Catastrophe Reinsurance Program
Effective June 1, 2018 to May 31, 2019

Northbrook, IL, May 2, 2018 – In the first quarter of 2018, we substantially completed the placement of our 2018 catastrophe reinsurance program[(1)] that provides reinsurance protection to the Allstate Protection businesses of The Allstate Corporation (NYSE: ALL).

The catastrophe reinsurance program is part of our catastrophe management strategy, which is intended to provide our shareholders with an acceptable return on the risks assumed in our personal lines business, reduce earnings variability, and provide protection to our customers. Our 2018 reinsurance program continues to support our strategy to have no more than a 1% likelihood of exceeding average annual aggregate catastrophe losses by $2 billion, net of reinsurance, from hurricanes and earthquakes, based on modeled assumptions and applications currently used.

Since the 2006 inception of Allstate's catastrophe reinsurance program, we materially reduced our exposure to wind loss and substantially eliminated our exposure to homeowners' earthquake loss. Except for certain contracts, which reinsure specific perils, our 2018 program continues to address these exposures by including coverage in our agreements for multiple perils, in addition to hurricanes and earthquakes. We employ a multi-year approach to placing reinsurance coverage to lessen the amount of reinsurance being placed in the market in any one year.

The reinsurance agreements have been placed in the traditional reinsurance and insurance linked securities ("ILS") markets. In doing so, we consider a number of factors including coverage, cost, terms, and the period of protection. All reinsurers participating on our program, with the exception of one reinsurer that collateralized its limits, have an A.M. Best insurance financial strength rating of A- or better.

The total cost of our catastrophe reinsurance was $85 million in the first quarter of 2018. The total cost of our catastrophe reinsurance program during 2017 was $355 million.

The following pages summarize our June 1, 2018 to May 31, 2019 reinsurance program which includes:

- Nationwide Excess Catastrophe Program
- New Jersey Excess Catastrophe Agreement
- Kentucky Earthquake Excess Catastrophe Contract
- Florida Excess Catastrophe Agreement
- Aggregate Excess Catastrophe Contract – Automobile – Florida and Southeast States
- Excess & Surplus Earthquake Contract

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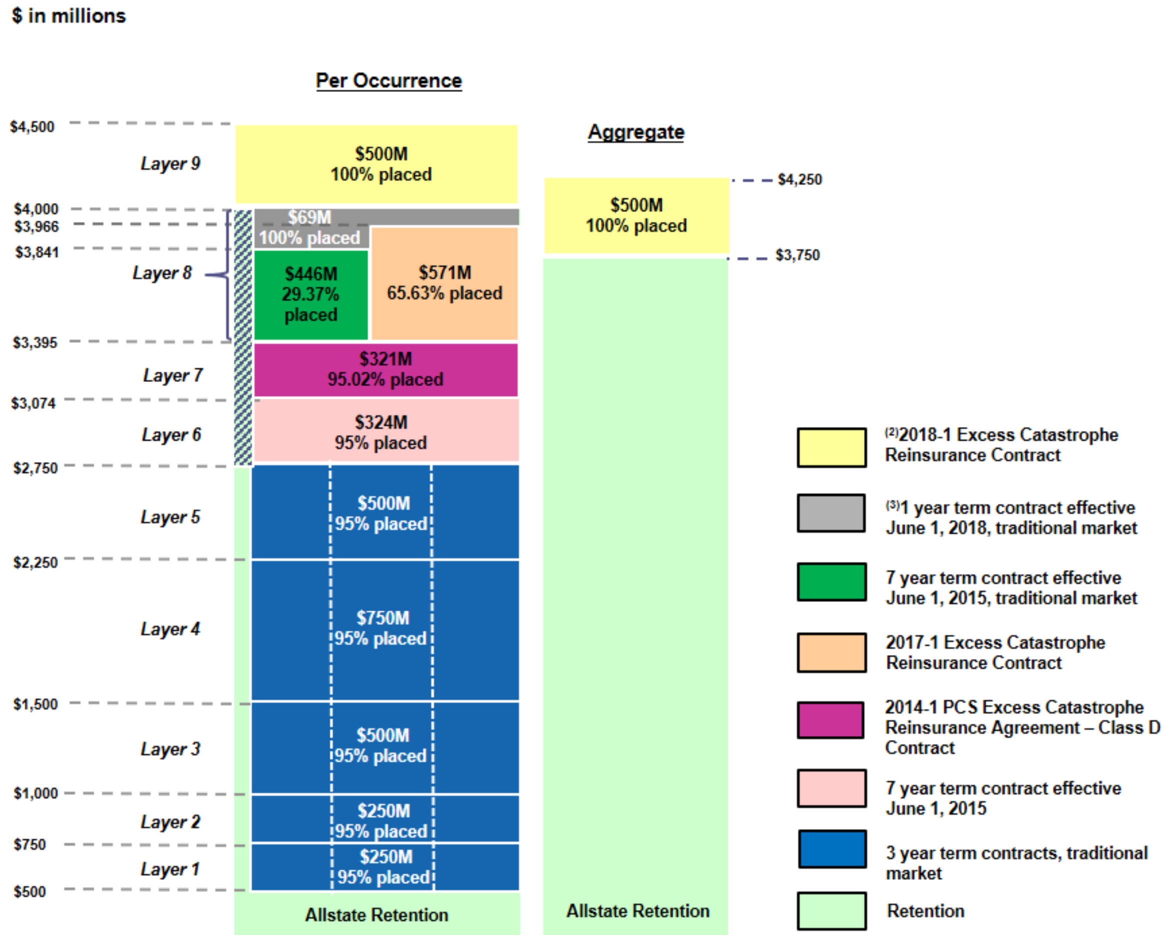
(1) A reinsurance program comprises one or more reinsurance agreements and a reinsurance agreement comprises one or more reinsurance contracts.

1. Nationwide Excess Catastrophe Reinsurance Program

The Nationwide Excess Catastrophe Reinsurance Program (the "Nationwide Program") provides $4.5 billion of reinsurance limits, less a $500 million retention, and subject to the percentage of reinsurance placed in each of its nine layers. The per occurrence layer nine contract provides limits of $500 million that may be used to provide reinsurance protection on a per occurrence basis subject to a $4 billion retention, or, alternatively, on an aggregate basis subject to a $3,750 million retention. The agreements comprising the Nationwide Program are described below.



