

**UNITED STATES  
SECURITIES AND EXCHANGE COMMISSION  
Washington, D.C. 20549  
FORM 10-Q**

**QUARTERLY REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934**

For the quarterly period ended September 30, 2025

OR

**TRANSITION REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934**

For the transition period from \_\_\_\_\_ to \_\_\_\_\_

Commission file number 1-11840



**THE ALLSTATE CORPORATION**

(Exact name of registrant as specified in its charter)

**Delaware**

(State or other jurisdiction of incorporation or organization)

**36-3871531**

(I.R.S. Employer Identification No.)

**3100 Sanders Road, Northbrook, Illinois 60062**

(Address of principal executive offices) (Zip Code)

Registrant's telephone number, including area code: **(847) 402-2800**

Securities registered pursuant to Section 12(b) of the Act:

Title of each class	Trading Symbols	Name of each exchange on which registered
Common Stock, par value \$.01 per share	ALL	New York Stock Exchange NYSE Texas
5.100% Fixed-to-Floating Rate Subordinated Debentures due 2053	ALL.PR.B	New York Stock Exchange
Depository Shares represent 1/1,000th of a share of 5.100% Noncumulative Preferred Stock, Series H	ALL PR H	New York Stock Exchange
Depository Shares represent 1/1,000th of a share of 4.750% Noncumulative Preferred Stock, Series I	ALL PR I	New York Stock Exchange
Depository Shares represent 1/1,000th of a share of 7.375% Noncumulative Preferred Stock, Series J	ALL PR J	New York Stock Exchange

Indicate by check mark whether the registrant (1) has filed all reports required to be filed by Section 13 or 15(d) of the Securities Exchange Act of 1934 during the preceding 12 months (or for such shorter period that the registrant was required to file such reports), and (2) has been subject to such filing requirements for the past 90 days. Yes  No

Indicate by check mark whether the registrant has submitted electronically every Interactive Data File required to be submitted pursuant to Rule 405 of Regulation S-T (§232.405 of this chapter) during the preceding 12 months (or for such shorter period that the registrant was required to submit such files). Yes  No

Indicate by check mark whether the registrant is a large accelerated filer, an accelerated filer, a non-accelerated filer, a smaller reporting company, or an emerging growth company. See the definitions of "large accelerated filer," "accelerated filer," "smaller reporting company" and "emerging growth company" in Rule 12b-2 of the Exchange Act.

Large accelerated filer	<input checked="" type="checkbox"/>	Accelerated filer	<input type="checkbox"/>
Non-accelerated filer	<input type="checkbox"/>	Smaller reporting company	<input type="checkbox"/>
		Emerging growth company	<input type="checkbox"/>

If an emerging growth company, indicate by check mark if the registrant has elected not to use the extended transition period for complying with any new or revised financial accounting standards provided pursuant to Section 13(a) of the Exchange Act.

Indicate by check mark whether the registrant is a shell company (as defined in Rule 12b-2 of the Exchange Act). Yes  No

As of October 20, 2025, the registrant had 261,681,708 common shares, \$.01 par value, outstanding.

**The Allstate Corporation**  
**Index to Quarterly Report on Form 10-Q**  
**September 30, 2025**

**Part I Financial Information**

**Page**

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**Item 1. Financial Statements (unaudited) as of September 30, 2025 and December 31, 2024 and for the Three Month and Nine Month Periods Ended September 30, 2025 and 2024**

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Condensed Consolidated Statements of Operations	1
Condensed Consolidated Statements of Comprehensive Income (Loss)	2
Condensed Consolidated Statements of Financial Position	3
Condensed Consolidated Statements of Shareholders' Equity	4
Condensed Consolidated Statements of Cash Flows	5
Notes to Condensed Consolidated Financial Statements (unaudited)	6
Report of Independent Registered Public Accounting Firm	44

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**Item 2. Management's Discussion and Analysis of Financial Condition and Results of Operations**

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Highlights	45
Property-Liability Operations	49
<i>Segment results</i>	
Allstate Protection	51
Run-off Property-Liability	58
Protection Services	61
Investments	63
Capital Resources and Liquidity	70
Forward-Looking Statements	72

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**Item 4. Controls and Procedures**

---

72

**Part II Other Information**

Item 1. Legal Proceedings	73
Item 1A. Risk Factors	73
Item 2. Unregistered Sales of Equity Securities, Use of Proceeds, and Issuer Purchases of Equity Securities	73
Item 5. Other Information	73
Item 6. Exhibits	74

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## Part I. Financial Information

## Item 1. Financial Statements

**The Allstate Corporation and Subsidiaries**  
**Condensed Consolidated Statements of Operations (unaudited)**

(In millions, except per share data)	Three months ended September 30,		Nine months ended September 30,	
	2025	2024	2025	2024
<b>Revenues</b>				
Property and casualty insurance premiums	\$ 15,253	\$ 14,333	\$ 44,992	\$ 41,797
Accident and health insurance premiums and contract charges	110	487	832	1,439
Other revenue	691	781	2,200	2,129
Net investment income	949	783	2,557	2,259
Net gains (losses) on investments and derivatives	252	243	(241)	(24)
<b>Total revenues</b>	<b>17,255</b>	<b>16,627</b>	<b>50,340</b>	<b>47,600</b>
<b>Costs and expenses</b>				
Property and casualty insurance claims and claims expense	8,654	10,409	29,718	30,711
Accident, health and other policy benefits	67	317	588	904
Amortization of deferred policy acquisition costs	2,101	2,037	6,264	5,977
Operating costs and expenses	2,265	2,217	6,645	6,121
Pension and other postretirement remeasurement (gains) losses	(108)	26	(30)	15
Restructuring and related charges	17	28	48	51
Amortization of purchased intangibles	59	71	175	210
Interest expense	101	104	301	299
<b>Total costs and expenses</b>	<b>13,156</b>	<b>15,209</b>	<b>43,709</b>	<b>44,288</b>
Gain on disposition of operations	720	—	1,610	—
<b>Income from operations before income tax expense</b>	<b>4,819</b>	<b>1,418</b>	<b>8,241</b>	<b>3,312</b>
Income tax expense	1,075	254	1,802	603
<b>Net income</b>	<b>3,744</b>	<b>1,164</b>	<b>6,439</b>	<b>2,709</b>
Less: Net loss attributable to noncontrolling interest	(2)	(26)	(11)	(30)
<b>Net income attributable to Allstate</b>	<b>3,746</b>	<b>1,190</b>	<b>6,450</b>	<b>2,739</b>
Less: Preferred stock dividends	29	29	88	88
<b>Net income applicable to common shareholders</b>	<b>\$ 3,717</b>	<b>\$ 1,161</b>	<b>\$ 6,362</b>	<b>\$ 2,651</b>
<b>Earnings per common share:</b>				
Net income applicable to common shareholders per common share - Basic	\$ 14.13	\$ 4.39	\$ 24.07	\$ 10.04
Weighted average common shares - Basic	263.1	264.6	264.3	264.1
Net income applicable to common shareholders per common share - Diluted	\$ 13.95	\$ 4.33	\$ 23.76	\$ 9.91
Weighted average common shares - Diluted	266.4	268.0	267.8	267.4

See notes to condensed consolidated financial statements.

**The Allstate Corporation and Subsidiaries**  
**Condensed Consolidated Statements of Comprehensive Income (Loss) (unaudited)**

(\$ in millions)	Three months ended September 30,		Nine months ended September 30,	
	2025	2024	2025	2024
<b>Net income</b>	\$ 3,744	\$ 1,164	\$ 6,439	\$ 2,709
<b>Other comprehensive income, after-tax</b>				
Changes in:				
Unrealized net capital gains and losses	315	1,299	1,122	965
Unrealized foreign currency translation adjustments	40	14	79	(1)
Unamortized pension and other postretirement prior service credit	(1)	—	(1)	(1)
Discount rate for reserve for future policy benefits	1	(36)	(13)	(12)
<b>Other comprehensive income, after-tax</b>	<b>355</b>	<b>1,277</b>	<b>1,187</b>	<b>951</b>
<b>Comprehensive income</b>	<b>4,099</b>	<b>2,441</b>	<b>7,626</b>	<b>3,660</b>
Less: Comprehensive loss attributable to noncontrolling interest	(2)	(19)	(8)	(22)
<b>Comprehensive income attributable to Allstate</b>	<b>\$ 4,101</b>	<b>\$ 2,460</b>	<b>\$ 7,634</b>	<b>\$ 3,682</b>

See notes to condensed consolidated financial statements.

**The Allstate Corporation and Subsidiaries**  
**Condensed Consolidated Statements of Financial Position (unaudited)**

(\$ in millions, except par value data)	September 30, 2025	December 31, 2024
<b>Assets</b>		
Investments		
Fixed income securities, at fair value (amortized cost, net \$56,732 and \$53,616)	\$ 57,186	\$ 52,747
Equity securities, at fair value (cost \$4,943 and \$4,329)	5,338	4,463
Mortgage loans, net	831	784
Limited partnership interests	9,213	9,255
Short-term, at fair value (amortized cost \$8,743 and \$4,539)	8,743	4,537
Other investments, net	1,017	824
<b>Total investments</b>	<b>82,328</b>	<b>72,610</b>
Cash	931	704
Premium installment receivables, net	11,745	10,614
Deferred policy acquisition costs	6,095	5,773
Reinsurance and indemnification recoverables, net	9,519	8,924
Accrued investment income	617	615
Deferred income taxes	—	231
Property and equipment, net	601	669
Goodwill	3,118	3,245
Other assets, net	5,448	5,140
Assets held for sale	—	3,092
<b>Total assets</b>	<b>120,402</b>	<b>111,617</b>
<b>Liabilities</b>		
Reserve for property and casualty insurance claims and claims expense	43,103	41,917
Unearned premiums	29,157	26,909
Claim payments outstanding	1,554	1,567
Deferred income taxes	311	—
Other liabilities and accrued expenses	10,699	9,659
Debt	8,089	8,085
Liabilities held for sale	—	2,113
<b>Total liabilities</b>	<b>92,913</b>	<b>90,250</b>
<b>Commitments and Contingent Liabilities (Note 12)</b>		
<b>Equity</b>		
Preferred stock and additional capital paid-in, \$1 par value, 25 million shares authorized, 82.0 thousand shares issued and outstanding, \$2,050 aggregate liquidation preference	2,001	2,001
Common stock, \$.01 par value, 2.0 billion shares authorized and 900 million issued, 262 million and 265 million shares outstanding	9	9
Additional capital paid-in	4,117	4,029
Retained income	58,853	53,288
Treasury stock, at cost (638 million and 635 million shares)	(37,773)	(36,996)
Accumulated other comprehensive income (loss):		
Unrealized net capital gains and losses	351	(771)
Unrealized foreign currency translation adjustments	(66)	(145)
Unamortized pension and other postretirement prior service credit	10	11
Discount rate for reserve for future policy benefits	3	16
<b>Total accumulated other comprehensive income (loss)</b>	<b>298</b>	<b>(889)</b>
<b>Total Allstate shareholders' equity</b>	<b>27,505</b>	<b>21,442</b>
Noncontrolling interest	(16)	(75)
<b>Total equity</b>	<b>27,489</b>	<b>21,367</b>
<b>Total liabilities and equity</b>	<b>\$ 120,402</b>	<b>\$ 111,617</b>

See notes to condensed consolidated financial statements.

**The Allstate Corporation and Subsidiaries**  
**Condensed Consolidated Statements of Shareholders' Equity (unaudited)**

(\$ in millions, except per share data)	Three months ended September 30,		Nine months ended September 30,	
	2025	2024	2025	2024
<b>Preferred stock par value</b>	\$ —	\$ —	\$ —	\$ —
<b>Preferred stock additional capital paid-in</b>	2,001	2,001	2,001	2,001
<b>Common stock par value</b>	9	9	9	9
<b>Common stock additional capital paid-in</b>				
Balance, beginning of period	4,084	3,927	4,029	3,854
Equity incentive plans activity, net	33	60	88	133
<b>Balance, end of period</b>	<b>4,117</b>	<b>3,987</b>	<b>4,117</b>	<b>3,987</b>
<b>Retained income</b>				
Balance, beginning of period	55,400	50,718	53,288	49,716
Net income	3,746	1,190	6,450	2,739
Dividends on common stock (declared per share of \$1.00, \$0.92, \$3.00, and \$2.76)	(264)	(244)	(797)	(732)
Dividends on preferred stock	(29)	(29)	(88)	(88)
<b>Balance, end of period</b>	<b>58,853</b>	<b>51,635</b>	<b>58,853</b>	<b>51,635</b>
<b>Treasury stock</b>				
Balance, beginning of period	(37,418)	(37,036)	(36,996)	(37,110)
Shares acquired	(363)	—	(812)	—
Shares reissued under equity incentive plans, net	8	30	35	104
<b>Balance, end of period</b>	<b>(37,773)</b>	<b>(37,006)</b>	<b>(37,773)</b>	<b>(37,006)</b>
<b>Accumulated other comprehensive income (loss)</b>				
Balance, beginning of period	(57)	(1,026)	(889)	(700)
Change in unrealized net capital gains and losses	315	1,299	1,122	965
Change in unrealized foreign currency translation adjustments	40	14	79	(1)
Change in unamortized pension and other postretirement prior service credit	(1)	—	(1)	(1)
Change in discount rate for reserve for future policy benefits	1	(36)	(13)	(12)
<b>Balance, end of period</b>	<b>298</b>	<b>251</b>	<b>298</b>	<b>251</b>
<b>Total Allstate shareholders' equity</b>	<b>27,505</b>	<b>20,877</b>	<b>27,505</b>	<b>20,877</b>
<b>Noncontrolling interest</b>				
Balance, beginning of period	(14)	(20)	(75)	(140)
Change in unrealized net capital gains and losses	—	7	3	8
Noncontrolling loss	(2)	(26)	(11)	(30)
Capital transactions for noncontrolling interest	—	—	67	123
<b>Balance, end of period</b>	<b>(16)</b>	<b>(39)</b>	<b>(16)</b>	<b>(39)</b>
<b>Total equity</b>	<b>\$ 27,489</b>	<b>\$ 20,838</b>	<b>\$ 27,489</b>	<b>\$ 20,838</b>

See notes to condensed consolidated financial statements.

**The Allstate Corporation and Subsidiaries**  
**Condensed Consolidated Statements of Cash Flows (unaudited)**

(\$ in millions)	Nine months ended September 30,	
	2025	2024
<b>Cash flows from operating activities</b>		
Net income	\$ 6,439	\$ 2,709
Adjustments to reconcile net income to net cash provided by operating activities:		
Depreciation, amortization and other non-cash items	374	404
Net (gains) losses on investments and derivatives	241	24
Pension and other postretirement remeasurement (gains) losses	(30)	15
Gain on disposition of operations	(1,610)	—
Changes in:		
Claims and claims expense and other insurance reserves	1,129	2,921
Unearned premiums	2,212	2,378
Deferred policy acquisition costs	(297)	(315)
Premium installment receivables, net	(1,113)	(1,094)
Reinsurance recoverables, net	(394)	(324)
Income taxes	286	346
Other operating assets and liabilities	(116)	162
<b>Net cash provided by operating activities</b>	<b>7,121</b>	<b>7,226</b>
<b>Cash flows from investing activities</b>		
Proceeds from sales		
Fixed income securities	57,477	26,841
Equity securities	5,646	2,137
Limited partnership interests	941	409
Other investments	2	169
Investment collections		
Fixed income securities	489	1,260
Mortgage loans	64	74
Other investments	32	35
Investment purchases		
Fixed income securities	(60,481)	(33,023)
Equity securities	(6,447)	(1,631)
Limited partnership interests	(961)	(915)
Mortgage loans	(117)	(17)
Other investments	(253)	(125)
Change in short-term and other investments, net	(4,600)	(1,653)
Purchases of property and equipment, net	(139)	(160)
Proceeds from sale of property and equipment	—	18
Proceeds from disposition of operations, net of cash transferred	3,041	—
<b>Net cash used in investing activities</b>	<b>(5,306)</b>	<b>(6,581)</b>
<b>Cash flows from financing activities</b>		
Proceeds from issuance of debt	—	495
Redemption and repayment of debt	—	(350)
Contractholder fund deposits	30	98
Contractholder fund withdrawals	(15)	(26)
Dividends paid on common stock	(773)	(719)
Dividends paid on preferred stock	(88)	(88)
Treasury stock purchases	(799)	—
Shares reissued under equity incentive plans, net	38	149
Other	19	4
<b>Net cash used in financing activities</b>	<b>(1,588)</b>	<b>(437)</b>
<b>Net increase in cash</b>	<b>227</b>	<b>208</b>
Cash at beginning of period	704	722
Less: Cash classified as assets held for sale at end of period	—	114
<b>Cash at end of period</b>	<b>\$ 931</b>	<b>\$ 816</b>

See notes to condensed consolidated financial statements.

**The Allstate Corporation and Subsidiaries**  
**Notes to Condensed Consolidated Financial Statements**  
**(Unaudited)**

**Note 1      General**

**Basis of presentation**

The accompanying condensed consolidated financial statements include the accounts of The Allstate Corporation (the "Corporation") and its wholly owned subsidiaries, primarily Allstate Insurance Company ("AIC"), a property and casualty insurance company (collectively referred to as the "Company" or "Allstate") and variable interest entities ("VIEs") in which the Company is considered a primary beneficiary. These condensed consolidated financial statements have been prepared in conformity with accounting principles generally accepted in the United States of America ("GAAP").

The condensed consolidated financial statements and notes as of September 30, 2025 and for the three and nine month periods ended September 30, 2025 and 2024 are unaudited. The condensed consolidated financial statements reflect all adjustments (consisting only of normal recurring accruals) which are, in the opinion of management, necessary for the fair presentation of the financial position, results of operations and cash flows for the interim periods.

These condensed consolidated financial statements and notes should be read in conjunction with the consolidated financial statements and notes thereto included in the Company's annual report on Form 10-K for the year ended December 31, 2024. The results of operations for the interim periods should not be considered indicative of results to be expected for the full year. All significant intercompany accounts and transactions have been eliminated. Certain amounts have been reclassified to conform to current year presentation.

**Adopted accounting standard**

**Accounting for joint ventures** Effective January 1, 2025, the Company adopted the new Financial Accounting Standards Board ("FASB") guidance requiring a joint venture to initially measure assets contributed and liabilities assumed at fair value as of the formation date. The adoption had no impact on the Company's Condensed Consolidated Statements of Operations and Condensed Consolidated Statements of Financial Position.

**Pending accounting standards**

**Income tax disclosures** In December 2023, the FASB issued guidance enhancing various aspects of income tax disclosures. The guidance requires a tabular reconciliation between statutory and effective income tax expense (benefit) with both amounts and percentages for a list of required categories. For certain required categories where an individual category is at least five percent of the statutory tax amount, the required category must be further broken out by nature and, for foreign tax effects, jurisdiction. Additionally, entities must disclose income taxes paid,

net of refunds received, broken out between federal, state and foreign, and amounts paid, net of refunds received, to an individual jurisdiction when it is five percent or more of the total income taxes paid, net of refunds received.

All requirements in the guidance are annual in nature, and the guidance is effective for annual reporting periods beginning after December 15, 2024, with early adoption permitted. The guidance affects disclosures only.

**Disaggregated income statement disclosures** In November 2024, the FASB issued guidance requiring disaggregated information about specific expense categories included in certain income statement expense line items. The guidance outlines the specific costs that are required to be disclosed, which include costs such as: employee compensation, depreciation, intangible asset amortization and selling costs. It also requires qualitative descriptions of the amounts remaining in the relevant income statement captions that are not separately disaggregated quantitatively in the notes to the financial statements and the Company's definition of selling expenses.

The new guidance is effective for annual reporting periods beginning after December 15, 2026, and interim reporting periods beginning after December 15, 2027, with early adoption permitted. The standard is effective on a prospective basis, with the option for retrospective application. The guidance affects disclosures only.

**Credit losses** In July 2025, the FASB issued guidance providing a practical expedient for estimating credit losses on current accounts receivable and contract assets arising from revenue transactions under ASC 606. The update now allows entities to assume current conditions remain unchanged for the asset's remaining life when estimating expected credit losses, simplifying the estimation process.

The new guidance is effective for annual reporting periods beginning after December 15, 2025, and interim reporting periods within those annual reporting periods, with early adoption permitted. The Company does not expect the impact of this standard to be material to its financial statements and disclosures.

**Internal-use software** In September 2025, the FASB issued guidance which updates the accounting for internal-use software by replacing the stage-based model with a principles-based approach. The new guidance requires capitalization once management commits to funding and it is probable the software will be completed and used as intended (probable-to-complete recognition threshold). The standard also clarifies that costs cannot be capitalized when significant development uncertainty exists, such as unresolved technological innovations or unclear performance requirements. In addition, website

development costs are now included under the same guidance.

The new guidance is effective for annual reporting periods beginning after December 15, 2027, and interim reporting periods within those annual reporting periods. Early adoption is permitted as of the

beginning of an annual reporting period. The standard may be adopted prospectively, retrospectively, or using a modified transition approach. The Company is currently evaluating the impact of this standard on its financial statements and disclosures.

## Note 2 Earnings per Common Share

Basic earnings per common share is computed using the weighted average number of common shares outstanding, including vested unissued participating restricted stock units. Diluted earnings per common share is computed using the weighted average number of common and dilutive potential common shares outstanding.

For the Company, dilutive potential common shares consist of outstanding stock options, unvested

non-participating restricted stock units and contingently issuable performance stock awards. The effect of dilutive potential common shares does not include share-based awards with an anti-dilutive effect on earnings per common share, primarily options, where exercise prices exceed the average market price of Allstate common shares during the period or for which the unrecognized compensation cost would have an anti-dilutive effect.

### Computation of basic and diluted earnings per common share

(In millions, except per share data)	Three months ended September 30,		Nine months ended September 30,	
	2025	2024	2025	2024
Numerator:				
Net income	\$ 3,744	\$ 1,164	\$ 6,439	\$ 2,709
Less: Net loss attributable to noncontrolling interest	(2)	(26)	(11)	(30)
Net income attributable to Allstate	3,746	1,190	6,450	2,739
Less: Preferred stock dividends	29	29	88	88
<b>Net income applicable to common shareholders</b>	<b>\$ 3,717</b>	<b>\$ 1,161</b>	<b>\$ 6,362</b>	<b>\$ 2,651</b>
Denominator:				
Weighted average common shares outstanding	263.1	264.6	264.3	264.1
Effect of dilutive potential common shares:				
Stock options	2.3	2.6	2.5	2.6
Restricted stock units (non-participating) and performance stock awards	1.0	0.8	1.0	0.7
<b>Weighted average common and dilutive potential common shares outstanding</b>	<b>266.4</b>	<b>268.0</b>	<b>267.8</b>	<b>267.4</b>
Earnings per common share - Basic	\$ 14.13	\$ 4.39	\$ 24.07	\$ 10.04
Earnings per common share - Diluted	\$ 13.95	\$ 4.33	\$ 23.76	\$ 9.91
Anti-dilutive share-based awards excluded from diluted earnings per common share	0.5	0.6	0.4	0.5

## Note 3 Dispositions

**Employer voluntary benefits (“EVB”) business disposition** On April 1, 2025, the Company closed the sale of American Heritage Life Insurance Company and American Heritage Service Company, comprising the Company’s employer voluntary benefits business for \$1.9 billion in cash, net of purchase price adjustments. The Company recorded a gain on the sale of

\$888 million or \$641 million, after-tax for the nine months ended September 30, 2025.

The EVB business generated \$243 million of premiums and contract charges and \$22 million of adjusted net income for the three months ended March 31, 2025.

**Major classes of assets and liabilities disposed of in EVB transaction**

(\$ in millions)	April 1, 2025	December 31, 2024
<b>Assets</b>		
Investments		
Fixed income securities, at fair value (amortized cost, net \$1,765 and \$1,809)	\$ 1,676	\$ 1,699
Short-term, at fair value (amortized cost \$64 and \$85)	64	85
Other investments, net	116	122
<b>Total investments</b>	<b>1,856</b>	<b>1,906</b>
Cash	29	—
Deferred policy acquisition costs	525	521
Reinsurance recoverables, net	117	111
Other assets <sup>(1)</sup>	523	554
<b>Total assets</b>	<b>\$ 3,050</b>	<b>\$ 3,092</b>
<b>Liabilities</b>		
Reserve for future policy benefits	\$ 1,096	\$ 1,085
Contractholder funds	882	890
Other liabilities and accrued expenses	124	138
<b>Total liabilities</b>	<b>\$ 2,102</b>	<b>\$ 2,113</b>

<sup>(1)</sup> Included \$249 million of goodwill at April 1, 2025.

Shareholders' equity included \$51 million of accumulated other comprehensive losses related to assets and liabilities disposed of on April 1, 2025.

**Group health business disposition** On July 1, 2025, the Company closed the sale of Direct General Life Insurance Company, NSM Sales Corporation and The Association Benefits Solution, LLC, comprising the Company's group health business for \$1.23 billion in

cash, net of purchase price adjustments. The Company recorded a gain on the sale of \$722 million or \$506 million, after-tax in the third quarter of 2025.

The group health business generated \$247 million of premiums and contract charges and \$21 million of adjusted net income for the six months ended June 30, 2025.

**Major classes of assets and liabilities disposed of in group health business transaction**

(\$ in millions)	July 1, 2025
<b>Assets</b>	
Investments	
Fixed income securities, at fair value (amortized cost, net \$142)	\$ 143
Short-term, at fair value (amortized cost \$177)	177
<b>Total investments</b>	<b>320</b>
Cash	88
Deferred policy acquisition costs	1
Other assets <sup>(1)</sup>	305
<b>Total assets</b>	<b>\$ 714</b>
<b>Liabilities</b>	
Other liabilities and accrued expenses	\$ 9
<b>Total liabilities</b>	<b>\$ 9</b>

<sup>(1)</sup> Included \$152 million of goodwill at July 1, 2025.

In addition, reserves for future policy benefits of \$200 million were reinsured to Nationwide Life Insurance Company with a corresponding reinsurance recoverable established on July 1, 2025.

In connection with these sales, the Company is providing transition services for 24 months from the respective dates of closing.

## Note 4 Reportable Segments

### Measuring segment profit or loss

The measure of segment profit or loss used in evaluating performance is underwriting income for the Allstate Protection and Run-off Property-Liability segments and adjusted net income for the Protection Services and Corporate segments. The dispositions of the EVB and group health businesses did not qualify for discontinued operations. Starting in the third quarter of 2025, the Allstate Health and Benefits segment is no longer a reportable segment, with results of this segment recast to reflect only the results of the EVB and group health businesses. The retained individual health business, previously included in the Allstate Health and Benefits segment, is a non-reportable segment with results included in all other for all periods presented.

Allstate Protection and Run-off Property-Liability segments comprise Property-Liability. The Company does not allocate investment income, net gains and losses on investments and derivatives, or assets to the Allstate Protection and Run-off Property-Liability segments. Management reviews assets at the Property-Liability, Protection Services and Corporate levels for decision-making purposes.

*Underwriting income* is calculated as premiums earned and other revenue, less claims and claims expenses, amortization of deferred policy acquisition costs ("DAC"), operating costs and expenses, amortization or impairment of purchased intangibles and restructuring and related charges as determined using GAAP.

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

- Net gains and losses on investments and derivatives
- Pension and other postretirement rereasurement gains and losses
- Amortization or impairment of purchased intangibles
- Gain or loss on disposition
- Adjustments for other significant non-recurring, infrequent or unusual items, when (a) the nature of the charge or gain is such that it is reasonably unlikely to recur within two years, or (b) there has been no similar charge or gain within the prior two years
- Income tax expense or benefit on reconciling items

A reconciliation of these measures to net income (loss) applicable to common shareholders is provided below.

### Reportable segments financial performance

(\$ in millions)	Three months ended September 30,		Nine months ended September 30,	
	2025	2024	2025	2024
<b>Underwriting income (loss) by segment</b>				
Allstate Protection	\$ 3,040	\$ 555	\$ 4,687	\$ 1,316
Run-off Property-Liability	(146)	(60)	(153)	(68)
<b>Adjusted net income (loss) by segment, after-tax</b>				
Protection Services	46	58	161	167
Allstate Health and Benefits	—	32	43	133
Corporate	(87)	(110)	(278)	(320)
<b>Reconciliation of segment performance measures to net income (loss) applicable to common shareholders</b>				
Allstate Protection and Run-off Property-Liability net investment income	873	708	2,343	2,053
Net gains (losses) on investments and derivatives	252	243	(241)	(24)
Pension and other postretirement rereasurement gains (losses)	108	(26)	30	(15)
Amortization of purchased intangibles <sup>(1)</sup>	(13)	(19)	(37)	(56)
Gain on disposition	723	1	1,616	6
All other <sup>(2)</sup>	(7)	5	(16)	18
Income tax (expense) benefit on Allstate Protection and Run-off Property-Liability and reconciling items <sup>(3)</sup>	(1,073)	(251)	(1,803)	(588)
<b>Total reconciling items</b>	<b>863</b>	<b>661</b>	<b>1,892</b>	<b>1,394</b>
Less: Net loss attributable to noncontrolling interest <sup>(4)</sup>	(1)	(25)	(10)	(29)
<b>Net income applicable to common shareholders</b>	<b>\$ 3,717</b>	<b>\$ 1,161</b>	<b>\$ 6,362</b>	<b>\$ 2,651</b>

<sup>(1)</sup> Excludes amortization of purchased intangibles in Allstate Protection, which is already included above in underwriting income.

<sup>(2)</sup> Includes results of the individual health business, which was previously included within the Allstate Health and Benefits segment. Prior period results were recast to reflect the historical results of the individual health business.

<sup>(3)</sup> The tax computation of the reporting segments and income tax benefit (expense) on reconciling items to net income (loss) are computed discretely based on the tax law of the jurisdictions applicable to the reporting entities.

<sup>(4)</sup> Reflects net loss attributable to noncontrolling interest in Allstate Protection.

