The Allstate Corporation

Fourth Quarter 2023 Earnings Presentation

02.08.2024

Forward-looking statements and non-GAAP financial information

This presentation contains forward-looking statements and information. This presentation also contains non-GAAP measures that are denoted with an asterisk. You can find the reconciliation of those measures to GAAP measures within our most recent earnings release, investor supplement or on our website, www.allstateinvestors.com, under the “Financials” link.

Additional information on factors that could cause results to differ materially from this presentation is available in the 2022 Form 10-K, Form 10-Q for September 30, 2023, our most recent earnings release, and at the end of these slides. These materials are available on our website, www.allstateinvestors.com, under the “Financials” link.

Allstate's Strategy To Create Shareholder Value

Increase Personal Property-Liability Market Share

Allstate. You're in good hands.

NATIONAL GENERAL. an Allstate company

Answer financial.

Leveraging Allstate brand, customer base and capabilities

Expand Protection Services

Allstate. PROTECTION PLANS

Allstate. BUSINESS INSURANCE

Allstate. HEALTH & BENEFITS

Avail protected by Allstate.

Allstate. IDENTITY PROTECTION

arity

Allstate. ROADSIDE

Allstate. DEALER SERVICES

Fourth quarter 2023 highlights

- Net income of $1.5 billion in the fourth quarter driven by:
  - Improved auto insurance profitability
  - Mild weather conditions favorably impact catastrophe losses and non-catastrophe frequencies in auto and homeowners
  - Strong market-based investment income
- Focusing on further increasing shareholder value in 2024:
  - Successful execution of comprehensive plan to improve auto insurance profitability
  - Advancing Transformative Growth initiative
  - Proactive management of the investment portfolio
  - Expanding Protection Services

Allstate Profit Improvement Actions and Mild Weather Benefit Results

Property-Liability premiums increased 10.7%, or $1.22 billion, due to 2022 and 2023 rate increases

	Three months ended December 31,			Twelve months ended December 31,		
($ in millions, except per share data and ratios)	2023	2022	Change	2023	2022	Change
Total revenues	$14,832	$13,648	8.7%	$57,094	$51,411	11.1%
Property-Liability insurance premiums	12,601	11,380	10.7%	48,427	43,909	10.3%
Accident and health insurance premiums and contract charges	467	436	7.1%	1,846	1,832	0.8%
Net investment income	604	557	8.4%	2,478	2,403	3.1%
Net gains (losses) on investments and derivatives	(77)	95	NM	(300)	(1,072)	(72.0)%
Income applicable to common shareholders:						
Net income (loss)	1,460	(303)	NM	(316)	(1,394)	(77.3)%
Adjusted net income (loss)*	1,541	(351)	NM	251	(239)	NM
Per diluted common share[(1)]						
Net income (loss)	5.52	(1.15)	NM	(1.20)	(5.14)	(76.7)%
Adjusted net income (loss)*	5.82	(1.33)	NM	0.95	(0.88)	NM
Return on Allstate common shareholders' equity (trailing twelve months)						
Net income (loss) applicable to common shareholders				(2.0)%	(7.2)%	5.2 pts
Adjusted net income (loss)*				1.5%	(1.2)%	2.7 pts

Reflects improved Property-Liability underlying profitability and lower catastrophe losses in the quarter

NM = Not meaningful

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

Allstate

Executing Comprehensive Approach to Restore Auto Margins

Auto insurance profit improvement plan:		2023 Progress:	2024 Outlook:
Rate Increases	• Pursuing rate actions • Pricing expertise and sophistication	• Allstate brand implemented rate increases of **16.9%** in 2022 and **16.4%** in 2023, including 6.9% in fourth quarter • National General implemented rate increases of **10.0%** in 2022 and **12.8%** in 2023, including 4.0% in fourth quarter	• **Pursuing rate increases** to improve margins in 10 states currently not achieving acceptable returns and broadly to offset increases in loss costs
Expense Reductions	• Reducing expenses as part of Transformative Growth	• 2023 Property-Liability underwriting expense ratio decreased **1.1 points** compared to the prior year, excluding advertising • Temporarily reduced advertising spend to manage new business growth	• **Cost reductions** from digitization, sourcing and distribution will favorably impact cost structure • **Increasing advertising investment** to support growth
Underwriting Actions	• Implemented stricter auto new business underwriting requirements	• Restricted new business in profit-challenged segments and locations	• **Unwinding restrictions** as rate adequacy is achieved
Claims Excellence	• Enhancing claims practices to manage loss costs	• Modified claims processes • Accelerating resolution of bodily injury claims • Increasing in-person inspections	• Continuing to capture value from **process enhancements and scale**

Allstate

Property-Liability Earned Premium Increases, Expense Reductions and Lower Catastrophe Losses Improve Margins

