\$ <u>479</u>	\$ <u>509</u>	\$ <u>539</u>	\$ <u>526</u>	\$ <u>552</u>
Denominator:					
Beginning attributed equity ⁽²⁾	\$ 7,920	\$ 7,672	\$ 7,356	\$ 7,262	\$ 7,812
Unrealized net capital gains and losses	1,499	1,420	1,305	1,285	1,280
Adjusted beginning attributed equity	6,421	6,252	6,051	5,977	6,532
Ending attributed equity	7,680	7,350	7,475	7,621	7,920
Unrealized net capital gains and losses	824	556	722	1,030	1,499
Adjusted ending attributed equity	6,856	6,794	6,753	6,591	6,421
Average adjusted attributed equity ⁽³⁾	\$ <u>6,639</u>	\$ <u>6,523</u>	\$ <u>6,402</u>	\$ <u>6,284</u>	\$ <u>6,477</u>
Operating income return on attributed equity	<u>7.2</u> %	<u>7.8</u> %	<u>8.4</u> %	<u>8.4</u> %	<u>8.5</u> %

⁽¹⁾ Net income applicable to common shareholders and operating income reflect a trailing twelve-month period.

⁽²⁾ Allstate Financial attributed equity is the sum of equity for Allstate Life Insurance Company and the applicable equity for Allstate Financial Insurance Holdings Corporation.

⁽³⁾ Average attributed equity and average adjusted attributed equity are determined using a two-point average, with the beginning and ending attributed equity and adjusted attributed equity, respectively, for the twelve-month period as data points.

THE ALLSTATE CORPORATION
ALLSTATE FINANCIAL PREMIUMS AND CONTRACT CHARGES
(\$ in millions)

Three months ended

	March 31, 2016	Dec. 31, 2015	Sept. 30, 2015	June 30, 2015	March 31, 2015
PREMIUMS AND CONTRACT CHARGES - BY PRODUCT					
Underwritten Products					
Traditional life insurance premiums	\$ 138	\$ 144	\$ 135	\$ 131	\$ 132
Accident and health insurance premiums	216	195	194	195	196
Interest-sensitive life insurance contract charges	209	204	205	207	206
	<u>563</u>	<u>543</u>	<u>534</u>	<u>533</u>	<u>534</u>
Annuities					
Immediate annuities with life contingencies premiums	-	-	-	-	-
Other fixed annuity contract charges	3	4	4	3	3
	<u>3</u>	<u>4</u>	<u>4</u>	<u>3</u>	<u>3</u>
Total	<u>\$ 566</u>	<u>\$ 547</u>	<u>\$ 538</u>	<u>\$ 536</u>	<u>\$ 537</u>
PREMIUMS AND CONTRACT CHARGES - BY DISTRIBUTION CHANNEL					
Allstate agencies	\$ 305	\$ 304	\$ 300	\$ 297	\$ 297
Workplace enrolling agents	233	215	212	209	210
Other ⁽¹⁾	28	28	26	30	30
Total	<u>\$ 566</u>	<u>\$ 547</u>	<u>\$ 538</u>	<u>\$ 536</u>	<u>\$ 537</u>
PROPRIETARY LIFE INSURANCE POLICIES SOLD BY ALLSTATE AGENCIES ^{(2) (3)}	25,458	39,701	16,402	34,494	30,091
ALLSTATE BENEFITS NEW BUSINESS WRITTEN PREMIUMS ⁽⁴⁾	\$ 82	\$ 179	\$ 69	\$ 64	\$ 65

(1) Primarily represents independent master brokerage agencies.

(2) Policies sold reduced by lapses within twelve months of sale.

(3) Beginning on August 1, 2015, sales are measured at policy issuance rather than application submission. This change led to a lag in the recognition of policies sold which impacted the third quarter 2015 results.

(4) New business written premiums reflect annualized premiums at initial customer enrollment (including new accounts and new employees or policies of existing accounts), reduced by an estimate for certain policies that are expected to lapse. A significant portion of Allstate Benefits business is seasonally written in the fourth quarter during many clients' annual employee benefits enrollment.

THE ALLSTATE CORPORATION
ALLSTATE FINANCIAL CHANGE IN CONTRACTHOLDER FUNDS
(\$ in millions)

	Three months ended				
	March 31, 2016	Dec. 31, 2015	Sept. 30, 2015	June 30, 2015	March 31, 2015
Contractholders funds, beginning balance	\$ 21,295	\$ 21,559	\$ 21,968	\$ 22,267	\$ 22,529
Deposits					
Interest-sensitive life insurance	252	251	251	253	249
Fixed annuities	44	39	56	53	51
Total deposits	<u>296</u>	<u>290</u>	<u>307</u>	<u>306</u>	<u>300</u>
Interest credited	189	183	193	185	199
Benefits, withdrawals, maturities and other adjustments					
Benefits	(252)	(247)	(272)	(285)	(273)
Surrenders and partial withdrawals	(245)	(295)	(375)	(303)	(305)
Maturities of and interest payments on institutional products	-	-	-	(1)	-
Contract charges	(206)	(207)	(205)	(203)	(203)
Net transfers from separate accounts	1	2	2	2	1
Other adjustments	14	10	(59)	-	19
Total benefits, withdrawals, maturities and other adjustments	<u>(688)</u>	<u>(737)</u>	<u>(909)</u>	<u>(790)</u>	<u>(761)</u>
Contractholder funds, ending balance	<u>\$ 21,092</u>	<u>\$ 21,295</u>	<u>\$ 21,559</u>	<u>\$ 21,968</u>	<u>\$ 22,267</u>

THE ALLSTATE CORPORATION
ALLSTATE FINANCIAL ANALYSIS OF NET INCOME
(\$ in millions)

Three months ended

	March 31, 2016	Dec. 31, 2015	Sept. 30, 2015	June 30, 2015	March 31, 2015
Benefit spread					
Premiums	\$ 354	\$ 339	\$ 329	\$ 326	\$ 328
Cost of insurance contract charges ⁽¹⁾	141	137	137	138	138
Contract benefits excluding the implied interest on immediate annuities with life contingencies ⁽²⁾	<u>(327)</u>	<u>(328)</u>	<u>(333)</u>	<u>(319)</u>	<u>(312)</u>
Total benefit spread	<u>168</u>	<u>148</u>	<u>133</u>	<u>145</u>	<u>154</u>
Investment spread					
Net investment income	419	420	491	489	484
Implied interest on immediate annuities with life contingencies ⁽²⁾	(128)	(128)	(127)	(127)	(129)
Interest credited to contractholder funds	<u>(190)</u>	<u>(183)</u>	<u>(194)</u>	<u>(185)</u>	<u>(199)</u>
Total investment spread	<u>101</u>	<u>109</u>	<u>170</u>	<u>177</u>	<u>156</u>
Surrender charges and contract maintenance expense fees ⁽¹⁾	71	71	72	72	71
Realized capital gains and losses	(49)	(97)	194	59	111
Amortization of deferred policy acquisition costs	(73)	(64)	(63)	(65)	(70)
Operating costs and expenses	(123)	(119)	(112)	(118)	(123)
Restructuring and related charges	-	3	(1)	(2)	-
Gain (loss) on disposition of operations	2	1	3	1	(2)
Income tax expense	<u>(29)</u>	<u>(13)</u>	<u>(134)</u>	<u>(90)</u>	<u>(114)</u>
Net income applicable to common shareholders	<u>\$ 68</u>	<u>\$ 39</u>	<u>\$ 262</u>	<u>\$ 179</u>	<u>\$ 183</u>
Benefit spread by product group					
Life insurance	\$ 80	\$ 75	\$ 66	\$ 65	\$ 68
Accident and health insurance	105	92	90	97	107
Annuities	(17)	(19)	(23)	(17)	(21)
Total benefit spread	<u>\$ 168</u>	<u>\$ 148</u>	<u>\$ 133</u>	<u>\$ 145</u>	<u>\$ 154</u>
Investment spread by product group					
Annuities and institutional products	\$ 17	\$ 10	\$ 82	\$ 77	\$ 69
Life insurance	34	41	33	33	33
Accident and health insurance	4	4	4	4	4
Net investment income on investments supporting capital	<u>52</u>	<u>52</u>	<u>54</u>	<u>57</u>	<u>57</u>
Investment spread before valuation changes on embedded derivatives that are not hedged	107	107	173	171	163
Valuation changes on derivatives embedded in equity- indexed annuity contracts that are not hedged	<u>(6)</u>	<u>2</u>	<u>(3)</u>	<u>6</u>	<u>(7)</u>
Total investment spread	<u>\$ 101</u>	<u>\$ 109</u>	<u>\$ 170</u>	<u>\$ 177</u>	<u>\$ 156</u>
⁽¹⁾ Reconciliation of contract charges					
Cost of insurance contract charges	\$ 141	\$ 137	\$ 137	\$ 138	\$ 138
Surrender charges and contract maintenance expense fees	71	71	72	72	71
Total contract charges	<u>\$ 212</u>	<u>\$ 208</u>	<u>\$ 209</u>	<u>\$ 210</u>	<u>\$ 209</u>
⁽²⁾ Reconciliation of contract benefits					
Contract benefits excluding the implied interest on immediate annuities with life contingencies	\$ (327)	\$ (328)	\$ (333)	\$ (319)	\$ (312)
Implied interest on immediate annuities with life contingencies	<u>(128)</u>	<u>(128)</u>	<u>(127)</u>	<u>(127)</u>	<u>(129)</u>
Total contract benefits	<u>\$ (455)</u>	<u>\$ (456)</u>	<u>\$ (460)</u>	<u>\$ (446)</u>	<u>\$ (441)</u>