## Reportable segments revenue information

(\$ in millions)	Three months ended September 30,		Nine months ended September 30,	
	2025	2024	2025	2024
<b>Allstate Protection</b>				
Insurance premiums				
Auto	\$ 9,593	\$ 9,270	\$ 28,468	\$ 27,127
Homeowners	3,880	3,403	11,308	9,812
Other personal lines	800	718	2,320	2,078
Commercial lines	99	151	316	478
Other business lines	161	152	494	438
Total Allstate Protection insurance premiums	14,533	13,694	42,906	39,933
Other revenue	518	531	1,510	1,402
<b>Total Allstate Protection</b>	<b>15,051</b>	<b>14,225</b>	<b>44,416</b>	<b>41,335</b>
<b>Run-off Property-Liability</b>	<b>—</b>	<b>—</b>	<b>—</b>	<b>—</b>
<b>Protection Services</b>				
Protection plans	552	480	1,593	1,372
Roadside assistance	42	34	117	115
Protection and insurance products	126	125	376	377
Intersegment premiums and service fees <sup>(1)</sup>	33	49	106	123
Other revenue	124	110	363	293
Net investment income	25	24	74	68
Net gains (losses) on investments and derivatives	10	10	1	4
<b>Total Protection Services</b>	<b>912</b>	<b>832</b>	<b>2,630</b>	<b>2,352</b>
<b>Allstate Health and Benefits</b>				
Employer voluntary benefits	—	248	243	742
Group health	—	120	247	358
Other revenue	—	81	163	245
Net investment income	—	25	24	69
Net gains (losses) on investments and derivatives	—	(6)	(1)	(3)
<b>Total Allstate Health and Benefits</b>	<b>—</b>	<b>468</b>	<b>676</b>	<b>1,411</b>
<b>Corporate</b>				
Other revenue	24	17	62	56
Net investment income	49	25	108	64
Net gains (losses) on investments and derivatives	85	17	122	19
<b>Total Corporate</b>	<b>158</b>	<b>59</b>	<b>292</b>	<b>139</b>
<b>Reconciliation of revenue</b>				
Allstate Protection and Run-off Property-Liability net investment income	873	708	2,343	2,053
Allstate Protection and Run-off Property-Liability net gains (losses) on investments and derivatives	157	222	(362)	(43)
All other	137	162	451	476
Intersegment eliminations <sup>(1)</sup>	(33)	(49)	(106)	(123)
<b>Consolidated revenues</b>	<b>\$ 17,255</b>	<b>\$ 16,627</b>	<b>\$ 50,340</b>	<b>\$ 47,600</b>

<sup>(1)</sup> Intersegment insurance premiums and service fees are primarily related to Arity and Roadside and are eliminated in the condensed consolidated financial statements.

## Reportable segments expense information used in measure for segment profit or loss

(\$ in millions)	Three months ended September 30,		Nine months ended September 30,	
	2025	2024	2025	2024
<b>Allstate Protection</b>				
Claims and claims expense excluding catastrophe losses and prior year reserve reestimates <sup>(1)</sup>	\$ 8,304	\$ 8,501	\$ 25,467	\$ 25,701
Catastrophe losses	558	1,703	4,750	4,554
Non-catastrophe prior year reserve reestimates	(542)	(14)	(1,158)	(73)
Amortization of DAC	1,757	1,696	5,231	4,977
Advertising expense	575	519	1,540	1,204
Amortization of purchased intangibles	46	52	138	154
Restructuring and related charges	15	23	44	45
Other segment expenses <sup>(2)</sup>	1,298	1,190	3,717	3,457
<b>Total</b>	<b>12,011</b>	<b>13,670</b>	<b>39,729</b>	<b>40,019</b>
<b>Run-off Property-Liability</b>				
Claims and claims expense prior year reserve reestimates <sup>(3)</sup>	146	59	151	65
Other segment expenses <sup>(2)</sup>	—	1	2	3
<b>Total</b>	<b>146</b>	<b>60</b>	<b>153</b>	<b>68</b>
<b>Protection Services</b>				
Claims and claims expense	193	166	524	481
Amortization of DAC	337	304	983	889
Non-deferrable commissions	116	94	327	251
Restructuring and related charges	1	—	2	1
Other segment expenses <sup>(2)</sup>	194	186	582	509
Income taxes on operations	16	15	51	51
<b>Total</b>	<b>857</b>	<b>765</b>	<b>2,469</b>	<b>2,182</b>
<b>Allstate Health and Benefits</b>				
Accident, health and other policy benefits	—	255	379	723
Amortization of DAC	—	30	30	90
Restructuring and related charges	—	1	—	2
Other segment expenses <sup>(2)</sup>	—	147	213	430
Income taxes on operations	—	9	12	36
<b>Total</b>	<b>—</b>	<b>442</b>	<b>634</b>	<b>1,281</b>
<b>Corporate</b>				
Interest expense	101	104	301	299
Restructuring and related charges	—	3	—	2
Other segment expenses <sup>(2)</sup>	42	39	119	128
Income taxes on operations	(12)	(23)	(60)	(77)
Preferred stock dividends	29	29	88	88
<b>Total</b>	<b>\$ 160</b>	<b>\$ 152</b>	<b>\$ 448</b>	<b>\$ 440</b>

<sup>(1)</sup> Includes Allstate Protection incurred loss adjustment expenses, net of reinsurance of \$741 million and \$732 million during the three months ended September 30, 2025 and 2024, respectively, and \$2.22 billion and \$2.14 billion during the nine months ended September 30, 2025 and 2024, respectively.

<sup>(2)</sup> Includes employee-related costs, professional services, technology and other operating costs and expenses.

<sup>(3)</sup> Includes Run-off Property-Liability incurred loss adjustment expenses, net of reinsurance of \$24 million and \$4 million during the three months ended September 30, 2025 and 2024, respectively, and \$28 million and \$7 million during the nine months ended September 30, 2025 and 2024, respectively.

**Additional significant financial performance data**

(\$ in millions)	Three months ended September 30,		Nine months ended September 30,	
	2025	2024	2025	2024
<b>Amortization of DAC</b>				
Allstate Protection	\$ 1,757	\$ 1,696	\$ 5,231	\$ 4,977
Protection Services	337	304	983	889
Allstate Health and Benefits	—	30	30	90
All other	7	7	20	21
<b>Consolidated</b>	<b>\$ 2,101</b>	<b>\$ 2,037</b>	<b>\$ 6,264</b>	<b>\$ 5,977</b>
<b>Amortization of purchased intangibles</b>				
Allstate Protection	\$ 46	\$ 52	\$ 138	\$ 154
Protection Services	10	12	28	36
Allstate Health and Benefits	—	3	1	9
All other	3	4	8	11
<b>Consolidated</b>	<b>\$ 59</b>	<b>\$ 71</b>	<b>\$ 175</b>	<b>\$ 210</b>
<b>Income tax expense (benefit)</b>				
Allstate Protection and Run-off Property-Liability	\$ 817	\$ 257	\$ 1,315	\$ 599
Protection Services	15	14	44	43
Allstate Health and Benefits <sup>(1)</sup>	216	8	474	34
Corporate	29	(25)	(26)	(75)
All other	(2)	—	(5)	2
<b>Consolidated</b>	<b>\$ 1,075</b>	<b>\$ 254</b>	<b>\$ 1,802</b>	<b>\$ 603</b>

<sup>(1)</sup> Includes income tax expense on the gain on sale of the EVB and group health businesses.

Capital expenditures for long-lived assets are generally made at the Property-Liability level as the Company does not allocate assets to the Allstate Protection and Run-off Property-Liability segments. A portion of these long-lived assets are used by entities included in the Protection Services, Corporate and until July 1, 2025, Allstate Health and Benefits segments and accordingly, are charged to these segments in proportion to their use.

**Reportable segments total assets, investments and deferred policy acquisition costs**

(\$ in millions)	September 30, 2025	December 31, 2024
<b>Assets</b>		
Allstate Protection and Run-off Property-Liability	\$ 105,668	\$ 96,988
Protection Services	8,442	7,540
Allstate Health and Benefits	—	3,714
Corporate	5,318	2,727
All other	974	648
<b>Consolidated</b>	<b>\$ 120,402</b>	<b>\$ 111,617</b>
<b>Investments <sup>(1)</sup></b>		
Allstate Protection and Run-off Property-Liability	\$ 74,390	\$ 67,671
Protection Services	2,501	2,228
Allstate Health and Benefits <sup>(2)</sup>	—	219
Corporate	5,240	2,332
All other	197	160
<b>Consolidated</b>	<b>\$ 82,328</b>	<b>\$ 72,610</b>
<b>Deferred policy acquisition costs</b>		
Allstate Protection	\$ 2,802	\$ 2,548
Protection Services	3,212	3,161
Allstate Health and Benefits <sup>(2)</sup>	—	1
All other	81	63
<b>Consolidated</b>	<b>\$ 6,095</b>	<b>\$ 5,773</b>

<sup>(1)</sup> The balances reflect the elimination of related party investments between segments.

<sup>(2)</sup> As of December 31, 2024, \$1.91 billion of investments and \$521 million of deferred policy acquisition costs were classified as held for sale and not included in the table above.

**Note 5 Investments****Portfolio composition**

(\$ in millions)	September 30, 2025	December 31, 2024
Fixed income securities, at fair value	\$ 57,186	\$ 52,747
Equity securities, at fair value	5,338	4,463
Mortgage loans, net	831	784
Limited partnership interests	9,213	9,255
Short-term investments, at fair value	8,743	4,537
Other investments, net	1,017	824
<b>Total</b>	<b>\$ 82,328</b>	<b>\$ 72,610</b>

**Amortized cost, gross unrealized gains (losses) and fair value for fixed income securities**

(\$ in millions)	Amortized cost, net	Gross unrealized		Fair value
		Gains	Losses	
<b>September 30, 2025</b>				
U.S. government and agencies	\$ 13,490	\$ 55	\$ (20)	\$ 13,525
Municipal	6,258	67	(99)	6,226
Corporate	32,484	656	(260)	32,880
Foreign government	1,422	23	(10)	1,435
Asset-backed securities ("ABS")	976	13	(3)	986
Mortgage-backed securities ("MBS")	2,102	34	(2)	2,134
<b>Total fixed income securities</b>	<b>\$ 56,732</b>	<b>\$ 848</b>	<b>\$ (394)</b>	<b>\$ 57,186</b>
<b>December 31, 2024</b>				
U.S. government and agencies	\$ 11,423	\$ 15	\$ (330)	\$ 11,108
Municipal	8,985	33	(176)	8,842
Corporate	30,630	272	(710)	30,192
Foreign government	1,352	22	(10)	1,364
ABS	1,130	19	(4)	1,145
MBS	96	—	—	96
<b>Total fixed income securities</b>	<b>\$ 53,616</b>	<b>\$ 361</b>	<b>\$ (1,230)</b>	<b>\$ 52,747</b>

**Scheduled maturities for fixed income securities**

(\$ in millions)	September 30, 2025		December 31, 2024	
	Amortized cost, net	Fair value	Amortized cost, net	Fair value
Due in one year or less	\$ 1,941	\$ 1,929	\$ 1,544	\$ 1,531
Due after one year through five years	22,197	22,331	22,889	22,595
Due after five years through ten years	20,443	20,699	17,431	17,130
Due after ten years	9,073	9,107	10,526	10,250
	<b>53,654</b>	<b>54,066</b>	<b>52,390</b>	<b>51,506</b>
ABS and MBS	3,078	3,120	1,226	1,241
<b>Total</b>	<b>\$ 56,732</b>	<b>\$ 57,186</b>	<b>\$ 53,616</b>	<b>\$ 52,747</b>

Actual maturities may differ from those scheduled as a result of calls and make-whole payments by the issuers. ABS and MBS are shown separately because of potential prepayment of principal prior to contractual maturity dates.

**Net investment income**

(\$ in millions)	Three months ended September 30,		Nine months ended September 30,	
	2025	2024	2025	2024
Fixed income securities	\$ 634	\$ 587	\$ 1,844	\$ 1,684
Equity securities	19	17	56	50
Mortgage loans	11	9	30	27
Limited partnership interests	226	138	494	440
Short-term investments	104	87	273	216
Other investments	26	25	71	71
<b>Investment income, before expense</b>	<b>1,020</b>	<b>863</b>	<b>2,768</b>	<b>2,488</b>
Investment expense	(71)	(80)	(211)	(229)
<b>Net investment income</b>	<b>\$ 949</b>	<b>\$ 783</b>	<b>\$ 2,557</b>	<b>\$ 2,259</b>

**Net gains (losses) on investments and derivatives by type**

(\$ in millions)	Three months ended September 30,		Nine months ended September 30,	
	2025	2024	2025	2024
Fixed income securities	\$ 107	\$ 105	\$ (271)	\$ (92)
Equity securities	191	119	243	195
Mortgage loans	(6)	(1)	(6)	—
Limited partnership interests	(32)	(8)	(24)	(13)
Derivatives	6	20	(78)	(3)
Other investments	(14)	8	(38)	12
Other <sup>(1)</sup>	—	—	(67)	(123)
<b>Net gains (losses) on investments and derivatives</b>	<b>\$ 252</b>	<b>\$ 243</b>	<b>\$ (241)</b>	<b>\$ (24)</b>

<sup>(1)</sup> 2025 is related to losses recorded for variable interests in Adirondack Insurance Exchange ("Adirondack") and New Jersey Skylands Insurance Association ("Skylands") (together "Reciprocal Exchanges"). 2024 is related to losses for the carrying value of the surplus notes issued by the Reciprocal Exchanges. See Note 8 for further detail.

**Net gains (losses) on investments and derivatives by transaction type**

(\$ in millions)	Three months ended September 30,		Nine months ended September 30,	
	2025	2024	2025	2024
Sales	\$ 69	\$ 116	\$ (313)	\$ (85)
Credit losses	(23)	(12)	(103)	(143)
Valuation change of equity investments <sup>(1)</sup>	200	119	253	207
Valuation change and settlements of derivatives	6	20	(78)	(3)
<b>Net gains (losses) on investments and derivatives</b>	<b>\$ 252</b>	<b>\$ 243</b>	<b>\$ (241)</b>	<b>\$ (24)</b>

<sup>(1)</sup> Includes valuation change of equity securities and certain limited partnership interests where the underlying assets are predominately public equity securities.

**Gross realized gains (losses) on sales of fixed income securities**

(\$ in millions)	Three months ended September 30,		Nine months ended September 30,	
	2025	2024	2025	2024
Gross realized gains	\$ 142	\$ 201	\$ 329	\$ 275
Gross realized losses	(35)	(93)	(600)	(363)

**Net appreciation (decline) recognized in net income for assets that are still held**

(\$ in millions)	Three months ended September 30,		Nine months ended September 30,	
	2025	2024	2025	2024
Equity securities	\$ 178	\$ 107	\$ 291	\$ 170
Limited partnership interests carried at fair value	16	18	(13)	65
<b>Total</b>	<b>\$ 194</b>	<b>\$ 125</b>	<b>\$ 278</b>	<b>\$ 235</b>

**Credit losses recognized in net income**

(\$ in millions)	Three months ended September 30,		Nine months ended September 30,	
	2025	2024	2025	2024
Fixed income securities:				
Municipal	\$ —	\$ (2)	\$ —	\$ (2)
Corporate	—	(1)	—	(2)
<b>Total fixed income securities</b>	<b>—</b>	<b>(3)</b>	<b>—</b>	<b>(4)</b>
Mortgage loans	(6)	(1)	(6)	—
Limited partnership interests	(8)	(8)	(12)	(24)
Other investments				
Bank loans	(3)	—	(12)	5
Real estate	(6)	—	(6)	2
Other assets	—	—	(52)	(123)
Commitments to fund line of credit, commercial mortgage loans and bank loans	—	—	(15)	1
<b>Total</b>	<b>\$ (23)</b>	<b>\$ (12)</b>	<b>\$ (103)</b>	<b>\$ (143)</b>

**Unrealized net capital gains and losses included in accumulated other comprehensive income ("AOCI")**

(\$ in millions)	Fair value	Gross unrealized		Unrealized net gains (losses)
		Gains	Losses	
<b>September 30, 2025</b>				
Fixed income securities	\$ 57,186	\$ 848	\$ (394)	\$ 454
Short-term investments	8,743	—	—	—
Derivative instruments <sup>(1)</sup>	—	—	(2)	(2)
<b>Unrealized net capital gains and losses, pre-tax</b>				<b>452</b>
Reclassification of noncontrolling interest				—
Deferred income taxes				(101)
<b>Unrealized net capital gains and losses, after-tax</b>				<b>\$ 351</b>
<b>December 31, 2024</b>				
Fixed income securities	\$ 52,747	\$ 361	\$ (1,230)	\$ (869)
Short-term investments	4,537	—	(2)	(2)
Derivative instruments <sup>(1)</sup>	—	—	(2)	(2)
Investments classified as held for sale				(110)
<b>Unrealized net capital gains and losses, pre-tax</b>				<b>(983)</b>
Reclassification of noncontrolling interest				3
Deferred income taxes				209
<b>Unrealized net capital gains and losses, after-tax</b>				<b>\$ (771)</b>

<sup>(1)</sup> Includes the effective portion of losses on terminated cash flow hedges.

**Change in unrealized net capital gains (losses)**

(\$ in millions)	Nine months ended September 30, 2025
Fixed income securities	\$ 1,323
Short-term investments	2
Derivative instruments	—
Investments classified as held for sale <sup>(1)</sup>	110
<b>Total</b>	<b>1,435</b>
Reclassification of noncontrolling interest	(3)
Deferred income taxes	(310)
<b>Change in unrealized net capital gains and losses, after-tax</b>	<b>\$ 1,122</b>

<sup>(1)</sup> Unrealized net capital gains and losses for investments disposed of in the EVB business sale.

**Mortgage loans** The Company's mortgage loans totaled \$831 million and \$784 million, net of credit loss allowance, as of September 30, 2025 and December 31, 2024, respectively, and are primarily commercial mortgage loans collateralized by a variety of commercial real estate property types located across the United States. Substantially all of the commercial mortgage loans are non-recourse to the borrower. Residential mortgage loans totaled \$151 million and \$61 million as of September 30, 2025 and December 31, 2024, respectively, and have recourse to the borrower.

## Limited partnership interests

Carrying value for limited partnership interests		
(\$ in millions)	September 30, 2025	December 31, 2024
Private equity	\$ 7,515	\$ 7,734
Real estate	1,466	1,236
Other <sup>(1)</sup>	232	285
<b>Total</b>	<b>\$ 9,213</b>	<b>\$ 9,255</b>

<sup>(1)</sup> Other consists of certain limited partnership interests where the underlying assets are predominately public equity and debt securities.

**Short-term investments**, including money market funds, commercial paper, U.S. Treasury bills, fixed income securities with a contractual maturity of one year or less at time of acquisition and other short-term investments, are carried at fair value. As of September 30, 2025 and December 31, 2024, the fair value of short-term investments totaled \$8.74 billion and \$4.54 billion, respectively.

**Other investments** primarily consist of bank loans, real estate and derivatives. Bank loans are primarily senior secured corporate loans and are carried at amortized cost, net. Real estate is carried at cost less accumulated depreciation.

Other investments by asset type		
(\$ in millions)	September 30, 2025	December 31, 2024
Bank loans, net	\$ 383	\$ 201
Real estate	621	620
Other	13	3
<b>Total</b>	<b>\$ 1,017</b>	<b>\$ 824</b>

## Portfolio monitoring and credit losses

**Fixed income securities** The Company has a comprehensive portfolio monitoring process to identify and evaluate each fixed income security that may require a credit loss allowance.

For each fixed income security in an unrealized loss position, the Company assesses whether management with the appropriate authority has made the decision to sell or whether it is more likely than not the Company will be required to sell the security before recovery of the amortized cost basis for reasons such as liquidity, contractual or regulatory purposes. If a security meets either of these criteria, any existing credit loss allowance would be written-off against the amortized cost basis of the asset along with any remaining unrealized losses, with incremental losses recorded in earnings.

If the Company has not made the decision to sell the fixed income security and it is not more likely than not the Company will be required to sell the fixed income security before recovery of its amortized cost basis, the Company evaluates whether it expects to receive cash flows sufficient to recover the entire amortized cost basis of the security. The Company calculates the estimated recovery value based on the best estimate of future cash flows considering past events, current conditions and reasonable and supportable forecasts. The estimated future cash flows are discounted at the security's current effective rate and is compared to the amortized cost of the security.

The determination of cash flow estimates is inherently subjective, and methodologies may vary depending on facts and circumstances specific to the security. All reasonably available information relevant to the collectability of the security is considered when

developing the estimate of cash flows expected to be collected. That information generally includes, but is not limited to, the remaining payment terms of the security, prepayment speeds, the financial condition and future earnings potential of the issue or issuer, expected defaults, expected recoveries, the value of underlying collateral, origination vintage year, geographic concentration of underlying collateral, available reserves or escrows, current subordination levels, third-party guarantees and other credit enhancements. Other information, such as industry analyst reports and forecasts, credit ratings and other market data relevant to the realizability of contractual cash flows, may also be considered. The estimated fair value of collateral will be used to estimate recovery value if the Company determines that the security is dependent on the liquidation of collateral for ultimate settlement.

If the Company does not expect to receive cash flows sufficient to recover the entire amortized cost basis of the fixed income security, a credit loss allowance is recorded in earnings for the shortfall in expected cash flows; however, the amortized cost, net of the credit loss allowance, may not be lower than the fair value of the security. The portion of the unrealized loss related to factors other than credit remains classified in AOCI. If the Company determines that the fixed income security does not have sufficient cash flow or other information to estimate a recovery value for the security, the Company may conclude that the entire decline in fair value is deemed to be credit related and the loss is recorded in earnings.

When a security is sold or otherwise disposed or when the security is deemed uncollectible and written off, the Company reduces the credit loss allowance.

Recoveries after write-offs are recognized when received.

Accrued interest excluded from the amortized cost of fixed income securities totaled \$561 million and \$574 million as of September 30, 2025 and December 31, 2024, respectively, and is reported within the accrued investment income line of the Condensed Consolidated Statements of Financial Position. The Company monitors accrued interest and writes off amounts when they are not expected to be received.

The Company's portfolio monitoring process includes a quarterly review of all securities to identify instances where the fair value of a security compared to its amortized cost is below internally established thresholds. The process also includes the monitoring of other credit loss indicators such as ratings, ratings downgrades and payment defaults. The securities identified, in addition to other securities for which the

Company may have a concern, are evaluated for potential credit losses using all reasonably available information relevant to the collectability or recovery of the security. Inherent in the Company's evaluation of credit losses for these securities are assumptions and estimates about the financial condition and future earnings potential of the issue or issuer. Some of the factors that may be considered in evaluating whether a decline in fair value requires a credit loss allowance are: 1) the financial condition, near-term and long-term prospects of the issue or issuer, including relevant industry specific market conditions and trends, geographic location and implications of rating agency actions and offering prices; 2) the specific reasons that a security is in an unrealized loss position, including overall market conditions which could affect liquidity; and 3) the extent to which the fair value has been less than amortized cost.

#### Rollforward of credit loss allowance for fixed income securities

(\$ in millions)	Three months ended September 30,		Nine months ended September 30,	
	2025	2024	2025	2024
Beginning balance	\$ (17)	\$ (19)	\$ (17)	\$ (36)
Credit losses on securities for which credit losses not previously reported	—	(3)	(1)	(10)
Net (increases) decreases related to credit losses previously reported	—	—	1	3
(Increase) decrease related to sales and other	—	—	—	3
Write-offs	12	—	12	18
<b>Ending balance</b>	<b>\$ (5)</b>	<b>\$ (22)</b>	<b>\$ (5)</b>	<b>\$ (22)</b>
<b>Components of credit loss allowance as of September 30</b>				
Municipal bonds			\$ —	\$ (2)
Corporate bonds			(4)	(18)
ABS			(1)	(2)
<b>Total</b>			<b>\$ (5)</b>	<b>\$ (22)</b>

**Gross unrealized losses and fair value by type and length of time held in a continuous unrealized loss position <sup>(1)</sup>**

(\$ in millions)	Less than 12 months			12 months or more			Total unrealized losses
	Number of issues	Fair value	Unrealized losses	Number of issues	Fair value	Unrealized losses	
<b>September 30, 2025</b>							
Fixed income securities							
U.S. government and agencies	36	\$ 6,679	\$ (16)	74	\$ 260	\$ (4)	\$ (20)
Municipal	342	2,262	(49)	526	958	(50)	(99)
Corporate	351	3,030	(18)	852	5,393	(242)	(260)
Foreign government	45	173	(3)	56	43	(7)	(10)
ABS	20	85	(1)	12	44	(2)	(3)
MBS	49	541	(2)	64	3	—	(2)
<b>Total fixed income securities</b>	<b>843</b>	<b>\$ 12,770</b>	<b>\$ (89)</b>	<b>1,584</b>	<b>\$ 6,701</b>	<b>\$ (305)</b>	<b>\$ (394)</b>
Investment grade fixed income securities	695	\$ 12,102	\$ (82)	1,428	\$ 5,955	\$ (271)	\$ (353)
Below investment grade fixed income securities	148	668	(7)	156	746	(34)	(41)
<b>Total fixed income securities</b>	<b>843</b>	<b>\$ 12,770</b>	<b>\$ (89)</b>	<b>1,584</b>	<b>\$ 6,701</b>	<b>\$ (305)</b>	<b>\$ (394)</b>
<b>December 31, 2024</b>							
Fixed income securities							
U.S. government and agencies	179	\$ 8,520	\$ (256)	99	\$ 801	\$ (74)	\$ (330)
Municipal	990	4,889	(67)	1,089	1,693	(109)	(176)
Corporate	943	9,178	(166)	1,237	7,877	(544)	(710)
Foreign government	42	159	(2)	73	73	(8)	(10)
ABS	15	76	—	15	51	(4)	(4)
MBS	35	2	—	70	5	—	—
<b>Total fixed income securities</b>	<b>2,204</b>	<b>\$ 22,824</b>	<b>\$ (491)</b>	<b>2,583</b>	<b>\$ 10,500</b>	<b>\$ (739)</b>	<b>\$ (1,230)</b>
Investment grade fixed income securities	2,002	\$ 21,846	\$ (473)	2,367	\$ 9,281	\$ (655)	\$ (1,128)
Below investment grade fixed income securities	202	978	(18)	216	1,219	(84)	(102)
<b>Total fixed income securities</b>	<b>2,204</b>	<b>\$ 22,824</b>	<b>\$ (491)</b>	<b>2,583</b>	<b>\$ 10,500</b>	<b>\$ (739)</b>	<b>\$ (1,230)</b>

<sup>(1)</sup> Includes fixed income securities with fair values of \$8 million and \$16 million and unrealized losses of zero and \$1 million with credit loss allowances of \$1 million and \$3 million as of September 30, 2025 and December 31, 2024, respectively.

**Gross unrealized losses by unrealized loss position and credit quality as of September 30, 2025**

(\$ in millions)	Investment grade	Below investment grade	Total
Fixed income securities with unrealized loss position less than 20% of amortized cost, net <sup>(1)</sup>	\$ (331)	\$ (37)	\$ (368)
Fixed income securities with unrealized loss position greater than or equal to 20% of amortized cost, net <sup>(2)</sup>	(22)	(4)	(26)
<b>Total unrealized losses</b>	<b>\$ (353)</b>	<b>\$ (41)</b>	<b>\$ (394)</b>

<sup>(1)</sup> Related to securities with an unrealized loss position less than 20% of amortized cost, net, the degree of which suggests that these securities do not pose a high risk of having credit losses.

<sup>(2)</sup> Evaluated based on factors such as discounted cash flows and the financial condition and near-term and long-term prospects of the issue or issuer and were determined to have adequate resources to fulfill contractual obligations.

Investment grade is defined as a security having a National Association of Insurance Commissioners ("NAIC") designation of 1 or 2, which is comparable to a rating of Aaa, Aa, A or Baa from Moody's Investors Service ("Moody's") or AAA, AA, A or BBB from S&P Global Ratings ("S&P"), or a comparable internal rating if an externally provided rating is not available. Market prices for certain securities may have credit spreads which imply higher or lower credit quality than the current third-party rating. Unrealized losses on investment grade securities are principally related to an increase in market yields which may include increased risk-free interest rates or wider credit

spreads since the time of initial purchase. The unrealized losses are expected to reverse as the securities approach maturity.

ABS and MBS in an unrealized loss position were evaluated based on actual and projected collateral losses relative to the securities' positions in the respective securitization trusts, security specific expectations of cash flows, and credit ratings. This evaluation also takes into consideration credit enhancement, measured in terms of (i) subordination from other classes of securities in the trust that are contractually obligated to absorb losses before the class of security the Company owns, and (ii) the

expected impact of other structural features embedded in the securitization trust beneficial to the class of securities the Company owns, such as overcollateralization and excess spread. Municipal bonds in an unrealized loss position were evaluated based on the underlying credit quality of the primary obligor, obligation type and quality of the underlying assets.

As of September 30, 2025, the Company has not made the decision to sell and it is not more likely than not the Company will be required to sell fixed income securities with unrealized losses before recovery of the amortized cost basis.

**Loans** The Company establishes a credit loss allowance for mortgage loans and bank loans when they are originated or purchased, and for unfunded commitments unless they are unconditionally cancellable by the Company. The Company uses a probability of default and loss given default model for mortgage loans and bank loans to estimate current expected credit losses that considers all relevant information available including past events, current conditions, and reasonable and supportable forecasts over the life of an asset. The Company also considers such factors as historical losses, expected prepayments and various economic factors. For mortgage loans, the Company considers origination vintage year and property level information such as debt service coverage, property type, property location and collateral value. For bank loans, the Company considers the credit rating of the borrower, credit spreads and type of loan. After the reasonable and supportable forecast period, the Company's model reverts to historical loss trends.

Loans are evaluated on a pooled basis when they share similar risk characteristics. The Company monitors loans through a quarterly credit monitoring process to determine when they no longer share similar risk characteristics and are to be evaluated individually when estimating credit losses.

Loans are written off against their corresponding allowances when there is no reasonable expectation of recovery. If a loan recovers after a write-off, the estimate of expected credit losses includes the expected recovery.

Accrual of income is suspended for loans that are in default or when full and timely collection of principal and interest payments is not probable. Accrued income receivable is monitored for recoverability and when not expected to be collected is written off through net investment income. Cash receipts on loans on non-accrual status are generally recorded as a reduction of amortized cost.

**Mortgage loans** When it is determined a mortgage loan shall be evaluated individually, the Company uses various methods to estimate credit losses on individual loans such as using collateral value less estimated costs to sell where applicable, including when foreclosure is probable or when repayment is expected to be provided substantially through the operation or sale of the collateral and the borrower is experiencing financial difficulty. When collateral value is used, the mortgage loans may not have a credit loss allowance when the fair value of the collateral exceeds the loan's amortized cost. An alternative approach may be utilized to estimate credit losses using the present value of the loan's expected future repayment cash flows discounted at the loan's current effective interest rate. Individual loan credit loss allowances are adjusted for subsequent changes in the fair value of the collateral less costs to sell, when applicable, or present value of the loan's expected future repayment cash flows.

Debt service coverage ratio is considered a key credit quality indicator when commercial mortgage loan credit loss allowances are estimated. Debt service coverage ratio represents the amount of estimated cash flow from the property available to the borrower to meet principal and interest payment obligations. Debt service coverage ratio estimates are updated annually or more frequently if conditions are warranted based on the Company's credit monitoring process.