Earned Premium increase driven by higher auto and homeowners rates, partially offset by a decline in policies in force

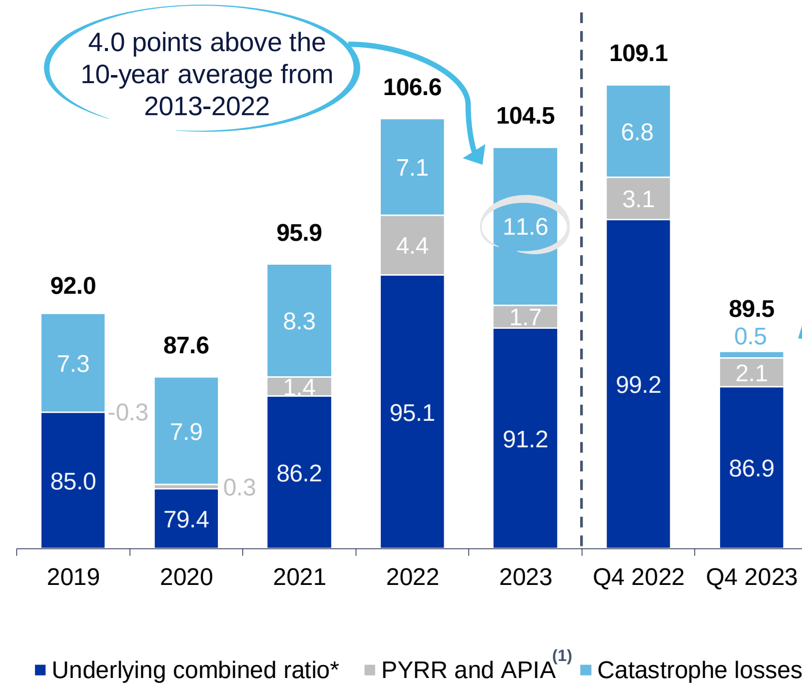
Lower catastrophe losses due to mild weather conditions in the quarter

Property-Liability statistics

($ in millions)

	Three months ended December 31, 2023		Twelve months ended December 31, 2023	
	2023	Var to PY (%/$)	2023	Var to PY (%/$)
Premiums Earned	12,601	10.7%	48,427	10.3%
Policies in Force (in thousands)	37,768	(2.0)%	-	-
Catastrophe Losses	68	(711)	5,636	2,524
Underwriting Income (Loss)	1,325	2,360	(2,184)	727
(% to premiums earned)				
Loss Ratio	68.4	(18.3) pts	83.5	(0.1) pts
Expense Ratio	21.1	(1.3) pts	21.0	(2.0) pts
Combined Ratio	89.5	(19.6) pts	104.5	(2.1) pts
Catastrophe Loss Ratio	0.5	(6.3) pts	11.6	4.5 pts
Underlying Combined Ratio*	86.9	(12.3) pts	91.2	(3.9) pts

Property-Liability combined ratio components



Underlying combined ratio* improvement reflects higher average premium and lower expenses

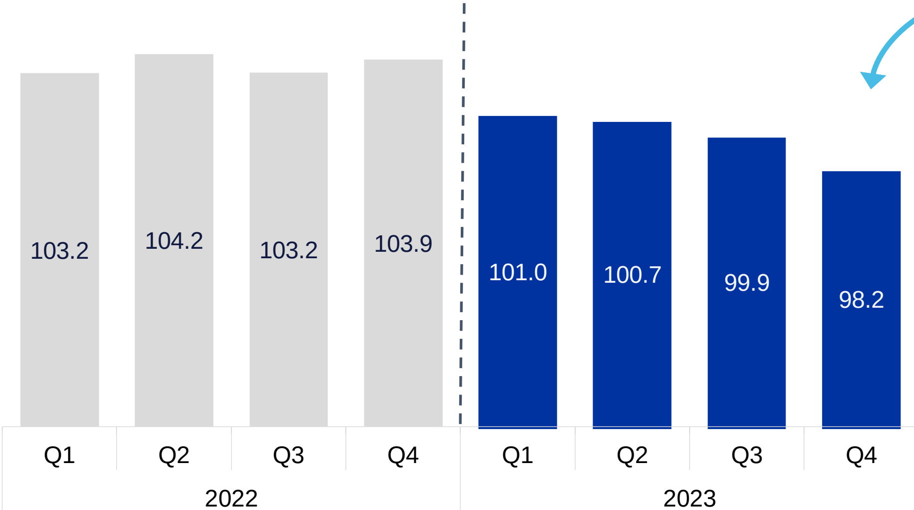
(1) Reflects combined ratio impact non-catastrophe prior year reserve reestimates (PYRR) and amortization of purchased intangibles (APIA)

Allstate

Auto Insurance Premium Growth Outpacing Underlying Costs

Underlying combined ratio sequentially improved each quarter in 2023 driven by higher average premium and expense efficiencies exceeding moderating, yet elevated, underlying loss costs per policy