THE ALLSTATE CORPORATION
ALLSTATE FINANCIAL WEIGHTED AVERAGE INVESTMENT SPREADS

	Three months ended March 31, 2016			Three months ended March 31, 2015		
	Weighted average investment yield	Weighted average interest crediting rate	Weighted average investment spreads	Weighted average investment yield	Weighted average interest crediting rate	Weighted average investment spreads
Interest-sensitive life insurance	5.0 %	3.9 %	1.1 %	5.1 %	3.9 %	1.2 %
Deferred fixed annuities and institutional products	4.0	2.8	1.2	4.3	2.8	1.5
Immediate fixed annuities with and without life contingencies	6.0	5.9	0.1	7.3	5.9	1.4
Investments supporting capital, traditional life and other products	3.8	n/a	n/a	4.2	n/a	n/a

THE ALLSTATE CORPORATION
ALLSTATE FINANCIAL SUPPLEMENTAL PRODUCT INFORMATION

(\$ in millions)

	As of March 31, 2016			Twelve months ended March 31, 2016		Operating income return on attributed equity (%)								
	Reserves and Contractholder funds	Attributed equity excluding unrealized capital gains/losses ⁽³⁾⁽⁴⁾		Operating income ⁽⁵⁾		Twelve months ended								
		March 2016	Dec. 2015	Sept. 2015	June 2015	March 2015		March 2015	June 2015	Sept. 2015	Dec. 2015			
Underwritten products														
Life insurance	\$ 10,700	\$ 2,467	\$	266		11.1 %	10.6 %	10.0 %	9.3 %	9.8 %				
Accident and health insurance	852	660		80		12.2	12.7	13.7	14.9	15.9				
Subtotal	11,552	3,127		346		11.3	11.1	10.8	10.5	11.1				
Annuities and institutional products:														
Immediate Annuities:														
Sub-standard structured settlements and group pension terminations ⁽¹⁾	5,029	1,800		(3)		(0.2)	0.5	1.6	0.5	0.6				
Standard structured settlements and SPIA ⁽²⁾	6,841	1,278		59		4.9	6.8	9.4	8.8	8.4				
Subtotal	11,870	3,078		56		2.0	3.1	4.7	3.8	3.7				
Deferred Annuities	9,809	650		76		10.4	10.1	10.1	10.6	10.3				
Institutional products	85	1		1										
Subtotal	21,764	3,729		133		3.7	4.8	6.2	6.1	6.0				
Total Allstate Financial	\$ 33,316	\$ 6,856		\$ 479		7.2	7.8	8.4	8.4	8.5				

	Three months ended March 31, 2016			
	Life insurance	Accident and health insurance	Annuities and institutional products	Allstate Financial
Operating income	\$ 69	\$ 20	\$ 15	\$ 104
Realized capital gains and losses, after-tax	(9)	(2)	(21)	(32)
Valuation changes on embedded derivatives that are not hedged, after-tax	-	-	(4)	(4)
DAC and DSI amortization relating to realized capital gains and losses and valuation changes on embedded derivatives that are not hedged, after-tax	(1)	-	-	(1)
Gain on disposition of operations, after-tax	-	-	1	1
Net income (loss) applicable to common shareholders	\$ 59	\$ 18	\$ (9)	\$ 68

(1) Structured settlement annuities for annuitants with severe injuries or other health impairments which significantly reduced their life expectancy at the time the annuity was issued and group annuity contracts issued to sponsors of terminated pension plans.

(2) Life-contingent structured settlement annuities for annuitants with standard life expectancy, period certain structured settlements and single premium immediate annuities with and without life contingencies.

(3) Total Allstate Financial attributed equity is the sum of equity for Allstate Life Insurance Company and the applicable equity for Allstate Financial Insurance Holdings Corporation, excluding unrealized capital gains and losses.

(4) Attributed equity is allocated to each product line based on statutory capital adjusted for GAAP reporting differences and the amount of capital held in Allstate Financial may vary from economic capital. The calculation of statutory capital by product incorporates internal factors for invested asset risk, insurance risk (mortality and morbidity), interest rate risk and business risk. Due to the unavailability of final statutory financial statements at the time we release our GAAP financial results, the allocation is derived from prior quarter statutory capital. Statutory capital is adjusted for appropriate GAAP accounting differences. Changes in internal capital factors, investment portfolio mix and risk as well as changes in GAAP and statutory reporting differences will result in changes to the allocation of attributed equity to products.

(5) Product line operating income includes allocation of income on investments supporting capital. Operating income reflects a trailing twelve-month period.

THE ALLSTATE CORPORATION
ALLSTATE FINANCIAL INSURANCE POLICIES AND ANNUITIES IN FORCE ⁽¹⁾
(in thousands)

	March 31, 2016	Dec. 31, 2015	Sept. 30, 2015	June 30, 2015	March 31, 2015
ALLSTATE FINANCIAL INSURANCE POLICIES AND ANNUITIES IN FORCE BY PRODUCT					
Underwritten products					
Life insurance	2,467	2,463	2,459	2,456	2,448
Accident and health insurance	3,278	2,873	2,848	2,843	2,777
	<u>5,745</u>	<u>5,336</u>	<u>5,307</u>	<u>5,299</u>	<u>5,225</u>
Annuities					
Deferred annuities	168	172	176	181	186
Immediate annuities	101	102	104	105	106
	<u>269</u>	<u>274</u>	<u>280</u>	<u>286</u>	<u>292</u>
Total	<u><u>6,014</u></u>	<u><u>5,610</u></u>	<u><u>5,587</u></u>	<u><u>5,585</u></u>	<u><u>5,517</u></u>
ALLSTATE FINANCIAL INSURANCE POLICIES AND ANNUITIES IN FORCE BY SOURCE OF BUSINESS					
Allstate Agencies ⁽²⁾	1,922	1,924	1,917	1,911	1,904
Allstate Benefits	3,729	3,315	3,292	3,287	3,218
Other ⁽³⁾	363	371	378	387	395
	<u>6,014</u>	<u>5,610</u>	<u>5,587</u>	<u>5,585</u>	<u>5,517</u>
Total	<u><u>6,014</u></u>	<u><u>5,610</u></u>	<u><u>5,587</u></u>	<u><u>5,585</u></u>	<u><u>5,517</u></u>

(1) Allstate Financial insurance policies and annuities in force reflect the number of contracts in force excluding sold blocks of business that remain on the balance sheet due to the dispositions of the business being effected through reinsurance arrangements. Policy counts associated with our voluntary employee benefits group business reflect certificate counts as opposed to group counts.