If the debt service coverage ratio is below 1.0 and the borrower has the financial capacity to fund the revenue shortfalls from the properties for the foreseeable term, the decrease in cash flows from the properties is considered temporary, or there are other risk mitigating circumstances such as additional collateral, escrow balances or borrower guarantees, the commercial loans may not be considered impaired.

**Commercial mortgage loans amortized cost by debt service coverage ratio distribution and year of origination**

(\$ in millions)	September 30, 2025							December 31, 2024	
	2020 and prior	2021	2022	2023	2024	2025	Total	Total	
1.0 - 1.25	\$ 37	\$ —	\$ —	\$ 25	\$ 39	\$ —	\$ 101	\$ 137	
1.26 - 1.50	31	—	42	19	—	—	92	105	
Above 1.50	202	164	47	76	15	—	504	493	
<b>Amortized cost before allowance</b>	<b>\$ 270</b>	<b>\$ 164</b>	<b>\$ 89</b>	<b>\$ 120</b>	<b>\$ 54</b>	<b>\$ —</b>	<b>\$ 697</b>	<b>\$ 735</b>	
Allowance							(17)	(12)	
<b>Amortized cost, net</b>							<b>\$ 680</b>	<b>\$ 723</b>	

**Payment status of mortgage loans**

(\$ in millions)	September 30, 2025		
	Commercial	Residential	Total
Less than 90 days past due	\$ 23	\$ 1	\$ 24
90 days or greater past due	—	—	—
<b>Total past due before allowance</b>	<b>23</b>	<b>1</b>	<b>24</b>
Current before allowance	674	151	825
<b>Total mortgage loans before allowance</b>	<b>697</b>	<b>152</b>	<b>849</b>
Allowance	(17)	(1)	(18)
<b>Total mortgage loans</b>	<b>\$ 680</b>	<b>\$ 151</b>	<b>\$ 831</b>

Payments on all mortgage loans were current as of December 31, 2024.

**Rollforward of credit loss allowance for mortgage loans**

(\$ in millions)	Three months ended September 30,		Nine months ended September 30,	
	2025	2024	2025	2024
Beginning balance	\$ (12)	\$ (10)	\$ (12)	\$ (11)
Net increases related to credit losses	(6)	(1)	(6)	—
Write-offs	—	—	—	—
<b>Ending balance</b>	<b>\$ (18)</b>	<b>\$ (11)</b>	<b>\$ (18)</b>	<b>\$ (11)</b>
<b>Components of credit loss allowance as of September 30</b>				
Commercial			\$ (17)	\$ (11)
Residential			(1)	—
<b>Total</b>			<b>\$ (18)</b>	<b>\$ (11)</b>

**Bank loans** When it is determined a bank loan shall be evaluated individually, the Company uses various methods to estimate credit losses on individual loans such as the present value of the loan's expected future repayment cash flows discounted at the loan's current effective interest rate.

Credit ratings of the borrower are considered a key credit quality indicator when bank loan credit loss

allowances are estimated. The ratings are either received from the Securities Valuation Office of the NAIC based on availability of applicable ratings from rating agencies on the NAIC credit rating provider list or a comparable internal rating. The year of origination is determined to be the year in which the asset is acquired.

**Bank loans amortized cost by credit rating and year of origination**

(\$ in millions)	September 30, 2025							December 31, 2024	
	2020 and prior	2021	2022	2023	2024	2025	Total	Total	
NAIC 1 / A	\$ —	\$ —	\$ —	\$ —	\$ 44	\$ 155	\$ 199	\$ 45	
NAIC 2 / BBB	—	—	—	—	1	49	50	6	
NAIC 3 / BB	—	—	1	2	8	14	25	27	
NAIC 4 / B	1	2	—	28	27	50	108	122	
NAIC 5-6 / CCC and below	—	—	1	8	1	8	18	11	
<b>Amortized cost before allowance</b>	<b>\$ 1</b>	<b>\$ 2</b>	<b>\$ 2</b>	<b>\$ 38</b>	<b>\$ 81</b>	<b>\$ 276</b>	<b>\$ 400</b>	<b>\$ 211</b>	
Allowance							(17)	(10)	
<b>Amortized cost, net</b>							<b>\$ 383</b>	<b>\$ 201</b>	

**Rollforward of credit loss allowance for bank loans**

(\$ in millions)	Three months ended September 30,		Nine months ended September 30,	
	2025	2024	2025	2024
Beginning balance	\$ (17)	\$ (11)	\$ (10)	\$ (22)
Net (increases) decreases related to credit losses	(3)	—	(12)	5
Write-offs	3	—	5	6
<b>Ending balance</b>	<b>\$ (17)</b>	<b>\$ (11)</b>	<b>\$ (17)</b>	<b>\$ (11)</b>

**Note 6 Fair Value of Assets and Liabilities**

Fair value is defined as the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The hierarchy for inputs used in determining fair value maximizes the use of observable inputs and minimizes the use of unobservable inputs by requiring that observable inputs be used when available. Assets and liabilities recorded on the Condensed Consolidated Statements of Financial Position at fair value are categorized in the fair value hierarchy based on the observability of inputs to the valuation techniques as follows:

**Level 1:** Assets and liabilities whose values are based on unadjusted quoted prices for identical assets or liabilities in an active market that the Company can access.

**Level 2:** Assets and liabilities whose values are based on the following:

- Quoted prices for similar assets or liabilities in active markets;
- Quoted prices for identical or similar assets or liabilities in markets that are not active; or
- Valuation models whose inputs are observable, directly or indirectly, for substantially the full term of the asset or liability.

**Level 3:** Assets and liabilities whose values are based on prices or valuation techniques that require inputs that are both unobservable and significant to the overall fair value measurement. Unobservable inputs reflect the Company's estimates of the assumptions that market participants would use in valuing the assets and liabilities.

The availability of observable inputs varies by instrument. In situations where fair value is based on

internally developed pricing models or inputs that are unobservable in the market, the determination of fair value requires more judgment. The degree of judgment exercised by the Company in determining fair value is typically greatest for instruments categorized in Level 3. In many instances, valuation inputs used to measure fair value fall into different levels of the fair value hierarchy. The category level in the fair value hierarchy is determined based on the lowest level input that is significant to the fair value measurement in its entirety. The Company uses prices and inputs that are current as of the measurement date, including during periods of market disruption. In periods of market disruption, the ability to observe prices and inputs may be reduced for many instruments.

The Company is responsible for the determination of fair value and the supporting assumptions and methodologies. The Company gains assurance that assets and liabilities are appropriately valued through the execution of various processes and controls designed to ensure the overall reasonableness and consistent application of valuation methodologies, including inputs and assumptions, and compliance with accounting standards. For fair values received from third parties or internally estimated, the Company's processes and controls are designed to ensure that the valuation methodologies are appropriate and consistently applied, the inputs and assumptions are reasonable and consistent with the objective of determining fair value, and the fair values are accurately recorded. For example, on a continuing basis, the Company assesses the reasonableness of individual fair values that have stale security prices or that exceed certain thresholds as compared to previous fair values received from valuation service providers or brokers or derived from internal models.

The Company performs procedures to understand and assess the methodologies, processes and controls of valuation service providers.

In addition, the Company may validate the reasonableness of fair values by comparing information obtained from valuation service providers or brokers to other third-party valuation sources for selected securities. The Company performs ongoing price validation procedures such as back-testing of actual sales, which corroborate the various inputs used in internal models to market observable data. When fair value determinations are expected to be more variable, the Company validates them through reviews by members of management who have relevant expertise and who are independent of those charged with executing investment transactions.

The Company has two types of situations where investments are classified as Level 3 in the fair value hierarchy:

- (1) Specific inputs significant to the fair value estimation models are not market observable. This primarily occurs in the Company's use of broker quotes to value certain securities where the inputs have not been corroborated to be market observable, and the use of valuation models that use significant non-market observable inputs.
- (2) Quotes continue to be received from independent third-party valuation service providers and all significant inputs are market observable; however, there has been a significant decrease in the volume and level of activity for the asset when compared to normal market activity such that the degree of market observability has declined to a point where categorization as a Level 3 measurement is considered appropriate. The indicators considered in determining whether a significant decrease in the volume and level of activity for a specific asset has occurred include the level of new issuances in the primary market, trading volume in the secondary market, the level of credit spreads over historical levels, applicable bid-ask spreads, and price consensus among market participants and other pricing sources.

Certain assets are not carried at fair value on a recurring basis, including mortgage loans, bank loans, real estate and policy loans and are only included in the fair value hierarchy disclosure when the individual investment is reported at fair value.

In determining fair value, the Company principally uses the market approach which generally utilizes market transaction data for the same or similar instruments. To a lesser extent, the Company uses the income approach which involves determining fair values from discounted cash flow methodologies. For the majority of Level 2 and Level 3 valuations, a combination of the market and income approaches is used.

## Summary of significant inputs and valuation techniques for Level 2 and Level 3 assets and liabilities measured at fair value on a recurring basis

### Level 2 measurements

- Fixed income securities:

*U.S. government and agencies, municipal, corporate - public and foreign government:* The primary inputs to the valuation include quoted prices for identical or similar assets in markets that are not active, contractual cash flows, benchmark yields and credit spreads.

*Corporate - privately placed:* Privately placed securities are valued using a discounted cash flow model that is widely accepted in the financial services industry and uses market observable inputs and inputs derived principally from, or corroborated by, observable market data. The primary inputs to the discounted cash flow model include an interest rate yield curve, as well as published credit spreads for similar assets in markets that are not active that incorporate the credit quality and industry sector of the issuer.

Corporate - privately placed also includes redeemable preferred stock that are valued using quoted prices for identical or similar assets in markets that are not active, contractual cash flows, benchmark yields, underlying stock prices and credit spreads.

*ABS and MBS:* The primary inputs to the valuation include quoted prices for identical or similar assets in markets that are not active, contractual cash flows, benchmark yields, collateral performance and credit spreads. Certain ABS are valued based on non-binding broker quotes whose inputs have been corroborated to be market observable. Residential MBS include prepayment speeds as a primary input for valuation.

- Equity securities: The primary inputs to the valuation include quoted prices or quoted net asset values for identical or similar assets in markets that are not active.
- Short-term: The primary inputs to the valuation include quoted prices for identical or similar assets in markets that are not active, contractual cash flows, benchmark yields and credit spreads.
- Other investments: Free-standing exchange listed derivatives that are not actively traded are valued based on quoted prices for identical instruments in markets that are not active.

Over-the-counter ("OTC") derivatives, including interest rate swaps, foreign currency swaps, total return swaps, foreign exchange forward contracts, certain options and certain credit default swaps, are valued using models that rely on inputs such as interest rate yield curves, implied volatilities, index price levels, currency rates, and credit spreads that are observable for substantially the full term of the contract. The valuation techniques underlying the models are widely accepted in the financial

services industry and do not involve significant judgment.

- **Assets held for sale:** Comprise U.S. government and agencies, municipal, corporate, MBS fixed income securities and short-term. The significant inputs and valuation techniques are based on the respective asset type as described above.

#### Level 3 measurements

- **Fixed income securities:**

**Municipal:** Comprise municipal bonds that are not rated by third-party credit rating agencies. The primary inputs to the valuation of these municipal bonds include quoted prices for identical or similar assets that are not market observable, contractual cash flows, benchmark yields and credit spreads. Also included are municipal bonds valued based on non-binding broker quotes where the inputs have not been corroborated to be market observable and municipal bonds in default valued based on the present value of expected cash flows.

**Corporate - public and privately placed:** Primarily valued using a discounted cash flow model that is widely accepted in the financial services industry using inputs that have not been corroborated to be market observable. In certain situations, non-binding broker quotes where the inputs have not been corroborated to be market observable are used. Other inputs for corporate fixed income securities include expected cash flows, an interest rate yield curve, as well as published credit spreads for similar assets that incorporate the credit quality and industry sector of the issuer.

**ABS and MBS:** The primary inputs to the valuation include expected cash flows, benchmark yields, collateral performance and credit spreads. Residential MBS include prepayment speeds as a primary input for valuation.

- **Equity securities:** The primary inputs to the valuation include quoted prices or quoted net asset values for identical or similar assets that are not market observable.
- **Short-term:** For certain short-term investments, amortized cost is used as the best estimate of fair value.
- **Other investments:** Certain options (including swaptions) are valued using models that are widely accepted in the financial services industry. These

are categorized as Level 3 as a result of the significance of non-market observable inputs such as volatility. Other primary inputs include interest rate yield curves and quoted prices for identical or similar assets in markets that exhibit less liquidity relative to those markets supporting Level 2 fair value measurements. Certain OTC interest rate swaps associated with real estate investments are valued using non-market observable counterparty valuations.

- **Other assets:** Includes the contingent consideration provision in the sale agreement for Allstate Life Insurance Company ("ALIC") which meets the definition of a derivative. This derivative is valued internally using a model that includes stochastically determined cash flows and inputs that include spot and forward interest rates, volatility, corporate credit spreads and a liquidity discount. This derivative is categorized as Level 3 due to the significance of non-market observable inputs.
- **Assets held for sale:** Comprise corporate fixed income securities. The significant inputs and valuation techniques are based on the respective asset type as described above.

#### **Assets measured at fair value on a non-recurring basis**

Comprise long-lived assets to be disposed of by sale, including real estate, that are written down to fair value less costs to sell and bank loans, limited partnerships and commercial mortgages written down to fair value in connection with recognizing credit losses.

#### **Investments excluded from the fair value hierarchy**

##### Investments reported at net asset value ("NAV")

Limited partnerships carried at fair value, which do not have readily determinable fair values, use NAV provided by the investees and are excluded from the fair value hierarchy. These investments are generally not redeemable by the investees and generally cannot be sold without approval of the general partner. The Company receives distributions of income and proceeds from the liquidation of the underlying assets of the investees, which usually takes place in years 4-9 of the typical contractual life of 10-12 years. As of September 30, 2025, the Company has commitments to invest \$127 million in limited partnership interests that are reported at net asset value.

## Assets and liabilities measured at fair value

(\$ in millions)	September 30, 2025				
	Quoted prices in active markets for identical assets (Level 1)	Significant other observable inputs (Level 2)	Significant unobservable inputs (Level 3)	Counterparty and cash collateral netting	Total
<b>Assets</b>					
Fixed income securities:					
U.S. government and agencies	\$ 13,516	\$ 9	\$ —		\$ 13,525
Municipal	—	6,223	3		6,226
Corporate - public	—	21,853	34		21,887
Corporate - privately placed	—	10,837	156		10,993
Foreign government	—	1,435	—		1,435
ABS	—	962	24		986
MBS	—	2,045	89		2,134
<b>Total fixed income securities</b>	<b>13,516</b>	<b>43,364</b>	<b>306</b>		<b>57,186</b>
Equity securities <sup>(1)</sup>	4,570	367	310		5,247
Short-term investments	3,543	5,191	9		8,743
Other investments	—	14	1	\$ (2)	13
Other assets	1	—	140		141
<b>Total recurring basis assets</b>	<b>21,630</b>	<b>48,936</b>	<b>766</b>	<b>(2)</b>	<b>71,330</b>
Non-recurring basis	—	—	100		100
<b>Total assets at fair value</b>	<b>\$ 21,630</b>	<b>\$ 48,936</b>	<b>\$ 866</b>	<b>\$ (2)</b>	<b>\$ 71,430</b>
Investments reported at NAV					838
<b>Total</b>					<b>\$ 72,268</b>
<b>Liabilities</b>					
Other liabilities	\$ —	\$ (31)	\$ (1)	\$ 30	\$ (2)
<b>Total recurring basis liabilities</b>	<b>—</b>	<b>(31)</b>	<b>(1)</b>	<b>30</b>	<b>(2)</b>
<b>Total liabilities at fair value</b>	<b>\$ —</b>	<b>\$ (31)</b>	<b>\$ (1)</b>	<b>\$ 30</b>	<b>\$ (2)</b>

<sup>(1)</sup> Excludes \$91 million of securities using the measurement alternative or the equity method of accounting.

## Assets and liabilities measured at fair value

(\$ in millions)	December 31, 2024				
	Quoted prices in active markets for identical assets (Level 1)	Significant other observable inputs (Level 2)	Significant unobservable inputs (Level 3)	Counterparty and cash collateral netting	Total
<b>Assets</b>					
Fixed income securities:					
U.S. government and agencies	\$ 11,099	\$ 9	\$ —		\$ 11,108
Municipal	—	8,840	2		8,842
Corporate - public	—	21,211	22		21,233
Corporate - privately placed	—	8,849	110		8,959
Foreign government	—	1,364	—		1,364
ABS	—	1,119	26		1,145
MBS	—	8	88		96
<b>Total fixed income securities</b>	<b>11,099</b>	<b>41,400</b>	<b>248</b>		<b>52,747</b>
Equity securities <sup>(1)</sup>	3,600	306	407		4,313
Short-term investments	2,016	2,516	5		4,537
Other investments	—	21	1	\$ (19)	3
Other assets	—	—	134		134
Assets held for sale	241	1,536	7		1,784
<b>Total recurring basis assets</b>	<b>16,956</b>	<b>45,779</b>	<b>802</b>	<b>(19)</b>	<b>63,518</b>
Non-recurring basis	—	—	3		3
<b>Total assets at fair value</b>	<b>\$ 16,956</b>	<b>\$ 45,779</b>	<b>\$ 805</b>	<b>\$ (19)</b>	<b>\$ 63,521</b>
Investments reported at NAV					1,096
<b>Total</b>					<b>\$ 64,617</b>
<b>Liabilities</b>					
Other liabilities	\$ (1)	\$ (1)	\$ —	\$ 1	\$ (1)
<b>Total recurring basis liabilities</b>	<b>(1)</b>	<b>(1)</b>	<b>—</b>	<b>1</b>	<b>(1)</b>
<b>Total liabilities at fair value</b>	<b>\$ (1)</b>	<b>\$ (1)</b>	<b>\$ —</b>	<b>\$ 1</b>	<b>\$ (1)</b>

<sup>(1)</sup> Excludes \$150 million of preferred stock measured at cost.

As of September 30, 2025 and December 31, 2024, Level 3 fair value measurements of fixed income securities totaled \$306 million and \$248 million, respectively, and included \$82 million and \$87 million, respectively, of securities valued based on third-party discounted cash flow pricing models where the inputs have not been corroborated to be market observable, \$25 million and \$22 million, respectively, of securities valued based on non-binding broker quotes where the inputs have not been corroborated to be market observable and \$3 million and \$2 million, respectively, of municipal fixed income securities that are not rated by third-party credit rating agencies.

An increase (decrease) in credit spreads for fixed income securities valued based on third-party discounted cash flow pricing models or non-binding broker quotes would result in a lower (higher) fair value, and an increase (decrease) in the credit rating of municipal bonds that are not rated by third-party credit rating agencies would result in a higher (lower) fair value.

## Rollforward of Level 3 assets and liabilities held at fair value during the three month period ended September 30, 2025

(\$ in millions)	Balance as of June 30, 2025	Total gains (losses) included in:		Transfers		Purchases	Sales	Settlements	Balance as of September 30, 2025
		Net income	OCI	Into Level 3	Out of Level 3				
<b>Assets</b>									
Fixed income securities:									
Municipal	\$ 2	\$ —	\$ —	\$ 1	\$ —	\$ —	\$ —	\$ —	\$ 3
Corporate - public	35	—	—	—	—	—	(1)	—	34
Corporate - privately placed	109	—	1	—	—	48	—	(2)	156
ABS	39	—	—	—	(15)	—	—	—	24
MBS	88	—	—	—	—	2	—	(1)	89
<b>Total fixed income securities</b>	<b>273</b>	<b>—</b>	<b>1</b>	<b>1</b>	<b>(15)</b>	<b>50</b>	<b>(1)</b>	<b>(3)</b>	<b>306</b>
Equity securities	358	(1)	—	—	(48)	3	(2)	—	310
Short-term investments	4	—	—	—	—	6	(1)	—	9
Other investments	1	—	—	—	—	—	—	—	1
Other assets	137	3	—	—	—	—	—	—	140
<b>Total recurring Level 3 assets</b>	<b>773</b>	<b>2</b>	<b>1</b>	<b>1</b>	<b>(63)</b>	<b>59</b>	<b>(4)</b>	<b>(3)</b>	<b>766</b>
<b>Liabilities</b>									
Other liabilities	(1)	—	—	—	—	—	—	—	(1)
<b>Total recurring Level 3 liabilities</b>	<b>\$ (1)</b>	<b>\$ —</b>	<b>\$ —</b>	<b>\$ —</b>	<b>\$ —</b>	<b>\$ —</b>	<b>\$ —</b>	<b>\$ —</b>	<b>\$ (1)</b>

## Rollforward of Level 3 assets and liabilities held at fair value during the nine month period ended September 30, 2025

(\$ in millions)	Balance as of December 31, 2024	Total gains (losses) included in:		Transfers		Purchases	Sales	Settlements	Balance as of September 30, 2025
		Net income	OCI	Into Level 3	Out of Level 3				
<b>Assets</b>									
Fixed income securities:									
Municipal	\$ 2	\$ —	\$ —	\$ 1	\$ —	\$ —	\$ —	\$ —	\$ 3
Corporate - public	22	(1)	1	—	(7)	20	(1)	—	34
Corporate - privately placed	110	(1)	2	—	—	48	—	(3)	156
ABS	26	—	—	26	(41)	15	—	(2)	24
MBS	88	—	—	—	—	2	—	(1)	89
<b>Total fixed income securities</b>	<b>248</b>	<b>(2)</b>	<b>3</b>	<b>27</b>	<b>(48)</b>	<b>85</b>	<b>(1)</b>	<b>(6)</b>	<b>306</b>
Equity securities	407	29	—	—	(48)	8	(86)	—	310
Short-term investments	5	—	—	—	—	9	(5)	—	9
Other investments	1	—	—	—	—	—	—	—	1
Other assets	134	6	—	—	—	—	—	—	140
Assets held for sale	7	—	1	—	—	—	(8)	—	—
<b>Total recurring Level 3 assets</b>	<b>802</b>	<b>33</b>	<b>4</b>	<b>27</b>	<b>(96)</b>	<b>102</b>	<b>(100)</b>	<b>(6)</b>	<b>766</b>
<b>Liabilities</b>									
Other liabilities	—	(1)	—	—	—	—	—	—	(1)
<b>Total recurring Level 3 liabilities</b>	<b>\$ —</b>	<b>\$ (1)</b>	<b>\$ —</b>	<b>\$ —</b>	<b>\$ —</b>	<b>\$ —</b>	<b>\$ —</b>	<b>\$ —</b>	<b>\$ (1)</b>

**Rollforward of Level 3 assets and liabilities held at fair value during the three month period ended September 30, 2024**

(\$ in millions)	Balance as of June 30, 2024	Total gains (losses) included in:		Transfers		Transfers (to) from held for sale	Purchases	Sales	Settlements	Balance as of September 30, 2024
		Net income	OCI	Into Level 3	Out of Level 3					
<b>Assets</b>										
Fixed income securities:										
Municipal	\$ 7	\$ (2)	\$ —	\$ —	\$ —	\$ —	\$ —	\$ —	\$ —	\$ 5
Corporate - public	30	—	—	—	—	(7)	5	—	—	28
Corporate - privately placed	50	—	—	—	—	—	1	—	—	51
ABS and MBS	71	—	—	—	—	—	27	—	(1)	97
<b>Total fixed income securities</b>	<b>158</b>	<b>(2)</b>	<b>—</b>	<b>—</b>	<b>—</b>	<b>(7)</b>	<b>33</b>	<b>—</b>	<b>(1)</b>	<b>181</b>
Equity securities	393	12	—	—	—	—	5	(2)	—	408
Short-term investments	1	—	—	—	—	—	1	—	—	2
Other investments	2	—	—	—	—	—	—	—	—	2
Other assets	121	2	—	—	—	—	—	—	—	123
Assets held for sale	—	—	—	—	—	7	—	—	—	7
<b>Total recurring Level 3 assets</b>	<b>675</b>	<b>12</b>	<b>—</b>	<b>—</b>	<b>—</b>	<b>—</b>	<b>39</b>	<b>(2)</b>	<b>(1)</b>	<b>723</b>
<b>Liabilities</b>										
<b>Total recurring Level 3 liabilities</b>	<b>\$ —</b>	<b>\$ —</b>	<b>\$ —</b>	<b>\$ —</b>	<b>\$ —</b>	<b>\$ —</b>	<b>\$ —</b>	<b>\$ —</b>	<b>\$ —</b>	<b>\$ —</b>

**Rollforward of Level 3 assets and liabilities held at fair value during the nine month period ended September 30, 2024**

(\$ in millions)	Balance as of December 31, 2023	Total gains (losses) included in:		Transfers		Transfers (to) from held for sale	Purchases	Sales	Settlements	Balance as of September 30, 2024
		Net income	OCI	Into Level 3	Out of Level 3					
<b>Assets</b>										
Fixed income securities:										
Municipal	\$ 11	\$ (2)	\$ —	\$ —	\$ —	\$ —	\$ —	\$ (2)	\$ (2)	\$ 5
Corporate - public	26	1	1	—	—	(7)	16	(9)	—	28
Corporate - privately placed	58	(6)	—	—	—	—	1	(2)	—	51
ABS and MBS	58	—	—	—	—	—	41	—	(2)	97
<b>Total fixed income securities</b>	<b>153</b>	<b>(7)</b>	<b>1</b>	<b>—</b>	<b>—</b>	<b>(7)</b>	<b>58</b>	<b>(13)</b>	<b>(4)</b>	<b>181</b>
Equity securities	402	18	—	—	—	—	14	(26)	—	408
Short-term investments	1	—	—	—	—	—	22	(20)	(1)	2
Other investments	2	—	—	—	—	—	—	—	—	2
Other assets	118	5	—	—	—	—	—	—	—	123
Assets held for sale	—	—	—	—	—	7	—	—	—	7
<b>Total recurring Level 3 assets</b>	<b>676</b>	<b>16</b>	<b>1</b>	<b>—</b>	<b>—</b>	<b>—</b>	<b>94</b>	<b>(59)</b>	<b>(5)</b>	<b>723</b>
<b>Liabilities</b>										
<b>Total recurring Level 3 liabilities</b>	<b>\$ —</b>	<b>\$ —</b>	<b>\$ —</b>	<b>\$ —</b>	<b>\$ —</b>	<b>\$ —</b>	<b>\$ —</b>	<b>\$ —</b>	<b>\$ —</b>	<b>\$ —</b>

**Total Level 3 gains (losses) included in net income**

(\$ in millions)	Three months ended September 30,		Nine months ended September 30,	
	2025	2024	2025	2024
Net investment income	\$ 1	\$ —	\$ 1	\$ 1
Net gains (losses) on investments and derivatives	(2)	10	25	10
Operating costs and expenses	3	2	6	5

Transfers into Level 3 during the three and nine months ended September 30, 2025 included situations where a rating was not provided by third-party rating agencies resulting in the security being classified as Level 3. Transfers into Level 3 during the nine months ended September 30, 2025 also included situations

where a quote was not provided by the Company's independent third-party valuation service provider and as a result the price was stale or had been replaced with a broker quote where the inputs had not been corroborated to be market observable resulting in the security being classified as Level 3.

Transfers out of Level 3 during the three and nine months ended September 30, 2025 included situations where a quote that was not provided by the Company's independent third-party valuation service provider in the prior period became available in the current period. Any gains or losses related to the

change in valuation source for individual securities were not significant.

There were no transfers into or out of Level 3 during the three and nine months ended September 30, 2024.

#### Valuation changes included in net income and OCI for Level 3 assets and liabilities still held

(\$ in millions)	Three months ended September 30,		Nine months ended September 30,	
	2025	2024	2025	2024
<b>Assets</b>				
Fixed income securities:				
Municipal	\$ —	\$ (2)	\$ —	\$ (2)
Corporate - public	—	—	(1)	1
Corporate - privately placed	—	—	—	(6)
<b>Total fixed income securities</b>	<b>—</b>	<b>(2)</b>	<b>(1)</b>	<b>(7)</b>
Equity securities	(2)	12	27	23
Other assets	3	2	6	5
<b>Total recurring Level 3 assets</b>	<b>\$ 1</b>	<b>\$ 12</b>	<b>\$ 32</b>	<b>\$ 21</b>
<b>Liabilities</b>				
Other liabilities	\$ —	\$ —	\$ (1)	\$ —
<b>Total recurring Level 3 liabilities</b>	<b>—</b>	<b>—</b>	<b>(1)</b>	<b>—</b>
<b>Total included in net income</b>	<b>\$ 1</b>	<b>\$ 12</b>	<b>\$ 31</b>	<b>\$ 21</b>
<b>Components of net income</b>				
Net investment income	\$ 1	\$ —	\$ 1	\$ 1
Net gains (losses) on investments and derivatives	(3)	10	24	15
Operating costs and expenses	3	2	6	5
<b>Total included in net income</b>	<b>\$ 1</b>	<b>\$ 12</b>	<b>\$ 31</b>	<b>\$ 21</b>
<b>Assets</b>				
Corporate - public	\$ —	\$ —	\$ 1	\$ 1
Corporate - privately placed	1	—	2	—
<b>Changes in unrealized net capital gains and losses reported in OCI</b>	<b>\$ 1</b>	<b>\$ —</b>	<b>\$ 3</b>	<b>\$ 1</b>

#### Financial instruments not carried at fair value

(\$ in millions)	Fair value level	September 30, 2025		December 31, 2024	
		Amortized cost, net <sup>(1)</sup>	Fair value	Amortized cost, net <sup>(1)</sup>	Fair value
<b>Financial assets</b>					
Mortgage loans	Level 3	\$ 831	\$ 818	\$ 784	\$ 746
Bank loans	Level 3	383	394	201	207
<b>Financial liabilities</b>					
	Fair value level	Carrying value	Fair value	Carrying value	Fair value
Debt	Level 2	\$ 8,089	\$ 7,997	\$ 8,085	\$ 7,740
Liability for collateral	Level 2	1,859	1,859	2,041	2,041
Liabilities held for sale	Level 3	—	—	40	40

<sup>(1)</sup> Represents the amounts reported on the Condensed Consolidated Statements of Financial Position.

#### Note 7 Derivative Financial Instruments

The Company uses derivatives for risk reduction and to increase investment portfolio returns through asset replication. Risk reduction activity is focused on managing the risks with certain assets and liabilities arising from the potential adverse impacts from changes in risk-free interest rates, changes in equity market valuations, increases in credit spreads and foreign currency fluctuations.

Asset replication refers to the "synthetic" creation of assets through the use of derivatives. The Company replicates fixed income securities using a combination of a credit default swap, index total return swap, options, futures, or a foreign currency forward contract and one or more highly rated fixed income securities, primarily investment grade host bonds, to synthetically replicate the economic characteristics of one or more cash market securities. The Company replicates equity

securities using futures, index total return swaps, and options to increase equity exposure.