Allstate Protection auto underlying combined ratio* – 2022 quarterly results(1) versus 2023 results(1) adjusted for current year severity



	Q1 2022	Q2 2022	Q3 2022	Q4 2022	Q1 2023	Q2 2023	Q3 2023	Q4 2023
Underlying Combined Ratio* - as reported	98.8	102.1	104.0	109.2	102.6	102.2	98.8	96.4
Combined Ratio	102.1	107.9	117.4	112.6	104.4	108.3	102.1	98.9

2022 Underlying combined ratio* (at full year average severity level) (1)
2023 Underlying combined ratio* (at full year average severity level) (1)

Allstate brand weighted average major coverage severity is estimated to increase by 8% to 9% in 2023 (compared to report year 2022), reflecting a slightly lower increase from estimates as of the third quarter

(1) Adjusts quarterly underlying combined ratios* to reflect full year average current report year ultimate severities

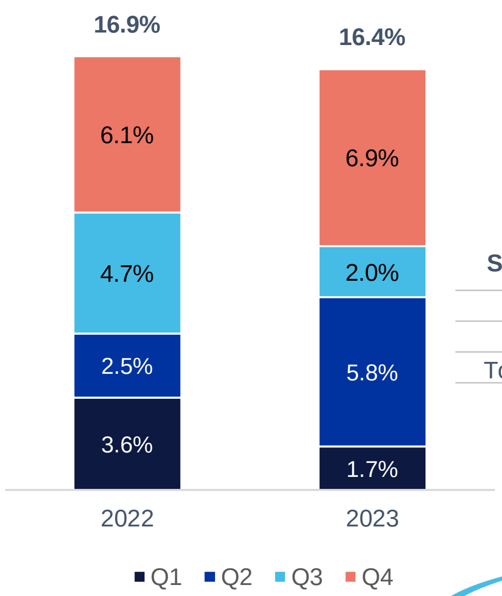
Allstate

Auto Insurance Underlying Profitability Increasingly Attractive in More States

Implemented Allstate brand auto rates of 33.3% over the last 2 years to combat rising loss costs

3 large states generating underwriting losses added approximately 5 points to the 2023 underlying combined ratio

Allstate brand auto – Implemented rate increases

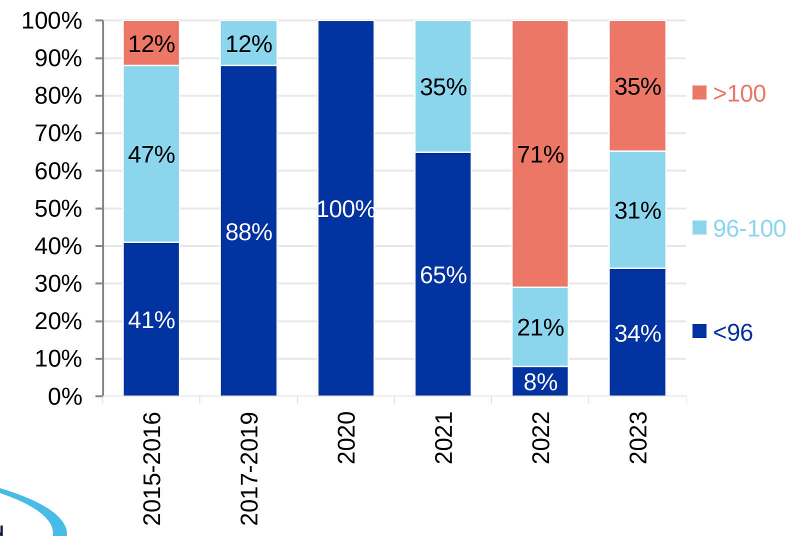


State level detail[1]	YE 2022	YE 2023
CA, NY, NJ	8%	27%
TX	41%	18%
Total x Large States	18%	13%

Received approval and implemented rates of 30% in California, 14.6% in New York and 20.0% in New Jersey in December 2023

Allstate brand auto countrywide premium distribution by underlying combined ratio* segment[1]

2023 underlying combined ratio*[1]	
CA, NY, NJ	119.5
Total x CA, NY, NJ	95.9



[1] Reflects 50 U.S. states plus District of Columbia for Allstate brand auto, excluding Esurance and Canada