(2) Excludes Allstate Benefits products sold through Allstate Agencies, which are included in the Allstate Benefits line.

(3) Primarily business sold by banks/broker-dealers, independent master brokerage agencies and specialized structured settlement brokers.

THE ALLSTATE CORPORATION
ALLSTATE LIFE, ALLSTATE ANNUITIES AND ALLSTATE BENEFITS RESULTS AND PRODUCT INFORMATION
(\$ in millions)

	For the three months ended March 31, 2016				For the three months ended March 31, 2015			
	Allstate Life	Allstate Annuities	Allstate Benefits	Allstate Financial Segment	Allstate Life	Allstate Annuities	Allstate Benefits	Allstate Financial Segment
Premiums	\$ 130	\$ -	\$ 224	\$ 354	\$ 125	\$ -	\$ 203	\$ 328
Contract charges	182	3	27	212	180	3	26	209
Net investment income	120	281	18	419	121	345	18	484
Contract benefits	(180)	(147)	(128)	(455)	(184)	(153)	(104)	(441)
Interest credited to contractholder funds	(70)	(105)	(9)	(184)	(69)	(113)	(10)	(192)
Amortization of deferred policy acquisition costs	(31)	(2)	(38)	(71)	(32)	(1)	(36)	(69)
Operating costs and expenses	(56)	(8)	(59)	(123)	(58)	(10)	(55)	(123)
Income tax expense on operations	(29)	(7)	(12)	(48)	(24)	(23)	(15)	(62)
Operating income	66	15	23	104	59	48	27	134
Realized capital gains and losses, after-tax	(8)	(21)	(3)	(32)	2	70	-	72
Valuation changes on embedded derivatives that are not hedged, after-tax	-	(4)	-	(4)	-	(5)	-	(5)
DAC and DSI amortization relating to realized capital gains and losses and valuation changes on embedded derivatives that are not hedged, after-tax	(1)	-	-	(1)	(1)	1	-	-
Gain on disposition of operations, after-tax	-	1	-	1	(1)	-	-	(1)
Change in accounting for investments in qualified affordable housing projects, after-tax	-	-	-	-	(6)	(11)	-	(17)
Net income (loss)	\$ 57	\$ (9)	\$ 20	\$ 68	\$ 53	\$ 103	\$ 27	\$ 183
Premiums and Contract Charges - by Product								
Underwritten Products								
Traditional life insurance premiums	\$ 130	\$ -	\$ 8	\$ 138	\$ 124	\$ -	\$ 8	\$ 132
Accident and health insurance	-	-	216	216	1	-	195	196
Interest-sensitive life insurance contract charges	182	-	27	209	180	-	26	206
	<u>312</u>	<u>-</u>	<u>251</u>	<u>563</u>	<u>305</u>	<u>-</u>	<u>229</u>	<u>534</u>
Annuities								
Immediate annuities with life contingencies premiums	-	-	-	-	-	-	-	-
Other fixed annuity contract charges	-	3	-	3	-	3	-	3
	<u>-</u>	<u>3</u>	<u>-</u>	<u>3</u>	<u>-</u>	<u>3</u>	<u>-</u>	<u>3</u>
Total life and annuity premiums and contract charges	\$ 312	\$ 3	\$ 251	\$ 566	\$ 305	\$ 3	\$ 229	\$ 537
Benefit Spread by Product Group								
Life Insurance	\$ 75	\$ -	\$ 5	\$ 80	\$ 63	\$ -	\$ 5	\$ 68
Accident and health insurance	-	-	105	105	(1)	-	108	107
Annuities	-	(17)	-	(17)	-	(21)	-	(21)
Total benefit spread	\$ 75	\$ (17)	\$ 110	\$ 168	\$ 62	\$ (21)	\$ 113	\$ 154
Investment Spread by Product Group								
Annuities and institutional products	\$ -	\$ 17	\$ -	\$ 17	\$ -	\$ 69	\$ -	\$ 69
Life insurance	32	-	2	34	31	-	2	33
Accident and health insurance	1	-	3	4	2	-	2	4
Net investment income on investments supporting capital	17	31	4	52	20	33	4	57
Investment spread before valuation changes on embedded derivatives that are not hedged	50	48	9	107	53	102	8	163
Valuation changes on derivatives embedded in equity-indexed annuity contracts that are not hedged	-	(6)	-	(6)	-	(7)	-	(7)
Total investment spread	\$ 50	\$ 42	\$ 9	\$ 101	\$ 53	\$ 95	\$ 8	\$ 156

THE ALLSTATE CORPORATION
CORPORATE AND OTHER RESULTS
(\$ in millions)

Three months ended

	March 31, 2016	Dec. 31, 2015	Sept. 30, 2015	June 30, 2015	March 31, 2015
Net investment income	\$ 10	\$ 10	\$ 9	\$ 8	\$ 8
Operating costs and expenses	(6)	(7)	(13)	(9)	(5)
Interest expense	(73)	(73)	(73)	(73)	(73)
Income tax benefit on operations	25	27	28	28	26
Preferred stock dividends	(29)	(29)	(29)	(29)	(29)
Operating loss	(73)	(72)	(78)	(75)	(73)
Realized capital gains and losses, after-tax	-	-	-	-	-
Net loss applicable to common shareholders	<u>\$ (73)</u>	<u>\$ (72)</u>	<u>\$ (78)</u>	<u>\$ (75)</u>	<u>\$ (73)</u>

THE ALLSTATE CORPORATION
INVESTMENTS
(\$ in millions)

PROPERTY-LIABILITY

	March 31, 2016	Dec. 31, 2015	Sept. 30, 2015	June 30, 2015	March 31, 2015
Fixed income securities, at fair value:					
Tax-exempt	\$ 4,466	\$ 4,285	\$ 4,289	\$ 4,418	\$ 4,362
Taxable	24,615	25,447	24,868	25,192	25,674
Equity securities, at fair value	3,709	3,480	2,808	3,018	3,074
Mortgage loans	294	296	339	343	333
Limited partnership interests	2,688	2,575	2,558	2,466	2,571
Short-term, at fair value	1,452	959	1,692	1,108	932
Other	1,512	1,437	1,659	1,602	1,536
Total	<u>\$ 38,736</u>	<u>\$ 38,479</u>	<u>\$ 38,213</u>	<u>\$ 38,147</u>	<u>\$ 38,482</u>
Fixed income securities, amortized cost:					
Tax-exempt	\$ 4,384	\$ 4,218	\$ 4,214	\$ 4,362	\$ 4,276
Taxable	24,454	25,672	24,883	24,990	25,181
Ratio of fair value to amortized cost	100.8%	99.5%	100.2%	100.9%	102.0%
Equity securities, cost	\$ 3,417	\$ 3,236	\$ 2,656	\$ 2,699	\$ 2,706
Short-term, amortized cost	1,452	959	1,692	1,108	932

CORPORATE AND OTHER

	March 31, 2016	Dec. 31, 2015	Sept. 30, 2015	June 30, 2015	March 31, 2015
Fixed income securities, at fair value:					
Tax-exempt	\$ 591	\$ 585	\$ 589	\$ 569	\$ 568
Taxable	1,759	1,593	1,911	1,960	1,973
Equity securities, at fair value	3	3	3	3	3
Mortgage loans	-	-	-	-	-
Limited partnership interests	4	4	4	4	4
Short-term, at fair value	448	302	353	660	617
Other	-	-	-	-	-
Total	<u>\$ 2,805</u>	<u>\$ 2,487</u>	<u>\$ 2,860</u>	<u>\$ 3,196</u>	<u>\$ 3,165</u>
Fixed income securities, amortized cost:					
Tax-exempt	\$ 569	\$ 566	\$ 569	\$ 551	\$ 547
Taxable	1,737	1,596	1,900	1,953	1,958
Ratio of fair value to amortized cost	101.9%	100.7%	101.3%	101.0%	101.4%
Equity securities, cost	\$ 3	\$ 3	\$ 3	\$ 3	\$ 3
Short-term, amortized cost	448	302	353	660	617