Property-Liability may use interest rate swaps, swaptions, futures and options to manage the interest rate risks of existing investments. These instruments are utilized to change the duration of the portfolio in order to offset the economic effect that interest rates would otherwise have on the fair value of its fixed income securities. Fixed income index total return swaps are used to offset valuation losses in the fixed income portfolio during periods of declining market values. Credit default swaps are typically used to mitigate the credit risk within the Property-Liability fixed income portfolio. Equity index total return swaps, futures and options are used by Property-Liability to offset valuation losses in the equity portfolio. In addition, equity futures are used to hedge the market risk related to deferred compensation liability contracts. Equity derivatives may also be utilized to replicate cash market positions to increase equity exposure. Forward contracts are primarily used by Property-Liability to hedge foreign currency risk associated with holding foreign currency denominated investments and foreign operations.

As of September 30, 2025 and December 31, 2024, the Company has not designated any fair value, cash flow or net investment hedge accounting relationships. Non-hedge accounting is generally used for "portfolio" level hedging strategies where the terms of the individual hedged items do not meet the strict homogeneity requirements to permit the application of hedge accounting. For non-hedge derivatives, net income includes changes in fair value and accrued periodic settlements, when applicable.

The notional amounts specified in the contracts are used to calculate the exchange of contractual payments under the agreements and are generally not representative of the potential for gain or loss on these agreements. However, the notional amounts specified in credit default swaps where the Company has sold credit protection represent the maximum amount of potential loss, assuming no recoveries.

Fair value, which is equal to the carrying value, is the estimated amount that the Company would receive or pay to terminate the derivative contracts at the reporting date. The carrying value amounts for OTC derivatives are further adjusted for the effects, if any, of enforceable master netting agreements ("MNAs") and are presented on a net basis, by counterparty agreement, in the Condensed Consolidated Statements of Financial Position.

In connection with the sale of ALIC and certain affiliates in 2021, the sale agreement included a provision related to contingent consideration that may be earned over a ten-year period with the first potential payment date commencing on January 1, 2026 and a final potential payment date of January 1, 2035. The contingent consideration is determined annually based on the average ten-year U.S. Treasury rate over the preceding three-year period compared to a designated rate. The contingent consideration meets the definition of a derivative and is accounted for on a fair value basis with periodic changes in fair value reflected in earnings. There are no collateral requirements related to the contingent consideration.

## Summary of the volume and fair value positions of derivative instruments as of September 30, 2025

(\$ in millions, except number of contracts)	Balance sheet location	Volume <sup>(1)</sup>		Fair value, net	Gross asset	Gross liability
		Notional amount	Number of contracts			
<b>Asset derivatives</b>						
<b>Derivatives not designated as accounting hedging instruments</b>						
Interest rate contracts						
Interest rate cap agreements	Other investments	\$ 37	n/a	\$ —	\$ —	\$ —
Futures	Other assets	n/a	5,311	—	—	—
Equity and index contracts						
Options	Other investments	n/a	65	—	—	—
Futures	Other assets	n/a	1,016	1	1	—
Contingent consideration	Other assets	250	n/a	140	140	—
Credit default contracts						
Credit default swaps - selling protection	Other investments	500	n/a	12	12	—
<b>Total asset derivatives</b>		<b>\$ 787</b>	<b>6,392</b>	<b>\$ 153</b>	<b>\$ 153</b>	<b>\$ —</b>
<b>Liability derivatives</b>						
<b>Derivatives not designated as accounting hedging instruments</b>						
Interest rate contracts						
Interest rate swap agreements	Other liabilities and accrued expenses	\$ 37	n/a	\$ (1)	\$ —	\$ (1)
Futures	Other liabilities and accrued expenses	n/a	3,503	—	—	—
Equity and index contracts						
Options	Other liabilities and accrued expenses	n/a	65	—	—	—
Futures	Other liabilities and accrued expenses	n/a	38	—	—	—
Foreign currency contracts						
Foreign currency forwards	Other liabilities and accrued expenses	537	n/a	(29)	2	(31)
<b>Total liability derivatives</b>		<b>574</b>	<b>3,606</b>	<b>(30)</b>	<b>\$ 2</b>	<b>\$ (32)</b>
<b>Total derivatives</b>		<b>\$ 1,361</b>	<b>9,998</b>	<b>\$ 123</b>		

<sup>(1)</sup> Volume for OTC and cleared derivative contracts is represented by their notional amounts. Volume for exchange traded derivatives is represented by the number of contracts, which is the basis on which they are traded. (n/a = not applicable)

## Summary of the volume and fair value positions of derivative instruments as of December 31, 2024

(\$ in millions, except number of contracts)	Balance sheet location	Volume <sup>(1)</sup>		Fair value, net	Gross asset	Gross liability
		Notional amount	Number of contracts			
<b>Asset derivatives</b>						
<b>Derivatives not designated as accounting hedging instruments</b>						
Interest rate contracts						
Futures	Other assets	n/a	4,596	\$ —	\$ —	\$ —
Equity and index contracts						
Futures	Other assets	n/a	437	—	—	—
Foreign currency contracts						
Foreign currency forwards	Other investments	\$ 602	n/a	20	21	(1)
Contingent consideration	Other assets	250	n/a	134	134	—
<b>Total asset derivatives</b>		<b>\$ 852</b>	<b>5,033</b>	<b>\$ 154</b>	<b>\$ 155</b>	<b>\$ (1)</b>
<b>Liability derivatives</b>						
<b>Derivatives not designated as accounting hedging instruments</b>						
Interest rate contracts						
Futures	Other liabilities and accrued expenses	n/a	12,112	\$ (1)	\$ —	\$ (1)
Equity and index contracts						
Futures	Other liabilities and accrued expenses	n/a	662	—	—	—
<b>Total liability derivatives</b>		<b>—</b>	<b>12,774</b>	<b>(1)</b>	<b>\$ —</b>	<b>\$ (1)</b>
<b>Total derivatives</b>		<b>\$ 852</b>	<b>17,807</b>	<b>\$ 153</b>		

<sup>(1)</sup> Volume for OTC and cleared derivative contracts is represented by their notional amounts. Volume for exchange traded derivatives is represented by the number of contracts, which is the basis on which they are traded. (n/a = not applicable)

**Gross and net amounts for OTC derivatives <sup>(1)</sup>**

(\$ in millions)	Gross amount	Offsets			Securities collateral (received) pledged	Net amount
		Counter-party netting	Cash collateral (received) pledged	Net amount on balance sheet		
<b>September 30, 2025</b>						
Asset derivatives	\$ 2	\$ (2)	\$ —	\$ —	\$ —	\$ —
Liability derivatives	(32)	2	28	(2)	—	(2)
<b>December 31, 2024</b>						
Asset derivatives	\$ 21	\$ (1)	\$ (18)	\$ 2	\$ —	\$ 2
Liability derivatives	(1)	1	—	—	—	—

<sup>(1)</sup> All OTC derivatives are subject to enforceable MNAs.

**Gains (losses) from valuation and settlements reported on derivatives**

(\$ in millions)	Net gains (losses) on investments and derivatives	Operating costs and expenses	Total gain (loss) recognized in net income on derivatives
<b>Three months ended September 30, 2025</b>			
Interest rate contracts	\$ 2	\$ —	\$ 2
Equity and index contracts	(2)	15	13
Contingent consideration	—	3	3
Foreign currency contracts	6	—	6
<b>Total</b>	<b>\$ 6</b>	<b>\$ 18</b>	<b>\$ 24</b>
<b>Nine months ended September 30, 2025</b>			
Interest rate contracts	\$ (8)	\$ —	\$ (8)
Equity and index contracts	(10)	21	11
Contingent consideration	—	6	6
Foreign currency contracts	(50)	—	(50)
Credit default contracts	(10)	—	(10)
<b>Total</b>	<b>\$ (78)</b>	<b>\$ 27</b>	<b>\$ (51)</b>
<b>Three months ended September 30, 2024</b>			
Interest rate contracts	\$ 42	\$ —	\$ 42
Equity and index contracts	(2)	10	8
Contingent consideration	—	2	2
Foreign currency contracts	(23)	—	(23)
Credit default contracts	3	—	3
<b>Total</b>	<b>\$ 20</b>	<b>\$ 12</b>	<b>\$ 32</b>
<b>Nine months ended September 30, 2024</b>			
Interest rate contracts	\$ 21	\$ —	\$ 21
Equity and index contracts	(17)	24	7
Contingent consideration	—	5	5
Foreign currency contracts	(9)	—	(9)
Credit default contracts	2	—	2
<b>Total</b>	<b>\$ (3)</b>	<b>\$ 29</b>	<b>\$ 26</b>

The Company manages its exposure to credit risk by utilizing highly rated counterparties, establishing risk control limits, executing legally enforceable MNAs and obtaining collateral where appropriate. The Company uses MNAs for OTC derivative transactions that permit either party to net payments due for transactions and collateral is either pledged or obtained when certain predetermined exposure limits are exceeded.

<b>OTC cash and securities collateral pledged</b>	
(\$ in millions)	September 30, 2025
Pledged by the Company	\$ 28
Pledged to the Company <sup>(1)</sup>	—

<sup>(1)</sup> \$28 million of collateral was posted under MNAs for contracts containing credit-risk-contingent provisions that are in a liability provision.

The Company has not incurred any losses on derivative financial instruments due to counterparty nonperformance. Other derivatives, including futures and certain option contracts, are traded on organized exchanges which require margin deposits and

guarantee the execution of trades, thereby mitigating any potential credit risk.

Counterparty credit exposure represents the Company's potential loss if all of the counterparties concurrently fail to perform under the contractual

terms of the contracts and all collateral, if any, becomes worthless. This exposure is measured by the fair value of OTC derivative contracts with a positive fair value at the reporting date reduced by the effect, if any, of legally enforceable MNAs.

#### OTC derivatives counterparty credit exposure by counterparty credit rating

Rating <sup>(1)</sup>	September 30, 2025				December 31, 2024			
	Number of counter-parties	Notional amount <sup>(2)</sup>	Credit exposure <sup>(2)</sup>	Exposure, net of collateral <sup>(2)</sup>	Number of counter-parties	Notional amount <sup>(2)</sup>	Credit exposure <sup>(2)</sup>	Exposure, net of collateral <sup>(2)</sup>
AA-	1	\$ 37	\$ —	\$ —	1	\$ 213	\$ 10	\$ 1
A+	—	—	—	—	3	389	10	1
<b>Total</b>	<b>1</b>	<b>\$ 37</b>	<b>\$ —</b>	<b>\$ —</b>	<b>4</b>	<b>\$ 602</b>	<b>\$ 20</b>	<b>\$ 2</b>

<sup>(1)</sup> Allstate uses the lower of S&P's or Moody's long-term debt issuer ratings.

<sup>(2)</sup> Only OTC derivatives with a net positive fair value are included for each counterparty.

For certain exchange traded and cleared derivatives, margin deposits are required as well as daily cash settlements of margin accounts.

#### Exchange traded and cleared margin deposits

(\$ in millions)	September 30, 2025
Pledged by the Company	\$ 88
Received by the Company	1

Market risk is the risk that the Company will incur losses due to adverse changes in market rates and prices. Market risk exists for all of the derivative financial instruments the Company currently holds, as these instruments may become less valuable due to adverse changes in market conditions. To limit this risk, the Company's senior management has established risk control limits.

Certain of the Company's derivative transactions contain credit-risk-contingent termination events and cross-default provisions. Credit-risk-contingent termination events allow the counterparties to terminate the derivative agreement or a specific trade on certain dates if AIC's financial strength credit ratings by Moody's or S&P fall below a certain level. Credit-risk-contingent cross-default provisions allow the counterparties to terminate the derivative agreement if the Company defaults by pre-determined threshold amounts on certain debt instruments.

The following table summarizes the fair value of derivative instruments with termination, cross-default or collateral credit-risk-contingent features that are in a liability position, as well as the fair value of assets and collateral that are netted against the liability in accordance with provisions within legally enforceable MNAs.

(\$ in millions)	September 30, 2025	December 31, 2024
Gross liability fair value of contracts containing credit-risk-contingent features	\$ 31	\$ 1
Gross asset fair value of contracts containing credit-risk-contingent features and subject to MNAs	(2)	(1)
Collateral posted under MNAs for contracts containing credit-risk-contingent features	(28)	—
<b>Maximum amount of additional exposure for contracts with credit-risk-contingent features if all features were triggered concurrently</b>	<b>\$ 1</b>	<b>\$ —</b>

#### Credit derivatives - selling protection

A credit default swap ("CDS") is a derivative instrument, representing an agreement between two parties to exchange the credit risk of a specified entity (or a group of entities), or an index based on the credit risk of a group of entities (all commonly referred to as the "reference entity" or a portfolio of "reference entities"), in return for a periodic premium. In selling

protection, CDS are used to replicate fixed income securities and to complement the cash market when credit exposure to certain issuers is not available or when the derivative alternative is less expensive than the cash market alternative. CDS typically have a five-year term.

#### CDS notional amounts by credit rating and fair value of protection sold

(\$ in millions)	Notional amount					Total	Fair value
	AAA	AA	A	BBB	BB and lower		
<b>September 30, 2025</b>							
<b>Index</b>							
Corporate debt	\$ —	\$ —	\$ —	\$ 500	\$ —	\$ 500	\$ 12
<b>Total</b>	<b>\$ —</b>	<b>\$ —</b>	<b>\$ —</b>	<b>\$ 500</b>	<b>\$ —</b>	<b>\$ 500</b>	<b>\$ 12</b>

As of December 31, 2024, there were no open CDS positions.

The Company sells credit protection through contracts on standardized credit indices ("CDX"), generally investment grade, which are centrally cleared through a registered Derivatives Clearing Organization, and in return receives periodic premiums through the expiration or termination of the contract. A CDX is utilized to take a position on multiple (generally 125) reference entities. Credit events are typically defined as bankruptcy, failure to pay, or restructuring,

depending on the nature of the reference entities. When a credit event occurs for a reference entity within the index, the affected name is removed from the index, and the contract continues until expiration. Settlement is conducted through an auction process, whereby the Company pays the difference between the contract's notional amount and the final recovery value of the reference obligation as determined by the auction. The maximum payout on a CDX is the contract notional amount.

## Note 8 Variable Interest Entities

Consolidated VIEs primarily include Adirondack, a New York reciprocal insurer, and Skylands, a New Jersey reciprocal insurer. The Reciprocal Exchanges are insurance carriers organized as unincorporated associations. The Company does not own the equity of the Reciprocal Exchanges, which is owned by their respective policyholders.

The results of the Reciprocal Exchanges are included in the Allstate Protection segment as the Company manages the business operations of the Reciprocal Exchanges and has the power to direct their activities that most significantly impact their economic performance.

Due to ongoing operating losses, the Company recorded a loss related to variable interests held in the Reciprocal Exchanges of \$67 million in the first quarter of 2025 and \$123 million in the first quarter of 2024. These losses have been reflected as capital transactions attributable to noncontrolling interest as the Company expects 100% of its interests in surplus notes and lines of credit to absorb expected losses of the Reciprocal Exchanges.

Adirondack has withdrawn and stopped writing new business and Skylands has withdrawn substantially all business and stopped writing new business. As the reciprocal insurers are dissolved, policyholders will share any residual unassigned surplus but are not subject to assessment for any deficit in unassigned surplus of the Reciprocal Exchanges. The assets of the Reciprocal Exchanges can be used only to settle the obligations of the Reciprocal Exchanges and general creditors have no recourse to the Company.

The New York State Department of Financial Services approved the withdrawal plan for Adirondack

to non-renew or cancel all policies effective as of December 31, 2024. Additionally, the Company waived all fees payable by Adirondack after July 1, 2024, excluding Loss Adjustment Expenses associated with individual claims.

The New Jersey Department of Banking and Insurance acknowledged the withdrawal plan filed on behalf of Skylands to withdraw from providing personal lines insurance, except dwelling fire and watercraft policies, beginning December 14, 2024. Skylands has a 100% quota share reinsurance agreement to cede all of Skylands' business to the Company.

Claims and claims expense ceded to the Company were \$(1) million and \$(1) million for the three and nine months ended September 30, 2025, respectively, compared to \$(6) million and \$24 million for the three and nine months ended September 30, 2024, respectively.

Prior to July 1, 2024, the Company received a management fee for the services provided to the Reciprocal Exchanges. The management fees were \$2 million and \$23 million for the three and nine months ended September 30, 2024, respectively. Earned premiums for the Reciprocal Exchanges generated zero and \$(1) million for the three and nine months ended September 30, 2025, respectively, compared to \$48 million and \$170 million for the three and nine months ended September 30, 2024, respectively. Total costs and expenses were \$3 million and \$10 million for the three and nine months ended September 30, 2025, respectively, compared to \$62 million and \$207 million for the three and nine months ended September 30, 2024, respectively.

**Assets and liabilities of Reciprocal Exchanges**

(\$ in millions)	September 30, 2025	December 31, 2024
<b>Assets</b>		
Fixed income securities	\$ 3	\$ 47
Short-term investments	74	112
Premium installment and other receivables, net	—	9
Reinsurance recoverables, net	32	76
Other assets	—	25
<b>Total assets</b>	<b>\$ 109</b>	<b>\$ 269</b>
<b>Liabilities</b>		
Reserve for property and casualty insurance claims and claims expense	\$ 131	\$ 214
Unearned premiums	—	22
Other liabilities and expenses	187	235
<b>Total liabilities</b>	<b>\$ 318</b>	<b>\$ 471</b>

**Note 9 Reserve for Property and Casualty Insurance Claims and Claims Expense**

The Company establishes reserves for claims and claims expense on reported and unreported claims of insured losses. The Company's reserving process considers known facts and interpretations of circumstances and factors including the Company's experience with similar cases, actual claims paid, historical trends involving claim payment patterns and pending levels of unpaid claims, loss management programs, product mix and contractual terms, changes in laws and regulations, judicial decisions and economic conditions.

When the Company experiences changes in the mix or type of claims or changing claim settlement patterns or data, it applies actuarial judgment in the determination and selection of development factors to develop reserve liabilities. Inflation and a higher mix of more complex repairs, combined with skilled labor shortages, have increased physical damage loss costs. Medical inflation, increased treatment trends, higher attorney representation, rising litigation costs and more severe accidents have contributed to higher third-party bodily injury loss costs. The Company continues to digitize and modernize claim processes to increase effectiveness and efficiency. These factors may lead to historical development trends being less predictive of future loss development, potentially creating additional reserve variability.

Generally, the initial reserves for a new accident year are established based on claim frequency and severity assumptions for different business segments, lines and coverages based on historical relationships to relevant inflation indicators. Reserves for prior accident years are statistically determined using several different actuarial estimation methods. Changes in auto claim frequency may result from changes in mix of business, driving behaviors, miles driven or other factors. Changes in auto current year claim severity are generally influenced by inflation in the medical and auto repair sectors, changes in attorney represented and litigated claim behavior, the effectiveness and efficiency of claim settlements and changes in mix of claim types. When changes in claim data occur, actuarial judgment is used to determine appropriate development factors to establish reserves. The Company's reserving process incorporates changes in

loss patterns, operational statistics and changes in claims reporting processes to determine its best estimate of recorded reserves.

As part of the reserving process, the Company may also supplement its claims processes by utilizing third-party adjusters, appraisers, engineers, inspectors and other professionals and information sources to assess and settle catastrophe and non-catastrophe related claims. The effects of inflation are implicitly considered in the reserving process.

Because reserves are estimates of unpaid portions of losses that have occurred, including incurred but not reported ("IBNR") losses, the establishment of appropriate reserves, including reserves for catastrophes, Run-off Property-Liability and reinsurance and indemnification recoverables, is an inherently uncertain and complex process. The ultimate cost of losses may vary materially from recorded amounts, which are based on management's best estimates.

The highest degree of uncertainty is associated with reserves for losses incurred in the initial reporting period as it contains the greatest proportion of losses that have not been reported or settled as well as heightened uncertainty for claims that involve litigation or take longer to settle during periods of rapidly increasing loss costs. The Company also has uncertainty in the Run-off Property-Liability reserves that are based on events long since passed and are complicated by lack of historical data, legal interpretations, unresolved legal issues and legislative intent based on establishment of facts.

The Company regularly updates its reserve estimates as new information becomes available and as events unfold that may affect the resolution of unsettled claims. Changes in reserve estimates, which may be material, are reported in property and casualty insurance claims and claims expense in the Condensed Consolidated Statements of Operations in the period such changes are determined.

Management believes that the reserve for property and casualty insurance claims and claims expense, net of recoverables, is appropriately established in the

aggregate and adequate to cover the ultimate net cost of reported and unreported claims arising from losses which had occurred by the date of the Condensed

Consolidated Statements of Financial Position based on available facts, laws and regulations.

### Rollforward of the reserve for property and casualty insurance claims and claims expense

(\$ in millions)	Nine months ended September 30,	
	2025	2024
Balance as of January 1	\$ 41,917	\$ 39,858
Less: recoverables <sup>(1)</sup>	8,602	8,396
<b>Net balance as of January 1</b>	<b>33,315</b>	<b>31,462</b>
Incurred claims and claims expense related to:		
Current year	30,763	31,033
Prior years	(1,045)	(322)
<b>Total incurred</b>	<b>29,718</b>	<b>30,711</b>
Claims and claims expense paid related to:		
Current year	(16,235)	(15,977)
Prior years	(12,688)	(12,181)
<b>Total paid</b>	<b>(28,923)</b>	<b>(28,158)</b>
<b>Net balance as of September 30</b>	<b>34,110</b>	<b>34,015</b>
Plus: recoverables	8,993	8,728
<b>Balance as of September 30</b>	<b>\$ 43,103</b>	<b>\$ 42,743</b>

<sup>(1)</sup> Recoverables comprises reinsurance and indemnification recoverables.

Incurred claims and claims expense represents the sum of paid losses, claim adjustment expenses and reserve changes in the period. This expense included losses from catastrophes of \$4.75 billion and \$4.55 billion in the nine months ended September 30, 2025 and 2024, respectively, net of recoverables.

Catastrophes are an inherent risk of the property and casualty insurance business that have contributed to, and will continue to contribute to, material year-to-year fluctuations in the Company's results of operations and financial position.

### Prior year reserve reestimates included in claims and claims expense <sup>(1)</sup>

(\$ in millions)	Non-catastrophe losses		Catastrophe losses <sup>(2)</sup>		Total	
	2025	2024	2025	2024	2025	2024
<b>Three months ended September 30,</b>						
Auto <sup>(3)</sup>	\$ (480)	\$ (55)	\$ (3)	\$ (10)	\$ (483)	\$ (65)
Homeowners	(40)	(11)	(14)	(1)	(54)	(12)
Other personal lines	72	54	(6)	(3)	66	51
Commercial lines	(80)	1	(5)	—	(85)	1
Other business lines	(14)	(3)	—	—	(14)	(3)
Run-off Property-Liability <sup>(4)</sup>	146	59	—	—	146	59
Protection Services	—	1	—	—	—	1
<b>Total prior year reserve reestimates</b>	<b>\$ (396)</b>	<b>\$ 46</b>	<b>\$ (28)</b>	<b>\$ (14)</b>	<b>\$ (424)</b>	<b>\$ 32</b>
<b>Nine months ended September 30,</b>						
Auto <sup>(3)</sup>	\$ (1,133)	\$ (293)	\$ (30)	\$ (26)	\$ (1,163)	\$ (319)
Homeowners	(35)	(114)	3	(278)	(32)	(392)
Other personal lines	153	169	(11)	(5)	142	164
Commercial lines	(104)	164	—	(5)	(104)	159
Other business lines	(39)	1	—	—	(39)	1
Run-off Property-Liability <sup>(4)</sup>	151	65	—	—	151	65
Protection Services	—	—	—	—	—	—
<b>Total prior year reserve reestimates</b>	<b>\$ (1,007)</b>	<b>\$ (8)</b>	<b>\$ (38)</b>	<b>\$ (314)</b>	<b>\$ (1,045)</b>	<b>\$ (322)</b>

<sup>(1)</sup> Reserve releases are shown in parentheses.

<sup>(2)</sup> The first nine months of 2025 includes \$69 million of estimated recoveries related to the Nationwide Reinsurance Program aggregate cover for losses occurring between April 1, 2024 and December 31, 2024, and \$54 million favorable subrogation settlements related to the 2021 Colorado Marshall Fire.

<sup>(3)</sup> Reserve releases primarily related to favorable severity development of \$284 million and \$565 million in personal auto injury coverage and \$196 million and \$568 million in personal auto physical damage coverage in the third quarter and first nine months of 2025, respectively.

<sup>(4)</sup> The Company's 2025 and 2024 annual reserve reviews, using established industry and actuarial best practices, resulted in reserve reestimates that increased reserves by \$146 million and \$58 million, respectively.

**Note 10 Reinsurance and Indemnification****Effects of reinsurance ceded and indemnification programs on property and casualty premiums earned and accident and health insurance premiums and contract charges**

(\$ in millions)	Three months ended September 30,		Nine months ended September 30,	
	2025	2024	2025	2024
Property and casualty insurance premiums earned	\$ (640)	\$ (552)	\$ (1,791)	\$ (1,697)
Accident and health insurance premiums and contract charges <sup>(1)</sup>	(122)	(16)	(145)	(37)

**Effects of reinsurance ceded and indemnification programs on property and casualty insurance claims and claims expense and accident, health and other policy benefits**

(\$ in millions)	Three months ended September 30,		Nine months ended September 30,	
	2025	2024	2025	2024
Property and casualty insurance claims and claims expense <sup>(2)</sup>	\$ (163)	\$ (662)	\$ (1,989)	\$ (1,178)
Accident, health and other policy benefits <sup>(1)</sup>	(112)	(13)	(140)	(27)

<sup>(1)</sup> Includes group health business sold through reinsurance to Nationwide Life Insurance Company.

<sup>(2)</sup> 2025 includes ceded losses related to the Nationwide Reinsurance Program for the California wildfires.

**Reinsurance and indemnification recoverables****Reinsurance and indemnification recoverables, net**

(\$ in millions)	September 30, 2025	December 31, 2024
<b>Property and casualty</b>		
Paid and due from reinsurers and indemnitors	\$ 294	\$ 285
Unpaid losses estimated (including IBNR)	8,993	8,602
<b>Total property and casualty</b>	<b>\$ 9,287</b>	<b>\$ 8,887</b>
Accident and health insurance	232	37
<b>Total</b>	<b>\$ 9,519</b>	<b>\$ 8,924</b>

**Rollforward of credit loss allowance for reinsurance recoverables**

(\$ in millions)	Three months ended September 30,		Nine months ended September 30,	
	2025	2024	2025	2024
<b>Property and casualty <sup>(1)(2)</sup></b>				
Beginning balance	\$ (63)	\$ (64)	\$ (63)	\$ (62)
(Increase) decrease in the provision for credit losses	(1)	2	(1)	—
Write-offs	10	—	10	—
<b>Ending balance</b>	<b>\$ (54)</b>	<b>\$ (62)</b>	<b>\$ (54)</b>	<b>\$ (62)</b>

<sup>(1)</sup> Primarily related to Run-off Property-Liability reinsurance ceded.

<sup>(2)</sup> Indemnification recoverables are considered collectible based on the industry pool and facility enabling legislation.

**Indemnification programs**

**Federal Government - National Flood Insurance Program ("NFIP")**  
NFIP is a program administered by the Federal Emergency Management Agency ("FEMA") whereby the Company sells and services NFIP flood insurance policies as an agent of FEMA and receives fees for its services. The Company is fully indemnified for claims and claim expenses and does not retain any ultimate risk for the indemnified business. The federal government is obligated to pay all claims and certain allocated loss adjustment expenses in accordance with the arrangement.

Congressional authorization for the NFIP is periodically evaluated and may be subjected to freezes, including when the federal government experiences a shutdown. Congress must periodically renew the funding of the program as well as consider

reforms to the program that would be incorporated in legislation to reauthorize the NFIP. Legislation that extended the NFIP authorization to September 30, 2025 has expired and the federal government shutdown has frozen the NFIP. As a result, existing policies remain valid, but insurance companies operating on behalf of the NFIP may not enter into new flood insurance contracts. The program will also have limited ability to issue increased coverage on existing policies, or issue renewal policies. The NFIP has the authority to process and pay new and existing flood insurance claims from the National Flood Insurance Fund and the National Flood Insurance Reserve Fund, but its borrowing capacity is reduced to \$1 billion which has been exceeded by the current program debt of \$22.5 billion.

## Note 11 Company Restructuring

The Company undertakes various programs to reduce expenses. These programs generally involve a reduction in staffing levels, and in certain cases, office closures. Restructuring and related charges primarily include the following costs related to these programs:

- *Employee* - severance and relocation benefits
- *Exit* - contract termination penalties and real estate costs primarily related to accelerated amortization of right-of-use assets and related leasehold improvements at facilities to be vacated

The expenses related to these activities are included in the Condensed Consolidated Statements of Operations as restructuring and related charges and totaled \$17 million and \$28 million during the three months ended September 30, 2025 and 2024, respectively, and \$48 million and \$51 million during the nine months ended September 30, 2025 and 2024, respectively. Restructuring expenses during the third quarter and first nine months of 2025 primarily related to streamlining the organization and outsourcing certain aspects of operations. These charges are primarily recorded in the Allstate Protection segment. The Company continues to identify ways to improve operating efficiency and reduce cost which may result in additional restructuring charges in the future.

### Restructuring activity during the period

(\$ in millions)	Employee costs	Exit costs	Total liability
Restructuring liability as of December 31, 2024	\$ 25	\$ 2	\$ 27
Expense incurred	45	3	48
Payments and non-cash charges	(51)	(3)	(54)
<b>Restructuring liability as of September 30, 2025</b>	<b>\$ 19</b>	<b>\$ 2</b>	<b>\$ 21</b>

As of September 30, 2025, the cumulative amount incurred to date for active programs related to employee severance and relocation benefit expenses totaled \$64 million.

## Note 12 Guarantees and Contingent Liabilities

### Shared markets and state facility assessments

The Company is required to participate in assigned risk plans, reinsurance facilities and joint underwriting associations in various states that provide insurance coverage to individuals or entities that otherwise are unable to purchase such coverage from private insurers.

The Company routinely reviews its exposure to assessments from these plans, facilities and government programs. Underwriting results related to these arrangements, which tend to be adverse, have been immaterial to the Company's results of operations in the last two years. Because of the Company's participation, it may be exposed to losses that surpass the capitalization of these facilities or assessments from these facilities.

**California FAIR Plan Association** On February 11, 2025, the FAIR Plan received regulatory approval to assess member insurers \$1.00 billion. The Company's personal lines and commercial lines average market share used for the assessment was 4.6% and 2.0%, respectively, net of credits. Members are allowed to request the state insurance commission's approval to collect temporary supplemental fees from policyholders in the state in order to recoup amounts assessed. Insurers can request recoupment for 50% of their portion of assessments up to \$1.00 billion and 100% thereafter for each residential property and commercial property insurance. The Company paid \$45 million in FAIR Plan assessments in the first quarter of 2025, and has received approval from the California Department of Insurance for recoupment of

amounts paid. At September 30, 2025, we have accrued for the Company's share of future estimated assessments based on the wildfire event that began on January 7, 2025. Several of the Company's traditional markets per occurrence reinsurance agreements also provide for the inclusion of non-recoupable assessments as part of the definition of loss.