Allstate

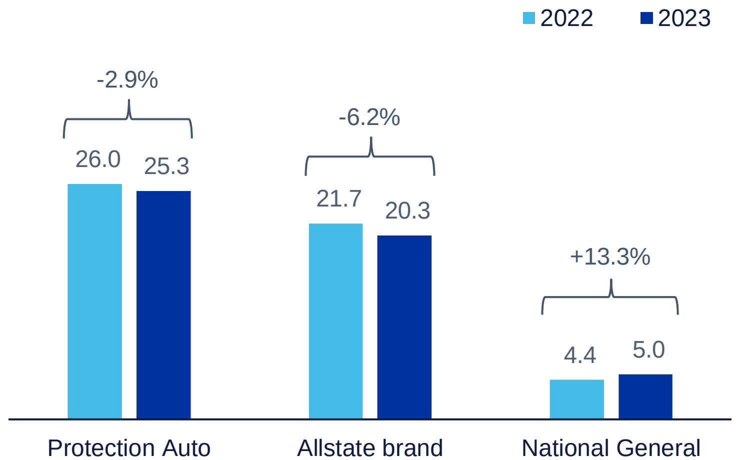
Significant Auto Insurance Rate Increases and Underwriting Actions Impacting Growth

Policies in force below prior year due to Allstate brand profit improvement actions, partially offset by National General growth

6% decrease in 2023 reflecting business practice adjustments in underperforming states and reduced marketing investment, primarily impacting the direct channel

Allstate Protection auto policies in force by brand

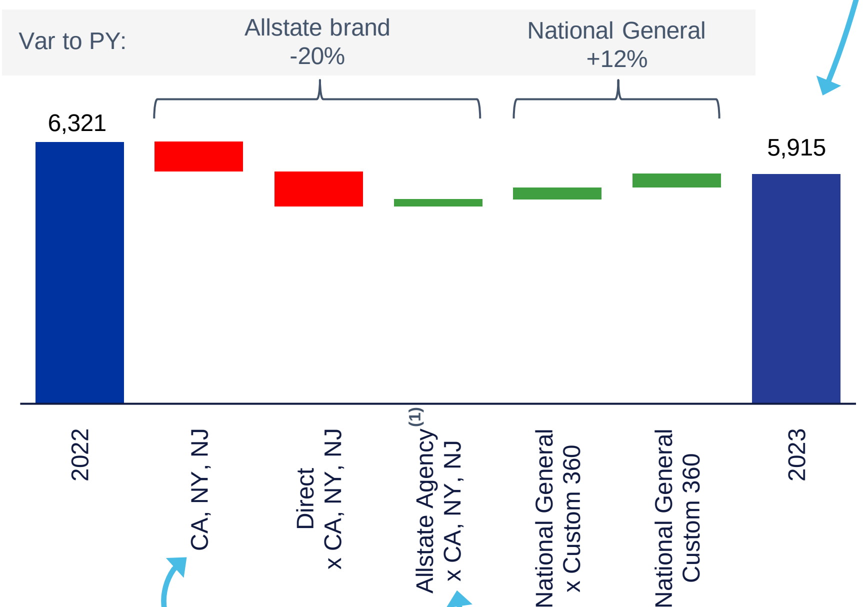
(in millions)



# var to prior year end (in thousands)	-751	-1,332	581

Allstate Protection auto new issued applications

(in thousands)



New issued applications in three large states declined 64% in 2023 and 82% in the fourth quarter compared to prior year

Higher productivity per exclusive agent driving a 6% increase compared to prior year, excluding CA, NY, NJ

(1) Reflects Allstate brand Exclusive and Independent agency channels

Allstate

Homeowners Insurance Generates Significant Profits in the Fourth Quarter; Full Year Impacted by Elevated Catastrophe Losses

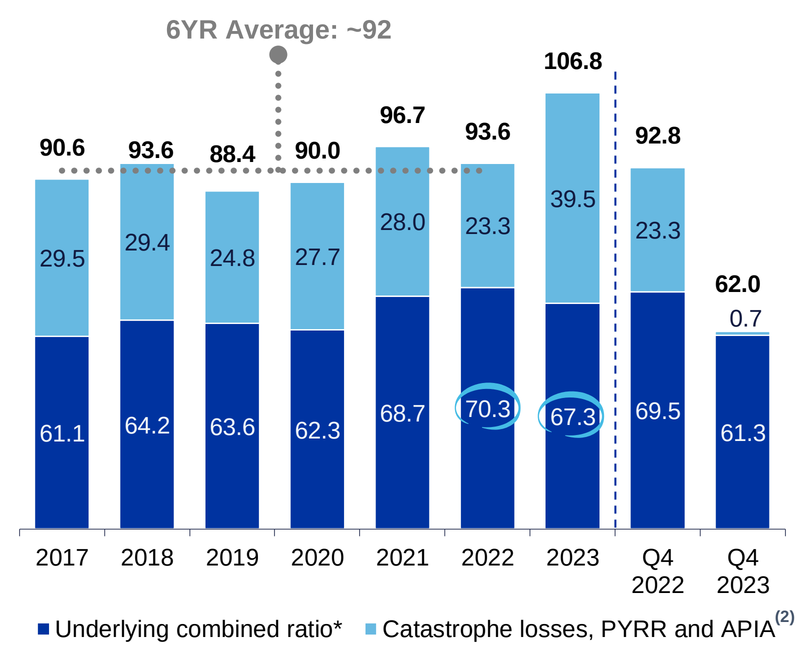
Net written premium growth of 13.3% in the fourth quarter driven by higher average premium and increased momentum in policies in force