ALLSTATE FINANCIAL

	March 31, 2016	Dec. 31, 2015	Sept. 30, 2015	June 30, 2015	March 31, 2015
Fixed income securities, at fair value:					
Tax-exempt	\$ 2	\$ 4	\$ 17	\$ 23	\$ 28
Taxable	25,858	26,034	26,583	27,768	28,798
Equity securities, at fair value	1,405	1,599	1,425	979	1,089
Mortgage loans	4,008	4,042	4,063	4,000	3,943
Limited partnership interests	2,399	2,295	2,261	2,066	2,124
Short-term, at fair value	1,626	861	991	1,053	948
Other	2,038	1,957	1,929	1,909	1,860
Total	<u>\$ 37,336</u>	<u>\$ 36,792</u>	<u>\$ 37,269</u>	<u>\$ 37,798</u>	<u>\$ 38,790</u>
Fixed income securities, amortized cost:					
Tax-exempt	\$ 2	\$ 4	\$ 17	\$ 24	\$ 28
Taxable	24,481	25,145	25,335	26,091	26,245
Ratio of fair value to amortized cost	105.6%	103.5%	104.9%	106.4%	109.7%
Equity securities, cost	\$ 1,372	\$ 1,567	\$ 1,464	\$ 947	\$ 1,043
Short-term, amortized cost	1,626	861	991	1,053	948

CONSOLIDATED

	March 31, 2016	Dec. 31, 2015	Sept. 30, 2015	June 30, 2015	March 31, 2015
Fixed income securities, at fair value:					
Tax-exempt	\$ 5,059	\$ 4,874	\$ 4,895	\$ 5,010	\$ 4,958
Taxable	52,232	53,074	53,362	54,920	56,445
Equity securities, at fair value	5,117	5,082	4,236	4,000	4,166
Mortgage loans	4,302	4,338	4,402	4,343	4,276
Limited partnership interests	5,091	4,874	4,823	4,536	4,699
Short-term, at fair value	3,526	2,122	3,036	2,821	2,497
Other	3,550	3,394	3,588	3,511	3,396
Total	<u>\$ 78,877</u>	<u>\$ 77,758</u>	<u>\$ 78,342</u>	<u>\$ 79,141</u>	<u>\$ 80,437</u>
Fixed income securities, amortized cost:					
Tax-exempt	\$ 4,955	\$ 4,788	\$ 4,800	\$ 4,937	\$ 4,851
Taxable	50,672	52,413	52,118	53,034	53,384
Ratio of fair value to amortized cost	103.0%	101.3%	102.4%	103.4%	105.4%
Equity securities, cost	\$ 4,792	\$ 4,806	\$ 4,123	\$ 3,649	\$ 3,752
Short-term, amortized cost	3,526	2,122	3,036	2,821	2,497

THE ALLSTATE CORPORATION
LIMITED PARTNERSHIP INVESTMENTS

(\$ in millions)

As of or for the three months ended

	March 31, 2016	Dec. 31, 2015	Sept. 30, 2015	June 30, 2015	March 31, 2015
Investment position					
Accounting basis					
Cost method	\$ 1,193	\$ 1,154	\$ 1,148	\$ 1,130	\$ 1,137
Equity method ("EMA") ⁽¹⁾	3,898	3,720	3,675	3,406	3,562
Total	<u>\$ 5,091</u>	<u>\$ 4,874</u>	<u>\$ 4,823</u>	<u>\$ 4,536</u>	<u>\$ 4,699</u>
Cost method-fair value ⁽²⁾	\$ 1,466	\$ 1,450	\$ 1,506	\$ 1,482	\$ 1,494
Underlying investment					
Private equity	\$ 3,494	\$ 3,344	\$ 3,282	\$ 3,012	\$ 2,969
Real estate	1,229	1,166	1,160	1,164	1,366
Other	368	364	381	360	364
Total	<u>\$ 5,091</u>	<u>\$ 4,874</u>	<u>\$ 4,823</u>	<u>\$ 4,536</u>	<u>\$ 4,699</u>
Segment					
Property-Liability	\$ 2,688	\$ 2,575	\$ 2,558	\$ 2,466	\$ 2,571
Allstate Financial	2,399	2,295	2,261	2,066	2,124
Corporate and Other	4	4	4	4	4
Total	<u>\$ 5,091</u>	<u>\$ 4,874</u>	<u>\$ 4,823</u>	<u>\$ 4,536</u>	<u>\$ 4,699</u>
Total Income					
Accounting basis					
Cost method	\$ 39	\$ 42	\$ 63	\$ 75	\$ 42
Equity method	82	24	104	43	156
Total	<u>\$ 121</u>	<u>\$ 66</u>	<u>\$ 167</u>	<u>\$ 118</u>	<u>\$ 198</u>
Underlying investment					
Private equity	\$ 88	\$ 46	\$ 162	\$ 113	\$ 80
Real estate	33	20	5	10	123
Other	-	-	-	(5)	(5)
Total	<u>\$ 121</u>	<u>\$ 66</u>	<u>\$ 167</u>	<u>\$ 118</u>	<u>\$ 198</u>
Segment					
Property-Liability	\$ 58	\$ 29	\$ 62	\$ 45	\$ 126
Allstate Financial	63	37	105	73	72
Corporate and Other	-	-	-	-	-
Total	<u>\$ 121</u>	<u>\$ 66</u>	<u>\$ 167</u>	<u>\$ 118</u>	<u>\$ 198</u>

⁽¹⁾ As of March 31, 2016, valuations of EMA limited partnerships include approximately \$408 million of cumulative pre-tax appreciation that has been recognized in earnings but has not been distributed to investors.

⁽²⁾ The fair value of cost method limited partnerships is determined using reported net asset values.

THE ALLSTATE CORPORATION
NET INVESTMENT INCOME, YIELDS AND REALIZED CAPITAL GAINS AND LOSSES (PRE-TAX)
(\$ in millions)

Three months ended

	March 31, 2016	Dec. 31, 2015	Sept. 30, 2015	June 30, 2015	March 31, 2015
NET INVESTMENT INCOME					
Fixed income securities	\$ 518	\$ 537	\$ 546	\$ 567	\$ 568
Equity securities	28	33	23	31	23
Mortgage loans	53	63	53	57	55
Limited partnership interests	121	66	167	118	198
Short-term	4	1	4	3	1
Other	51	49	49	49	45
Subtotal	<u>775</u>	<u>749</u>	<u>842</u>	<u>825</u>	<u>890</u>
Less: Investment expense	(44)	(39)	(35)	(36)	(40)
Net investment income	<u>\$ 731</u>	<u>\$ 710</u>	<u>\$ 807</u>	<u>\$ 789</u>	<u>\$ 850</u>
PRE-TAX YIELDS ⁽¹⁾					
Fixed income securities	3.7 %	3.8 %	3.8 %	3.9 %	3.9 %
Equity securities	2.3	2.9	2.4	3.4	2.5
Mortgage loans	4.9	5.8	4.8	5.3	5.2
Limited partnership interests	9.7	5.4	14.4	10.1	17.2
Total portfolio	4.0	3.9	4.4	4.3	4.6
REALIZED CAPITAL GAINS AND LOSSES (PRE-TAX) BY TRANSACTION TYPE					
Impairment write-downs	\$ (59)	\$ (118)	\$ (47)	\$ (11)	\$ (19)
Change in intent write-downs	<u>(22)</u>	<u>(32)</u>	<u>(127)</u>	<u>(32)</u>	<u>(30)</u>
Net other-than-temporary impairment losses recognized in earnings	(81)	(150)	(174)	(43)	(49)
Sales and other	(59)	(75)	183	146	216
Valuation and settlements of derivative instruments	(9)	(25)	24	5	(28)
Total	<u>\$ (149)</u>	<u>\$ (250)</u>	<u>\$ 33</u>	<u>\$ 108</u>	<u>\$ 139</u>
TOTAL RETURN ON INVESTMENT PORTFOLIO ⁽²⁾	2.0 %	(0.2) %	- %	(0.6) %	1.7 %
AVERAGE INVESTMENT BALANCES (in billions) ⁽³⁾	<u>\$ 76.8</u>	<u>\$ 76.8</u>	<u>\$ 76.9</u>	<u>\$ 76.8</u>	<u>\$ 77.4</u>