### Guarantees

In the normal course of business, the Company provides standard indemnifications to contractual counterparties in connection with numerous transactions, including acquisitions and divestitures. The types of indemnifications typically provided include indemnifications for breaches of representations and warranties, taxes and certain other liabilities, such as third-party lawsuits. The indemnification clauses are often standard contractual terms and are entered into in the normal course of business based on an assessment of the risk of loss. The terms of the indemnifications vary in duration and nature. In many cases, the maximum obligation is not explicitly stated and the contingencies triggering the obligation to indemnify have not occurred and are not expected to occur. Consequently, the maximum amount of the obligation under such indemnifications is not determinable. Historically, the Company has not made any material payments pursuant to these obligations.

In connection with the sales of Allstate Life Insurance Company of New York to Wilton Reassurance Company ("Wilton") and Allstate Life Insurance Company and Allstate Assurance Company to Everlake

US Holdings Company (“Everlake”) in 2021, AIC agreed to indemnify Wilton and AIC and Allstate Financial Insurance Holdings Corporation (collectively, the “Sellers”) agreed to indemnify Everlake. The indemnification is in connection with certain representations, warranties and covenants of the Sellers, and certain liabilities specifically excluded from the transactions, subject to specific contractual limitations regarding the Sellers’ maximum obligations. Management does not believe these indemnifications will have a material effect on results of operations, cash flows or financial position of the Company.

The aggregate liability balance related to all guarantees was immaterial as of September 30, 2025.

### Regulation and compliance

The Company is subject to extensive laws, regulations, administrative directives, and regulatory actions. From time to time, regulatory authorities or legislative bodies seek to influence and restrict premium rates, require premium refunds to policyholders, require reinstatement of terminated policies, prescribe rules or guidelines on how affiliates compete in the marketplace, restrict the ability of insurers to cancel or non-renew policies, require insurers to continue to write new policies or limit their ability to write new policies, limit insurers’ ability to change coverage terms or to impose underwriting standards, impose additional regulations regarding agency and broker compensation, regulate the nature of and amount of investments, impose fines and penalties for unintended errors or mistakes, impose additional regulations regarding cybersecurity and privacy, and otherwise expand overall regulation of insurance products and the insurance industry. In addition, the Company is subject to laws and regulations administered and enforced by federal agencies, international agencies, and other organizations, including but not limited to the SEC, the Financial Industry Regulatory Authority, the U.S. Equal Employment Opportunity Commission, and the U.S. Department of Justice. The Company has established procedures and policies to facilitate compliance with laws and regulations, to foster prudent business operations, and to support financial reporting. The Company routinely reviews its practices to validate compliance with laws and regulations and with internal procedures and policies. As a result of these reviews, from time to time the Company may decide to modify some of its procedures and policies. Such modifications, and the reviews that led to them, may be accompanied by payments being made and costs being incurred. The ultimate changes and eventual effects of these actions on the Company’s business, if any, are uncertain.

### Legal and regulatory proceedings and inquiries

The Company and certain subsidiaries are involved in a number of lawsuits, regulatory inquiries, and other legal proceedings arising out of various aspects of its business.

**Background** These matters raise difficult and complicated factual and legal issues and are subject to many uncertainties and complexities, including the

underlying facts of each matter; novel legal issues; variations between jurisdictions in which matters are being litigated, heard, or investigated; changes in assigned judges; differences or developments in applicable laws and judicial interpretations; judges reconsidering prior rulings; the length of time before many of these matters might be resolved by settlement, through litigation, or otherwise; adjustments with respect to anticipated trial schedules and other proceedings; developments in similar actions against other companies; the fact that some of the lawsuits are putative class actions in which a class has not been certified and in which the purported class may not be clearly defined; the fact that some of the lawsuits involve multi-state class actions in which the applicable law(s) for the claims at issue is in dispute and therefore unclear; and the challenging legal environment faced by corporations and insurance companies.

The outcome of these matters may be affected by decisions, verdicts, and settlements, and the timing of such decisions, verdicts, and settlements, in other individual and class action lawsuits that involve the Company, other insurers, or other entities and by other legal, governmental, and regulatory actions that involve the Company, other insurers, or other entities. The outcome may also be affected by future state or federal legislation, the timing or substance of which cannot be predicted.

In the lawsuits, plaintiffs seek a variety of remedies which may include equitable relief in the form of injunctive and other remedies and monetary relief in the form of contractual and extra-contractual damages. In some cases, the monetary damages sought may include punitive or treble damages. Often specific information about the relief sought, such as the amount of damages, is not available because plaintiffs have not requested specific relief in their pleadings. When specific monetary demands are made, they are often set just below a state court jurisdictional limit in order to seek the maximum amount available in state court, regardless of the specifics of the case, while still avoiding the risk of removal to federal court. In Allstate’s experience, monetary demands in pleadings bear little relation to the ultimate loss, if any, to the Company.

In connection with regulatory examinations and proceedings, government authorities may seek various forms of relief, including penalties, restitution, and changes in business practices. The Company may not be advised of the nature and extent of relief sought until the final stages of the examination or proceeding.

**Accrual and disclosure policy** The Company reviews its lawsuits, regulatory inquiries, and other legal proceedings on an ongoing basis and follows appropriate accounting guidance when making accrual and disclosure decisions. The Company establishes accruals for such matters at management’s best estimate, which may include the low end of a range of loss, when the Company assesses that it is probable that a loss has been incurred and the amount of the loss can be reasonably estimated. The Company does not establish accruals for such matters when the

Company does not believe both that it is probable that a loss has been incurred and the amount of the loss can be reasonably estimated. The Company's assessment of whether a loss is reasonably possible or probable is based on its assessment of the ultimate outcome of the matter following all appeals. The Company does not include potential recoveries in its estimates of reasonably possible or probable losses. Legal fees are expensed as incurred.

The Company continues to monitor its lawsuits, regulatory inquiries, and other legal proceedings for further developments that would make the loss contingency both probable and estimable, and accordingly accruable, or that could affect the amount of accruals that have been previously established. There may continue to be exposure to loss in excess of any amount accrued. Disclosure of the nature and amount of an accrual is made when there have been sufficient legal and factual developments such that the Company's ability to resolve the matter would not be impaired by the disclosure of the amount of accrual.

When the Company assesses it is reasonably possible or probable that a loss has been incurred, it discloses the matter. When it is possible to estimate the reasonably possible loss or range of loss above the amount accrued, if any, for the matters disclosed, that estimate is aggregated and disclosed. Disclosure is not required when an estimate of the reasonably possible loss or range of loss cannot be made.

For certain of the matters described below in the "Claims related proceedings" and "Other proceedings" subsections, the Company is able to estimate the reasonably possible loss or range of loss above the amount accrued, if any. In determining whether it is possible to estimate the reasonably possible loss or range of loss, the Company reviews and evaluates the disclosed matters, in conjunction with counsel, in light of potentially relevant factual and legal developments.

These developments may include information learned through the discovery process, rulings on dispositive motions, settlement discussions, information obtained from other sources, experience from managing these and other matters, and other rulings by courts, arbitrators or others. When the Company possesses sufficient appropriate information to develop an estimate of the reasonably possible loss or range of loss above the amount accrued, if any, that estimate is aggregated and disclosed below. There may be other disclosed matters for which a loss is probable or reasonably possible, but such an estimate is not possible. Disclosure of the estimate of the reasonably possible loss or range of loss above the amount accrued, if any, for any individual matter would only be considered when there have been sufficient legal and factual developments such that the Company's ability to resolve the matter would not be impaired by the disclosure of the individual estimate.

The Company currently estimates that the aggregate range of reasonably possible loss in excess of the amount accrued, if any, for the disclosed matters where such an estimate is possible is zero to \$52 million, pre-tax. This disclosure is not an indication of

expected loss, if any. Under accounting guidance, an event is "reasonably possible" if "the chance of the future event or events occurring is more than remote but less than likely" and an event is "remote" if "the chance of the future event or events occurring is slight." This estimate is based upon currently available information and is subject to significant judgment and a variety of assumptions and known and unknown uncertainties. The matters underlying the estimate will change from time to time, and actual results may vary significantly from the current estimate. The estimate does not include matters or losses for which an estimate is not possible. Therefore, this estimate represents an estimate of possible loss only for certain matters meeting these criteria. It does not represent the Company's maximum possible loss exposure. Information is provided below regarding the nature of all of the disclosed matters and, where specified, the amount, if any, of plaintiff claims associated with these loss contingencies.

Due to the complexity and scope of the matters disclosed in the "Claims related proceedings" and "Other proceedings" subsections below and the many uncertainties that exist, the ultimate outcome of these matters cannot be predicted and in the Company's judgment, a loss, in excess of amounts accrued, if any, is not probable. In the event of an unfavorable outcome in one or more of these matters, the ultimate liability may be in excess of amounts currently accrued, if any, and may be material to the Company's operating results or cash flows for a particular quarterly or annual period. However, based on information currently known to it, management believes that the ultimate outcome of all matters described below, as they are resolved over time, is not likely to have a material effect on the financial position of the Company.

**Claims related proceedings** The Company is defending putative class actions in various courts that raise challenges to the Company's depreciation practices in homeowner property claims. In these lawsuits, plaintiffs generally allege that, when calculating actual cash value, the costs of "non-materials" such as labor, general contractor's overhead and profit, and sales tax should not be subject to depreciation. The Company is currently defending the following lawsuits on this issue: *Sims, et al. v. Allstate Fire and Casualty Insurance Company, et al.* (W.D. Tex. filed June 2022); *Thompson, et al. v. Allstate Insurance Company* (Circuit Court of Cole Co., Mo. filed June 2022); *Hill v. Allstate Vehicle and Property Insurance Company* (Circuit Court of Cole Co., Mo. filed October 2022); and *Hernandez v. Allstate Vehicle and Property Insurance Company* (D. Ariz. filed April 2023). No classes have been certified in any of these matters.

The Company is defending putative class actions pending in multiple states alleging that the Company underpays total loss vehicle physical damage claims on auto policies. The alleged systematic underpayments result from the following theories: (a) the third-party valuation tool used by the Company as part of a comprehensive adjustment process is allegedly flawed, biased, or contrary to applicable law; and/or (b) the Company allegedly does not pay sales tax, title fees,

registration fees, and/or other specified fees or costs that are allegedly mandatory under policy language or state legal authority. The Company is currently defending the following lawsuits: *Golla v. Allstate Insurance Company* (N.D. Ohio filed June 2023); *Bibbs v. Allstate Insurance Company and Allstate Fire and Casualty Insurance Company* (N.D. Ohio filed August 2023); *Katz v. Esurance Property and Casualty Insurance Company and National General Insurance Company* (E.D.N.Y. filed February 2024); *Schott v. Allstate Insurance Company and Allstate Property and Casualty Insurance Company* (M.D. Ga. filed October 2024) and *Tang v. Allstate Insurance Company, et al.* (C.D. Cal. filed September 2025). No classes have been certified in any of these matters. A settlement has been reached in *Jarrett-Kelly v. Direct General Insurance Agency, Inc.* (Circuit Court of Pulaski Co., Ark. filed May 2024) and the case is awaiting court dismissal.

The Company is defending a class action in the U.S. District Court for the District of Arizona that alleges underpayment of uninsured/underinsured motorist claims, *Dorazio v. Allstate Fire and Casualty Insurance Company*, filed December 2022. The plaintiffs allege that uninsured/underinsured motorist coverages must be stacked, which is combining separate uninsured/underinsured coverage limits of multiple vehicles into one higher coverage limit, where the defendants allegedly did not include specified policy language and did not provide specified notice to policyholders. A settlement in principle has been reached in *Loughran v. MIC General Insurance Corporation*, a second putative class action alleging the same claims. In July 2023, the Arizona Supreme Court issued a ruling in *Franklin v. CSAA General Insurance*, a matter involving another insurer. The *Franklin* decision held, under the factual circumstances of that case, that stacking of uninsured/underinsured motorist coverages was required because the insurer did not include specified policy language and did not issue specified notice.

The Company is currently defending its insured in a bodily injury lawsuit arising from an automobile accident, *Simon v. Holguin* (Pierce County Superior Court, Wash. filed September 8, 2020). On October 21, 2022, a jury returned a verdict against the insured. The Company, on behalf of its insured, appealed the verdict to the Washington Court of Appeals, Division II, which affirmed the judgment on June 16, 2025. On September 19, 2025, the Company filed a petition for review with the Washington Supreme Court. The Company continues to defend the litigation and oppose plaintiff's allegations.

**Other proceedings** The Company is defending two putative class actions in the U.S. District Court for the Eastern District of California, *Holland Hewitt v. Allstate Life Insurance Company* filed May 2020 and *Farley v. Lincoln Benefit Life Company* ("LBL") filed December 2020, following the sale of ALIC. On April 19, 2023, the district court certified a class in *Farley*. On August 29, 2025, the Ninth Circuit Court of Appeals reversed the district court's order certifying a class. On March 27, 2024, the Magistrate Judge issued his Findings and

Recommendations denying class certification in *Hewitt*. Plaintiffs filed their objection to the Magistrate's recommendation. In these cases, plaintiffs generally allege that the defendants failed to comply with certain California statutes which address contractual grace periods and lapse notice requirements for certain life insurance policies. Plaintiffs claim that these statutes apply to life insurance policies that existed before the statutes' effective date. The plaintiffs seek damages and injunctive relief. Similar litigation is pending against other insurance carriers. In August 2021, the California Supreme Court in *McHugh v. Protective Life*, a matter involving another insurer, determined that the statutory notice requirements apply to life insurance policies issued before the statutes' effective date. The Company asserts various defenses to plaintiffs' claims and to class certification.

On July 24, 2024, the Department of Justice filed a civil suit in the U.S. District Court for the Western District of Pennsylvania against National General Holdings Corp., National General Insurance Company, National General Lender Services, Inc. and Newport Management Corp. The suit alleges that certain services that National General provided as a vendor to a large national bank for its collateral protection insurance program violated the Financial Institutions, Reform, Recovery, and Enforcement Act of 1989 (the "Act"), and it seeks civil monetary penalties available under the Act.

The Company is subject to lawsuits related to the collection and use of driving behavior data, including a civil lawsuit filed by the Texas Attorney General in Montgomery County, Texas District Court and putative class actions filed in federal court. The lawsuits allege privacy and consumer protection claims and seek actual, statutory and punitive damages, restitution, injunctive relief and attorneys' fees.

The Company is defending a class action lawsuit in the U.S. District Court for the Central District of California, *Canchola, et al v. Allstate Insurance Company*, filed March 2023. Plaintiffs generally allege that Allstate owes them business expenses incurred in their operation of Allstate Exclusive Agencies under the California Labor Code because they were misclassified as independent contractors. The Company continues to defend the litigation and oppose plaintiffs' allegations.

The Company is currently defending litigation relating to the non-payment of trust preferred securities ("TruPS"), *Alesco Preferred Funding VIII, Ltd., et al. v. ACP Re, Ltd., et al.* and *Preferred Term Securities XXV, Ltd., et al. v ACP Re, Ltd., et al.* Plaintiffs are the holders of TruPS that were issued by companies subsequently acquired by a former National General affiliate. Plaintiffs filed this lawsuit against National General and several other defendants, alleging that they are successors to the TruPS issuers and are responsible for repayment of the principal and interest owed under the TruPS. Plaintiffs assert claims of breach of contract, tortious interference with contract and fraud against all defendants. The Company denies all allegations and continues to defend plaintiffs' claims.

**Note 13**    **Benefit Plans****Components of net cost (benefit) for pension and other postretirement plans**

(\$ in millions)	Three months ended September 30,		Nine months ended September 30,	
	2025	2024	2025	2024
<b>Pension benefits</b>				
Service cost <sup>(1)</sup>	\$ 28	\$ 26	\$ 79	\$ 52
Interest cost	58	59	177	175
Expected return on plan assets	(77)	(74)	(233)	(227)
<b>Costs and expenses</b>	<b>9</b>	<b>11</b>	<b>23</b>	<b>—</b>
Remeasurement of projected benefit obligation	20	233	128	140
Remeasurement of plan assets	(127)	(214)	(158)	(129)
<b>Remeasurement (gains) losses</b>	<b>(107)</b>	<b>19</b>	<b>(30)</b>	<b>11</b>
<b>Pension net (benefit) cost</b>	<b>\$ (98)</b>	<b>\$ 30</b>	<b>\$ (7)</b>	<b>\$ 11</b>
<b>Postretirement benefits</b>				
Service cost	\$ —	\$ —	\$ —	\$ —
Interest cost	2	2	6	7
Amortization of prior service credit	(1)	—	(1)	(1)
<b>Costs and expenses</b>	<b>1</b>	<b>2</b>	<b>5</b>	<b>6</b>
Remeasurement of benefit obligation	(1)	7	—	4
Remeasurement of plan assets	—	—	—	—
<b>Remeasurement (gains) losses</b>	<b>(1)</b>	<b>7</b>	<b>—</b>	<b>4</b>
<b>Postretirement net cost</b>	<b>\$ —</b>	<b>\$ 9</b>	<b>\$ 5</b>	<b>\$ 10</b>
<b>Pension and postretirement benefits</b>				
Costs and expenses	\$ 10	\$ 13	\$ 28	\$ 6
Remeasurement (gains) losses	(108)	26	(30)	15
<b>Total net (benefit) cost</b>	<b>\$ (98)</b>	<b>\$ 39</b>	<b>\$ (2)</b>	<b>\$ 21</b>

<sup>(1)</sup> For the first nine months of 2024, service cost includes a \$38 million refund of premiums previously paid to the Pension Benefit Guaranty Corporation.

Differences in actual experience and changes in other assumptions affect our pension and other postretirement obligations and expenses. Differences between expected and actual returns on plan assets affect remeasurement (gains) losses.

Pension and other postretirement service cost, interest cost, expected return on plan assets and amortization of prior service credit are reported in property and casualty insurance claims and claims expense, operating costs and expenses, net investment income and (if applicable) restructuring and related charges on the Condensed Consolidated Statements of Operations.

**Pension and postretirement benefits remeasurement gains and losses**

(\$ in millions)	Three months ended September 30,		Nine months ended September 30,	
	2025	2024	2025	2024
Remeasurement of benefit obligation (gains) losses:				
Discount rate	\$ 29	\$ 213	\$ 93	\$ 115
Other assumptions	(10)	27	35	29
Remeasurement of plan assets (gains) losses	(127)	(214)	(158)	(129)
<b>Remeasurement (gains) losses</b>	<b>\$ (108)</b>	<b>\$ 26</b>	<b>\$ (30)</b>	<b>\$ 15</b>

Remeasurement gains of \$108 million for the third quarter of 2025 are primarily related to favorable asset performance compared to expected return on plan assets and changes in actuarial assumptions, partially offset by a decrease in the liability discount rate. Remeasurement gains of \$30 million in the first nine months of 2025 are primarily related to favorable asset performance compared to expected return on plan assets, partially offset by a decrease in the liability discount rate and changes in actuarial assumptions.

The weighted average discount rate used to measure the pension benefit obligation decreased to 5.44% on September 30, 2025 compared to 5.51% on June 30, 2025 and 5.71% at December 31, 2024 resulting in losses for the third quarter and first nine months of 2025.

For the third quarter of 2025, the actual return on plan assets was higher than the expected return due to higher public equity valuations and higher fixed income valuations driven by lower rates and tighter

credit spreads. For the first nine months of 2025, the actual return on plan assets was higher than the expected return due to higher public equity valuations and higher fixed income valuations driven by lower rates and tighter credit spreads, partially offset by lower performance-based equity valuations.

## Note 14 Supplemental Cash Flow Information

Non-cash investing activities include \$44 million and \$70 million related to mergers and exchanges completed with equity securities, fixed income securities, bank loans, commercial mortgages and limited partnerships for the nine months ended September 30, 2025 and 2024, respectively. Non-cash investing activities include \$1 million and \$19 million related to right-of-use property and equipment obtained in exchange for lease obligations for the nine months ended September 30, 2025 and 2024, respectively. Non-cash investing activities include \$1 million related to right-of-use real estate obtained in exchange for lease obligations for the nine months ended September 30, 2024.

Non-cash financing activities include \$26 million and \$28 million related to the issuance of Allstate common shares for vested equity awards for the nine months ended September 30, 2025 and 2024, respectively.

Cash flows used in operating activities in the Condensed Consolidated Statements of Cash Flows

The Company made a discretionary contribution of \$35 million to the qualified pension plan in September 2025.

include cash paid for operating leases related to amounts included in the measurement of lease liabilities of \$80 million and \$86 million for the nine months ended September 30, 2025 and 2024, respectively. Non-cash operating activities include \$45 million and \$50 million related to right-of-use assets obtained in exchange for lease obligations for the nine months ended September 30, 2025 and 2024, respectively.

Liabilities for collateral received in conjunction with the Company's securities lending program and OTC and cleared derivatives are reported in other liabilities and accrued expenses or other investments. The accompanying cash flows are included in cash flows from operating activities in the Condensed Consolidated Statements of Cash Flows along with the activities resulting from management of the proceeds, as follows:

(\$ in millions)	Nine months ended September 30,	
	2025	2024
<b>Cash flows from operating activities</b>		
<b>Net change in proceeds managed</b>		
Net change in fixed income securities	\$ (99)	\$ 45
Net change in short-term investments	282	(175)
<b>Operating cash flow provided (used)</b>	<b>183</b>	<b>(130)</b>
Net change in cash	(1)	—
<b>Net change in proceeds managed</b>	<b>\$ 182</b>	<b>\$ (130)</b>
<b>Net change in liabilities</b>		
Liabilities for collateral, beginning of period	\$ (2,041)	\$ (1,891)
Liabilities for collateral, end of period	(1,859)	(2,021)
<b>Operating cash flow (used) provided</b>	<b>\$ (182)</b>	<b>\$ 130</b>

**Note 15 Other Comprehensive Income (Loss)****Components of other comprehensive income (loss) on a pre-tax and after-tax basis**

(\$ in millions)	Three months ended September 30,					
	2025			2024		
	Pre-tax	Tax	After-tax	Pre-tax	Tax	After-tax
Unrealized net holding gains and losses arising during the period, net of related offsets	\$ 482	\$ (105)	\$ 377	\$ 1,753	\$ (388)	\$ 1,365
Less: reclassification adjustment of realized capital gains and losses	79	(17)	62	83	(17)	66
<b>Unrealized net capital gains and losses</b>	<b>403</b>	<b>(88)</b>	<b>315</b>	<b>1,670</b>	<b>(371)</b>	<b>1,299</b>
<b>Unrealized foreign currency translation adjustments</b>	<b>51</b>	<b>(11)</b>	<b>40</b>	<b>18</b>	<b>(4)</b>	<b>14</b>
<b>Unamortized pension and other postretirement prior service credit <sup>(1)</sup></b>	<b>(1)</b>	<b>—</b>	<b>(1)</b>	<b>—</b>	<b>—</b>	<b>—</b>
<b>Discount rate for reserve for future policy benefits</b>	<b>1</b>	<b>—</b>	<b>1</b>	<b>(46)</b>	<b>10</b>	<b>(36)</b>
<b>Other comprehensive income (loss)</b>	<b>\$ 454</b>	<b>\$ (99)</b>	<b>\$ 355</b>	<b>\$ 1,642</b>	<b>\$ (365)</b>	<b>\$ 1,277</b>
	Nine months ended September 30,					
	2025			2024		
	Pre-tax	Tax	After-tax	Pre-tax	Tax	After-tax
Unrealized net holding gains and losses arising during the period, net of related offsets	\$ 1,049	\$ (230)	\$ 819	\$ 1,118	\$ (253)	\$ 865
Less: reclassification adjustment of realized capital gains and losses	(383)	80	(303)	(126)	26	(100)
<b>Unrealized net capital gains and losses</b>	<b>1,432</b>	<b>(310)</b>	<b>1,122</b>	<b>1,244</b>	<b>(279)</b>	<b>965</b>
<b>Unrealized foreign currency translation adjustments</b>	<b>100</b>	<b>(21)</b>	<b>79</b>	<b>(1)</b>	<b>—</b>	<b>(1)</b>
<b>Unamortized pension and other postretirement prior service credit <sup>(1)</sup></b>	<b>(1)</b>	<b>—</b>	<b>(1)</b>	<b>(2)</b>	<b>1</b>	<b>(1)</b>
<b>Discount rate for reserve for future policy benefits</b>	<b>(17)</b>	<b>4</b>	<b>(13)</b>	<b>(15)</b>	<b>3</b>	<b>(12)</b>
<b>Other comprehensive income (loss)</b>	<b>\$ 1,514</b>	<b>\$ (327)</b>	<b>\$ 1,187</b>	<b>\$ 1,226</b>	<b>\$ (275)</b>	<b>\$ 951</b>

<sup>(1)</sup> Represents prior service credits reclassified out of other comprehensive income and amortized into operating costs and expenses.

## Report of Independent Registered Public Accounting Firm

To the Shareholders and the Board of Directors of The Allstate Corporation

### Results of Review of Interim Financial Information

We have reviewed the accompanying condensed consolidated statement of financial position of The Allstate Corporation and subsidiaries (the "Company") as of September 30, 2025, the related condensed consolidated statements of operations, comprehensive income (loss) and shareholders' equity for the three-month and nine-month periods ended September 30, 2025 and 2024, and of cash flows for the nine-month periods ended September 30, 2025 and 2024, and the related notes (collectively referred to as the "interim financial information"). Based on our reviews, we are not aware of any material modifications that should be made to the accompanying interim financial information for it to be in conformity with accounting principles generally accepted in the United States of America.

We have previously audited, in accordance with the standards of the Public Company Accounting Oversight Board (United States) (PCAOB), the consolidated statement of financial position of the Company as of December 31, 2024, and the related consolidated statements of operations, comprehensive income (loss), shareholders' equity, and cash flows for the year then ended (not presented herein); and in our report dated February 24, 2025, we expressed an unqualified opinion on those consolidated financial statements. In our opinion, the information set forth in the accompanying condensed consolidated statement of financial position as of December 31, 2024, is fairly stated, in all material respects, in relation to the consolidated statement of financial position from which it has been derived.

### Basis for Review Results

This interim financial information is the responsibility of the Company's management. We are a public accounting firm registered with the PCAOB and are required to be independent with respect to the Company in accordance with the U.S. federal securities laws and the applicable rules and regulations of the Securities and Exchange Commission and the PCAOB.

We conducted our reviews in accordance with standards of the PCAOB. A review of interim financial information consists principally of applying analytical procedures and making inquiries of persons responsible for financial and accounting matters. It is substantially less in scope than an audit conducted in accordance with the standards of the PCAOB, the objective of which is the expression of an opinion regarding the financial statements taken as a whole. Accordingly, we do not express such an opinion.

/s/ Deloitte & Touche LLP

Chicago, Illinois  
November 5, 2025

## Item 2. Management's Discussion and Analysis of Financial Condition and Results of Operations

### Overview

The following discussion highlights significant factors influencing the consolidated financial position and results of operations of The Allstate Corporation (referred to in this document as "we," "our," "us," the "Company" or "Allstate"). It should be read in conjunction with the condensed consolidated financial statements and related notes thereto found under Part I. Item 1. contained herein, and with the discussion, analysis, consolidated financial statements and notes thereto in Part I. Item 1. and Part II. Item 7. and Item 8. of The Allstate Corporation annual report on Form 10-K for 2024, filed February 24, 2025.

Further analysis of our insurance segments Allstate Protection and Run-off Property-Liability, together Property-Liability Operations, and Protection Services, is provided in Management's Discussion and Analysis ("MD&A"). The segments are consistent with the way in which the chief operating decision maker reviews financial performance and makes decisions about the allocation of resources. The dispositions of the employer voluntary benefits ("EVB") and group health businesses did not qualify for discontinued operations. Starting in the third quarter of 2025, the Allstate Health and Benefits segment is no longer a reportable segment, with results of this segment recast to reflect only the results of the EVB and group health businesses. The retained individual health business, previously included in the Allstate Health and Benefits segment, is a non-reportable segment with results included in all other for all periods presented.

### Measuring segment profit or loss

The measure of segment profit or loss used in evaluating performance is underwriting income for the Allstate Protection and Run-off Property-Liability segments and adjusted net income for the Protection Services and Corporate segments. We use these measures in our evaluation of results of operations to analyze profitability.

*Underwriting income* is calculated as premiums earned and other revenue, less claims and claims expense ("losses"), amortization of deferred policy acquisition costs ("DAC"), operating costs and expenses, amortization or impairment of purchased intangibles and restructuring and related charges, as determined using accounting principles generally accepted in the United States of America ("GAAP").

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

- Net gains and losses on investments and derivatives
- Pension and other postretirement rereasurement gains and losses
- Amortization or impairment of purchased intangibles
- Gain or loss on disposition
- Adjustments for other significant non-recurring, infrequent or unusual items, when (a) the nature of the charge or gain is such that it is reasonably unlikely to recur within two years, or (b) there has been no similar charge or gain within the prior two years
- Income tax expense or benefit on reconciling items

### Macroeconomic impacts

Macroeconomic factors have and may continue to impact the results of our operations, financial condition and liquidity, such as U.S. government fiscal and monetary policies, the Russia/Ukraine conflict, supply chain disruptions and labor shortages.

*Tariffs* Beginning on April 2, 2025, the U.S. government announced additional tariffs on goods imported to the U.S. We regularly evaluate scenarios to understand the potential impact of tariffs on our businesses and incorporate estimates of the impact into our development of reserves for claims. The evolving and uncertain global trade environment makes it difficult to predict the full effect on our business. The following factors may impact operations at levels beyond what we are currently observing:

- Higher new and used vehicle pricing and replacement parts, increasing claims costs in Allstate Protection and Dealer Services
- Increases in building material costs, driving increases in homeowners claim costs
- Lack of availability of replacement parts from disruption in global trade broadly impacting all businesses
- Fewer auto new issued applications due to lower new and used vehicle sales
- Reduced demand in Dealer Services due to lower new vehicle sales
- Lower premiums written from reduced U.S. retail sales in Protection Plans
- Higher claims costs at Protection Plans
- Bad debt and credit allowance exposure in all businesses
- Adverse impacts on investment valuations and liquidity for market-based and performance-based investments

This is not inclusive of all potential impacts and should not be treated as such.

## Corporate strategy

Our strategy has two components: increase personal property-liability market share and expand protection offerings by leveraging the Allstate brand, customer base and capabilities.

