Catastrophe Reinsurance Program
Effective June 1, 2010 to June 30, 2011

Northbrook, Ill., June 16, 2010 – During the second quarter of 2010, we completed the personal lines property excess catastrophe reinsurance program for Allstate Protection, the property and casualty business unit of The Allstate Corporation (NYSE: ALL), by placing a Florida component that provides excess catastrophe coverage for our separately capitalized Florida underwriting entities.

Our catastrophe reinsurance program allows us to continue to broadly offer protection products. It was designed, utilizing our risk management methodology, to address our exposure to catastrophes nationwide. Our program provides reinsurance protection for catastrophes including storms named or numbered by the National Weather Service, fires following earthquakes, earthquakes and wildfires, including California wildfires. These reinsurance agreements are part of our catastrophe management strategy, which is intended to provide our shareholders an acceptable return on the risks assumed in our property business, and to reduce variability of earnings while providing protection to our customers.

Our program coordinates coverage under various agreements and, as discussed below, comprises agreements that provide coverage for the occurrence of

- certain qualifying catastrophes in specific states including New York, New Jersey, Connecticut, Rhode Island, North Carolina, Pennsylvania, and California for multiple perils* ("multi-peril");
- hurricane catastrophe losses in the states of Texas, Louisiana, Mississippi and Alabama ("Gulf States") and Georgia, South Carolina, North Carolina, Virginia, Maryland and Delaware and the District of Columbia ("Atlantic States");
- hurricane catastrophe losses in the state of Texas ("Texas Hurricane"); and for earthquakes and fires following earthquakes losses in the state of Kentucky ("Kentucky"); and
- the aggregate or sum of qualifying losses nationwide, excluding Florida, in excess of an annual retention associated with storms named or numbered by the National Weather Service, fires following earthquakes and California wildfires ("aggregate excess").

The Florida component of the reinsurance program, which is described on pages 3 and 6 of this document, is designed separately from the other components of the program to address the distinct needs of our separately capitalized legal entities in that state.

We employ a layered approach to placing our reinsurance coverage to lessen the amount of reinsurance being placed in the market in any one year.

- The multi-peril agreements, excluding Pennsylvania and North Carolina, each comprise three contracts with one contract expiring as of May 31, 2011, 2012 and 2013, respectively. The Pennsylvania multi-peril agreement expires on May 31, 2012 and has been placed as a three year term contract. The North Carolina agreement is for one year expiring June 30, 2010, and will not be replaced. The newly placed California contract, effective June 1, 2010 and expiring May 31, 2013, provides multi-peril coverage. The two existing California contacts expiring May 31, 2011 and May 31, 2012, provide coverage for fires following earthquakes only ("California fires following earthquakes"). We retain the right to cancel each contract on the first or second anniversary date.
- The Gulf States and Atlantic States agreements, effective June 1, 2010, replace the South-East, Texas multi-peril, and North Carolina agreements. The Gulf States and Atlantic States agreements each comprise three contracts with one contract expiring as of May 31, 2011, 2012, and 2013 respectively. We retain the right to cancel each contract on the first or second anniversary date. As of May 31, 2010, the South-East agreement terminated and the Texas multi-peril agreement was cancelled. The North Carolina agreement will terminate as of June 30, 2010. For information regarding the terms, retentions and limits of these agreements, please refer to the "Reinsurance Update (Updated 8/5/2009)" under the 2009 2nd Quarter Investor Information at www.allstate.com.

* Unlike the existing California contracts that expire May 31, 2011 and May 31, 2012, and provide coverage only for fires following earthquakes, the newly placed California contract, expiring May 31, 2013, reinsures multiple perils, including earthquakes and fires following earthquakes, resulting in the classification of the California agreement as a "multi-peril" agreement.

- The Texas Hurricane agreement has been placed as a three year term contract from June 18, 2008 to June 17, 2011. The Kentucky agreement expires on May 31, 2011 and has been placed as a three year term contract which can be canceled on the first or second anniversary date.
- The aggregate excess agreement comprises two contracts with one contract expiring on May 31, 2011 and the other contract expiring on May 31, 2012.