Per Occurrence Excess Agreement

The Per Occurrence Excess Agreement includes layers one through six and a portion of layer eight. The agreement reinsures our personal lines property and automobile excess catastrophe losses resulting from multiple perils in every state except New Jersey, and only includes coverage for automobile excess catastrophe losses in Florida. One-third of the limit provided by each of layers one through five also includes coverage for our commercial lines property and automobile (physical damage only) catastrophe losses. Under the agreement, claim adjustment fees are indemnified as a percentage of ultimate net loss and are included within each contract's reinsurance limit.

For the June 1, 2018 to May 31, 2019 term, coverage for each of layers one through five is placed in the traditional reinsurance market with each layer comprising three contracts. Each contract provides one-third of 95% of the total layer limit and expires on May 31, 2019, May 31, 2020, and May 31, 2021, respectively. The contracts for each of layers one through five include one reinstatement of limits per year, with premium required. Reinsurance premiums are subject to redetermination for exposure changes on an annual basis.

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(2) This contract includes a per occurrence component that attaches at $4,000m and an aggregate component that attaches at $3,750m; see 2018-1 Excess Catastrophe Reinsurance Contract included in this section.

(3) This contract deems in place 5% of $1,250m in limits in excess of $2,750m.

$ in millions

Per occurrence reinsurance contract	Risk period effective date	% of limit placed[4]	Retention	Per occurrence limit	States Covered	Reinstatement
Layer 1	June 1, 2018	95	$500	$250	Countrywide, • Excluding NJ • Excluding FL personal and commercial lines property	1 per occurrence limit each contract year (per layer), premium due
Layer 2	June 1, 2018	95	750	250		
Layer 3	June 1, 2018	95	1,000	500		
Layer 4	June 1, 2018	95	1,500	750		
Layer 5	June 1, 2018	95	2,250	500		

The sixth layer and eighth layer contracts placed in the traditional reinsurance market contain comparable contract terms and conditions as layers one through five. The sixth layer contract provides a $324 million limit, is 95% placed, and expires May 31, 2022. An eighth layer contract provides a $446 million limit, is 29.37% placed, and expires May 31, 2022. Each of these contracts contain a variable reset option which the ceding entities may elect to invoke at each anniversary, and which allows for the annual adjustment of each contract's attachment and exhaustion levels within specified limits. The variable reset option requires a premium adjustment. The sixth layer contract and this eighth layer contract each contain one reinstatement of limits over their seven-year terms with premium required. As of June 1, 2018, a reinstatement of limits has not been executed under either contract. Reinsurance premiums for these contracts are subject to redetermination for exposure changes on an annual basis.

Another contract forming a portion of layer eight provides a $69 million limit in excess of a $2.75 billion retention, is 100% placed, and expires May 31, 2019. Reinsurance limits of 5% of $1.25 billion in excess of $2.75 billion are deemed in place and inure to the benefit of this contract. In addition, recoveries from contracts in layers 6 through and including layer 8 inure to the benefit of this contract. The contract does not include a reinstatement of limits.

$ in millions

Per occurrence reinsurance contract	Risk period effective date	Contract expiration date	% of limit placed	Retention	Per occurrence limit	States Covered	Reinstatement
Layer 6	June 1, 2018	May 31, 2022	95	$2,750	$324	Countrywide excluding FL and NJ	1 per occurrence limit over each of the contract's 7 year terms, premium due
Layer 8	June 1, 2018	May 31, 2022	29.37	3,395	446		
Layer 8	June 1, 2018	May 31, 2019	100	2,750	69	Countrywide, • Excluding NJ • Excluding FL personal and commercial lines property	None

For those contracts that contain a reinstatement, only the portion of the layer limit utilized to indemnify for losses from an event mandatorily reinstates; the remaining reinstatement limit remains available and can be used should future events further erode the per occurrence contract limit.

[4] The limit for each of layers one through five is 63.33% placed and 31.67% placed for the respective terms of June 1, 2019 to May 31, 2020, and June 1, 2020 to May 31, 2021.

2014-1 Property Claim Service ("PCS") Agreement – Class D Contract

The 2014-1 PCS Agreement Class D Contract reinsures personal lines property and automobile excess catastrophe losses caused by hurricanes in 29 states and the District of Columbia, and earthquakes and fire following earthquakes in California, New York and Washington. Claim adjustment fees are indemnified as a percentage of ultimate net loss and are included within the contract's reinsurance limit. This contract is placed with a Bermuda insurance company, Sanders Re Ltd. ("Sanders Re"), which obtained funding from the ILS market to collateralize the contract's limit. The contract provides a $321 million limit in excess of a $3.074 billion retention and is 95.02% placed. The contract's risk period ends May 21, 2019. Amounts payable under the contract are based on insured industry losses as reported by PCS and further adjusted to account for our exposures in reinsured areas. Reinsurance recoveries under the contract are limited to our ultimate net loss from a PCS-reported hurricane or earthquake. The contract does not include a reinstatement of limits.

$ in millions

Class D reinsurance contract	Risk period beginning date	Risk period ending date	% of limit placed	Retention	Per occurrence limit	Reinstatement
Layer 7	May 22, 2014	May 21, 2019	95.02	$3,074	$321	None

2017-1 Excess Catastrophe Reinsurance Contract

The 2017-1 Excess Catastrophe Reinsurance Contract reinsures personal lines property and automobile excess catastrophe losses in 48 states and the District of Columbia, excluding Florida and initially New Jersey[(5)], caused by named storms, earthquakes and fire following earthquakes, severe thunderstorms, winter storms, volcanic eruptions, and meteorite impacts. Claim adjustment fees are indemnified as a percentage of ultimate net loss and are included within the contract's reinsurance limit. This contract is placed with Sanders Re which obtained funding from the ILS market to collateralize the contract's limit. The contract reinsures actual losses to personal lines property business located in the covered territory and arising out of a covered event. Amounts payable for automobile losses are based on insured industry losses as reported by PCS and further adjusted to account for our automobile exposures in reinsured areas. Reinsurance recoveries under the 2017-1 Excess Contract are limited to our ultimate net loss from a covered event subject to the contract's limit. The contract's risk period began March 31, 2017 and terminates on November 30, 2021. The contract provides a $375 million limit (or 65.63% of $571 million) between a $3.395 billion to $3.966 billion layer. The contract contains a variable reset option, which the ceding entities may invoke for risk periods subsequent to the first risk period and which allows for the annual adjustment of each contract's attachment and exhaustion levels within specified limits. The variable reset option requires a premium. The contract does not include a reinstatement of limits.