Fourth quarter underwriting income of $1.2 billion driven by higher earned premium, lower catastrophe and underlying losses

Allstate Protection homeowners operating statistics

	Q4 2023	Var to PY	YTD 2023	Var to PY
Written premium ($ in millions)	$3,144	13.3%	$12,584	12.3%
Average premium - gross written ($)[1]	1,872	12.2%	1,812	12.3%
Policies in Force (in thousands)	7,338	1.1%	-	-
Combined Ratio	62.0	(30.8) pts	106.8	13.2 pts
Catastrophe Loss Ratio	0.7	(21.5) pts	38.6	17.0 pts
Underlying Combined Ratio*	61.3	(8.2) pts	67.3	(3.0) pts

Allstate Protection homeowners combined ratio components



Catastrophe losses of $4.5 billion in 2023, primarily impacted by events in the first three quarters

(1) Reflects Allstate brand
(2) Reflects combined ratio impact of catastrophe losses, prior year reserve reestimates and amortization of purchased intangibles

Allstate

Transformative Growth Implementation Advancing

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

Improve Customer Value	• Lowering cost structure to improve competitive price position • Redesigning products and leveraging telematics to create competitively differentiated offerings • Implementing affordable, simple and connected “ASC” auto product – live in 7 states • Implementing new middle market and preferred products through National General independent agents – live in 16 states
Expand Customer Access	• Multi-faceted plan to transform distribution ○ Improving Allstate agent productivity at a lower cost ○ Enhancing Allstate online and web sales capabilities, along with lower pricing ○ Increasing independent agent business by launching new National General standard auto and homeowners insurance products
Increase Sophistication and Investment in Customer Acquisition	• Improving customer acquisition costs relative to lifetime value • Increasing growth investment in 2024
Deploy New Technology Ecosystems	• Improving ease of use and self-service capabilities with lower costs through customer experience and product management ecosystems • Expanding connectivity through product enhancements and Allstate mobile app integration with third-party services

Phase 1: **Conceptual design** → Phase 2: **Enhance existing model** → Phase 3: **Build new model** → Phase 4: **Scale new model** → Phase 5: **Retire legacy technology**