- (1) Pre-tax yield is calculated as annualized investment income, generally before investment expense (including dividend income in the case of equity securities) divided by the average of investment balances at the end of each quarter during the year. For the purposes of the pre-tax yield calculation, income for directly held real estate, timber and other consolidated investments is net of asset level operating expenses (direct expenses of the assets reported in investment expense). For investments carried at fair value, investment balances exclude unrealized capital gains and losses.
- (2) Total return on investment portfolio is calculated from GAAP results including the total of net investment income, realized capital gains and losses, the change in unrealized net capital gains and losses, and the change in the difference between fair value and carrying value of mortgage loans, cost method limited partnerships, bank loans and agent loans divided by the average fair value balances.
- (3) Average investment balances for the quarter are calculated as the average of the current and prior quarter investment balances. Year-to-date average investment balances are calculated as the average of investment balances at the beginning of the year and the end of each quarter during the year. For purposes of the average investment balances calculation, unrealized capital gains and losses are excluded.

THE ALLSTATE CORPORATION
PROPERTY-LIABILITY
NET INVESTMENT INCOME, YIELDS AND REALIZED CAPITAL GAINS AND LOSSES (PRE-TAX)
(\$ in millions)

Three months ended

	March 31, 2016	Dec. 31, 2015	Sept. 30, 2015	June 30, 2015	March 31, 2015
NET INVESTMENT INCOME					
Fixed income securities:					
Tax-exempt	\$ 23	\$ 27	\$ 24	\$ 26	\$ 25
Taxable	200	201	197	195	190
Equity securities	20	24	16	23	18
Mortgage loans	3	4	4	3	4
Limited partnership interests ⁽¹⁾	58	29	62	45	126
Short-term	2	-	3	1	1
Other	20	18	20	20	17
Subtotal	<u>326</u>	<u>303</u>	<u>326</u>	<u>313</u>	<u>381</u>
Less: Investment expense	<u>(24)</u>	<u>(23)</u>	<u>(19)</u>	<u>(21)</u>	<u>(23)</u>
Net investment income	<u>\$ 302</u>	<u>\$ 280</u>	<u>\$ 307</u>	<u>\$ 292</u>	<u>\$ 358</u>
Net investment income, after-tax	<u>\$ 206</u>	<u>\$ 192</u>	<u>\$ 209</u>	<u>\$ 199</u>	<u>\$ 242</u>
PRE-TAX YIELDS ⁽²⁾					
Fixed income securities:					
Tax-exempt	2.1 %	2.6 %	2.3 %	2.3 %	2.4 %
Equivalent yield for tax-exempt	3.1	3.8	3.4	3.4	3.5
Taxable	3.2	3.2	3.2	3.1	2.9
Equity securities	2.4	3.1	2.5	3.4	2.6
Mortgage loans	4.0	5.4	4.0	4.1	4.5
Limited partnership interests	8.9	4.5	10.1	7.0	19.9
Total portfolio	3.3	3.1	3.5	3.3	4.0
REALIZED CAPITAL GAINS AND LOSSES (PRE-TAX) BY ASSET TYPE					
Fixed income securities:					
Tax-exempt	\$ 3	\$ (10)	\$ 2	\$ 1	\$ 2
Taxable	(47)	(75)	(42)	13	10
Equity securities	(60)	(13)	(92)	32	46
Limited partnership interests	13	(27)	(35)	(1)	2
Derivatives and other	(8)	(28)	6	4	(32)
Total	<u>\$ (99)</u>	<u>\$ (153)</u>	<u>\$ (161)</u>	<u>\$ 49</u>	<u>\$ 28</u>
REALIZED CAPITAL GAINS AND LOSSES (PRE-TAX) BY TRANSACTION TYPE					
Impairment write-downs	\$ (35)	\$ (84)	\$ (30)	\$ (6)	\$ (12)
Change in intent write-downs	<u>(19)</u>	<u>(24)</u>	<u>(77)</u>	<u>(28)</u>	<u>(27)</u>
Net other-than-temporary impairment losses recognized in earnings	(54)	(108)	(107)	(34)	(39)
Sales and other	(41)	(28)	(63)	77	99
Valuation and settlements of derivative instruments	(4)	(17)	9	6	(32)
Total	<u>\$ (99)</u>	<u>\$ (153)</u>	<u>\$ (161)</u>	<u>\$ 49</u>	<u>\$ 28</u>
AVERAGE INVESTMENT BALANCES ⁽³⁾ (in billions)					
	<u>\$ 38.3</u>	<u>\$ 38.2</u>	<u>\$ 37.8</u>	<u>\$ 37.6</u>	<u>\$ 37.9</u>

⁽¹⁾ As of March 31, 2016, Property-Liability has commitments to invest in additional limited partnership interests totaling \$1.39 billion.

⁽²⁾ Pre-tax yield is calculated as annualized investment income, generally before investment expense (including dividend income in the case of equity securities) divided by the average of investment balances at the end of each quarter during the year. For the purposes of the pre-tax yield calculation, income for directly held real estate, timber and other consolidated investments is net of asset level operating expenses (direct expenses of the assets reported in investment expense). For investments carried at fair value, investment balances exclude unrealized capital gains and losses.

⁽³⁾ Average investment balances for the quarter are calculated as the average of the current and prior quarter investment balances. Year-to-date average investment balances are calculated as the average of investment balances at the beginning of the year and the end of each quarter during the year. For purposes of the average investment balances calculation, unrealized capital gains and losses are excluded.

THE ALLSTATE CORPORATION
ALLSTATE FINANCIAL
NET INVESTMENT INCOME, YIELDS AND REALIZED CAPITAL GAINS AND LOSSES (PRE-TAX)
(\$ in millions)