The multi-peril agreements have various retentions and limits commensurate with the amount of catastrophe risk, measured on an annual basis, in each covered state. A description of these retentions and limits appears in the following table. The multi-peril agreement for Connecticut and Rhode Island provides that losses resulting from the same occurrence but taking place in multiple states may be combined to meet the agreement's per occurrence retention and limit.

The California agreement provides coverage for Allstate Protection personal property excess catastrophe losses in the state of California. The two existing California fires following earthquakes contracts, expiring May 31, 2011 and May 31, 2012 respectively, provide a $750 million limit in excess of a $750 million retention for fires following earthquakes. The new multi-peril contract effective June 1, 2010 to May 31, 2013 provides a $500 million limit in excess of a $500 million retention for multiple perils as opposed to fire following earthquakes only. For the year June 1, 2010 to May 31, 2011, Allstate retains 5% of the risk of the California agreement.

The Gulf States agreement provides coverage for Allstate Protection personal property excess catastrophe losses in the states of Texas, Louisiana, Mississippi, and Alabama, for storms named or numbered by the National Weather Service. The Gulf States agreement covers $500 million of losses in excess of $500 million, with Allstate retaining 5% of the risk. The Gulf States agreement provides that losses resulting from the same occurrence but taking place in multiple states may be combined to meet the agreement's per occurrence retention and limit.

The Atlantic States agreement provides coverage for Allstate Protection personal property excess catastrophe losses in the states of Georgia, South Carolina, North Carolina, Virginia, Maryland and Delaware and the District of Columbia, for storms named or numbered by the National Weather Service. The Atlantic States agreement covers $500 million of losses in excess of $500 million, with Allstate retaining 5% of the risk. The Atlantic States agreement provides that losses resulting from the same occurrence but taking place in multiple states may be combined to meet the agreement's per occurrence retention and limit.

The Texas Hurricane agreement provides coverage for Allstate Protection personal property excess catastrophe losses in Texas for hurricane catastrophe losses. The agreement was placed with a Cayman Island insurance company, Willow Re Ltd., which completed an offering to unrelated investors for principal at risk, variable market rate notes of $250 million to collateralize hurricane catastrophe losses covered by this agreement. Amounts payable under the reinsurance agreement will be based on an index created by applying predetermined percentages representing our estimated market share of catastrophe losses to insured personal property industry losses in Texas, as reported by Property Claim Services ("PCS"), limited to our actual losses in excess of $10 million. The retention and exhaustion point are annually reset, based on updated industry and Allstate exposure data. As of June 1, 2010, the limit on our Texas Hurricane agreement is designed to replicate as close as possible 100% of $250 million of our catastrophe losses between $1.1 billion (retention) and $1.35 billion (exhaustion point).

The Kentucky agreement provides coverage for Allstate Protection personal property excess catastrophe losses in the state of Kentucky for earthquakes and fires following earthquakes. This agreement is for $40 million of losses, in excess of $10 million, with Allstate retaining 5% of the risk.

The aggregate excess agreement provides coverage for the aggregate or sum of all qualifying Allstate Protection losses incurred nationwide, except Florida, in excess of $2 billion of aggregated qualifying losses up to the limit of $2 billion arising from three covered perils: storms named or numbered by the National Weather Service, fires following earthquakes and California wildfires.

The aggregate excess agreement comprises two contracts: one contract effective June 1, 2009 to May 31, 2011 with one year remaining on its two year term, and one contract effective June 1, 2010 to May 31, 2012. The contract expiring as of May 31, 2011 represents 47.5% of the placement or $950 million of the $2.0 billion limit. The contract expiring May 31, 2012, represents the remaining 47.5% of the placement with Allstate retaining the option in 2011 to place up to the entire $2.0 billion limit. For the year June 1, 2010 to May 31, 2011, Allstate retains 5% of the $2.0 billion reinsurance limit.