$ in millions

2017-1 Excess reinsurance contract	Risk period beginning date	Risk period ending date	% of limit placed	Retention	Per occurrence limit	Reinstatement
Layer 8	March 31, 2017	November 30, 2021	65.63%	$3,395	$571	None

2018-1 Excess Catastrophe Reinsurance Contract

The 2018-1 Excess Catastrophe Reinsurance Contract reinsures personal lines property and automobile excess catastrophe losses in 48 states and the District of Columbia, excluding Florida and initially New Jersey[(5)], caused by named storms, earthquakes and fire following earthquakes, severe weather, wildfires, and other naturally occurring or man-made events determined to be a catastrophe by the Company. Claim adjustment fees are indemnified as a percentage of ultimate net loss and are

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(5) While the 2017-1 Excess Catastrophe Reinsurance Contract and the 2018-1 Excess Catastrophe Contract do not provide reinsurance recoveries for New Jersey exposures for the risk period beginning March 31, 2017 and April 1, 2018, respectively, the contracts each allow for the inclusion of these exposures in the remaining risk periods if so elected and with premium due.

included within the contract's reinsurance limit. This contract is placed with Sanders Re which obtained funding from the ILS market to collateralize the contract's limit. The contract provides business located in the covered territory and arising out of a covered event. The contract's risk period began April 1, 2018 and terminates on March 31, 2022. The contract provides one limit of $500 million during its four-year term which can be used on a per occurrence or aggregate basis. For each qualifying loss occurrence, the contract provides 100% of $500 million in reinsurance limits between a $4.0 billion to $4.5 billion layer for the April 1, 2018 to March 31, 2019 period. The contract also provides an aggregate limit of 100% of $500 million in reinsurance limits between a $3.75 billion to $4.25 billion layer subject to an annual retention of $3.75 billion. For each annual period beginning April 1, Company declared catastrophes occurring during such annual period involving two or more exposures and resulting in more than $1 million in losses to personal lines property and automobile business can be aggregated to erode the aggregate retention and qualify for coverage under the aggregate limit. Reinsurance recoveries from and including layers one through eight of the Nationwide Program inure to the benefit of the aggregate. Reinsurance recoveries collected under the per occurrence limit of this contract are not eligible for cession under the aggregate limit of this contract. Reinsurance recoveries for all loss occurrences and aggregate losses qualifying for coverage during the contract's four-year risk period are limited to our ultimate net loss from a covered event and subject to the contract's $500 million limit. The contract contains a variable reset option, which the ceding entities may invoke for risk periods subsequent to the first risk period which allows for the annual adjustment of the contract's attachment and exhaustion levels within specified limits. The variable reset option requires a premium. The contract does not include a reinstatement of limits.

$ in millions

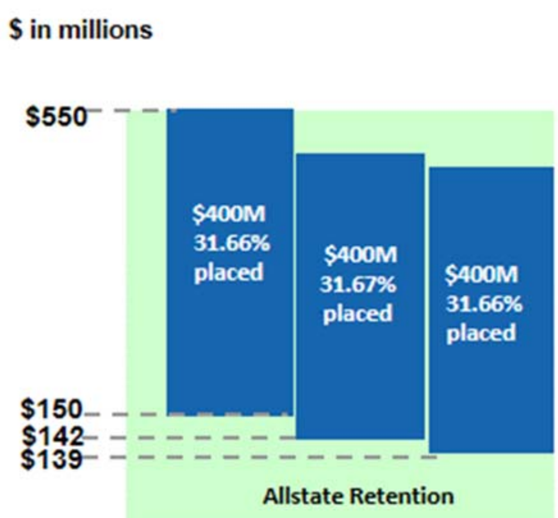
2018-1 Excess reinsurance contract	Risk period beginning date	Risk period ending date	% of limit placed	Retention	Per occurrence and aggregate limit	Reinstatement
Layer 9	April 1, 2018	March 31, 2022	100%	$4,000 Per occurrence $3,750 Aggregate	$500	None

Other Catastrophe Reinsurance Programs

The following programs are designed separate from the Nationwide Program to address distinct exposures in certain states and markets.

2. New Jersey Excess Catastrophe Reinsurance Agreement

The New Jersey Excess Catastrophe Reinsurance Agreement comprises two existing contracts and a newly placed contract and reinsures personal lines property and automobile excess catastrophe losses in New Jersey caused by multiple perils. The newly placed contract effective June 1, 2018, also includes coverage for commercial lines property and automobile (physical damage only) catastrophe losses. Claim adjustment fees are indemnified as a percentage of ultimate net loss and are included within each contract's reinsurance limit.



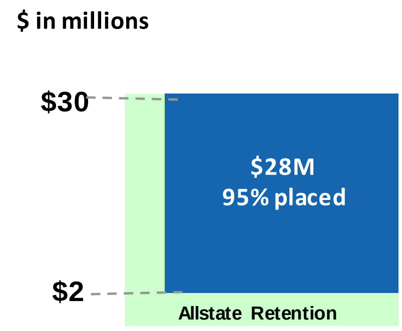
The contracts provide 31.66%, 31.67%, and 31.67%, respectively, of $400 million of limits in excess of a provisional $150 million retention, a $142 million retention and a $139 million retention, respectively. Each contract includes one reinstatement of limits per contract year with premium due. The reinsurance premium and retention are subject to redetermination for exposure changes on an annual basis.