Three months ended

	March 31, 2016	Dec. 31, 2015	Sept. 30, 2015	June 30, 2015	March 31, 2015
NET INVESTMENT INCOME					
Fixed income securities	\$ 284	\$ 300	\$ 314	\$ 338	\$ 344
Equity securities	8	9	7	8	5
Mortgage loans	50	59	49	54	51
Limited partnership interests ⁽¹⁾	63	37	105	73	72
Short-term	2	1	1	1	-
Other	30	30	29	28	27
Subtotal	<u>437</u>	<u>436</u>	<u>505</u>	<u>502</u>	<u>499</u>
Less: Investment expense	(18)	(16)	(14)	(13)	(15)
Net investment income	<u>\$ 419</u>	<u>\$ 420</u>	<u>\$ 491</u>	<u>\$ 489</u>	<u>\$ 484</u>
Net investment income, after-tax	<u>\$ 273</u>	<u>\$ 273</u>	<u>\$ 319</u>	<u>\$ 318</u>	<u>\$ 315</u>
PRE-TAX YIELDS⁽²⁾					
Fixed income securities	4.6 %	4.8 %	4.9 %	5.1 %	5.2 %
Equity securities	2.1	2.4	2.1	3.4	2.1
Mortgage loans	4.9	5.8	4.9	5.5	5.2
Limited partnership interests	10.7	6.5	19.4	14.0	13.8
Total portfolio	4.8	4.8	5.6	5.6	5.5
REALIZED CAPITAL GAINS AND LOSSES (PRE-TAX) BY ASSET TYPE					
Fixed income securities	\$ (26)	\$ (64)	\$ 261	\$ 46	\$ 68
Equity securities	(30)	(13)	(58)	16	32
Mortgage loans	-	4	1	1	-
Limited partnership interests	13	(14)	(20)	(2)	4
Derivatives and other	(6)	(10)	10	(2)	7
Total	<u>\$ (49)</u>	<u>\$ (97)</u>	<u>\$ 194</u>	<u>\$ 59</u>	<u>\$ 111</u>
REALIZED CAPITAL GAINS AND LOSSES (PRE-TAX) BY TRANSACTION TYPE					
Impairment write-downs	\$ (24)	\$ (34)	\$ (17)	\$ (5)	\$ (7)
Change in intent write-downs	(3)	(8)	(50)	(4)	(3)
Net other-than-temporary impairment losses recognized in earnings	(27)	(42)	(67)	(9)	(10)
Sales and other	(17)	(47)	246	69	117
Valuation and settlements of derivative instruments	(5)	(8)	15	(1)	4
Total	<u>\$ (49)</u>	<u>\$ (97)</u>	<u>\$ 194</u>	<u>\$ 59</u>	<u>\$ 111</u>
AVERAGE INVESTMENT BALANCES (in billions)⁽³⁾					
	<u>\$ 35.9</u>	<u>\$ 36.0</u>	<u>\$ 36.1</u>	<u>\$ 36.1</u>	<u>\$ 36.3</u>

(1) As of March 31, 2016, Allstate Financial has commitments to invest in additional limited partnership interests totaling \$1.32 billion.

(2) Pre-tax yield is calculated as annualized investment income, generally before investment expense (including dividend income in the case of equity securities) divided by the average of investment balances at the end of each quarter during the year. For the purposes of the pre-tax yield calculation, income for directly held real estate, timber and other consolidated investments is net of asset level operating expenses (direct expenses of the assets reported in investment expense). For investments carried at fair value, investment balances exclude unrealized capital gains and losses.

(3) Average investment balances for the quarter are calculated as the average of the current and prior quarter investment balances. Year-to-date average investment balances are calculated as the average of investment balances at the beginning of the year and the end of each quarter during the year. For purposes of the average investment balances calculation, unrealized capital gains and losses are excluded.

THE ALLSTATE CORPORATION
INVESTMENT RESULTS
(\$ in millions)

Three months ended

	March 31, 2016	Dec. 31, 2015	Sept. 30, 2015	June 30, 2015	March 31, 2015
Consolidated investment portfolio					
Interest-bearing ⁽¹⁾	\$ 68,163	\$ 67,390	\$ 68,913	\$ 70,243	\$ 71,287
Equity/owned ⁽²⁾	10,714	10,368	9,429	8,898	9,150
Total	<u>\$ 78,877</u>	<u>\$ 77,758</u>	<u>\$ 78,342</u>	<u>\$ 79,141</u>	<u>\$ 80,437</u>
Consolidated portfolio total return⁽³⁾					
Interest-bearing	1.9 %	(0.3) %	0.4 %	(0.8) %	1.4 %
Equity/owned	0.2	0.2	(0.3)	0.2	0.4
Investment expenses	(0.1)	(0.1)	(0.1)	-	(0.1)
Total	<u>2.0</u>	<u>(0.2)</u>	<u>-</u>	<u>(0.6)</u>	<u>1.7</u>
Consolidated portfolio total return⁽³⁾					
Income	0.9 %	0.9 %	1.0 %	1.0 %	1.0 %
Valuation	1.1	(1.1)	(1.0)	(1.6)	0.7
Total	<u>2.0</u>	<u>(0.2)</u>	<u>-</u>	<u>(0.6)</u>	<u>1.7</u>
Consolidated net investment income					
Interest-bearing	\$ 618	\$ 643	\$ 646	\$ 670	\$ 664
Equity/owned	157	106	196	155	226
Investment expenses	(44)	(39)	(35)	(36)	(40)
Total	<u>\$ 731</u>	<u>\$ 710</u>	<u>\$ 807</u>	<u>\$ 789</u>	<u>\$ 850</u>
Consolidated interest-bearing pre-tax yield⁽⁴⁾	3.7 %	3.8 %	3.8 %	3.9 %	3.9 %
Property-Liability net investment income					
Interest-bearing excluding prepayment premiums	\$ 241	\$ 240	\$ 240	\$ 233	\$ 226
Prepayment premiums	2	5	4	7	7
Total Interest-bearing	243	245	244	240	233
Equity/owned	83	58	82	73	148
Less: Investment expenses	(24)	(23)	(19)	(21)	(23)
Total	302	280	307	292	358
Less: prepayment premiums	(2)	(5)	(4)	(7)	(7)
Total excluding prepayment premiums	<u>\$ 300</u>	<u>\$ 275</u>	<u>\$ 303</u>	<u>\$ 285</u>	<u>\$ 351</u>
Property-Liability interest-bearing pre-tax yield	3.0 %	3.0 %	3.0 %	3.0 %	2.9 %
Property-Liability interest-bearing pre-tax yield excluding prepayment premiums	3.0 %	3.0 %	2.9 %	2.9 %	2.8 %
Allstate Financial net investment income					
Interest-bearing excluding prepayment premiums	\$ 361	\$ 371	\$ 386	\$ 408	\$ 413
Prepayment premiums	2	17	5	12	8
Total interest-bearing	363	388	391	420	421
Equity/owned	74	48	114	82	78
Less: Investment expenses	(18)	(16)	(14)	(13)	(15)
Total	419	420	491	489	484
Less: prepayment premiums	(2)	(17)	(5)	(12)	(8)
Total excluding prepayment premiums	<u>\$ 417</u>	<u>\$ 403</u>	<u>\$ 486</u>	<u>\$ 477</u>	<u>\$ 476</u>
Allstate Financial interest-bearing pre-tax yield	4.6 %	4.8 %	4.8 %	5.1 %	5.1 %
Allstate Financial interest-bearing pre-tax yield excluding prepayment premiums	4.5 %	4.6 %	4.7 %	4.9 %	5.0 %

(1) Includes fixed income securities, mortgage loans, short-term and other investments.

(2) Includes limited partnership interests, equity securities and real estate.

(3) Total return on investment portfolio is calculated from GAAP results including the total of net investment income, realized capital gains and losses, the change in unrealized net capital gains and losses, and the change in the difference between fair value and carrying value of mortgage loans and cost method limited partnerships, divided by the average fair value balances.

(4) Pre-tax yield is calculated as annualized investment income, generally before investment expense (including dividend income in the case of equity securities) divided by the average of investment balances at the end of each quarter during the year. For the purposes of the pre-tax yield calculation, income for directly held real estate, timber and other consolidated investments is net of asset level operating expenses (direct expenses of the assets reported in investment expense). For investments carried at fair value, investment balances exclude unrealized capital gains and losses.