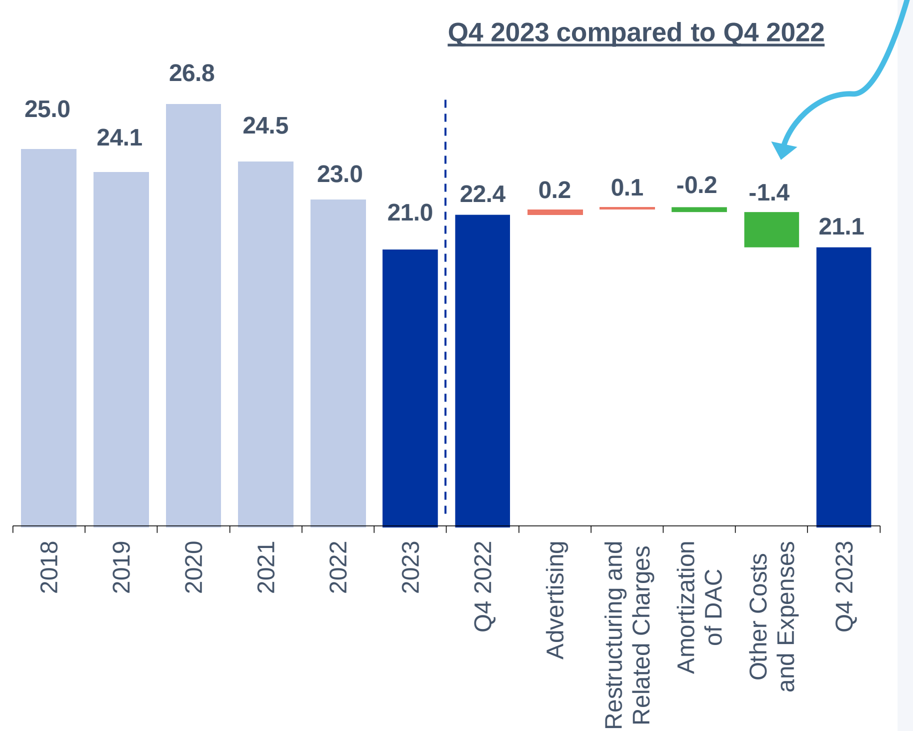
Allstate

Expense Reduction Remains a Key Component of Transformative Growth Strategy

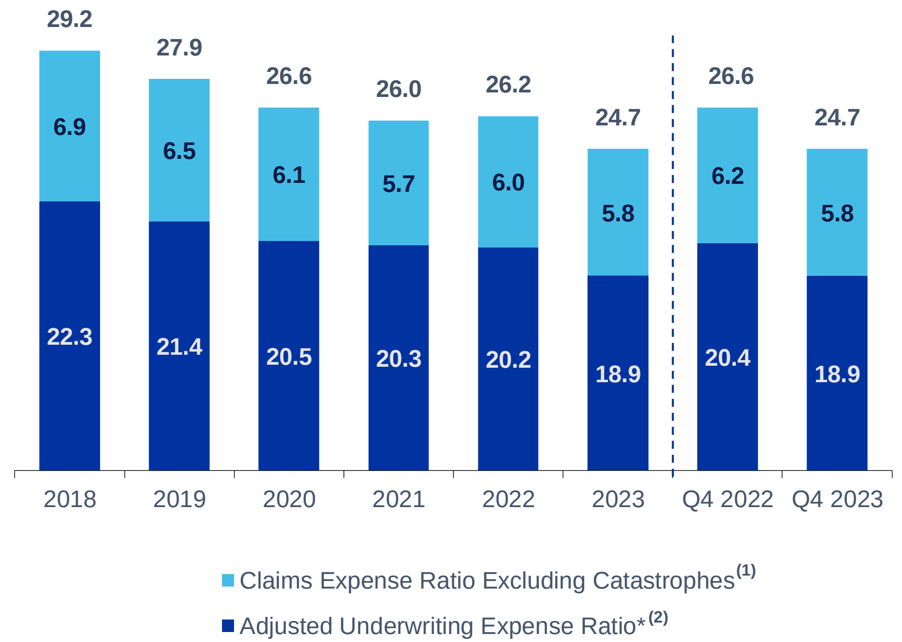
Reduction reflects higher earned premium growth relative to fixed costs and lower employee–related costs

Continued progress towards target of ~6 points of improvement from 2018 –2024

Property-Liability underwriting expense ratio



Property-Liability adjusted expense ratio*



(1) Property-Liability claims expense ratio incorporates unallocated claims expenses; excludes allocated claims expenses and catastrophes

(2) Adjusted underwriting expense ratio excludes amortization and impairment of purchased intangibles, restructuring, Coronavirus-related and advertising expenses

Allstate

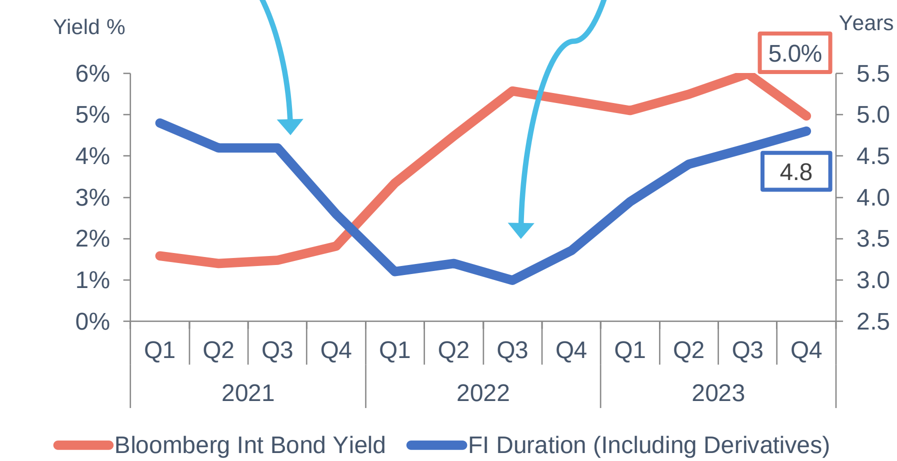
Investment Return Benefits from Duration Extension

Shortened fixed income duration in anticipation of higher interest rates

Extended duration to capture higher yields

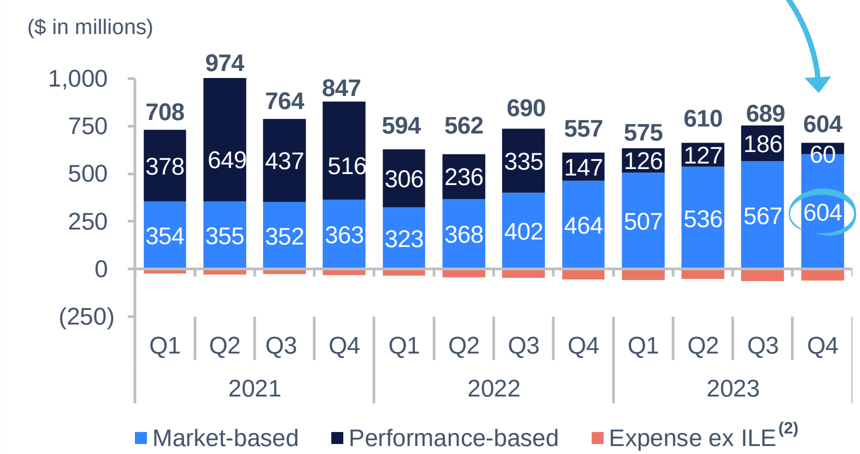
Increased Market-based income reflects higher yields, increased fixed income balances and duration extension