$ in millions

Reinsurance contract	Contract effective date	Contract expiration date	% of limit placed			Retention	Per occurrence limit	Reinstatement
			Yr 1	Yr 2	Yr 3			
New Jersey	June 1, 2018	May 31, 2021	31.66	31.66	31.66	$150	$400	1 per occurrence limit each contract year, premium due
New Jersey	June 1, 2017	May 31, 2020	31.67	31.67		142	400	
New Jersey	June 1, 2016	May 31, 2019	31.67			139	400	

3. Kentucky Earthquake Excess Catastrophe Reinsurance Contract

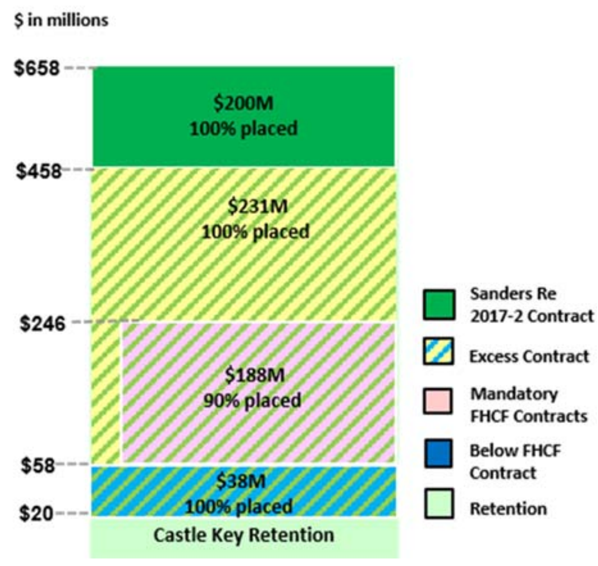
The Kentucky Earthquake Excess Catastrophe Reinsurance Contract is a three-year term contract that reinsures personal lines property losses in Kentucky caused by earthquakes and fire following earthquakes. Claim adjustment fees are indemnified as a percentage of ultimate net loss and are included within the contract's reinsurance limit. The contract expires May 31, 2020 and provides three limits of $28 million in excess of a $2 million retention, with two limits available in any one contract year, and is 95% placed. The reinsurance premium and retention are not subject to redetermination for exposure changes.



We will be placing our Florida Excess Catastrophe Reinsurance Agreement, Aggregate Excess Catastrophe Reinsurance Contract – Automobile – Florida and Southeast States, and Excess & Surplus ("E&S") Earthquake Contract in the second quarter of 2018.

4. Florida Excess Catastrophe Reinsurance Agreement

The Florida Excess Catastrophe Reinsurance Agreement is comprised of five contracts, as described below, which reinsure Castle Key Insurance Company ("CKIC") and Castle Key Indemnity Company ("CKI") for personal lines property excess catastrophe losses in Florida. (We refer to both companies together as "Castle Key.") For the June 1, 2017 to May 31, 2018 term, the agreement includes two contracts placed in the traditional market, CKIC's and CKI's reimbursement contracts with the Florida Hurricane Catastrophe Fund (the "Mandatory FHCF contracts"),[6] and the Sanders Re 2017-2 Contract placed in the ILS market. Claim adjustment fees are indemnified as a percentage of ultimate net loss and are included within each contract's reinsurance limit.



[6] CKIC's and CKI's mandatory FHCF coverage is provided under reimbursement contracts distinct to each entity. CKIC's FHCF reimbursement contract provides a $35.9 million retention with a $115.9 million limit, and CKI's reimbursement contract provides a $22.3 million retention with a $71.9 million limit. For ease of reference, the FHCF's provisional retentions and limits have been consolidated for purposes of this disclosure.

Below FHCF Contract

The Below FHCF Contract reinsures personal lines property excess catastrophe losses caused by multiple perils in Florida. The contract provides three limits of $38 million in excess of a $20 million retention, each occurrence, and is 100% placed. The contract includes two reinstatements of limits. The first reinstatement of limits is prepaid and the second or final reinstatement requires additional premium. Only the portion of the limit utilized to indemnify losses from an event mandatorily reinstates; the remaining reinstatement limit remains available and will be used as future events erode the per occurrence contract limit. Reinsurance premium is subject to redetermination for exposure changes.

Mandatory FHCF Contracts

The Mandatory FHCF Contracts reinsure qualifying personal lines property losses caused by storms the National Hurricane Center declares to be hurricanes. The contracts provide 90% of $188 million of limits (or $169 million in excess of a provisional retention of $58 million), and also include reimbursement of up to 5% of eligible loss adjustment expenses, which is part of and not in addition to the reinsurance limit provided, with no reinstatement of limits. For each of the two largest hurricanes, the provisional retention is $58 million and a retention equal to one-third of that amount, or approximately $19 million, is applicable to all other hurricanes for the season beginning June 1, 2017. The limit and retention of the Mandatory FHCF Contracts are subject to re-measurement based on June 30, 2017 exposure data. In addition, the FHCF's retention is subject to adjustment upward or downward to an actual retention based on submitted exposures to the FHCF by all participants.

Excess Contract

The Excess Contract reinsures personal lines property excess catastrophe losses caused by multiple perils in Florida. The contract provides one limit of $231 million in excess of a $20 million retention and is 100% placed. The Excess Contract provides reinsurance limits above the Mandatory FHCF Contracts, for CKIC's and CKI's 10% co-participation in the Mandatory FHCF Contracts, and for loss occurrences not subject to reimbursement under the Mandatory FHCF Contracts which only reinsure losses arising out of hurricanes. Recoveries from the Below FHCF Contract and Mandatory FHCF Contracts inure to the benefit of this contract. The contract does not include a reinstatement of limits. Reinsurance premium is subject to redetermination for exposure changes.

Sanders Re 2017-2 Contract

The Sanders Re 2017-2 Contract is a three-year term contract with a risk period effective June 1, 2017 through May 31, 2020. It reinsures qualifying losses to personal lines property caused by a named storm event, a severe thunderstorm event, an earthquake event, a wildfire event, a volcanic eruption event, or a meteorite impact event in Florida as events declared by various reporting agencies, including PCS and as defined in the contract. Should PCS cease to report on severe thunderstorms, then such event will be deemed a severe thunderstorm event if Castle Key has assigned a catastrophe code to such severe thunderstorm. Sanders Re obtained funding from the ILS market to provide collateral equal to the contract's limit.

The contract provides limits of $200 million in excess of a $20 million retention and in excess of "stated reinsurance." For the June 1, 2017 to May 31, 2018 risk period stated reinsurance is defined to include the Below FHCF Contract, the Mandatory FHCF Contracts which are deemed to exhaust due to loss occurrences subject to the non-FHCF contracts, and the Excess Contract.

Stated reinsurance is deemed to be provided on a multiple perils basis under the terms of the non-FHCF contracts and includes an erosion feature, which provides that upon the exhaustion of a portion of the stated reinsurance, coverage under the Sanders Re Contract shall be concurrently placed above and contiguous to the unexhausted portion of the stated reinsurance, if any. The Sanders Re 2017-2 Contract contains a variable reset option, which Castle Key may invoke for risk periods subsequent to the first risk period and which allows for the annual adjustment of the contract's attachment and exhaustion levels. The variable reset option requires a premium. The contract does not include a reinstatement of limits.