THE ALLSTATE CORPORATION
INVESTMENT POSITION BY STRATEGY

(\$ in millions)

	Total	Market- Based Core ⁽¹⁾	Market- Based Active ⁽²⁾	Performance- Based Long-Term ⁽³⁾	Performance- Based Opportunistic ⁽⁴⁾
March 31, 2016					
Fixed income securities	\$ 57,291	\$ 50,363	\$ 6,816	\$ 65	\$ 47
Equity securities	5,117	4,044	988	61	24
Mortgage loans	4,302	4,302	-	-	-
Limited partnership interests	5,091	368	-	4,723	-
Short-term investments	3,526	2,766	760	-	-
Other	3,550	2,879	150	505	16
Total	\$ 78,877	\$ 64,722	\$ 8,714	\$ 5,354	\$ 87
% of total		82%	11%	7%	-
Property-Liability	\$ 38,736	\$ 28,121	\$ 7,668	\$ 2,889	\$ 58
% of Property-Liability		73%	20%	7%	-
Allstate Financial	\$ 37,336	\$ 33,796	\$ 1,046	\$ 2,465	\$ 29
% of Allstate Financial		90%	3%	7%	-
Corporate & Other	\$ 2,805	\$ 2,805	\$ -	\$ -	\$ -
% of Corporate & Other		100%	-	-	-
December 31, 2015					
Fixed income securities	\$ 57,948	\$ 51,175	\$ 6,691	\$ 47	\$ 35
Equity securities	5,082	4,210	764	77	31
Mortgage loans	4,338	4,338	-	-	-
Limited partnership interests	4,874	364	-	4,510	-
Short-term investments	2,122	1,631	491	-	-
Other	3,394	2,783	183	415	13
Total	\$ 77,758	\$ 64,501	\$ 8,129	\$ 5,049	\$ 79
% of total		83%	10%	7%	-
Property-Liability	\$ 38,479	\$ 28,525	\$ 7,137	\$ 2,764	\$ 53
% of Property-Liability		74%	19%	7%	-
Allstate Financial	\$ 36,792	\$ 33,490	\$ 992	\$ 2,284	\$ 26
% of Allstate Financial		91%	3%	6%	-
Corporate & Other	\$ 2,487	\$ 2,486	\$ -	\$ 1	\$ -
% of Corporate & Other		100%	-	-	-

(1) Market-based core is comprised primarily of highly diversified fixed income securities, mortgage loans and equity securities to align with business segment priorities.

(2) Market-based active is comprised primarily of fixed income and equity securities to generate additional returns by taking advantage of market opportunities.

(3) Performance-based long-term is comprised primarily of private equity and real estate investments to generate returns over an extended horizon.

(4) Performance-based opportunistic primarily generates returns by taking advantage of asset dislocations and by selectively providing liquidity to distressed sellers.

THE ALLSTATE CORPORATION
INVESTMENT RESULTS BY STRATEGY
(\$ in millions)

Three months ended

	March 31, 2016	Dec. 31, 2015	Sept. 30, 2015	June 30, 2015	March 31, 2015
Investment income					
Market-Based Core	\$ 581	\$ 614	\$ 612	\$ 640	\$ 629
Market-Based Active	61	59	52	52	50
Performance-Based Long-Term	131	74	176	130	209
Performance-Based Opportunistic	<u>2</u>	<u>2</u>	<u>2</u>	<u>3</u>	<u>2</u>
Investment income, before expense	775	749	842	825	890
Investment expense	(44)	(39)	(35)	(36)	(40)
Net investment income	<u>\$ 731</u>	<u>\$ 710</u>	<u>\$ 807</u>	<u>\$ 789</u>	<u>\$ 850</u>
PBLT Asset level operating expense ⁽¹⁾	<u>\$ (8)</u>	<u>\$ (4)</u>	<u>\$ (4)</u>	<u>\$ (5)</u>	<u>\$ (6)</u>
Realized Capital Gains and Losses (Pre-Tax)					
Market-Based Core	\$ (91)	\$ (153)	\$ 102	\$ 63	\$ 58
Market-Based Active	(47)	(49)	(63)	48	73
Performance-Based Long-Term	(11)	(49)	-	(5)	8
Performance-Based Opportunistic	<u>-</u>	<u>1</u>	<u>(6)</u>	<u>2</u>	<u>-</u>
Total	<u>\$ (149)</u>	<u>\$ (250)</u>	<u>\$ 33</u>	<u>\$ 108</u>	<u>\$ 139</u>

⁽¹⁾ When calculating the pre-tax yields, asset level operating expenses are netted against income for directly held real estate, timber and other consolidated investments.

THE ALLSTATE CORPORATION
PERFORMANCE-BASED LONG-TERM INVESTMENTS ("PBLT")
(\$ in millions)

As of or for the three months ended

	March 31, 2016	Dec. 31, 2015	Sept. 30, 2015	June 30, 2015	March 31, 2015
Investment position					
Limited partnerships					
Private equity ⁽¹⁾	\$ 3,324	\$ 3,181	\$ 3,131	\$ 3,012	\$ 2,969
Real estate ⁽²⁾	1,229	1,166	1,160	1,164	1,366
Timber & agriculture-related ⁽³⁾	170	163	151	-	-
PBLT - limited partnerships	<u>4,723</u>	<u>4,510</u>	<u>4,442</u>	<u>4,176</u>	<u>4,335</u>
Other ⁽⁴⁾					
Private equity	103	71	93	70	67
Real estate	361	301	288	242	201
Timber & agriculture-related	167	167	167	167	168
PBLT - other	<u>631</u>	<u>539</u>	<u>548</u>	<u>479</u>	<u>436</u>
Total					
Private equity	3,427	3,252	3,224	3,082	3,036
Real estate	1,590	1,467	1,448	1,406	1,567
Timber & agriculture-related	337	330	318	167	168
Total PBLT	<u>\$ 5,354</u>	<u>\$ 5,049</u>	<u>\$ 4,990</u>	<u>\$ 4,655</u>	<u>\$ 4,771</u>
Investment income, before expense					
Limited partnerships					
Private equity	\$ 85	\$ 47	\$ 162	\$ 113	\$ 80
Real estate	33	20	5	10	123
Timber & agriculture-related	3	(1)	-	-	-
PBLT - limited partnerships	<u>121</u>	<u>66</u>	<u>167</u>	<u>123</u>	<u>203</u>
Other					
Private equity	-	-	1	-	-
Real estate	8	6	7	5	4
Timber & agriculture-related	2	2	1	2	2
PBLT - other	<u>10</u>	<u>8</u>	<u>9</u>	<u>7</u>	<u>6</u>
Total					
Private equity	85	47	163	113	80
Real estate	41	26	12	15	127
Timber & agriculture-related	5	1	1	2	2
Total PBLT	<u>\$ 131</u>	<u>\$ 74</u>	<u>\$ 176</u>	<u>\$ 130</u>	<u>\$ 209</u>
Asset level operating expense ⁽⁵⁾					
Total	<u>\$ (8)</u>	<u>\$ (4)</u>	<u>\$ (4)</u>	<u>\$ (5)</u>	<u>\$ (6)</u>
Realized Capital Gains and Losses					
Limited Partnerships					
Private equity	\$ 12	\$ (49)	\$ (3)	\$ (3)	\$ 9
Real estate	1	-	(2)	-	(2)
Timber & agriculture-related	-	-	-	-	-
PBLT - limited partnerships	<u>13</u>	<u>(49)</u>	<u>(5)</u>	<u>(3)</u>	<u>7</u>
Other					
Private equity	(25)	1	6	(1)	-
Real estate	1	(1)	(1)	(1)	-
Timber & agriculture-related	-	-	-	-	1
PBLT - other	<u>(24)</u>	<u>-</u>	<u>5</u>	<u>(2)</u>	<u>1</u>
Total					
Private equity	(13)	(48)	3	(4)	9
Real estate	2	(1)	(3)	(1)	(2)
Timber & agriculture-related	-	-	-	-	1
Total PBLT	<u>\$ (11)</u>	<u>\$ (49)</u>	<u>\$ -</u>	<u>\$ (5)</u>	<u>\$ 8</u>
Pre-Tax Yield ^{(6) (7)}	9.4 %	5.6 %	14.3 %	10.6 %	17.5 %
10 Year Internal Rate of Return ("IRR") ^{(8) (9)}	10.5 %	10.8 %	11.3 %	11.3 %	11.4 %

⁽¹⁾ Includes Private equity on page 47, excluding Timber and agriculture-related.

⁽²⁾ Includes Real estate on page 47.

⁽³⁾ Includes Timber and agriculture-related reflected in Private equity on page 47.