**Transformative Growth** is about creating a business model, capabilities and culture that continually transform to better serve customers. This is done by providing affordable, simple and connected protection through multiple distribution methods. The ultimate objective is to enhance customer value to drive growth in all businesses.

In the personal property-liability businesses, this has five key components:

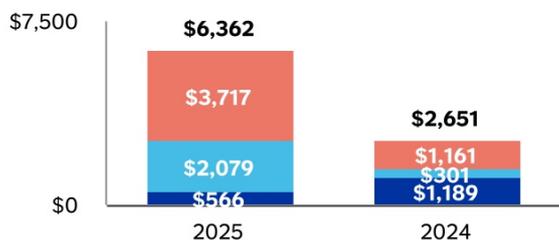
- Improving customer value
- Expanding customer access
- Increasing sophistication and investment in customer acquisition
- Deploying new technology ecosystems
- Driving organizational transformation

## Highlights



### Consolidated net income applicable to common shareholders

(\$ in millions)



We are expanding Protection Services businesses internationally and by leveraging the Allstate brand, customer base and capabilities.

## Dispositions

On April 1, 2025, we closed the sale of American Heritage Life Insurance Company and American Heritage Service Company, comprising our employer voluntary benefits ("EVB") business. We recorded a gain on the sale of \$888 million or \$641 million, after-tax for the nine months ended September 30, 2025.

On July 1, 2025, we closed the sale of Direct General Life Insurance Company, NSM Sales Corporation and The Association Benefits Solution, LLC, comprising the group health business. We recorded a gain on sale of approximately \$722 million or \$506 million, after-tax in the third quarter of 2025.

See Note 3 of the condensed consolidated financial statements for further information on the EVB and group health dispositions.

*Consolidated net income applicable to common shareholders* increased \$2.56 billion to \$3.72 billion in the third quarter of 2025 and increased \$3.71 billion to \$6.36 billion in the first nine months of 2025 compared to the same periods of 2024, primarily due to higher underwriting income and gains on dispositions.

### Total revenues

(\$ in millions)



*Total revenues* increased 3.8% to \$17.26 billion in the third quarter of 2025 and increased 5.8% to \$50.34 billion in the first nine months of 2025 compared to the same periods of 2024, primarily due to higher auto and homeowners insurance policies in force and premium rate increases.

### Net investment income

(\$ in millions)



*Net investment income* increased \$166 million to \$949 million in the third quarter of 2025 and increased \$298 million to \$2.56 billion in the first nine months of 2025 compared to the same periods of 2024, primarily due to higher market-based and performance-based investment results.

## Financial highlights

*Investments* totaled \$82.33 billion as of September 30, 2025, increasing from \$72.61 billion as of December 31, 2024.

*Allstate shareholders' equity* was \$27.51 billion as of September 30, 2025, increasing from \$21.44 billion as of December 31, 2024, primarily due to net income and an increase in unrealized net capital gains on investments in 2025, partially offset by common share repurchases and dividends to shareholders.

*Book value per diluted common share* (ratio of Allstate common shareholders' equity to total common shares outstanding and dilutive potential common

shares outstanding) was \$95.95 as of September 30, 2025, an increase of 36.4% from \$70.35 as of September 30, 2024, and an increase of 32.6% from \$72.35 as of December 31, 2024.

*Return on average Allstate common shareholders' equity* for the twelve months ended September 30, 2025, was 37.2%, an increase of 11.1 points from 26.1% for the twelve months ended September 30, 2024. The increase was primarily due to higher net income applicable to common shareholders for the trailing twelve-month period ending September 30, 2025.

## Summarized consolidated financial results

(\$ in millions)	Three months ended September 30,		Nine months ended September 30,	
	2025	2024	2025	2024
<b>Revenues</b>				
Property and casualty insurance premiums	\$ 15,253	\$ 14,333	\$ 44,992	\$ 41,797
Accident and health insurance premiums and contract charges	110	487	832	1,439
Other revenue	691	781	2,200	2,129
Net investment income	949	783	2,557	2,259
Net gains (losses) on investments and derivatives	252	243	(241)	(24)
<b>Total revenues</b>	<b>17,255</b>	<b>16,627</b>	<b>50,340</b>	<b>47,600</b>
<b>Costs and expenses</b>				
Property and casualty insurance claims and claims expense	(8,654)	(10,409)	(29,718)	(30,711)
Accident, health and other policy benefits	(67)	(317)	(588)	(904)
Amortization of deferred policy acquisition costs	(2,101)	(2,037)	(6,264)	(5,977)
Operating, restructuring and interest expenses	(2,383)	(2,349)	(6,994)	(6,471)
Pension and other postretirement rereasurement gains (losses)	108	(26)	30	(15)
Amortization of purchased intangibles	(59)	(71)	(175)	(210)
<b>Total costs and expenses</b>	<b>(13,156)</b>	<b>(15,209)</b>	<b>(43,709)</b>	<b>(44,288)</b>
Gain on disposition of operations	720	—	1,610	—
<b>Income from operations before income tax expense</b>	<b>4,819</b>	<b>1,418</b>	<b>8,241</b>	<b>3,312</b>
Income tax expense	(1,075)	(254)	(1,802)	(603)
<b>Net income</b>	<b>3,744</b>	<b>1,164</b>	<b>6,439</b>	<b>2,709</b>
Less: Net loss attributable to noncontrolling interest	(2)	(26)	(11)	(30)
<b>Net income attributable to Allstate</b>	<b>3,746</b>	<b>1,190</b>	<b>6,450</b>	<b>2,739</b>
Preferred stock dividends	(29)	(29)	(88)	(88)
<b>Net income applicable to common shareholders</b>	<b>\$ 3,717</b>	<b>\$ 1,161</b>	<b>\$ 6,362</b>	<b>\$ 2,651</b>

## Segment highlights

*Allstate Protection* underwriting income was \$3.04 billion in the third quarter of 2025 compared to underwriting income of \$555 million in the third quarter of 2024, due to lower catastrophe losses, increased premiums earned and the benefit of prior year reserve releases. Underwriting income totaled \$4.69 billion in the first nine months of 2025 compared to underwriting income of \$1.32 billion in the first nine months of 2024, due to increased premiums earned and the benefit of prior year reserve releases, partially offset by higher expenses.

Catastrophe losses were \$558 million and \$4.75 billion in the third quarter and first nine months of 2025, respectively, compared to \$1.70 billion and \$4.55 billion in the third quarter and first nine months of 2024, respectively.

Premiums written increased 6.3% to \$15.63 billion in the third quarter of 2025 and increased 6.7% to \$44.97 billion in the first nine months of 2025 compared to the same periods of 2024, reflecting higher auto and homeowners insurance policies in force and premium rate increases.

**Protection Services** adjusted net income was \$46 million in the third quarter of 2025 compared to \$58 million in the third quarter of 2024. Adjusted net income was \$161 million the first nine months of 2025 compared to \$167 million in the nine months of 2024. The decrease in both periods was primarily due to higher expenses at Arity and increased claims at Protection Plans, partially offset by premium growth at Protection Plans.

Premiums and other revenue increased 12.7% to \$844 million the third quarter of 2025 and increased 13.5% to \$2.45 billion in the first nine months of 2025 compared to the same periods of 2024, primarily due to growth at Protection Plans.

**Income taxes** The effective tax rate is the ratio of income tax expense (benefit) divided by income (loss) from operations before income tax expense. For the first nine months ended September 30, 2025, we reported an effective tax rate of 21.9% based on total

income tax expense of \$1.80 billion on total income from operations before income tax expense of \$8.24 billion. The effective rate for the first nine months ended September 30, 2025, is higher than the federal statutory rate of 21%, primarily due to non-deductible goodwill and higher state income taxes arising from the sales of the EVB and group health businesses, offset by tax benefits derived from tax credits, tax-exempt interest income and share-based payments.

For the first nine months ended September 30, 2024, we reported an effective tax rate of 18.2% based on a total income tax expense of \$603 million on income from operations before income tax benefit of \$3.31 billion. The effective tax rate for the first nine months ended 2024 was lower than the federal statutory rate of 21% due to the additional tax benefit derived from tax credits, shared-based payments and tax-exempt interest income.

#### Reconciliation of the statutory federal income tax rate to the effective income tax rate

(\$ in millions)	Three months ended September 30,				Nine months ended September 30,			
	2025		2024		2025		2024	
Income (loss) before income taxes	\$ 4,819		\$ 1,418		\$ 8,241		\$ 3,312	
Statutory federal income tax rate on income from operations	\$ 1,012	21.0 %	\$ 298	21.0 %	\$ 1,731	21.0 %	\$ 696	21.0 %
Non-deductible goodwill <sup>(1)</sup>	42	0.9	—	—	94	1.1	—	—
State income taxes	58	1.2	12	0.8	86	1.0	31	0.9
Change in valuation allowance	1	—	4	0.3	3	—	(2)	(0.1)
Tax credits	(21)	(0.4)	(19)	(1.3)	(49)	(0.6)	(45)	(1.3)
Tax-exempt income	(8)	(0.2)	(8)	(0.6)	(27)	(0.3)	(19)	(0.5)
Share-based payments	(3)	(0.1)	(15)	(1.0)	(23)	(0.2)	(29)	(0.9)
Uncertain tax positions	—	—	(3)	(0.2)	(14)	(0.1)	(3)	(0.1)
Other	(6)	(0.1)	(15)	(1.1)	1	—	(26)	(0.8)
<b>Effective income tax rate on income from operations</b>	<b>\$ 1,075</b>	<b>22.3 %</b>	<b>\$ 254</b>	<b>17.9 %</b>	<b>\$ 1,802</b>	<b>21.9 %</b>	<b>\$ 603</b>	<b>18.2 %</b>

<sup>(1)</sup> The sales of the employer voluntary benefits and group health businesses on April 1, 2025 and July 1, 2025, respectively, resulted in the disposal of non-deductible goodwill.

On July 4, 2025, H.R. 1 was signed into law, making a number of changes to the U.S. tax code. The legislation makes many provisions permanent that were originally enacted under the 2017 Tax Cuts and Jobs Act, in addition to implementing new measures that directly affect corporate taxpayers. Key provisions include the permanent reinstatement of full and immediate expensing for domestic research and development expenditures, new limitations on the deductibility of corporate charitable contributions, and a substantial rollback of renewable energy tax credits, including transferability of certain energy-related credits, while at the same time expanding availability of tax incentives for affordable housing developments. These changes do not have a significant impact to our consolidated financial statements.

## Property-Liability Operations

**Overview** Property-Liability operations consist of two reportable segments: Allstate Protection and Run-off Property-Liability. These segments are consistent with the groupings of financial information that management uses to evaluate performance and to determine the allocation of resources.

We do not allocate Property-Liability investment income, net gains and losses on investments and derivatives, or assets to the Allstate Protection and Run-off Property-Liability segments. Management reviews assets at the Property-Liability level for decision-making purposes.

**GAAP operating ratios** are used to measure our profitability to enhance an investor's understanding of our financial results and are calculated as follows:

- **Loss ratio:** the ratio of claims and claims expense (loss adjustment expenses), to premiums earned. Loss ratios include the impact of catastrophe losses and prior year reserve reestimates.
- **Expense ratio:** the ratio of amortization of DAC, operating costs and expenses, amortization or impairment of purchased intangibles and restructuring and related charges, less other revenue to premiums earned.
- **Combined ratio:** the sum of the loss ratio and the expense ratio.

We have also calculated the following impacts of specific items on the GAAP operating ratios because of the volatility of these items between periods. The impacts are calculated by taking the specific items noted below divided by Property-Liability premiums earned:

- **Effect of catastrophe losses on combined ratio:** includes catastrophe losses and prior year reserve reestimates of catastrophe losses included in claims and claims expense
- **Effect of prior year reserve reestimates on combined ratio**

- **Effect of amortization of purchased intangibles on combined ratio**
- **Effect of restructuring and related charges on combined ratio**
- **Effect of Run-off Property-Liability business on combined ratio:** includes claims and claims expense, restructuring and related charges and operating costs and expenses in the Run-off Property-Liability segment

**Premium measures and statistics** are used to analyze our premium trends and are calculated as follows:

- **PIF:** policy counts are based on items rather than customers. A multi-car customer would generate multiple item (policy) counts, even if all cars were insured under one policy. Lender-placed policies are excluded from policy counts because relationships are with the lenders.
- **New issued applications:** item counts of automobile or homeowner insurance applications for insurance policies that were issued during the period, regardless of whether the customer was previously insured by another Allstate brand.
- **Average premium - gross written ("average premium"):** 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.
- **Implemented rate changes:** represents the impact in the locations (U.S. states, the District of Columbia or Canadian provinces) where rate changes were implemented during the period as a percentage of total prior year-end premiums written.

**Underwriting results**

(\$ in millions, except ratios)	Three months ended September 30,		Nine months ended September 30,	
	2025	2024	2025	2024
Premiums written	\$ 15,630	\$ 14,707	\$ 44,974	\$ 42,169
Premiums earned	\$ 14,533	\$ 13,694	\$ 42,906	\$ 39,933
Other revenue	518	531	1,510	1,402
Claims and claims expense	(8,466)	(10,249)	(29,210)	(30,247)
Amortization of DAC	(1,757)	(1,696)	(5,231)	(4,977)
Other costs and expenses	(1,873)	(1,710)	(5,259)	(4,664)
Restructuring and related charges	(15)	(23)	(44)	(45)
Amortization of purchased intangibles	(46)	(52)	(138)	(154)
<b>Underwriting income</b>	<b>\$ 2,894</b>	<b>\$ 495</b>	<b>\$ 4,534</b>	<b>\$ 1,248</b>
<b>Catastrophe losses</b>				
Catastrophe losses, excluding reserve reestimates	\$ 586	\$ 1,717	\$ 4,788	\$ 4,868
Catastrophe reserve reestimates <sup>(1)</sup>	(28)	(14)	(38)	(314)
<b>Total catastrophe losses</b>	<b>\$ 558</b>	<b>\$ 1,703</b>	<b>\$ 4,750</b>	<b>\$ 4,554</b>
Non-catastrophe reserve reestimates <sup>(1)</sup>	\$ (396)	\$ 45	\$ (1,007)	\$ (8)
Prior year reserve reestimates <sup>(1)</sup>	(424)	31	(1,045)	(322)
<b>GAAP operating ratios</b>				
Loss ratio	58.3	74.9	68.1	75.8
Expense ratio <sup>(2)</sup>	21.8	21.5	21.3	21.1
Combined ratio	80.1	96.4	89.4	96.9
Effect of catastrophe losses on combined ratio	3.8	12.4	11.1	11.4
Effect of prior year reserve reestimates on combined ratio	(2.9)	0.3	(2.5)	(0.8)
Effect of catastrophe losses included in prior year reserve reestimates on combined ratio	(0.2)	(0.1)	(0.1)	(0.8)
Effect of restructuring and related charges on combined ratio	0.1	0.1	0.1	0.1
Effect of amortization of purchased intangibles on combined ratio	0.3	0.4	0.3	0.4
Effect of Run-off Property-Liability business on combined ratio	1.0	0.5	0.3	0.2

<sup>(1)</sup> Reserve releases are shown in parentheses.

<sup>(2)</sup> Other revenue is deducted from operating costs and expenses in the expense ratio calculation.

## Allstate Protection Segment

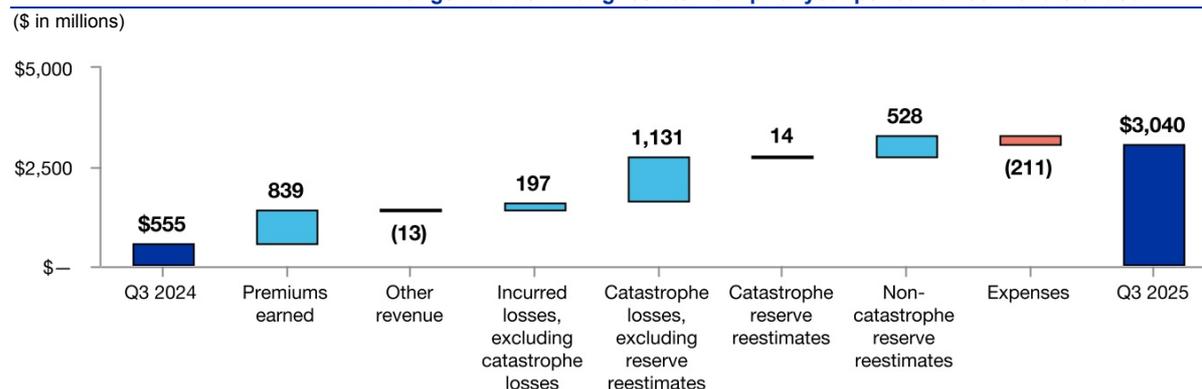


## Underwriting results

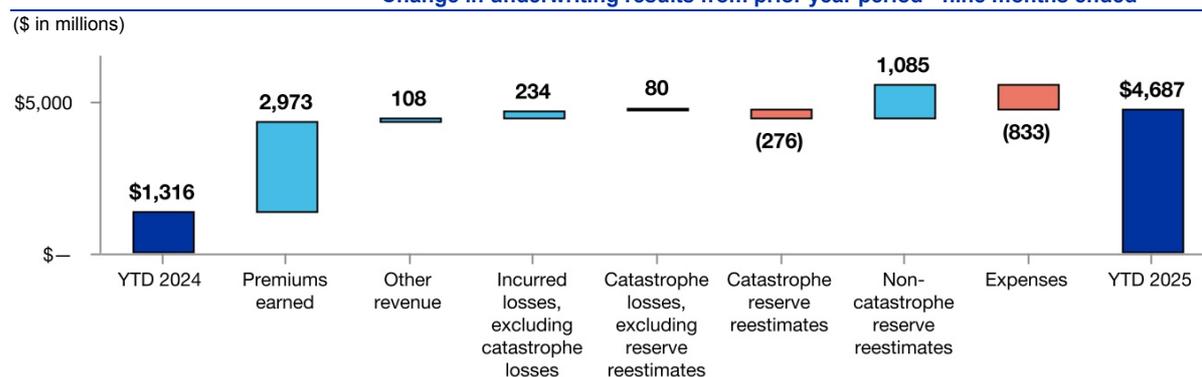
(\$ in millions)	Three months ended September 30,		Nine months ended September 30,	
	2025	2024	2025	2024
Premiums written	\$ 15,630	\$ 14,707	\$ 44,974	\$ 42,169
Premiums earned	\$ 14,533	\$ 13,694	\$ 42,906	\$ 39,933
Other revenue	518	531	1,510	1,402
Claims and claims expense	(8,320)	(10,190)	(29,059)	(30,182)
Amortization of DAC	(1,757)	(1,696)	(5,231)	(4,977)
Other costs and expenses	(1,873)	(1,709)	(5,257)	(4,661)
Restructuring and related charges	(15)	(23)	(44)	(45)
Amortization of purchased intangibles	(46)	(52)	(138)	(154)
<b>Underwriting income</b>	<b>\$ 3,040</b>	<b>\$ 555</b>	<b>\$ 4,687</b>	<b>\$ 1,316</b>
Catastrophe losses	\$ 558	\$ 1,703	\$ 4,750	\$ 4,554

*Underwriting income* was \$3.04 billion in the third quarter of 2025 compared to underwriting income of \$555 million in the third quarter of 2024, due to lower catastrophe losses, increased premiums earned and the benefit of prior year reserve releases. Underwriting income increased \$3.37 billion to \$4.69 billion in the first nine months of 2025 compared to the first nine months of 2024, due to increased premiums earned and the benefit of prior year reserve releases, partially offset by higher expenses.

## Change in underwriting results from prior year period - three months ended



## Change in underwriting results from prior year period - nine months ended



**Underwriting income (loss)**

(\$ in millions)	Three months ended September 30,		Nine months ended September 30,	
	2025	2024	2025	2024
Auto	\$ 1,726	\$ 486	\$ 3,873	\$ 1,207
Homeowners	1,107	60	580	249
Other personal lines	61	(18)	(15)	(66)
Commercial lines	93	(16)	92	(224)
Other business lines <sup>(1)</sup>	52	40	147	140
Answer Financial	1	3	10	10
<b>Total</b>	<b>\$ 3,040</b>	<b>\$ 555</b>	<b>\$ 4,687</b>	<b>\$ 1,316</b>

<sup>(1)</sup> Represents commissions earned and other costs and expenses for Ivantage, non-proprietary life and annuity products and lender-placed products.

**Premium measures and statistics** include PIF, new issued applications and average premiums to analyze our premium trends. Premiums written is the amount of premiums charged for policies issued during a reporting period. Premiums are considered earned and are included in the financial results on a pro-rata basis over the policy period. The portion of premiums written applicable to the unexpired term of the policies is recorded as unearned premiums on our Condensed Consolidated Statements of Financial Position.

**Premiums written**

(\$ in millions)	Three months ended September 30,		Nine months ended September 30,	
	2025	2024	2025	2024
Auto	\$ 9,869	\$ 9,539	\$ 29,250	\$ 28,180
Homeowners	4,607	4,073	12,455	10,792
Other personal lines	887	817	2,481	2,322
Commercial lines	101	104	295	411
Other business lines	166	174	493	464
<b>Total premiums written</b>	<b>\$ 15,630</b>	<b>\$ 14,707</b>	<b>\$ 44,974</b>	<b>\$ 42,169</b>

**Premiums earned**

(\$ in millions)	Three months ended September 30,		Nine months ended September 30,	
	2025	2024	2025	2024
Auto	\$ 9,593	\$ 9,270	\$ 28,468	\$ 27,127
Homeowners	3,880	3,403	11,308	9,812
Other personal lines	800	718	2,320	2,078
Commercial lines	99	151	316	478
Other business lines	161	152	494	438
<b>Total premiums earned</b>	<b>\$ 14,533</b>	<b>\$ 13,694</b>	<b>\$ 42,906</b>	<b>\$ 39,933</b>

**Reconciliation of premiums written to premiums earned**

(\$ in millions)	Three months ended September 30,		Nine months ended September 30,	
	2025	2024	2025	2024
<b>Total premiums written</b>	<b>\$ 15,630</b>	<b>\$ 14,707</b>	<b>\$ 44,974</b>	<b>\$ 42,169</b>
(Increase) decrease in unearned premiums	(1,119)	(1,075)	(2,158)	(2,233)
Other	22	62	90	(3)
<b>Total premiums earned</b>	<b>\$ 14,533</b>	<b>\$ 13,694</b>	<b>\$ 42,906</b>	<b>\$ 39,933</b>

**Policies in force**

(In thousands)	As of September 30,	
	2025	2024
Auto	25,332	24,998
Homeowners	7,642	7,483
Other personal lines	4,908	4,877
Commercial lines	174	238
<b>Total</b>	<b>38,056</b>	<b>37,596</b>

*Auto insurance premiums written* increased 3.5% or \$330 million in the third quarter of 2025 and increased 3.8% or \$1.07 billion in the first nine months of 2025 compared to the same periods of 2024, primarily due to the following factors:

- Rate increases that have moderated as we focus on growth and continued rollout of Affordable, Simple and Connected auto products. In the nine months ended September 30, 2025, rate increases of 3.6% were implemented in 52 locations, resulting in total insurance premium impact of 2.4%

- PIF increased 1.3% or 334 thousand to 25,332 thousand as of September 30, 2025 compared to September 30, 2024
- Increased new issued applications in all channels
- In locations not achieving acceptable returns, we expect to continue to pursue targeted rate increases. In states where we are achieving acceptable returns, we will focus on implementing rates to keep pace with increasing costs and explore opportunities for rate investments towards growth

#### Auto premium measures and statistics

	Three months ended September 30,			Nine months ended September 30,		
	2025	2024	Change	2025	2024	Change
<b>New issued applications (in thousands)</b>						
<b>Allstate Protection by channel</b>						
Exclusive agency	823	675	21.9 %	2,335	1,908	22.4 %
Independent agency	696	597	16.6	2,067	1,714	20.6
Direct	809	620	30.5	2,274	1,668	36.3
<b>Total new issued applications</b>	<b>2,328</b>	<b>1,892</b>	<b>23.0 %</b>	<b>6,676</b>	<b>5,290</b>	<b>26.2 %</b>
Allstate brand average premium	\$ 853	\$ 852	0.1 %	\$ 852	\$ 839	1.5 %

*Homeowners insurance premiums written* increased 13.1% or \$534 million in the third quarter of 2025 and increased 15.4% or \$1.66 billion in the first nine months of 2025 compared to the same periods of 2024, primarily due to the following factors:

- Higher Allstate brand average premiums from implemented rate increases and inflation in insured home replacement costs and other aging factor adjustments, combined with policies in force growth
- In the nine months ended September 30, 2025, rate increases of 8.0% were implemented in 44 locations, resulting in total estimated insurance premium impact of 4.3%, excluding the impact of changes in insured home replacement costs

- PIF increased 2.1% or 159 thousand to 7,642 thousand as of September 30, 2025 compared to September 30, 2024, primarily in the direct and exclusive agency channels, partially offset in the independent agency channel
- Increased new issued applications in direct and exclusive agency channels

We are not writing new homeowners business in Florida. We are also non-renewing certain policies in Florida. We may not be able to grow in certain states without regulatory or legislative reforms that enable customers to be provided coverage at appropriate risk adjusted returns.

#### Homeowners premium measures and statistics

	Three months ended September 30,			Nine months ended September 30,		
	2025	2024	Change	2025	2024	Change
<b>New issued applications (in thousands)</b>						
<b>Allstate Protection by channel</b>						
Exclusive agency	262	260	0.8 %	745	719	3.6 %
Independent agency	41	63	(34.9)	136	172	(20.9)
Direct	69	39	76.9	164	96	70.8
<b>Total new issued applications</b>	<b>372</b>	<b>362</b>	<b>2.8 %</b>	<b>1,045</b>	<b>987</b>	<b>5.9 %</b>
Allstate brand average premium	\$ 2,296	\$ 2,050	12.0 %	\$ 2,262	\$ 1,991	13.6 %

*Other personal lines premiums written* increased 8.6% or \$70 million in the third quarter of 2025 and increased 6.8% or \$159 million in the first nine months of 2025 compared to the same periods of 2024, primarily due to increases in landlords and personal umbrella policies, partially offset by a decrease in auto assigned risk policies purchased from other carriers. We are not writing new condominium business in Florida, and we are non-renewing certain policies in Florida.

*Commercial lines premiums written* decreased 2.9% or \$3 million in the third quarter of 2025 compared to the third quarter of 2024, primarily driven by the run-off of Allstate brand, partially offset by growth in National General brand. Commercial lines premiums written decreased 28.2% or \$116 million in the first nine months of 2025 compared to the first nine months of 2024, primarily due to the strategic decision for the Allstate brand to stop writing new business and non-renew policies. We are committed to

offering comprehensive commercial products to customers through our exclusive agency, independent agency and direct channels. These offerings include solutions from National General as well as brokered products tailored to meet diverse needs across our business customers.

*Other business lines premiums written* decreased 4.6% or \$8 million in the third quarter of 2025 compared to the third quarter of 2024, due to lower

lender-placed auto premiums. Other business lines premiums written increased 6.3% or \$29 million in the first nine months of 2025 compared to the first nine months of 2024, due to growth in the lender-placed homeowners business.

**GAAP operating ratios** include loss ratio, expense ratio and combined ratio to analyze our profitability trends. Frequency and severity changes are used to describe the trends in loss costs.

**Combined ratios**

	Loss ratio		Expense ratio <sup>(3)</sup>		Combined ratio	
	2025	2024	2025	2024	2025	2024
<b>Three months ended September 30,</b>						
Auto	60.6	71.9	21.4	22.9	82.0	94.8
Homeowners	48.5	76.3	23.0	21.9	71.5	98.2
Other personal lines <sup>(1)</sup>	75.1	96.2	17.3	6.3	92.4	102.5
Commercial lines	(19.2)	84.8	25.3	25.8	6.1	110.6
Other business lines <sup>(2)</sup>	27.9	72.4	39.8	1.3	67.7	73.7
<b>Total</b>	<b>57.3</b>	<b>74.4</b>	<b>21.8</b>	<b>21.5</b>	<b>79.1</b>	<b>95.9</b>
Impact of amortization of purchased intangibles			0.3	0.4	0.3	0.4
Impact of restructuring and related charges			0.1	0.1	0.1	0.1
<b>Nine months ended September 30,</b>						
Auto	64.9	73.8	21.5	21.8	86.4	95.6
Homeowners	73.4	75.9	21.5	21.6	94.9	97.5
Other personal lines <sup>(1)</sup>	83.9	91.5	16.7	11.7	100.6	103.2
Commercial lines	42.7	120.1	28.2	26.8	70.9	146.9
Other business lines <sup>(2)</sup>	38.8	55.7	31.4	12.3	70.2	68.0
<b>Total</b>	<b>67.8</b>	<b>75.6</b>	<b>21.3</b>	<b>21.1</b>	<b>89.1</b>	<b>96.7</b>
Impact of amortization of purchased intangibles			0.3	0.4	0.3	0.4
Impact of restructuring and related charges			0.1	0.1	0.1	0.1

<sup>(1)</sup> Expense ratio includes other revenue of \$43 million and \$134 million for the three and nine months ended September 30, 2025, respectively, compared to \$97 million and \$161 million for the three and nine months ended September 30, 2024, respectively, for fees on auto assigned risk policies.

<sup>(2)</sup> Expense ratio includes profit-sharing commissions on lender-placed business, which decreased in 2024 due to higher losses and increased in 2025 as losses declined.

<sup>(3)</sup> Other revenue is deducted from operating costs and expenses in the expense ratio calculation.

## Loss ratios

	Loss ratio		Effect of catastrophe losses <sup>(1)</sup> <sup>(2)</sup>		Effect of prior year reserve reestimates		Effect of catastrophe losses included in prior year reserve reestimates	
	2025	2024	2025	2024	2025	2024	2025	2024
<b>Three months ended September 30,</b>								
Auto	60.6	71.9	0.7	3.0	(5.0)	(0.7)	—	(0.1)
Homeowners	48.5	76.3	12.3	36.2	(1.4)	(0.4)	(0.4)	—
Other personal lines	75.1	96.2	1.0	23.8	8.3	7.1	(0.7)	(0.4)
Commercial lines	(19.2)	84.8	(3.0)	5.3	(85.9)	0.7	(5.1)	—
Other business lines	27.9	72.4	3.1	9.2	(8.7)	(1.9)	—	—
<b>Total</b>	<b>57.3</b>	<b>74.4</b>	<b>3.8</b>	<b>12.4</b>	<b>(3.9)</b>	<b>(0.2)</b>	<b>(0.2)</b>	<b>(0.1)</b>
<b>Nine months ended September 30,</b>								
Auto	64.9	73.8	1.7	2.7	(4.1)	(1.1)	(0.1)	(0.1)
Homeowners	73.4	75.9	34.6	34.7	(0.3)	(3.9)	—	(2.8)
Other personal lines	83.9	91.5	12.2	17.0	6.1	7.9	(0.4)	(0.3)
Commercial lines	42.7	120.1	0.6	2.9	(32.9)	33.3	—	(1.0)
Other business lines	38.8	55.7	11.7	9.8	(7.9)	0.2	—	—
<b>Total</b>	<b>67.8</b>	<b>75.6</b>	<b>11.1</b>	<b>11.4</b>	<b>(2.8)</b>	<b>(1.0)</b>	<b>(0.1)</b>	<b>(0.8)</b>

<sup>(1)</sup> The ten-year average effect of total catastrophe losses on the total combined ratio was 8.6 points and 10.3 points in the third quarter and first nine months of 2025, respectively.