$ in millions

Reinsurance contract	Contract effective date	Contract expiration date	% of limit placed	Retention	Per occurrence limit	Reinstatement
Below FHCF	June 1, 2017	May 31, 2018	100	$20	$ 38	Two reinstatements of the per occurrence limit; first reinstatement prepaid; second reinstatement premium due
FHCF	June 1, 2017	May 31, 2018	90	58	188	None
Excess	June 1, 2017	May 31, 2018	100	20	231	None
Sanders Re 2017-2	June 1, 2017	May 31, 2020	100	20[7]	200	None

5. Aggregate Excess Catastrophe Reinsurance Contract – Automobile – Florida and Southeast States

The Aggregate Excess Catastrophe Reinsurance Contract – Automobile – Florida and Southeast States provides $200 million of reinsurance limits for losses to personal lines automobile business (physical damage only) arising out of multiple perils and provided such losses arise out of a company declared catastrophe and result in qualifying losses in the State of Florida. Once qualifying losses are incurred in the State of Florida, coverage is also provided for losses to personal lines automobile business (physical damage only) arising out of the same catastrophe and occurring in Alabama, Georgia, Louisiana, Mississippi, North Carolina and South Carolina. Claim adjustment fees are indemnified as a percentage of ultimate net loss and are included within the contract's reinsurance limit. The $200 million of reinsurance limits is subject to a $300 million aggregate retention for losses arising out of one or all qualifying catastrophes commencing during the contract's one year term. The contract does not include a reinstatement of limits.

6. Excess & Surplus ("E&S") Earthquake Contract

The E&S Earthquake Contract reinsures personal lines property catastrophe losses in California caused by the peril of earthquakes and insured by our excess and surplus lines insurer. The contract expires June 30, 2018. The E&S Earthquake Contract provides reinsurance on a 100% quota share basis with no retention. The contract allows for cession of policies providing earthquake coverage so long as the total amount of in-force building limits provided by those policies does not exceed $400 million. This $400 million cap limits the policies that are covered by the reinsurance contract and not the amount of loss eligible for cession, which includes losses to dwellings, other structures, personal property and additional living expenses on policies covered by this program. The $400 million cap which serves to limit cessions to the contract has not been exceeded. Claim adjustment fees are indemnified as a percentage of ultimate net loss under the contract. The E&S Earthquake Contract reinsures only shake damage resulting from the earthquake peril.

[7] The Sanders Re 2017-2 contract includes a $20 million retention. The $200 million contract limit applies in excess of the $20 million retention and in excess of "stated reinsurance" which, for the June 1, 2017 to May 31, 2018 risk period, is defined to include the Below FHCF Contract, the Mandatory FHCF Contracts which are deemed to exhaust due to loss occurrences subject to the non-FHCF contracts, and the Excess Contract.

Illustration of Utilization of Reinsurance Coverage [(a)]

The following examples are provided to illustrate Allstate's reinsurance program and should not be relied upon to determine the amount of Allstate's net loss from any actual events that may occur in the future. They are based on hypothetical situations. The actual amounts recoverable under our reinsurance program and the amount of our net loss from any one event or series of events could differ materially from the hypothetical results presented in these examples due to a variety of factors, including the nature and location of the specific losses incurred, the specific lines of business covered by the various reinsurance agreements, and the impact of potential litigation. Reinstatement premiums are not included. Provisional retentions for the 2017 FL and 2018 NJ programs have been used.

(in millions)

Example 1 - One hurricane landfalls in South Carolina. (Total loss of $2.10 billion, net loss of $580.0 million or 27.6% of total loss.)

		Amount	Notes	Per Occurrence	2014-1 PCS Class D	2017-1 Excess	2018-1 Excess	New Jersey	Castle Key Group: Below FHCF	Castle Key Group: FHCF	Castle Key Group: Excess	Sanders Re 2017-2
Hurricane in South Carolina												
Per Occurrence Excess Agreement												
Loss		2,100.0										
Retention		500.0	500 retention									
Subject Loss		1,600.0	Total loss less 500 retention									
Layer 1			**250 x 500, 95% placed**									
	Retained	12.5	5% of 250 x 500									
	Recoverable	(237.5)	95% of 250 x 500, limit reinstates to 250	(237.5)								
Layer 2			**250 x 750, 95% placed**									
	Retained	12.5	5% of 250 x 750									
	Recoverable	(237.5)	95% of 250 x 750; limit reinstates to 250	(237.5)								
Layer 3			**500 x 1,000, 95% placed**									
	Retained	25.0	5% of 500 x 1,000									
	Recoverable	(475.0)	95% of 500 x 1,000; limit reinstates to 500	(475.0)								
Layer 4			**750 x 1,500, 95% placed**									
	Retained	30.0	5% of 600 x 1,500									
	Recoverable	(570.0)	95% of 600 x 1,500; limit reinstates to 750	(570.0)								
South Carolina loss		**2,100.0**										
Less recoverables		**(1,520.0)**										
Net loss		**580.0**		**(1,520.0)**								

(a) For purposes of these examples, losses and recoverables are calculated according to the reinsurance contracts effective as of 6/1/18, except for the Florida example, whereby contracts are effective as of 6/1/17.
(b) For purposes of these examples, the limits of liability and retentions have been combined for Castle Key Insurance Company and Castle Key Indemnity Company.
(c) Allstate's separately capitalized Florida underwriting entities underwrite only personal lines property business.

Illustration of Utilization of Reinsurance Coverage [a]

The following examples are provided to illustrate Allstate's reinsurance program and should not be relied upon to determine the amount of Allstate's net loss from any actual events that may occur in the future. They are based on hypothetical situations. The actual amounts recoverable under our reinsurance program and the amount of our net loss from any one event or series of events could differ materially from the hypothetical results presented in these examples due to a variety of factors, including the nature and location of the specific losses incurred, the specific lines of business covered by the various reinsurance agreements, and the impact of potential litigation. Reinstatement premiums are not included. Provisional retentions for the 2017 FL and 2018 NJ programs have been used.

(in millions)

Example 2 - First hurricane landfalls in South Carolina, total loss of $1.05 billion; second hurricane landfalls in Texas, total loss of $1.40 billion. (Total loss of $2.45 billion, net loss of $1.07 billion or 43.8% of total loss.