Fixed income duration and yield[1]



Fixed Income Yield %	3.1	2.9	2.8	2.8	2.6	2.8	2.9	3.2	3.4	3.6	3.7	4.0

Net investment income



Total Return %	(0.2)	2.6	1.0	1.1	(2.8)	(2.8)	(0.8)	2.5	2.4	0.2	(0.4)	4.6
Total TTM[3] %	8.8	6.8	6.0	4.4	1.8	(3.5)	(5.3)	(4.0)	1.2	4.2	4.6	6.7

Total return of 4.6% includes higher bond valuations due to the rate decline in the fourth quarter

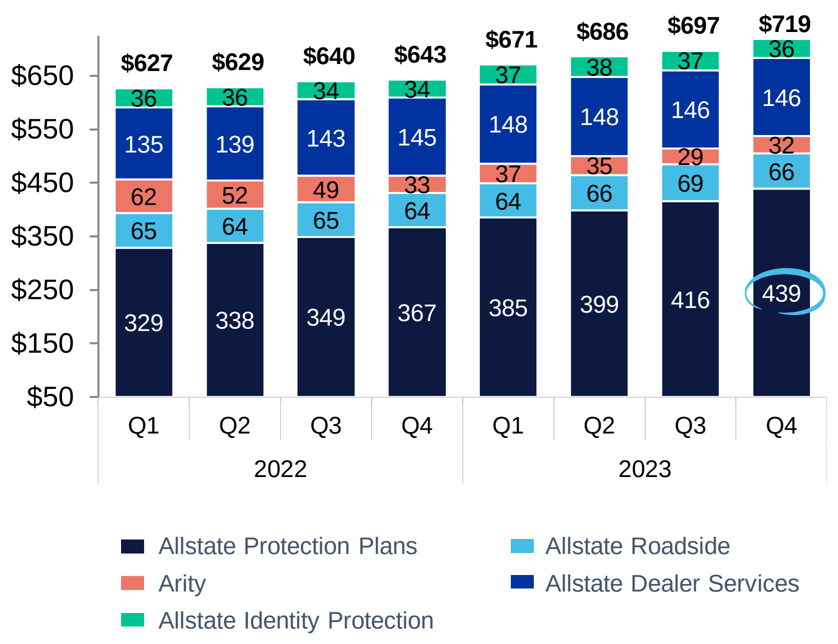
(1) Fixed income Corporate Bond Yield is intermediate maturity sourced from Bloomberg
(2) Investee level expenses (ILE) comprised of asset level operating expenses are netted against market-based and performance-based income
(3) Trailing twelve months

Protection Services Revenue Growing while Investing in Future Expansion

Allstate Protection Plans revenues increased 19.6% compared to the prior year quarter, reflecting expanded products and international growth

Protection Services revenues[1]

($ in millions)



Protection Services results

($ in millions)

	Three months ended Dec 31,		Twelve months ended Dec 31,	
	2023	Var to PY	2023	Var to PY
Revenues[1]	**$719**	**11.8%**	**$2,773**	**9.2%**
Adjusted Net Income (Loss)	**$4**	**($34)**	**$106**	**($63)**
Allstate Protection Plans	38	(4)	117	(33)
Arity	(5)	2	(18)	(7)
Allstate Roadside	7	4	24	17
Allstate Dealer Services	(33)	(41)	(15)	(50)
Allstate Identity Protection	(3)	5	(2)	10
Policies in Force (M)			**150.9**	**3.2%**

Adjusted net income of $4 million was $34 million below prior year quarter due to an increase in state income taxes and deferred tax liabilities for Allstate Dealer Services

(1) Revenues exclude the impact of net gains and losses on investments and derivatives