⁽⁴⁾ Includes PBLT - fixed income securities, equity securities and other investments on page 53.

⁽⁵⁾ When calculating the pre-tax yields, asset level operating expenses are netted against income for directly held real estate, timber and other consolidated investments.

⁽⁶⁾ Pre-tax yield is calculated as annualized investment income, generally before investment expense (including dividend income in the case of equity securities) divided by the average of investment balances at the end of each quarter during the year. For the purposes of the pre-tax yield calculation, income for directly held real estate, timber and other consolidated investments is net of asset level operating expenses (direct expenses of the assets reported in investment expense). For investments carried at fair value, investment balances exclude unrealized capital gains and losses.

⁽⁷⁾ The Pre-tax yield for PBLT was 10.9%, 14.5%, 16.3%, 12.8%, 18.3%, 11.1%, 12.9%, 9.9%, 12.0%, 3.8%, 13.2% and 12.7% for the fourth quarter 2014 through first quarter 2012 periods, respectively.

⁽⁸⁾ We calculate the internal rate of return ("IRR") for our performance-based long-term investments as an input to assess their performance. The IRR represents the rate of return on the investments considering the amount and timing of the associated cash flows. Our IRR calculation method may differ from those used by other investors. Until an investment is liquidated, the IRR is an interim estimated return based on the inception to date cash flows. Our PBLT portfolio is diversified by asset type and vintage year. We believe the 10 year IRR is the most comprehensive metric to evaluate the overall strategy's performance relative to our long-term return expectations.

⁽⁹⁾ The 10 year IRR for PBLT was 11.7%, 12.0%, 11.8%, 11.7%, 11.5%, 11.0%, 11.1%, 11.1%, 10.4%, 10.7%, 11.0% and 10.7% for the fourth quarter 2014 through first quarter 2012 periods, respectively.

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.

Operating income is net income applicable to common shareholders, excluding:

- realized capital gains and losses, after-tax, except for periodic settlements and accruals on non-hedge derivative instruments, which are reported with realized capital gains and losses but included in operating income,
- valuation changes on embedded derivatives that are not hedged, after-tax,
- amortization of deferred policy acquisition costs ("DAC") and deferred sales inducements ("DSI"), to the extent they resulted from the recognition of certain realized capital gains and losses or valuation changes on embedded derivatives that are not hedged, after-tax,
- amortization of purchased intangible assets, after-tax,
- gain (loss) on disposition of operations, after-tax, and
- 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.

Net income applicable to common shareholders is the GAAP measure that is most directly comparable to operating income. We use operating 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 realized capital gains and losses, valuation changes on embedded derivatives that are not hedged, amortization of purchased intangible assets, gain (loss) on disposition of operations and adjustments for other significant non-recurring, infrequent or unusual items. Realized capital gains and losses, valuation changes on embedded derivatives that are not hedged and gain (loss) on disposition of operations 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. Consistent with our intent to protect results or earn additional income, operating income includes periodic settlements and accruals on certain derivative instruments that are reported in realized capital gains and losses because they do not qualify for hedge accounting or are not designated as hedges for accounting purposes. These instruments are used for economic hedges and to replicate fixed income securities, and by including them in operating income, we are appropriately reflecting their trends in our performance and in a manner consistent with the economically hedged investments, product attributes (e.g. net investment income and interest credited to contractholder funds) or replicated investments. Amortization of purchased intangible assets is excluded because it relates to the acquisition purchase price and is not indicative of our underlying insurance business results or trends. Non-recurring items are excluded because, by their nature, they are not indicative of our business or economic trends. Accordingly, operating 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 operating 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. Operating income is used by management along with the other components of net income applicable to common shareholders to assess our performance. We use adjusted measures of operating income in incentive compensation. Therefore, we believe it is useful for investors to evaluate net income applicable to common shareholders, operating 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 operating 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 operating income as the denominator. Operating income should not be considered a substitute for net income applicable to common shareholders and does not reflect the overall profitability of our business. A reconciliation of operating income to net income applicable to common shareholders is provided in the schedule, "Contribution to Income".

Underwriting income is calculated as premiums earned, less claims and claims expense ("losses"), amortization of DAC, operating costs and expenses and restructuring and related charges as determined using GAAP. Management uses this measure in its evaluation of the results of operations to analyze the profitability of our Property-Liability insurance operations separately from investment results. It is also an integral component of incentive compensation. It is useful for investors to evaluate the components of income separately and in the aggregate when reviewing performance. Net income applicable to common shareholders is the most directly comparable GAAP measure. Underwriting income should not be considered a substitute for net income applicable to common shareholders and does not reflect the overall profitability of our business. A reconciliation of Property-Liability underwriting income to net income applicable to common shareholders is provided in the schedule, "Property-Liability Results".

Combined ratio excluding the effect of catastrophes is a non-GAAP ratio, which is computed as the difference between two GAAP operating ratios: the combined ratio and the effect of catastrophes on the combined ratio. The most directly comparable GAAP measure is the combined ratio. 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. 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. We believe it is useful for investors to evaluate these components separately and in the aggregate when reviewing our underwriting performance. The combined ratio excluding the effect of catastrophes 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 combined ratio excluding the effect of catastrophes to combined ratio is provided in the schedule, "Property-Liability Results".

Combined ratio excluding the effect of catastrophes, prior year reserve reestimates and amortization of purchased intangible assets ("underlying combined ratio") is a non-GAAP ratio, which is computed as the difference between four GAAP operating ratios: the combined ratio, the effect of catastrophes on the combined ratio, the effect of prior year non-catastrophe reserve reestimates on the combined ratio and the effect of amortization of purchased intangible assets on the combined ratio. 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 of purchased intangible assets. 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. Amortization of purchased intangible assets relates to the acquisition purchase price and is not indicative of our underlying insurance 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. We also provide it to facilitate a comparison to our outlook on the underlying combined ratio. 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 schedules "Allstate Brand Profitability Measures", "Esurance Brand Profitability Measures and Statistics", "Encompass Brand Profitability Measures and Statistics", "Auto, Homeowners and Other Personal Lines Underlying Combined Ratios", "Allstate Personal Lines - Auto, Homeowners, Other Personal Lines and Commercial Lines Profitability Measures" and "Emerging Businesses - Esurance, Encompass, Other Business Lines, and Answer Financial Profitability Measures".

Average underlying loss (incurred pure premium) and expense is calculated as the underlying combined ratio (a non-GAAP measure) multiplied by the GAAP quarterly earned premium, which is annualized (multiplied by 4) ("average premium"). We believe that this measure is useful to investors and it is used by management for the same reasons noted above for the underlying combined ratio. A reconciliation of average underlying loss and expense is provided in the schedule, "Allstate Brand Auto and Homeowners Underlying Loss and Expense".

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 "Allstate Brand Profitability Measures", "Esurance Brand Profitability Measures and Statistics" and "Encompass Brand Profitability Measures and Statistics".

Operating income return on common shareholders' equity is a ratio that uses a non-GAAP measure. It is calculated by dividing the rolling 12-month operating income by the average of 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 common shareholders' equity is the most directly comparable GAAP measure. We use operating income as the numerator for the same reasons we use operating income, as discussed above. We use average common shareholders' equity excluding the effect of unrealized net capital gains and losses for the denominator as a representation of common shareholders' equity primarily attributable to the Company'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 applicable to common shareholders and return on 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 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 operating income return on common shareholders' equity from return on 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 operating income return on common shareholders' equity in incentive compensation. Therefore, we believe it is useful for investors to have operating income return on common shareholders' equity and return on common shareholders' equity when evaluating our performance. We note that investors, financial analysts, financial and business media organizations and rating agencies utilize operating 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. Operating income return on common shareholders' equity should not be considered a substitute for return on common shareholders' equity and does not reflect the overall profitability of our business. A reconciliation of return on common shareholders' equity and operating income return on common shareholders' equity can be found in the schedule, "Return on 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 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 attributable 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".