									Castle Key Group			
		Amount	**Notes**	**Per Occurrence**	**2014-1 PCS Class D**	**2017-1 Excess**	**2018-1 Excess**	**New Jersey**	**Below FHCF**	**FHCF**	**Excess**	**Sanders Re 2017-2**
Hurricane in South Carolina												
Per Occurrence Excess Agreement												
Loss		1,050.0										
Retention		500.0	500 retention									
Subject Loss		550.0	Total loss less 500 retention									
Layer 1			**250 x 500, 95% placed**									
	Retained	12.5	5% of 250 x 500									
	Recoverable	(237.5)	95% of 250 x 500; limit reinstates to 250	(237.5)								
Layer 2			**250 x 750, 95% placed**									
	Retained	12.5	5% of 250 x 750									
	Recoverable	(237.5)	95% of 250 x 750; limit reinstates to 250	(237.5)								
Layer 3			**500 x 1,000, 95% placed**									
	Retained	2.5	5% of 50 x 1,000									
	Recoverable	(47.5)	95% of 50 x 1,000; limit reinstates to 500	(47.5)								
South Carolina loss		**1,050.0**										
Less recoverables		**(522.5)**										
Net loss		**527.5**										
Hurricane in Texas												
Per Occurrence Excess Agreement												
Loss		1,400.0										
Retention		500.0	500 retention									
Subject Loss		900.0	Total loss less 500 retention									
Layer 1			**250 x 500, 95% placed**									
	Retained	12.5	5% of 250 x 500									
	Recoverable	(237.5)	95% of 250 x 500; reinstated limit now exhausted	(237.5)								
Layer 2			**250 x 750, 95% placed**									
	Retained	12.5	5% of 250 x 750									
	Recoverable	(237.5)	95% of 250 x 750; reinstated limit now exhausted	(237.5)								
Layer 3			**500 x 1,000, 95% placed**									
	Retained	20.0	5% of 400 x 1,000									
	Recoverable	(380.0)	95% of 400 x 1,000; limit reinstates to 500	(380.0)								
Texas loss		**1,400.0**										
Less recoverables		**(855.0)**										
Net loss		**545.0**										
Total losses		**2,450.0**										
Less recoverables		**(1,377.5)**										
Net loss		**1,072.5**		**(1,377.5)**								

Illustration of Utilization of Reinsurance Coverage [a]

The following examples are provided to illustrate Allstate's reinsurance program and should not be relied upon to determine the amount of Allstate's net loss from any actual events that may occur in the future. They are based on hypothetical situations. The actual amounts recoverable under our reinsurance program and the amount of our net loss from any one event or series of events could differ materially from the hypothetical results presented in these examples due to a variety of factors, including the nature and location of the specific losses incurred, the specific lines of business covered by the various reinsurance agreements, and the impact of potential litigation. Reinstatement premiums are not included. Provisional retentions for the 2017 FL and 2018 NJ programs have been used.

(in millions)

Example 3 - First hurricane landfalls in Alabama, total loss of $350 million; second hurricane landfalls in Georgia, total loss of $900 million; third hurricane landfalls in South Carolina, total loss of $750 million. (Total loss of $2.00 billion, net loss of $1.38 billion or 69.1% of total loss.)

		Amount	Notes	Per Occurrence	2014-1 PCS Class D	2017-1 Excess	2018-1 Excess	New Jersey	Castle Key Group Below FHCF	Castle Key Group FHCF	Castle Key Group Excess	Sanders Re 2017-2
Hurricane in Alabama												
Per Occurrence Excess Agreement												
Loss		350.0										
Retention		500.0	500 retention									
Recoverable		0.0	Retention exceeds total loss									
Alabama loss		**350.0**										
Less recoverable		**0.0**										
Net loss		**350.0**										
Hurricane in Georgia												
Per Occurrence Excess Agreement												
Loss		900.0										
Retention		500.0	500 retention									
Subject Loss		400.0	Total loss less 500 retention									
Layer 1			**250 x 500, 95% placed**									
	Retained	12.5	5% of 250 x 500									
	Recoverable	(237.5)	95% of 250 x 500; limit reinstates to 250	(237.5)								
Layer 2			**250 x 750, 95% placed**									
	Retained	7.5	5% of 150 x 750									
	Recoverable	(142.5)	95% of 150 x 750; limit reinstates to 250	(142.5)								
Georgia loss		**900.0**										
Less recoverables		**(380.0)**										
Net loss		**520.0**										
Hurricane in South Carolina												
Per Occurrence Excess Agreement												
Loss		750.0										
Retention		500.0	500 retention									
Subject Loss		250.0										
Layer 1			**250 x 500, 95% placed**									
	Retained	12.5	5% of 250 x 500									
	Recoverable	(237.5)	95% of 250 x 500; reinstated limit now exhausted	(237.5)								
South Carolina loss		**750.0**										
Less recoverable		**(237.5)**										
Net loss		**512.5**										
Total loss		**2,000.0**										
Less recoverables		**(617.5)**										
Net loss		**1,382.5**		**(617.5)**								

Illustration of Utilization of Reinsurance Coverage [(a)]

The following examples are provided to illustrate Allstate's reinsurance program and should not be relied upon to determine the amount of Allstate's net loss from any actual events that may occur in the future. They are based on hypothetical situations. The actual amounts recoverable under our reinsurance program and the amount of our net loss from any one event or series of events could differ materially from the hypothetical results presented in these examples due to a variety of factors, including the nature and location of the specific losses incurred, the specific lines of business covered by the various reinsurance agreements, and the impact of potential litigation. Reinstatement premiums are not included. Provisional retentions for the 2017 FL and 2018 NJ programs have been used.

(in millions)

Example 4 - First hurricane landfalls in Maryland, total loss $600 million; second hurricane landfalls in New Jersey, total loss of $500 million; third hurricane landfalls in Maine, total loss of $200 million; fire losses in California following an earthquake, total loss of $1.70 billion. (Total loss of $3.00 billion, net loss of $1.43 billion or 47.6% of total loss.)