<sup>(2)</sup> The ten-year average effect of homeowners catastrophe losses on the total homeowners combined ratio was 24.8 points and 32.9 points in the third quarter and first nine months of 2025, respectively.

**Auto loss ratio** decreased 11.3 points in the third quarter of 2025 and decreased 8.9 points in the first nine months of 2025 compared to the same periods of 2024, driven by increased earned premiums, lower claim frequency and the benefit of prior year non-catastrophe reserve releases. Estimated report year 2025 incurred claim severity for Allstate brand increased compared to report year 2024 for major coverages due to higher repair costs, mix of total loss frequency, medical consumption and attorney representation. Gross claim frequency decreased relative to the prior year. We continue to enhance our claims practices to manage loss costs by increasing resources and expanding re-inspections and accelerating resolution of bodily injury claims.

**Homeowners loss ratio** decreased 27.8 points in the third quarter of 2025 compared to the third quarter of 2024, primarily due to lower catastrophe losses and increased premiums earned. Homeowners loss ratio decreased 2.5 points in the first nine months of 2025 compared to the first nine months of 2024, primarily due to increased premiums earned, partially offset by higher losses.

Gross claim frequency, excluding catastrophes, decreased in the third quarter and first nine months of 2025 compared to the same periods of 2024. Paid claim severity, excluding catastrophes, increased in the third quarter and first nine months of 2025 compared to the same periods of 2024, due to a mix of fire and wind/hail perils. Homeowners paid claim severity can be impacted by both the mix of perils and the magnitude of specific losses paid during the quarter.

**Other personal lines loss ratio** decreased 21.1 points in the third quarter of 2025 compared to the

third quarter of 2024, primarily due to lower losses and increased premiums earned. Other personal lines loss ratio decreased 7.6 points in the first nine months of 2025 compared to the first nine months of 2024, primarily due to increased premiums earned, partially offset by higher non-catastrophe losses.

**Commercial lines loss ratio** decreased 104.0 points in the third quarter of 2025 and decreased 77.4 points in the first nine months of 2025 compared to the same periods of 2024, primarily due to the benefit of prior year reserve releases and lower losses, partially offset by a decrease in premiums earned driven by the strategic decision for the Allstate brand to stop writing new business and non-renew policies.

**Other business lines loss ratio** decreased 44.5 points in the third quarter of 2025 compared to the third quarter of 2024, primarily due to lower losses and the benefit of prior year reserve releases. Other business lines loss ratio decreased 16.9 points in the first nine months of 2025 compared to the first nine months of 2024, primarily due to the benefit of prior year non-catastrophe reserve releases.

**Catastrophe losses** decreased \$1.15 billion to \$558 million in the third quarter of 2025 compared to the third quarter of 2024, primarily due to fewer and less severe events as well as the absence of any hurricanes and tropical storms. Catastrophe losses increased \$196 million to \$4.75 billion in the first nine months of 2025 compared to the first nine months of 2024.

We define a "catastrophe" 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. Catastrophes are caused by various natural events including high winds, winter storms and freezes, tornadoes, hailstorms, wildfires, tropical storms, tsunamis, hurricanes, earthquakes and volcanoes.

We are also exposed to man-made catastrophic events, such as certain types of terrorism, civil unrest, wildfires or industrial accidents. The nature and level of catastrophes in any period cannot be reliably predicted.

Loss estimates are generally based on claim adjuster inspections and the application of historical loss development factors. Our loss estimates are calculated in accordance with the coverage provided by our policies. The establishment of appropriate reserves, including reserves for catastrophe losses, is an inherently uncertain and complex process. Reserving for hurricane losses is complicated by the inability of insureds to promptly report losses, limitations placed on claims adjusting staff affecting

their ability to inspect losses, determining whether losses are covered by our homeowners policy (generally for damage caused by wind or wind driven rain) or specifically excluded coverage caused by flood, exposure to mold damage, and the effects of numerous other considerations, including the timing of a catastrophe in relation to other events, such as at or near the end of a financial reporting period, which can affect the availability of information needed to estimate reserves for that reporting period. In these situations, we may need to adapt our practices to accommodate these circumstances in order to determine a best estimate of our losses from a catastrophe.

Over time, we have limited our aggregate insurance exposure to catastrophe losses in certain regions of the country that are subject to high levels of natural catastrophes by managing coverage, number of policies in force, utilizing reinsurance and participating in various state facilities.

### Catastrophe losses by the type of event

(\$ in millions)	Three months ended September 30,				Nine months ended September 30,			
	Number of events	2025	Number of events	2024	Number of events	2025	Number of events	2024
Hurricanes/tropical storms	—	\$ —	5	\$ 953	—	\$ —	5	\$ 953
Tornadoes	—	—	—	—	—	—	1	57
Wind/hail	35	649	39	666	85	3,746	98	3,638
Wildfires	1	3	5	25	4	1,092	8	54
Freeze/other events	1	2	1	3	1	2	2	166
Prior year reserve reestimates <sup>(1)</sup>		(19)		(14)		31		(314)
Prior year aggregate reinsurance recoveries		(9)		—		(69)		—
Current year aggregate reinsurance recoveries		(4)		—		(52)		—
Prior quarter reserve reestimates		(64)		70		—		—
<b>Total catastrophe losses</b>	<b>37</b>	<b>\$ 558</b>	<b>50</b>	<b>\$ 1,703</b>	<b>90</b>	<b>\$ 4,750</b> <sup>(2)</sup>	<b>114</b>	<b>\$ 4,554</b>

<sup>(1)</sup> Includes reinsurance recoveries.

<sup>(2)</sup> Gross losses before reinsurance recoverables and reinstatement premiums were \$6.01 billion.

**Catastrophe reinsurance** The catastrophe reinsurance program is part of our catastrophe management strategy, which is intended to provide shareholders with long-term returns on the risks assumed in our property business, reduce earnings volatility, and provide protection to our customers. The current catastrophe reinsurance program supports our risk and return framework which incorporates robust economic capital modeling and is informed by catastrophe risk models including hurricanes, earthquakes and wildfires. As of September 30, 2025, the modeled 1-in-100 annual aggregate probable maximum loss for hurricane, earthquake and wildfire perils is approximately \$3.1 billion, net of reinsurance. We continually review our aggregate risk appetite and the cost and availability of reinsurance to optimize the risk and return profile of this exposure.

The total cost of our property catastrophe reinsurance programs, excluding reinstatement

premiums, during the third quarter and first nine months of 2025 was \$352 million and \$914 million, respectively, compared to \$298 million and \$880 million in the third quarter and first nine months of 2024. Catastrophe placement premiums reduce net written and earned premium with approximately 82% of the reduction related to homeowners premium.

**Prior year reserve reestimates** Reserve reestimates, including catastrophes, decreased reserves by \$570 million and \$1.20 billion in the third quarter and first nine months of 2025, respectively. Reserve reestimates primarily related to favorable severity development of \$284 million and \$565 million in personal auto injury coverage and \$196 million and \$568 million in personal auto physical damage coverage in the third quarter and first nine months of 2025, respectively.

For a more detailed discussion on reinsurance and reserve reestimates, see Note 9 of the condensed consolidated financial statements.

### Prior year reserve reestimates

(\$ in millions, except ratios)	Three months ended September 30,				Nine months ended September 30,			
	Prior year reserve reestimates <sup>(1)</sup>		Effect on combined ratio <sup>(2)</sup>		Prior year reserve reestimates <sup>(1)</sup>		Effect on combined ratio <sup>(2)</sup>	
	2025	2024	2025	2024	2025	2024	2025	2024
Auto	\$ (483)	\$ (65)	(3.3)	(0.5)	\$ (1,163)	\$ (319)	(2.7)	(0.8)
Homeowners	(54)	(12)	(0.4)	(0.1)	(32)	(392)	(0.1)	(1.0)
Other personal lines	66	51	0.5	0.4	142	164	0.3	0.4
Commercial lines	(85)	1	(0.6)	—	(104)	159	(0.2)	0.4
Other business lines	(14)	(3)	(0.1)	—	(39)	1	(0.1)	—
<b>Total Allstate Protection</b>	<b>\$ (570)</b>	<b>\$ (28)</b>	<b>(3.9)</b>	<b>(0.2)</b>	<b>\$ (1,196)</b>	<b>\$ (387)</b>	<b>(2.8)</b>	<b>(1.0)</b>

<sup>(1)</sup> Reserve releases are shown in parentheses.

<sup>(2)</sup> Ratios are calculated using Allstate Protection premiums earned.

**Expense ratio** increased 0.3 points and increased 0.2 points in the third quarter and first nine months of 2025, respectively, compared to the same periods of 2024, primarily due to an increase in advertising costs, higher expenses for lender-placed business and lower fees on involuntary auto policies included in other revenue, partially offset by higher earned premium growth relative to costs.

### Impact of specific costs and expenses on the expense ratio

(\$ in millions, except ratios)	Three months ended September 30,			Nine months ended September 30,		
	2025	2024	Change	2025	2024	Change
Amortization of DAC	\$ 1,757	\$ 1,696	\$ 61	\$ 5,231	\$ 4,977	\$ 254
Advertising expense	575	519	56	1,540	1,204	336
Other costs and expenses, net of other revenue	780	659	121	2,207	2,055	152
Amortization of purchased intangibles	46	52	(6)	138	154	(16)
Restructuring and related charges	15	23	(8)	44	45	(1)
<b>Total underwriting expenses</b>	<b>\$ 3,173</b>	<b>\$ 2,949</b>	<b>\$ 224</b>	<b>\$ 9,160</b>	<b>\$ 8,435</b>	<b>\$ 725</b>
<b>Premiums earned</b>	<b>\$ 14,533</b>	<b>\$ 13,694</b>	<b>\$ 839</b>	<b>\$ 42,906</b>	<b>\$ 39,933</b>	<b>\$ 2,973</b>
<b>Expense ratio</b>						
Amortization of DAC	12.1	12.4	(0.3)	12.2	12.5	(0.3)
Advertising expense	4.0	3.8	0.2	3.6	3.0	0.6
Other costs and expenses, net of other revenue	5.3	4.8	0.5	5.1	5.1	—
Subtotal	21.4	21.0	0.4	20.9	20.6	0.3
Amortization of purchased intangibles	0.3	0.4	(0.1)	0.3	0.4	(0.1)
Restructuring and related charges	0.1	0.1	—	0.1	0.1	—
<b>Total expense ratio</b>	<b>21.8</b>	<b>21.5</b>	<b>0.3</b>	<b>21.3</b>	<b>21.1</b>	<b>0.2</b>

## Run-off Property-Liability Segment

## Underwriting results

(\$ in millions)	Three months ended September 30,		Nine months ended September 30,	
	2025	2024	2025	2024
Claims and claims expense				
Asbestos claims	\$ (62)	\$ (19)	\$ (62)	\$ (19)
Environmental claims	(27)	(10)	(27)	(10)
Other run-off lines	(57)	(30)	(62)	(36)
<b>Total claims and claims expense</b>	<b>\$ (146)</b>	<b>\$ (59)</b>	<b>\$ (151)</b>	<b>\$ (65)</b>
Operating costs and expenses	—	(1)	(2)	(3)
<b>Underwriting loss</b>	<b>\$ (146)</b>	<b>\$ (60)</b>	<b>\$ (153)</b>	<b>\$ (68)</b>

**Annual reserve review** In the third quarter of 2025 and 2024, we performed our annual reserve review using established industry and actuarial best practices. The annual review resulted in reserve reestimates that increased reserves by \$146 million and \$58 million in 2025 and 2024, respectively. The reserve reestimates are included as part of claims and claims expense.

The reserve reestimates in 2025 primarily related to new reported information for asbestos claims, new reported claims for environmental and other mass tort claims and increased projections for claims expenses.

The reserve reestimates in 2024 primarily related to new reported information for asbestos related

claims and adverse developments within the other run-off lines.

We believe that our reserves are appropriately established based on available facts, technology, laws, regulations, and assessments of other pertinent factors and characteristics of exposure (e.g., claim activity, potential liability, jurisdiction, products versus non-products exposure) presented by individual policyholders, assuming no change in the legal, legislative or economic environment. However, as we progress with the resolution of disputed claims in the courts and arbitrations and with negotiations and settlements, our reported losses may be more variable.

## Reserves for asbestos, environmental and other run-off claims before and after the effects of reinsurance

(\$ in millions)	September 30, 2025	December 31, 2024
<b>Asbestos claims</b>		
Gross reserves	\$ 1,125	\$ 1,124
Reinsurance	(335)	(350)
Net reserves	790	774
<b>Environmental claims</b>		
Gross reserves	322	320
Reinsurance	(59)	(61)
Net reserves	263	259
<b>Other run-off claims</b>		
Gross reserves	461	439
Reinsurance	(38)	(58)
Net reserves	423	381
<b>Total</b>		
Gross reserves	1,908	1,883
Reinsurance	(432)	(469)
<b>Net reserves</b>	<b>\$ 1,476</b>	<b>\$ 1,414</b>

**Reserves by type of exposure before and after the effects of reinsurance**

(\$ in millions)	September 30, 2025	December 31, 2024
<b>Direct excess commercial insurance</b>		
Gross reserves	\$ 1,095	\$ 1,082
Reinsurance	(351)	(363)
Net reserves	744	719
<b>Assumed reinsurance coverage</b>		
Gross reserves	604	581
Reinsurance	(55)	(54)
Net reserves	549	527
<b>Direct primary commercial insurance</b>		
Gross reserves	100	133
Reinsurance	(25)	(51)
Net reserves	75	82
<b>Unallocated loss adjustment expenses</b>		
Gross reserves	109	87
Reinsurance	(1)	(1)
Net reserves	108	86
<b>Total</b>		
Gross reserves	1,908	1,883
Reinsurance	(432)	(469)
<b>Net reserves</b>	<b>\$ 1,476</b>	<b>\$ 1,414</b>

**Percentage of gross and ceded reserves by case and incurred but not reported ("IBNR")**

	September 30, 2025		December 31, 2024	
	Case	IBNR	Case	IBNR
<b>Direct excess commercial insurance</b>				
Gross reserves <sup>(1)</sup>	58 %	42 %	58 %	42 %
Ceded <sup>(2)</sup>	66	34	62	38
<b>Assumed reinsurance coverage</b>				
Gross reserves	33	67	34	66
Ceded	44	56	51	49
<b>Direct primary commercial insurance</b>				
Gross reserves	39	61	54	46
Ceded	73	27	87	13

<sup>(1)</sup> Approximately 65% of gross case reserves as of September 30, 2025 and December 31, 2024 are subject to settlement agreements that define and limit our obligations.

<sup>(2)</sup> Approximately 72% of ceded case reserves as of September 30, 2025 and December 31, 2024 are subject to settlement agreements that define and limit our obligations.

**Gross payments from case reserves by type of exposure**

(\$ in millions)	Three months ended September 30,		Nine months ended September 30,	
	2025	2024	2025	2024
<b>Direct excess commercial insurance</b>				
Gross <sup>(1)</sup>	\$ 14	\$ 19	\$ 74	\$ 51
Ceded <sup>(2)</sup>	(6)	(7)	(27)	(20)
<b>Assumed reinsurance coverage</b>				
Gross	21	6	37	33
Ceded	(5)	1	(6)	(1)
<b>Direct primary commercial insurance</b>				
Gross	2	1	4	4
Ceded	(1)	(1)	(2)	(2)

<sup>(1)</sup> In the third quarter and first nine months of 2025, 81% and 90% of payments related to settlement agreements, respectively, compared to 94% and 89% in the third quarter and first nine months of 2024, respectively.

<sup>(2)</sup> In the third quarter and first nine months of 2025, 84% and 91% of payments related to settlement agreements, respectively, compared to 98% and 95% in the third quarter and first nine months of 2024, respectively.

Total net reserves as of September 30, 2025, included \$773 million or 52% of estimated IBNR reserves compared to \$723 million or 51% of estimated IBNR reserves as of December 31, 2024.

Total gross payments were \$37 million and \$115 million for the third quarter and first nine months of 2025, respectively, compared to \$26 million and \$88 million for the third quarter and first nine months of 2024, respectively. Payments primarily related to settlement agreements reached with several insureds on large claims, mainly asbestos related losses, where the scope of coverages has been agreed upon. The claims associated with these settlement agreements are expected to be substantially paid out over the next several years as qualified claims are submitted by these insureds. Reinsurance collections were \$9 million and \$25 million for the third quarter and first nine months of 2025, respectively, compared to \$5 million and \$31 million for the third quarter and first nine months of 2024, respectively.

## Protection Services Segment



## Summarized financial information

(\$ in millions)	Three months ended September 30,		Nine months ended September 30,	
	2025	2024	2025	2024
<b>Premiums written</b>	\$ 749	\$ 678	\$ 2,139	\$ 1,981
<b>Revenues</b>				
Premiums	\$ 720	\$ 639	\$ 2,086	\$ 1,864
Other revenue	124	110	363	293
Intersegment insurance premiums and service fees <sup>(1)</sup>	33	49	106	123
Net investment income	25	24	74	68
<b>Costs and expenses</b>				
Claims and claims expense	(193)	(166)	(524)	(481)
Amortization of DAC	(337)	(304)	(983)	(889)
Operating costs and expenses	(310)	(280)	(909)	(760)
Restructuring and related charges	(1)	—	(2)	(1)
Income tax expense on operations	(16)	(15)	(51)	(51)
<b>Less: noncontrolling interest</b>	<b>(1)</b>	<b>(1)</b>	<b>(1)</b>	<b>(1)</b>
<b>Adjusted net income</b>	<b>\$ 46</b>	<b>\$ 58</b>	<b>\$ 161</b>	<b>\$ 167</b>
Protection Plans	\$ 34	\$ 39	\$ 130	\$ 120
Roadside	12	10	34	29
Dealer Services	6	5	14	17
Identity Protection	2	3	5	6
Arity	(8)	1	(22)	(5)
<b>Adjusted net income</b>	<b>\$ 46</b>	<b>\$ 58</b>	<b>\$ 161</b>	<b>\$ 167</b>
<b>Policies in force</b>				
Protection Plans			163,451	156,818
Roadside			1,119	670
Dealer Services			3,681	3,703
Identity Protection			2,694	2,538
<b>Policies in force as of September 30 (in thousands)</b>			<b>170,945</b>	<b>163,729</b>

<sup>(1)</sup> Primarily related to Arity and Roadside and are eliminated in our condensed consolidated financial statements.

*Premiums written* increased 10.5% or \$71 million in the third quarter of 2025 and increased 8.0% or \$158 million in the first nine months of 2025 compared to the same periods of 2024, primarily due to international growth at Protection Plans.

*Adjusted net income* decreased 20.7% or \$12 million in the third quarter of 2025 and decreased 3.6% or \$6 million in the first nine months of 2025 compared to the same periods of 2024, primarily due to higher expenses at Arity and increased claims at Protection Plans, partially offset by premium growth at Protection Plans.

*PIF* increased 4.4% or 7 million as of September 30, 2025 compared to September 30, 2024 due to growth at Protection Plans.

*Other revenue* increased 12.7% or \$14 million in the third quarter of 2025 and increased 23.9% or \$70 million in the first nine months of 2025 compared to

the same periods of 2024, primarily due to higher lead generation revenue at Arity.

*Intersegment premiums and service fees* decreased 32.7% or \$16 million in the third quarter of 2025 and decreased 13.8% or \$17 million in the first nine months of 2025 compared to the same periods of 2024, primarily driven by Arity and Roadside.

*Claims and claims expense* increased 16.3% or \$27 million in the third quarter of 2025 and increased 8.9% or \$43 million in the first nine months of 2025 compared to the same periods of 2024, primarily driven by growth at Protection Plans.

*Amortization of DAC* increased 10.9% or \$33 million in the third quarter of 2025 and increased 10.6% or \$94 million in the first nine months of 2025 compared to the same periods of 2024, driven by growth at Protection Plans.

*Operating costs and expenses* increased 10.7% or \$30 million in the third quarter of 2025 and increased 19.6% or \$149 million in the first nine months of 2025 compared to the same periods of 2024, primarily due to expenses related to growth at Protection Plans and Arity.

## Investments

Portfolio composition and strategy <sup>(1)</sup>

(\$ in millions)	September 30, 2025			
	Property-Liability	Protection Services	Corporate and all other	Total
Fixed income securities <sup>(2)</sup>	\$ 51,615	\$ 1,825	\$ 3,746	\$ 57,186
Equity securities <sup>(3)</sup>	4,430	406	502	5,338
Mortgage loans, net	831	—	—	831
Limited partnership interests	9,205	—	8	9,213
Short-term investments <sup>(4)</sup>	7,292	270	1,181	8,743
Other investments, net	1,017	—	—	1,017
<b>Total</b>	<b>\$ 74,390</b>	<b>\$ 2,501</b>	<b>\$ 5,437</b>	<b>\$ 82,328</b>
<b>Percent to total</b>	<b>90.4 %</b>	<b>3.0 %</b>	<b>6.6 %</b>	<b>100.0 %</b>
Market-based	\$ 64,298	\$ 2,461	\$ 5,208	\$ 71,967
Performance-based	10,092	40	229	10,361
<b>Total</b>	<b>\$ 74,390</b>	<b>\$ 2,501</b>	<b>\$ 5,437</b>	<b>\$ 82,328</b>

<sup>(1)</sup> Balances reflect the elimination of related-party investments between segments.

<sup>(2)</sup> Fixed income securities are carried at fair value. Amortized cost, net for these securities was \$51.19 billion, \$1.81 billion, \$3.73 billion and \$56.73 billion for Property-Liability, Protection Services, Corporate and all other, and in total, respectively.

<sup>(3)</sup> Equity securities are carried at fair value. The fair value of equity securities held as of September 30, 2025, was \$395 million in excess of cost. These net gains were primarily concentrated in the technology, equity index funds and banking sectors. Equity securities include \$1.34 billion of funds with underlying investments in fixed income and short-term securities as of September 30, 2025.

<sup>(4)</sup> Short-term investments are carried at fair value.

Investments totaled \$82.33 billion as of September 30, 2025, increasing from \$72.61 billion as of December 31, 2024, primarily due to operating and investment cash flows.

**Portfolio composition by investment strategy** We utilize two primary strategies to manage risks and returns and to position our portfolio to take advantage of market opportunities while attempting to mitigate adverse effects. As strategies and market conditions evolve, the asset allocation may change.

**Market-based** strategy seeks to deliver predictable earnings aligned to business needs and provide flexibility to adjust investment risk profile based on enterprise objectives and market opportunities primarily through public and private fixed income investments and public equity securities.

**Performance-based** strategy seeks to deliver attractive risk-adjusted returns and supplement

market risk with idiosyncratic risk primarily through investments in private equity, including infrastructure investments, and real estate with a majority being limited partnerships. These investments include investee level expenses, reflecting asset level operating expenses on directly held real estate and other consolidated investments.

**Macroeconomic impacts** We continually monitor the macroeconomic environment through our integrated Enterprise Risk and Return Management framework. In the third quarter of 2025, we increased the allocation of enterprise economic capital to the investment portfolio in response to evolving market conditions. Actions included lengthening the fixed income portfolio duration and increasing exposure to public equity securities and high yield bonds.

**Portfolio composition by investment strategy**

(\$ in millions)	September 30, 2025		
	Market-based	Performance-based	Total
Fixed income securities	\$ 57,037	\$ 149	\$ 57,186
Equity securities	4,762	576	5,338
Mortgage loans, net	831	—	831
Limited partnership interests	232	8,981	9,213
Short-term investments	8,742	1	8,743
Other investments, net	363	654	1,017
<b>Total</b>	<b>\$ 71,967</b>	<b>\$ 10,361</b>	<b>\$ 82,328</b>
<b>Percent to total</b>	<b>87.4 %</b>	<b>12.6 %</b>	<b>100.0 %</b>
Unrealized net capital gains and losses			
Fixed income securities	\$ 454	\$ —	\$ 454
Other investments	(2)	—	(2)
<b>Total</b>	<b>\$ 452</b>	<b>\$ —</b>	<b>\$ 452</b>

**Fixed income securities****Fixed income securities by type**

(\$ in millions)	Fair value as of	
	September 30, 2025	December 31, 2024
U.S. government and agencies	\$ 13,525	\$ 11,108
Municipal	6,226	8,842
Corporate	32,880	30,192
Foreign government	1,435	1,364
Asset-backed securities ("ABS")	986	1,145
Mortgage-backed securities ("MBS")	2,134	96
<b>Total fixed income securities</b>	<b>\$ 57,186</b>	<b>\$ 52,747</b>

Fixed income securities are rated by third-party credit rating agencies or are internally rated. The Securities Valuation Office ("SVO") of the National Association of Insurance Commissioners ("NAIC") evaluates the fixed income securities of insurers for regulatory reporting and capital assessment purposes. The NAIC assigns securities to one of six credit quality categories defined as "NAIC designations". In general, securities with NAIC designations of 1 and 2 are considered investment grade and securities with NAIC designations of 3 through 6 are considered below investment grade. The rating is either received from the SVO based on availability of applicable ratings from rating agencies on the NAIC Nationally Recognized Statistical Rating Organizations provider list, including Moody's Investors Service ("Moody's"), S&P Global Ratings ("S&P"), Fitch Ratings or a comparable internal rating.

As a result of time lags between the funding of investments, the finalization of legal documents, and the completion of the SVO filing process, the portfolio includes certain securities that have not yet been designated by the SVO as of each balance sheet date and the categorization of these securities is based on the expected ratings indicated by internal analysis.

As of September 30, 2025, 91.5% of the consolidated fixed income securities portfolio was

rated investment grade. Credit ratings below these designations are considered lower credit quality or below investment grade, which includes high yield bonds.

Market prices for certain securities may have credit spreads which imply higher or lower credit quality than the current third-party rating. Our initial investment decisions and ongoing monitoring procedures for fixed income securities are based on a due diligence process which includes, but is not limited to, an assessment of the credit quality, sector, structure and liquidity risks of each issuer.

Fixed income portfolio monitoring is a comprehensive process to identify and evaluate each fixed income security that may require a credit loss allowance. The process includes a quarterly review of all securities to identify instances where the fair value of a security compared to its amortized cost is below internally established thresholds. For further detail on our fixed income portfolio monitoring process, see Note 5 of the condensed consolidated financial statements.

The following table presents total fixed income securities by the applicable NAIC designation and comparable S&P rating.

## Fair value and unrealized net capital gains (losses) for fixed income securities by credit rating

(\$ in millions)	September 30, 2025					
	NAIC 1 A and above		NAIC 2 BBB		NAIC 3 BB	
	Fair value	Unrealized gain (loss)	Fair value	Unrealized gain (loss)	Fair value	Unrealized gain (loss)
U.S. government and agencies	\$ 13,525	\$ 35	\$ —	\$ —	\$ —	\$ —
Municipal	6,094	(32)	130	(1)	—	—
Corporate						
Public	6,677	116	14,552	137	554	5
Privately placed	2,851	30	4,018	51	2,433	31
<b>Total corporate</b>	<b>9,528</b>	<b>146</b>	<b>18,570</b>	<b>188</b>	<b>2,987</b>	<b>36</b>
Foreign government	1,435	13	—	—	—	—
ABS	880	1	33	—	25	—
MBS	2,134	32	—	—	—	—
<b>Total fixed income securities</b>	<b>\$ 33,596</b>	<b>\$ 195</b>	<b>\$ 18,733</b>	<b>\$ 187</b>	<b>\$ 3,012</b>	<b>\$ 36</b>
	NAIC 4 B		NAIC 5-6 CCC and lower		Total	
	Fair value	Unrealized gain (loss)	Fair value	Unrealized gain (loss)	Fair value	Unrealized gain (loss)
U.S. government and agencies	\$ —	\$ —	\$ —	\$ —	\$ 13,525	\$ 35
Municipal	—	—	2	1	6,226	(32)
Corporate						
Public	104	1	—	—	21,887	259
Privately placed	1,560	27	131	(2)	10,993	137
<b>Total corporate</b>	<b>1,664</b>	<b>28</b>	<b>131</b>	<b>(2)</b>	<b>32,880</b>	<b>396</b>
Foreign government	—	—	—	—	1,435	13
ABS	1	—	47	9	986	10
MBS	—	—	—	—	2,134	32
<b>Total fixed income securities</b>	<b>\$ 1,665</b>	<b>\$ 28</b>	<b>\$ 180</b>	<b>\$ 8</b>	<b>\$ 57,186</b>	<b>\$ 454</b>

**Municipal bonds**, including tax-exempt and taxable securities, include general obligations of state and local issuers and revenue bonds.

**Corporate bonds** include publicly traded and privately placed securities. Privately placed securities primarily consist of corporate issued senior debt securities that are negotiated with the borrower or are issued by public entities in unregistered form.

**ABS** includes collateralized debt obligations, consumer and other ABS. Credit risk is managed by monitoring the performance of the underlying collateral. Many of the securities in the ABS portfolio have credit enhancement with features such as overcollateralization, subordinated structures, reserve funds, guarantees or insurance.

**MBS** includes residential mortgage-backed securities ("RMBS") and commercial mortgage-backed securities ("CMBS"). RMBS is subject to interest rate risk, but unlike other fixed income securities, is additionally subject to prepayment risk from the underlying residential mortgage loans. RMBS primarily consists of a U.S. Agency portfolio having collateral issued or guaranteed by U.S. government agencies. CMBS investments are primarily traditional conduit transactions collateralized by commercial mortgage loans, broadly diversified across property types and geographical area.

**Equity securities** of \$5.34 billion primarily include common stocks, exchange traded and mutual funds, non-redeemable preferred stocks and REITs. Exchange traded and mutual funds that have fixed income and short-term securities as their underlying investments total \$1.34 billion as of September 30, 2025. Sector exposure within exchange traded and mutual funds align with the respective tracked indices.

**Mortgage loans** of \$831 million comprise loans secured by first mortgages on developed commercial real estate of \$680 million and residential mortgage loans of \$151 million. Key considerations used to manage our exposure include property type and geographic diversification. For further detail on our mortgage loan portfolio, see Note 5 of the condensed consolidated financial statements.