Allstate

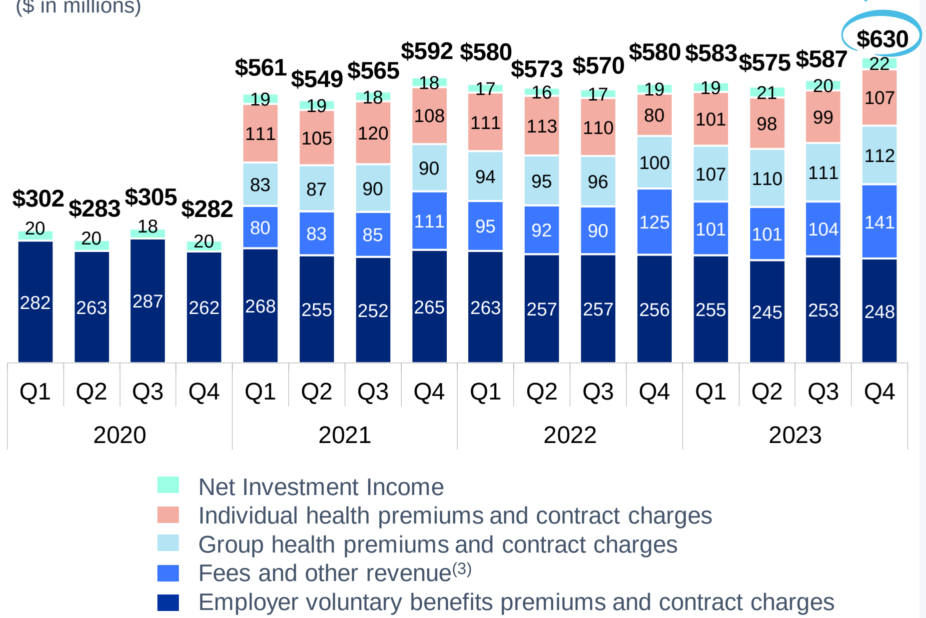
Health and Benefits Businesses Generating Profitable Growth

Increase compared to the prior year quarter driven by growth in Individual Health, fees and other revenue and Group Health

Adjusted net income increased $2 million compared to prior year quarter driven by Individual Health, partially offset by Group Health

Health and Benefits revenues[1][2]

($ in millions)



Health and Benefits adjusted net income[2]

($ in millions)

Adjusted net income[2] increased with the addition of National General

[1] Revenues exclude the impact of net gains and losses on investments and derivatives
[2] 2021 and 2022 periods have been recast to reflect the impact of the adoption of the FASB guidance revising the accounting for certain long-duration insurance contracts
[3] Reflects commission revenue, administrative fees, agency fees, and technology fees primarily from the group and individual health businesses

Allstate's Financial Condition and Capital Position Remain Strong

Allstate remains well capitalized with estimated statutory surplus and holding company assets of $18.0 billion, increasing by $1.6 billion compared to the prior quarter

Capital Position

(in billions)

	12/31/2023
Statutory Surplus[1]	$14.6
Holding Company Assets	$3.4
Statutory Surplus + Holding Company Assets	$18.0
Fixed Charges (TTM)[2]	$1.3
Holding Company Assets / Fixed Charges	2.6x
GAAP Shareholders' Equity	$17.8
Cash Returned to Common Shareholders	$1.3

[1] December 31, 2023 statutory results are preliminary with final results expected to be filed by the end of February 2024
[2] Reflects common and preferred shareholder dividends and interest expense, after-tax, over the trailing twelve-month period

®

Allstate

Forward-looking Statements

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

- Insurance and Financial Services (1) unexpected increases in claim frequency and severity; (2) catastrophes and severe weather events; (3) limitations in analytical models used for loss cost estimates; (4) price competition and changes in regulation and underwriting standards; (5) actual claim costs exceeding current reserves; (6) market risk, inflation and declines in credit quality of our investment portfolios; (7) our subjective determination of fair value and amount of credit losses for investments; (8) our participation in indemnification programs, including state industry pools and facilities; (9) inability to mitigate the impact associated with changes in capital requirements; (10) a downgrade in financial strength ratings;
- Business, Strategy and Operations (11) competition in the industries in which we compete and new or changing technologies; (12) implementation of our Transformative Growth strategy; (13) our catastrophe management strategy; (14) restrictions on our subsidiaries' ability to pay dividends; (15) restrictions under terms of certain of our securities on our ability to pay dividends or repurchase our stock; (16) the availability of reinsurance at current levels and prices; (17) counterparty risk related to reinsurance; (18) acquisitions and divestitures of businesses; (19) intellectual property infringement, misappropriation and third-party claims;
- Macro, Regulatory and Risk Environment (20) conditions in the global economy and capital markets; (21) a large-scale pandemic, the occurrence of terrorism, military actions or social unrest; (22) the failure in cyber or other information security controls, as well as the occurrence of events unanticipated in our disaster recovery processes and business continuity planning; (23) changing climate and weather conditions; (24) evolving environmental, social and governance standards and expectations; (25) restrictive regulations and regulatory reforms, including limitations on rate increases and requirements to underwrite business and participate in loss sharing arrangements; (26) losses from legal and regulatory actions; (27) changes in or the application of accounting standards; (28) vendor-related business disruptions or failure of a vendor to provide and protect data, confidential and proprietary information, or personal information of our customers, claimants or employees; (29) our ability to attract, develop and retain talent; and (30) 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.