	Amount	Notes	Per Occurrence	2014-1 PCS Class D	2017-1 Excess	2018-1 Excess	New Jersey	Castle Key Group Below FHCF	Castle Key Group FHCF	Castle Key Group Excess	Sanders Re 2017-2
Hurricane in Maryland											
Per Occurrence Excess Agreement											
Loss	600.0										
Retention	500.0	500 retention									
Subject loss	100.0	Total loss less 500 retention									
Layer 1		**250 x 500, 95% placed**									
Retained	5.0	5% of 100 x 500									
Recoverable	(95.0)	95% of 100 x 500; limit reinstates to 250	(95.0)								
Maryland loss	**600.0**										
Less recoverable	**(95.0)**										
Net loss	**505.0**										
Hurricane in New Jersey											
NJ Excess Contract Expiring 2019		**400 x 139, 31.67% placed**									
Loss	500.0										
Retention	139.0	139 retention									
Subject Loss	361.0	Total loss less 139 retention									
Retained	246.7	68.33% retained on 361 x 139									
Recoverable	(114.3)	31.67% of 361 x 139; limit reinstates to 400					(114.3)				
NJ Excess Contract Expiring 2020		**400 x 142, 31.67% placed**									
Loss	500.0										
Retention	142.0	142 retention									
Subject Loss	358.0	Total loss less 142 retention									
Retained	244.6	68.33% retained on 358 x 142									
Recoverable	(113.4)	31.67% of 358 x 142; limit reinstates to 400					(113.4)				
NJ Excess Contract Expiring 2021		**400 x 150, 31.66 placed**									
Loss	500.0										
Retention	150.0	150 retention									
Subject Loss	350.0	Total loss less 150 retention									
Retained	239.2	68.34% retained on 350 x 150									
Recoverable	(110.8)	31.66% of 350 x 150; limit reinstates to 400					(110.8)				
New Jersey loss	**500.0**										
Less recoverables	**(338.4)**										
Net loss	**161.6**										

Illustration of Utilization of Reinsurance Coverage [a]

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(in millions)

									Castle Key Group			
		Amount	Notes	Per Occurrence	2014-1 PCS Class D	2017-1 Excess	2018-1 Excess	New Jersey	Below FHCF	FHCF	Excess	Sanders Re 2017-2
Example 4 - continuation												
Hurricane in Maine												
Per Occurrence Excess Agreement												
Loss		200.0										
Retention		500.0	500 retention									
Subject Loss		0.0	Retention exceeds total loss									
Maine loss		**200.0**										
Less recoverable		**0.0**										
Net loss		**200.0**										
Fire losses in California following an earthquake												
Per Occurrence Excess Agreement												
Loss		1,700.0										
Retention		500.0	500 retention									
Subject loss		1,200.0	Total loss less 500 retention									
Layer 1			**250 x 500, 95% placed**									
	Retained	12.5	5% of 250 x 500									
	Recoverable	(237.5)	95% of 250 x 500; limit reinstates to 150	(237.5)								
Layer 2			**250 x 750, 95% placed**									
	Retained	12.5	5% of 250 x 750									
	Recoverable	(237.5)	95% of 250 x 750; limit reinstates to 250	(237.5)								
Layer 3			**500 x 1,000, 95% placed**									
	Retained	25.0	5% of 500 x 1,000									
	Recoverable	(475.0)	95% of 500 x 1,000; limit reinstates to 500	(475.0)								
Layer 4			**750 x 1,500, 95% placed**									
	Retained	10.0	5% of 200 x 1,500									
	Recoverable	(190.0)	95% of 200 x 1,500; limit reinstates to 750	(190.0)								
California loss		**1,700.0**										
Less recoverables		**(1,140.0)**										
Net loss		**560.0**										
Total loss		**3,000.0**										
Less recoverables		**(1,573.5)**										
Net loss		**1,426.5**		**(1,235.0)**				**(338.5)**				

Illustration of Utilization of Reinsurance Coverage [a]

The following examples are provided to illustrate Allstate's reinsurance program and should not be relied upon to determine the amount of Allstate's net loss from any actual events that may occur in the future. They are based on hypothetical situations. The actual amounts recoverable under our reinsurance program and the amount of our net loss from any one event or series of events could differ materially from the hypothetical results presented in these examples due to a variety of factors, including the nature and location of the specific losses incurred, the specific lines of business covered by the various reinsurance agreements, and the impact of potential litigation. Reinstatement premiums are not included. Provisional retentions for the 2017 FL and 2018 NJ programs have been used.

(in millions)

Example 5 - First hurricane landfalls in Louisiana, total loss of $1.00 billion. A second hurricane landfalls in Texas resulting in $3.60 billion of personal lines property losses and $300 million of personal lines automobile losses, total loss $3.90 billion. PCS declare the Texas event to be a $59.50 billion Personal Lines Property Industry Event and a $2.95 billion Auto Industry Event. A third hurricane landfalls in Florida, total property loss of $600 million. (Total loss of $5.50 billion, net loss of $1.22 billion or 22.1% of total loss.)[c]

		Amount	Notes	Per Occurrence	2014-1 PCS Class D	2017-1 Excess	2018-1 Excess	New Jersey	Castle Key Group: Below FHCF	Castle Key Group: FHCF	Castle Key Group: Excess	Sanders Re 2017-2
Hurricane in Louisiana												
Per Occurrence Excess Agreement												
Loss		1,000.0										
Retention		500.0	500 retention									
Subject loss		500.0	Total loss less 500 retention									
Layer 1			**250 x 500, 95% placed**									
	Retained	12.5	5% of 250 x 500									
	Recoverable	(237.5)	95% of 250 x 500; limit reinstates to 250	(237.5)								
Layer 2			**250 x 750, 95% placed**									
	Retained	12.5	5% of 250 x 750									
	Recoverable	(237.5)	95% of 250 x 750; limit reinstates to 250	(237.5)								
Loiusiana Loss		**1,000.0**										
Less recoverables		**(475.0)**										
Net loss		**525.0**										
Hurricane in Texas												
Per Occurrence Excess Agreement												
Loss		3,900.0										
Retention		500.0	500 retention									
Subject loss		3,400.0	Total loss less 500 retention									
Layer 1			**250 x 500, 95% placed**									
	Retained	12.5	5% of 250 x 500									
	Recoverable	(237.5)	95% of 250 x 500, reinstated limit now exhausted	(237.5)								
Layer 2			**250 x 750, 95% placed**									
	Retained	12.5	5% of 250 x 750									
	Recoverable	(237.5)	95% of 250 x 750; reinstated limit now exhausted	(237.5)								
Layer 3			**500 x 1,000, 95% placed**									
	Retained	25.0	5% of 500 x 1,000									
	Recoverable	(475.0)	95% of 500 x 1,000; limit reinstates to 500	(475.0)								
Layer 4			**750 x 1,500, 95% placed**									
	Retained	37.5	5% of 750 x 1,500									
	Recoverable	(712.5)	95% of 750 x 1,500; limit reinstates to 750	(712.5)								
Layer 5			**500 x 2,250, 95% placed**									
	Retained	25.0	5% of 500 x 2,250									
	Recoverable	(475.0)	95% of 500 x 2,250; limit reinstates to 500	(475.0)								
Layer 6			**324 x 2,750, 95% placed**									
	Retained	16.2	5% of 324 x 2,750									
	Recoverable	(307.8)	95% of 324 x 2,750; limit reinstates to 324	(307.8)								