**Limited partnership interests** include \$7.52 billion of interests in private equity funds, \$1.47 billion of interests in real estate funds and \$232 million of interests in other funds as of September 30, 2025. We have commitments to invest additional amounts in limited partnership interests totaling \$3.26 billion as of September 30, 2025.

**Other investments** include \$383 million of bank loans, net and \$621 million of direct investments in real estate as of September 30, 2025.

**Unrealized net capital gains (losses)**

(\$ in millions)	September 30, 2025		December 31, 2024	
U.S. government and agencies	\$	35	\$	(315)
Municipal		(32)		(143)
Corporate		396		(438)
Foreign government		13		12
ABS		10		15
MBS		32		—
<b>Fixed income securities</b>		<b>454</b>		<b>(869)</b>
Short-term investments		—		(2)
Derivatives		(2)		(2)
Investments classified as held for sale		—		(110)
<b>Unrealized net capital gains and losses, pre-tax</b>	<b>\$</b>	<b>452</b>	<b>\$</b>	<b>(983)</b>

**Gross unrealized gains (losses) on fixed income securities by type and sector**

(\$ in millions)	Amortized cost, net	Gross unrealized		Fair value
		Gains	Losses	
<b>September 30, 2025</b>				
Corporate				
Banking	\$ 4,335	\$ 98	\$ (19)	\$ 4,414
Basic industry	1,097	19	(8)	1,108
Capital goods	2,996	66	(26)	3,036
Communications	2,268	48	(20)	2,296
Consumer goods (cyclical and non-cyclical)	6,905	132	(57)	6,980
Energy	2,806	61	(16)	2,851
Financial services	2,752	45	(25)	2,772
Technology	3,469	53	(41)	3,481
Transportation	756	15	(5)	766
Utilities	4,617	112	(31)	4,698
Other	483	7	(12)	478
<b>Total corporate fixed income portfolio</b>	<b>32,484</b>	<b>656</b>	<b>(260)</b>	<b>32,880</b>
U.S. government and agencies	13,490	55	(20)	13,525
Municipal	6,258	67	(99)	6,226
Foreign government	1,422	23	(10)	1,435
ABS	976	13	(3)	986
MBS	2,102	34	(2)	2,134
<b>Total fixed income securities</b>	<b>\$ 56,732</b>	<b>\$ 848</b>	<b>\$ (394)</b>	<b>\$ 57,186</b>
<b>December 31, 2024</b>				
Corporate				
Banking	\$ 4,194	\$ 38	\$ (63)	\$ 4,169
Basic industry	833	6	(21)	818
Capital goods	2,706	25	(62)	2,669
Communications	2,364	16	(73)	2,307
Consumer goods (cyclical and non-cyclical)	6,674	51	(165)	6,560
Energy	2,771	32	(50)	2,753
Financial services	2,104	17	(53)	2,068
Technology	2,613	18	(94)	2,537
Transportation	815	7	(19)	803
Utilities	5,125	56	(89)	5,092
Other	431	6	(21)	416
<b>Total corporate fixed income portfolio</b>	<b>30,630</b>	<b>272</b>	<b>(710)</b>	<b>30,192</b>
U.S. government and agencies	11,423	15	(330)	11,108
Municipal	8,985	33	(176)	8,842
Foreign government	1,352	22	(10)	1,364
ABS	1,130	19	(4)	1,145
MBS	96	—	—	96
<b>Total fixed income securities</b>	<b>\$ 53,616</b>	<b>\$ 361</b>	<b>\$ (1,230)</b>	<b>\$ 52,747</b>

In general, gross unrealized losses are related to an increase in market yields, which may include increased risk-free interest rates and wider credit spreads since the time of initial purchase. Similarly, gross unrealized gains reflect a decrease in market yields since the time of initial purchase.

### Equity securities by sector

(\$ in millions)	September 30, 2025			December 31, 2024		
	Cost	Over (under) cost	Fair value	Cost	Over (under) cost	Fair value
Banking	\$ 157	\$ 43	\$ 200	\$ 119	\$ 41	\$ 160
Basic industry	50	5	55	39	(2)	37
Capital goods	222	8	230	201	(23)	178
Communications	188	35	223	142	25	167
Consumer goods	551	(5)	546	462	(25)	437
Energy	99	7	106	88	1	89
Financial services	203	15	218	332	6	338
REITs	128	29	157	159	17	176
Technology	1,019	173	1,192	746	88	834
Transportation	23	3	26	27	1	28
Utilities	109	6	115	92	1	93
Other	8	(3)	5	6	(2)	4
<b>Directly held equity securities</b>	<b>2,757</b>	<b>316</b>	<b>3,073</b>	<b>2,413</b>	<b>128</b>	<b>2,541</b>
Funds						
Equities	856	66	922	1,077	22	1,099
Fixed income and short-term	1,328	13	1,341	838	(16)	822
Other	2	—	2	1	—	1
<b>Total funds</b>	<b>2,186</b>	<b>79</b>	<b>2,265</b>	<b>1,916</b>	<b>6</b>	<b>1,922</b>
<b>Total equity securities</b>	<b>\$ 4,943</b>	<b>\$ 395</b>	<b>\$ 5,338</b>	<b>\$ 4,329</b>	<b>\$ 134</b>	<b>\$ 4,463</b>

### Net investment income

(\$ in millions)	Three months ended September 30,		Nine months ended September 30,	
	2025	2024	2025	2024
Fixed income securities	\$ 634	\$ 587	\$ 1,844	\$ 1,684
Equity securities	19	17	56	50
Mortgage loans	11	9	30	27
Limited partnership interests	226	138	494	440
Short-term investments	104	87	273	216
Other investments	26	25	71	71
<b>Investment income, before expense</b>	<b>1,020</b>	<b>863</b>	<b>2,768</b>	<b>2,488</b>
Investment expense				
Investee level expenses	(13)	(12)	(34)	(36)
Securities lending expense	(21)	(28)	(64)	(80)
Operating costs and expenses	(37)	(40)	(113)	(113)
<b>Total investment expense</b>	<b>(71)</b>	<b>(80)</b>	<b>(211)</b>	<b>(229)</b>
<b>Net investment income</b>	<b>\$ 949</b>	<b>\$ 783</b>	<b>\$ 2,557</b>	<b>\$ 2,259</b>
Market-based	\$ 780	\$ 708	\$ 2,232	\$ 2,001
Performance-based	240	155	536	487
<b>Investment income, before expense</b>	<b>\$ 1,020</b>	<b>\$ 863</b>	<b>\$ 2,768</b>	<b>\$ 2,488</b>

*Net investment income* increased 21.2% or \$166 million in the third quarter of 2025 and increased 13.2% or \$298 million in the first nine months of 2025 compared to the same periods of 2024. Net investment income increase included higher market-based income resulting from higher average investment balances and elevated fixed income yields. Performance-based investment results reflected broad-based valuation gains across private equity and real estate holdings.

**Performance-based investment income**

(\$ in millions)	Three months ended September 30,		Nine months ended September 30,	
	2025	2024	2025	2024
Private equity	\$ 197	\$ 130	\$ 374	\$ 445
Real estate	43	25	162	42
<b>Total performance-based income before investee level expenses</b>	<b>\$ 240</b>	<b>\$ 155</b>	<b>\$ 536</b>	<b>\$ 487</b>
Investee level expenses <sup>(1)</sup>	(13)	(12)	(34)	(36)
<b>Total performance-based income</b>	<b>\$ 227</b>	<b>\$ 143</b>	<b>\$ 502</b>	<b>\$ 451</b>

<sup>(1)</sup> Investee level expenses include asset level operating expenses on directly held real estate and other consolidated investments reported in investment expense.

*Performance-based investment income* increased 58.7% or \$84 million in the third quarter of 2025 compared to the same period of 2024, related to higher private equity valuation increases and real estate investment results. Performance-based investment income increased 11.3% or \$51 million in the first nine months of 2025 compared to the same period of 2024, primarily due to higher real estate investment results, partially offset by lower private equity valuation increases.

Performance-based investment results and income can vary significantly between periods and are influenced by economic conditions, equity market

performance, comparable public company earnings multiples, capitalization rates, operating performance of the underlying investments and the timing of asset sales. The Company typically employs a lag in recording and recognizing changes in valuations of limited partnership interests due to the availability of investee financial statements. As a result, performance-based income in the third quarter of 2025 is primarily comprised of operating and market performance and results of our investments for the three months ended June 30, 2025, and may not reflect all economic conditions since the U.S.'s imposition of tariffs on goods imported to the U.S.

**Components of net gains (losses) on investments and derivatives and the related tax effect**

(\$ in millions)	Three months ended September 30,		Nine months ended September 30,	
	2025	2024	2025	2024
Sales	\$ 69	\$ 116	\$ (313)	\$ (85)
Credit losses <sup>(1)</sup>	(23)	(12)	(103)	(143)
Valuation change of equity investments - appreciation (decline):				
Equity securities	175	89	221	175
Equity fund investments in fixed income securities and short-term investments	16	30	22	20
Limited partnerships <sup>(2)</sup>	9	—	10	12
<b>Total valuation of equity investments</b>	<b>200</b>	<b>119</b>	<b>253</b>	<b>207</b>
Valuation change and settlements of derivatives	6	20	(78)	(3)
<b>Net gains (losses) on investments and derivatives, pre-tax</b>	<b>252</b>	<b>243</b>	<b>(241)</b>	<b>(24)</b>
Income tax (expense) benefit	(56)	(54)	49	4
<b>Net gains (losses) on investments and derivatives, after-tax</b>	<b>\$ 196</b>	<b>\$ 189</b>	<b>\$ (192)</b>	<b>\$ (20)</b>
Market-based <sup>(1)</sup>	\$ 222	\$ 231	\$ (267)	\$ (53)
Performance-based	30	12	26	29
<b>Net gains (losses) on investments and derivatives, pre-tax</b>	<b>\$ 252</b>	<b>\$ 243</b>	<b>\$ (241)</b>	<b>\$ (24)</b>

<sup>(1)</sup> 2025 includes losses recorded for variable interests in Reciprocal Exchanges. 2024 includes losses related to the carrying value of surplus notes issued by Reciprocal Exchanges. See Note 8 for further details.

<sup>(2)</sup> Relates to limited partnerships where the underlying assets are predominately public equity securities.

*Net gains on investments and derivatives* in the third quarter of 2025 primarily related to valuation increases on equity investments and gains on sales of fixed income securities. Net losses in the first nine months of 2025 primarily related to losses on sales of fixed income securities, credit losses primarily related to variable interests in Reciprocal Exchanges and certain real estate-related investments and losses on valuation change and settlements of derivatives, partially offset by valuation increases on equity investments.

*Net gains on sales* in the third quarter of 2025 related to sales of fixed income securities in connection with ongoing portfolio management and repositioning of the portfolio into intermediate-duration fixed income securities. Net losses on sales in the first nine months of 2025 related to sales of fixed income securities in connection with risk reduction and repositioning in the second and third quarters and ongoing portfolio management.

*Net gains on valuation change and settlements of derivatives* of \$6 million in the third quarter of 2025 primarily related to gains on foreign currency contracts

used to manage foreign currency and interest rate futures used to manage duration. Net losses of \$78 million in the first nine months of 2025 primarily related to losses on foreign currency contracts used to

manage foreign currency, credit default contracts due to tightening credit spreads, equity futures used to manage equity exposure and interest rate futures used to manage duration.

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**Net gains (losses) on performance-based investments and derivatives**

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(\$ in millions)	Three months ended September 30,		Nine months ended September 30,	
	2025	2024	2025	2024
Sales	\$ (38)	\$ 8	\$ (41)	\$ 6
Credit losses	(17)	(7)	(28)	(28)
Valuation change of equity investments	79	34	145	60
Valuation change and settlements of derivatives	6	(23)	(50)	(9)
<b>Total performance-based</b>	<b>\$ 30</b>	<b>\$ 12</b>	<b>\$ 26</b>	<b>\$ 29</b>

*Net gains on performance-based investments and derivatives* in the third quarter of 2025 primarily related to valuation gains on equity investments, partially offset by losses on sales. Net gains on performance-based investments and derivatives in the first nine months of 2025 primarily related to valuation gains on equity investments, partially offset by decreased valuation change and settlements of derivatives from losses on foreign currency contracts used to manage foreign currency risk and losses on sales.

## Capital Resources and Liquidity

**Capital resources** consist of shareholders' equity and debt, representing funds deployed or available to be deployed to support business operations or for general corporate purposes.

<b>Capital resources</b>		
(\$ in millions)	September 30, 2025	December 31, 2024
Preferred stock, common stock, treasury stock, retained income and other shareholders' equity items	\$ 27,207	\$ 22,331
Accumulated other comprehensive income (loss)	298	(889)
<b>Total Allstate shareholders' equity</b>	<b>27,505</b>	<b>21,442</b>
Debt <sup>(1)</sup>	8,089	8,085
<b>Total capital resources</b>	<b>\$ 35,594</b>	<b>\$ 29,527</b>
Ratio of debt to Allstate shareholders' equity	29.4 %	37.7 %
Ratio of debt to capital resources	22.7	27.4

<sup>(1)</sup> Net of debt issuance costs of \$52 million and \$56 million as of September 30, 2025 and December 31, 2024, respectively.

**Allstate shareholders' equity** increased in the first nine months of 2025, primarily due to net income and an increase in unrealized net capital gains on investments in 2025, partially offset by common share repurchases and dividends to shareholders. In the nine months ended September 30, 2025, we paid dividends of \$773 million and \$88 million related to our common and preferred shares, respectively.

**Debt maturities** We have \$600 million of debt that is scheduled to mature in December 2025.

<b>Debt maturities for each of the next five years and thereafter (excluding issuance costs)</b>	
(\$ in millions)	
2026	\$ 550
2027	—
2028	—
2029	500
2030	600
Thereafter	5,891
<b>Total long-term debt principal</b>	<b>\$ 7,541</b>

**Common share repurchases** On February 26, 2025, the Board of Directors authorized a new \$1.50 billion common share repurchase program that must be completed by September 30, 2026. As of September 30, 2025, there was \$695 million remaining in the \$1.50 billion common share repurchase program.

During the first nine months of 2025, we repurchased 4.0 million common shares, or 1.5% of total common shares outstanding at December 31, 2024, for \$805 million.

**Common shareholder dividends** On January 2, 2025, April 1, 2025 and July 1, 2025, we paid a common shareholder dividend of \$0.92, \$1.00 and \$1.00, respectively. On July 15, 2025, we declared a common shareholder dividend of \$1.00 payable on October 1, 2025.

**Financial ratings and strength** Our ratings are influenced by many factors including our operating and financial performance, asset quality, liquidity, overall portfolio mix, financial leverage (i.e., debt), exposure to risks such as catastrophes and the current level of operating leverage. The preferred stock and subordinated debentures are viewed as having a

common equity component by certain rating agencies and are given equity credit up to a pre-determined limit in our capital structure as determined by their respective methodologies. These respective methodologies consider the existence of certain terms and features in the instruments such as the noncumulative dividend feature in the preferred stock.

In May 2025, Moody's affirmed The Allstate Corporation's (the "Corporation") senior debt and short-term issuer ratings of A3 and P-2, respectively, and Allstate Insurance Company's ("AIC") insurance financial strength rating of Aa3. The outlook for the ratings changed from negative to stable.

In May 2025, S&P affirmed the Corporation's senior debt and short-term issuer ratings of BBB+ and A-2, respectively, and AIC's insurance financial strength rating of A+. The outlook for the ratings is stable.

In August 2025, A.M. Best affirmed the Corporation's senior debt and short-term issuer ratings of a- and AMB-1, respectively, and AIC's insurance financial strength rating of A+. The outlook for the ratings is stable.

**Liquidity sources and uses** We actively manage our financial position and liquidity levels in light of changing market, economic and business conditions. Liquidity is managed at both the entity and enterprise level across the Company and is assessed on both base and stressed level liquidity needs. We believe we have sufficient liquidity to meet these needs. As of September 30, 2025, we held \$27.85 billion of cash, U.S. government and agencies fixed income securities, public equity securities and short-term investments, which we would expect to be able to liquidate within one week.

Additionally, we have existing intercompany agreements in place that facilitate liquidity management across the Company to enhance flexibility.

The Corporation is party to an Amended and Restated Intercompany Liquidity Agreement ("Liquidity Agreement") with certain subsidiaries, which includes, but is not limited to AIC. The Liquidity Agreement allows for short-term advances of funds to be made between parties for liquidity and other general

corporate purposes. The Liquidity Agreement does not establish a commitment to advance funds on the part of any party. AIC serves as a lender and borrower, certain other subsidiaries serve only as borrowers, and the Corporation serves only as a lender. The maximum amount of potential funding under each of these agreements is \$1.00 billion.

In addition to the Liquidity Agreement, the Corporation also has an intercompany loan agreement with certain of its subsidiaries, which includes, but is not limited to, AIC. The amount of intercompany loans available to the Corporation's subsidiaries is at the discretion of the Corporation. The maximum amount of loans the Corporation will have outstanding to all its eligible subsidiaries at any given point in time is limited to \$1.00 billion. The Corporation may use commercial paper borrowings, bank lines of credit and securities lending to fund intercompany borrowings.

**Parent company capital capacity** At the parent holding company level, we have deployable assets totaling \$5.54 billion as of September 30, 2025, primarily comprised of cash and short-term, fixed income and equity securities that are generally saleable within one quarter. The proceeds from the EVB and group health dispositions increased deployable assets at the parent holding company level. The earnings capacity of the operating subsidiaries is the primary source of capital generation for the Corporation.

Based on the greater of 2024 statutory net income or 10% of actual December 31, 2024 statutory surplus, the maximum amount of dividends that AIC will be able to pay, without prior Illinois Department of Insurance approval, at a given point in time through February 2026, is estimated to be \$3.95 billion, less dividends paid during the preceding twelve months measured at that point in time. In the first nine months of 2025, \$750 million of dividends have been paid.

Dividends may not be paid or declared on our common stock and shares of common stock may not be repurchased unless the full dividends for the latest completed dividend period on our preferred stock have been declared and paid or provided for.

The terms of our outstanding subordinated debentures also prohibit us from declaring or paying any dividends or distributions on our common or preferred stock or redeeming, purchasing, acquiring, or making liquidation payments on our common stock or preferred stock if we have elected to defer interest payments on the subordinated debentures, subject to certain limited exceptions. In the first nine months of 2025, we did not defer interest payments on the subordinated debentures.

Additional resources to support liquidity are as follows:

- The Corporation and AIC have access to a \$750 million unsecured revolving credit facility that is available for short-term liquidity requirements. The maturity date of this facility is November 2027. The facility is fully subscribed among 11 lenders with the largest commitment being \$95 million.

The commitments of the lenders are several and no lender is responsible for any other lender's commitment if such lender fails to make a loan under the facility. This facility contains an increase provision that would allow up to an additional \$500 million of borrowing, subject to the lenders' commitment. This facility has a financial covenant requiring that we not exceed a 37.5% debt to capitalization ratio as defined in the agreement. This ratio was 17.9% as of September 30, 2025. Although the right to borrow under the facility is not subject to a minimum rating requirement, the costs of maintaining the facility and borrowing under it are based on the ratings of our senior unsecured, unguaranteed long-term debt. There were no borrowings under the credit facility during 2025.

- To cover short-term cash needs, the Corporation has access to a commercial paper facility with a borrowing capacity limited to any undrawn credit facility balance up to \$750 million. As of September 30, 2025, there were no balances outstanding for the credit facility or the commercial paper facility, and therefore the remaining borrowing capacity was \$750 million.
- The Corporation has access to a universal shelf registration statement with the Securities and Exchange Commission that was filed on April 30, 2024 and expires in 2027. We can use this shelf registration to issue an unspecified amount of debt securities, common stock (including 638 million shares of treasury stock as of September 30, 2025), preferred stock, depositary shares, warrants, stock purchase contracts and stock purchase units. The specific terms of any securities we issue under this registration statement will be provided in the applicable prospectus supplements.

## Forward-Looking Statements

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

**Insurance and Financial Services** (1) actual claim costs exceeding current reserves; (2) unexpected increases in claim frequency or severity; (3) catastrophes and severe weather events; (4) limitations in analytical models used for loss cost estimates; (5) price competition and changes in regulation and underwriting standards; (6) regulatory limitations on rate increases and requirements to underwrite business and participate in loss sharing arrangements; (7) market risk and declines in credit quality of our investment portfolios; (8) economic and capital market conditions affecting investments; (9) subjective determination of fair value and amount of credit losses for investments; (10) participation in indemnification programs, including state industry pools and facilities; (11) inability to mitigate the impact associated with changes in capital requirements; (12) a downgrade in financial strength ratings;

**Business, Strategy and Operations** (13) operations in markets that are highly competitive; (14) changing consumer preferences; (15) new or changing technologies impacting the business; (16) inability to successfully deploy new technologies; (17) Transformative Growth strategy; (18) catastrophe management strategy; (19) restrictions on our subsidiaries’ ability to pay dividends; (20) restrictions under terms of some of our securities on the ability to pay dividends or repurchase stock; (21) the availability and cost of reinsurance; (22) counterparty risk related to reinsurance; (23) acquisitions and divestitures of businesses; (24) intellectual property infringement, misappropriation and third-party claims; (25) reliance on vendors for products, services or protection of data and information; (26) inability to attract, develop and retain talent;

**Macro, Regulatory and Risk Environment** (27) conditions in the global economy and capital markets, including changes in U.S. trade and tariff policy, new or additional U.S. and responsive non-U.S. tariffs, and our ability to plan for and respond to the impact of those changes; (28) restrictions on liquidity or availability of credit on acceptable terms; (29) a large-scale pandemic, the occurrence of terrorism, military actions or political and social unrest or other disruptive or destabilizing events; (30) the failure in cyber or other information security controls; (31) failure of business continuity following a disaster or other event; (32) changing climate and weather conditions; (33) evolving environmental, social and governance standards and expectations; (34) evolving privacy and data security regulations and increased focus on enforcement; (35) failure to manage risk and to timely detect and mitigate a cybersecurity event; (36) restrictive regulations and uncertainty around the interpretation and implementation of regulations in the U.S. and internationally; (37) regulatory reforms and enforcement of existing regulations; (38) losses from legal and regulatory actions; (39) changes in or the application of accounting standards and changes in tax laws; and (40) misconduct or fraudulent acts by employees, agents and third parties.

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

## Item 4. Controls and Procedures

**Evaluation of Disclosure Controls and Procedures** We maintain disclosure controls and procedures as defined in Rules 13a-15(e) under the Securities Exchange Act of 1934. Under the supervision and with the participation of our management, including our principal executive officer and principal financial officer, we conducted an evaluation of the effectiveness of our disclosure controls and procedures as of the end of the period covered by this report. Based upon this evaluation, the principal executive officer and the principal financial officer concluded that our disclosure controls and procedures are effective in providing reasonable assurance that material information required to be disclosed in our reports filed with or submitted to the Securities and Exchange Commission under the Securities Exchange Act is made known to management, including the principal executive officer and the principal financial officer, as appropriate to allow timely decisions regarding required disclosure.

**Changes in Internal Control over Financial Reporting** During the fiscal quarter ended September 30, 2025, there have been no changes in our internal control over financial reporting that have materially affected, or are reasonably likely to materially affect, our internal control over financial reporting.

## Part II. Other Information

### Item 1. Legal Proceedings

Information required for Part II, Item 1 is incorporated by reference to the discussion under the heading "Regulation and compliance" and under the heading "Legal and regulatory proceedings and inquiries" in Note 12 of the condensed consolidated financial statements in Part I, Item 1 of this Form 10-Q.

### Item 1A. Risk Factors

There have been no material changes in our risk factors from those disclosed in Part I, Item 1A in our annual report on Form 10-K for the year ended December 31, 2024.

### Item 2. Unregistered Sales of Equity Securities, Use of Proceeds, and Issuer Purchases of Equity Securities

#### Issuer Purchases of Equity Securities

Period	Total number of shares purchased <sup>(1)</sup>	Average price paid per share	Total number of shares purchased as part of publicly announced plans or programs <sup>(2)</sup>	Maximum approximate dollar value that may yet be purchased under the plans or programs <sup>(3)</sup>
July 1, 2025 - July 31, 2025				
Open Market Purchases	622,077	\$ 195.16	620,500	
August 1, 2025 - August 31, 2025				
Open Market Purchases	561,781	\$ 206.09	561,350	
September 1, 2025 - September 30, 2025				
Open Market Purchases	609,244	\$ 204.48	602,359	
<b>Total</b>	<b>1,793,102</b>	<b>\$ 201.75</b>	<b>1,784,209</b>	<b>\$ 695 million</b>

<sup>(1)</sup> In accordance with the terms of its equity compensation plans, Allstate acquired the following shares in connection with the vesting of restricted stock units and performance stock awards and the exercise of stock options held by employees and/or directors. The shares were acquired in satisfaction of withholding taxes due upon exercise or vesting and in payment of the exercise price of the options.

July: 1,577  
August: 431  
September: 6,885

<sup>(2)</sup> From time to time, repurchases under our programs are executed under the terms of a pre-set trading plan meeting the requirements of Rule 10b5-1(c) of the Securities Exchange Act of 1934.

<sup>(3)</sup> On February 26, 2025, the Board of Directors authorized a common share repurchase program for \$1.50 billion which must be completed by September 30, 2026.

### Item 5. Other Information

During the three months ended September 30, 2025, no director or officer who is required to file reports under Section 16 of the Securities Exchange Act adopted, modified or terminated a "Rule 10b5-1 trading arrangement" or "non-Rule 10b5-1 trading arrangement," as each term is defined in Item 408(a) of Regulation S-K.

## Item 6. Exhibits

### (a) Exhibits

The following is a list of exhibits filed as part of this Form 10-Q.

Exhibit Number	Exhibit Description	Incorporated by Reference				Filed or Furnished Herewith
		Form	File Number	Exhibit	Filing Date	
3.1	<a href="#">Restated Certificate of Incorporation filed with the Secretary of State of Delaware on May 23, 2012</a>	8-K	1-11840	3(i)	May 23, 2012	
3.2	<a href="#">Amended and Restated Bylaws of The Allstate Corporation as amended July 14, 2023</a>	8-K	1-11840	3.1	July 17, 2023	
3.3	<a href="#">Certificate of Designations with respect to the Preferred Stock of the Registrant, Series H, dated August 5, 2019</a>	8-K	1-11840	3.1	August 5, 2019	
3.4	<a href="#">Certificate of Designations with respect to the Preferred Stock of the Registrant, Series I, dated November 6, 2019</a>	8-K	1-11840	3.1	November 8, 2019	
3.5	<a href="#">Certificate of Elimination with respect to the Preferred Stock, Series A, C, D, E and F of the Registrant, dated February 20, 2020</a>	10-K	1-11840	3.6	February 21, 2020	
3.6	<a href="#">Certificate of Elimination with respect to the Preferred Stock, Series G of the Registrant, dated May 1, 2023</a>	10-Q	1-11840	3.6	May 3, 2023	
3.7	<a href="#">Certificate of Designations with respect to the Preferred Stock of the Registrant, Series J, dated May 16, 2023</a>	8-K	1-11840	3.1	May 18, 2023	
4	The Allstate Corporation hereby agrees to furnish to the Commission, upon request, the instruments defining the rights of holders of each issue of long-term debt of it and its consolidated subsidiaries					
15	<a href="#">Acknowledgment of awareness from Deloitte &amp; Touche LLP, dated November 5, 2025, concerning unaudited interim financial information</a>					X
31(i)	<a href="#">Rule 13a-14(a) Certification of Principal Executive Officer</a>					X
31(i)	<a href="#">Rule 13a-14(a) Certification of Principal Financial Officer</a>					X
32	<a href="#">Section 1350 Certifications</a>					X
101.INS	Inline XBRL Instance Document (the instance document does not appear in the Interactive Data File because its XBRL tags are embedded within the Inline XBRL document)					X
101.SCH	Inline XBRL Taxonomy Extension Schema Document					X
101.CAL	Inline XBRL Taxonomy Extension Calculation Linkbase Document					X
101.DEF	Inline XBRL Taxonomy Extension Definition Linkbase Document					X
101.LAB	Inline XBRL Taxonomy Extension Label Linkbase Document					X
101.PRE	Inline XBRL Taxonomy Extension Presentation Linkbase Document					X
104	Cover Page Interactive Data File (formatted as inline XBRL and contained in Exhibit 101)					X



The Board of Directors and Shareholders of The Allstate Corporation  
3100 Sanders Road  
Northbrook, IL 60062

We are aware that our report dated November 5, 2025, on our review of the interim financial information of The Allstate Corporation and subsidiaries appearing in this Quarterly Report on Form 10-Q for the quarter ended September 30, 2025, is incorporated by reference in the following Registration Statements:

**Form S-3 Registration Statement Nos.**  
333-279003

**Form S-8 Registration Statement Nos.**  
333-04919  
333-40283  
333-134243  
333-175526  
333-188821  
333-200390  
333-218343  
333-228490  
333-228491  
333-228492  
333-231753

/s/ DELOITTE & TOUCHE LLP

Chicago, Illinois  
November 5, 2025

**Certifications**

**Exhibit 31 (i)**

I, Thomas J. Wilson, certify that:

1. I have reviewed this quarterly report on Form 10-Q of The Allstate Corporation;
2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;
3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;
4. The registrant's other certifying officer(s) and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:
  - a) Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;
  - b) Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;
  - c) Evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and
  - d) Disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and
5. The registrant's other certifying officer(s) and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's board of directors (or persons performing the equivalent functions):
  - a) All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and
  - b) Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

Date: November 5, 2025

/s/ Thomas J. Wilson

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Thomas J. Wilson  
Chairman of the Board, President and Chief Executive Officer

**Certifications**

**Exhibit 31 (i)**

I, John E. Dugenske, certify that:

1. I have reviewed this quarterly report on Form 10-Q of The Allstate Corporation;
2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;
3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;
4. The registrant's other certifying officer(s) and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:
  - a) Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;
  - b) Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;
  - c) Evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and
  - d) Disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and
5. The registrant's other certifying officer(s) and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's board of directors (or persons performing the equivalent functions):
  - a) All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and
  - b) Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

Date: November 5, 2025

/s/ John E. Dugenske

John E. Dugenske

Chief Financial Officer

**Section 1350 Certifications**

Each of the undersigned hereby certifies that to his knowledge the quarterly report on Form 10-Q for the fiscal period ended September 30, 2025 of The Allstate Corporation filed with the Securities and Exchange Commission fully complies with the requirements of Section 13(a) or 15(d) of the Securities Exchange Act of 1934 and that the information contained in such report fairly presents, in all material respects, the financial condition and result of operations of The Allstate Corporation.

Date: November 5, 2025

/s/ Thomas J. Wilson

Thomas J. Wilson  
Chairman of the Board, President and Chief Executive Officer

/s/ John E. Dugenske

John E. Dugenske  
Chief Financial Officer