Illustration of Utilization of Reinsurance Coverage [(a)]

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(in millions)

								Castle Key Group			
	Amount	**Notes**	**Per Occurrence**	**2014-1 PCS Class D**	**2017-1 Excess**	**2018-1 Excess**	**New Jersey**	**Below FHCF**	**FHCF**	**Excess**	**Sanders Re 2017-2**
Example 5 - continuation											
Layer 7											
2014-1 PCS Class D Contract		**305 Limit; 321 x 3,074, 95.02% placed**									
Loss	3,900.0										
Retention	3,074.0	3,074 retention									
Subject Loss	826.0										
	305.0	Contract provides 100% of 305 limit									
	241.71%	Event Index Percentage									
		Event Index Percentage = Hurricane Index Value - retention / Exhaustion level - retention (Hurricane Index value = PCS declared property loss of 59,500 x the property payout factor for the subject state + PCS declared auto loss of 2,950 x the automobile payout factor for the subject state. Payout factors are applicable to each covered state and are subject to annual adjustment.)									
Recoverable	(305.0)	Event Index Percentage x contract limit, subject to contract limit; limit exhausted and not subject to reinstatement		(305.0)							
Layer 8											
Per Occurrence Excess Agreement											
2017-1 Excess contract		**375 Limit; 571 x 3,395, 65.63% placed**									
Property Loss	3,600.0	Incurred property losses									
Automobile Loss	300.0	Incurred auto losses									
Total Loss	3,900.0										
Adjusted Ultimate Net Loss	3,895.0	Adjusted Ultimate Net Loss = Incurred Property Losses of 3,600 + Auto Losses of 295. Auto Losses recoverable are deterimined by applying an auto payout factor of 10% to the PCS declared auto loss of 2,950, producing an auto loss of 295.									
Retained	3,395.0	3,395 retention									
Recoverable	(328.2)	Event Loss Amount recoverable = Adjusted Ultimate Net Loss - retention x reinsurance placed percentage subject to 375 contract limit; 46.8 remains for future events			(328.2)						
7 Year Contract - Traditional Market		**446 x 3,395, 29.37% placed**									
Loss	3,900.0										
Retention	3,395.0	3,395 retention									
Subject Loss	505.00	Total loss less 3,395 retention									
Retained	374.0	70.63% of 405 x 3,395									
Recoverable	(131.0)	29.37% of 446 x 3,395; limit reinstates to 446	(131.0)								
1 Year Contract - Traditional Market		**69 x 2,750, 100% placed**									
Loss	3,900.0										
Retention	2,750.0	2,750 retention									
Subject Loss	1,150.0	Total loss less 2,750 retention									
Inuring	1,072.0	Recoveries from Layers 6, 7, and 8									
	78.0	Subject loss less inuring									
Deemed	57.5	Less deemed; 5% x 2,750 retention of reinsurance limits deemed in place under the contract (Subject loss of 3,900 - 2,750 x 5%)									
Recoverable	(20.5)	Subject loss less inuring and deemed; 48.5 remains for future events	(20.5)								
Texas Loss	**3,900.0**										
Less recoverables	**(3,230.0)**										
Net loss	**670.0**										

Illustration of Utilization of Reinsurance Coverage [(a)]

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(in millions)

	Amount	Notes						Castle Key Group			
Example 5- continuation			Per Occurrence	2014-1 PCS Class D	2017-1 Excess	2018-1 Excess	New Jersey	Below FHCF	FHCF	Excess	Sanders Re 2017-2
Hurricane in Florida											
Below FHCF		**38 x 20, 100% placed**									
Loss	600.0										
Retention	20.0	20 retention									
Subject Loss	580.0	Total loss less 20 retention									
Recoverable	(38.0)	100% of 38 x 20 retention; limit reinstates to 38									
								(38.0)			
FHCF [(b)]		**188 x 58 retention, 90% placed**									
Loss	600.0										
Retention	58.0	58 retention									
Subject Loss	542.0	Total loss less 58 retention									
Retained	18.8	10% retained on 188 limit									
Recoverable	(169.2)	90% of 188 x 58 retention; limit exhausted							(169.2)		
Excess		**231 x 20 retention; recoveries from Below FHCF and FHCF inure; 100% placec**									
Loss	600.0										
Retention	20.0	20 retention									
Subject Loss	580.0	Total loss less 20 retention									
Inuring Reinsurance	207.2	38 recovery from Below FHCF and 169.2 recovery from FHCF inure									
Recoverable	(231.0)	100% of 231 x 20 retention and less inuring reinsurance; limit exhausted								(231.0)	
Sanders Re 2017-2		**200 x 20 retention and x Stated Reinsurance of 438.2; 100% placec**									
Loss	600.0										
Retention	458.2	458.2 retention (20 plus Stated Reinsurance equal to the Below FHCF contract limit, the mandatory FHCF limit 90% placed, and the Excess contract limit)									
Subject Loss	141.8	Total loss less 458.2 retention									
Recoverable	(141.8)	100% of 141.8 x 20 retention and x stated reinsurance of 438.2; 58.2 limit remains excess of 20 retention and excess of remaining stated reinsurance of 38									(141.8)
Florida loss	**600.0**										
Less recoverables:											
Below FHCF	**(38.0)**										
FHCF	**(169.2)**										
Excess	**(231.0)**										
Sanders Re 2017-2	**(141.8)**										
Net loss	**20.0**										
Total loss	**5,500.0**										
Less net recoverables	**(4,285.0)**										
Net loss	**1,215.0**		**(3,071.8)**	**(305.0)**	**(328.2)**			**(38.0)**	**(169.2)**	**(231.0)**	**(141.8)**