The coverage provided by the multi-peril (except for the North Carolina agreement which will not be renewed upon its June 30, 2010 expiration), California fires following earthquakes, Gulf States, Atlantic States, Texas Hurricane and Kentucky agreements in effect as of June 1, 2010 are deemed to be in place for the purpose of making loss recoveries under the aggregate excess contracts in effect as of June 1, 2010. Therefore, losses recoverable from these agreements are excluded when determining the coverage under the aggregate excess agreement to the extent that the loss recoveries conform to the named peril coverage in the aggregate excess agreement ("inure"). Conversely, losses retained under, or which exceed the limits of, the multi-peril, California fires following earthquakes, Gulf States, Atlantic States, Texas Hurricane, and Kentucky agreements and qualifying as covered losses under the aggregate excess agreement are covered. The aggregate excess contracts may respond to yearly changes in the placement of reinsurance which inures to the benefit of the contracts. The aggregate excess contracts will automatically amend, at the inception of their second contract year, to replace the existing inuring reinsurance contracts with the reinsurance contracts being placed and in effect as of the inception of the aggregate excess's second contract year, except if the likelihood of loss under the aggregate excess contracts increases by more than 25% due to the amended inuring reinsurance..

Seven separate agreements have been entered into by Castle Key Insurance Company, formerly known as Allstate Floridian Insurance Company, and its subsidiaries ("Castle Key Group") for personal property excess catastrophe losses in Florida, effective June 1, 2010 for a one year term for multi-perils including hurricanes, earthquakes and wildfires. The agreements effective June 1, 2010 coordinate coverage for hurricane losses with the Florida Hurricane Catastrophe Fund ("FHCF") including both the mandatory FHCF coverage and Castle Key Group's elected participation in the optional temporary increase in coverage limit ("TICL"). The FHCF coverage includes an estimated maximum provisional limit of 90% of $293.5 million or $264.2 million (comprising 90% of the mandatory FHCF coverage layer of $199.5 million plus 90% of the TICL layer of $94 million), in excess of a provisional retention of $75.5 million, and also includes reimbursement of eligible loss adjustment expenses at 5%. The limit and retention for the FHCF and TICL coverage are both subject to adjustment upward or downward to an actual retention and limit based on submitted exposures to the FHCF by all participants. For each of the two largest hurricanes the provisional retention is $75.5 million and a retention equal to one third of that amount, or approximately $25 million, is applicable to all other hurricanes for the season beginning June 1, 2010. The seven agreements are listed and described below.

- FHCF Retention – provides coverage on $45.5 million of losses in excess of $30 million and is 100% placed, with one prepaid reinstatement of limit.
- Third Limit Below FHCF – provides coverage on $45.5 million of losses in excess of $30 million after the exhaustion of the two limits ($91 million) provided by the FHCF Retention contract.
- FHCF Sliver – provides coverage on 10% co-participation of the mandatory FHCF coverage payout up to $19.95 million, and is 100% placed with one prepaid reinstatement of limit.
- FHCF Backup – provides coverage of $199.5 million of losses after the exhaustion of any portion of the anticipated mandatory FHCF coverage reimbursement protection in excess of $75.5 million (the FHCF Retention). This contract is 90% placed with no reinstatement of limit.
- TICL Sliver – provides coverage on 10% co-participation of the TICL payout up to $9.4 million, and is 100% placed with one prepaid reinstatement of limit.
- TICL Backup – provides coverage of $94 million of losses after the exhaustion of any portion of the anticipated TICL reimbursement protection in excess of $75.5 million (the FHCF Retention) and the anticipated mandatory FHCF coverage reimbursement protection (or alternatively, the FHCF Backup). This contract is 90% placed with no reinstatement of limit
- Excess – provides coverage of $184.2 million of losses in excess of $75.5 million (the FHCF Retention), and in excess of an estimated $293.5 million equivalent to $199.5 million (the mandatory FHCF coverage payout or alternatively the FHCF Backup) and $94 million (the TICL payout or alternatively the TICL Backup). This contract is 100% placed with one prepaid reinstatement of limit.

The reinsurance agreements have been placed in the global reinsurance market. All but two of the reinsurers on our program have an A.M. Best insurance financial strength rating of A- or better. One of the reinsurers who is not rated by A.M. Best has a Standard & Poor's ("S&P") rating of AA. The other reinsurer, Willow Re, provides coverage for our Texas Hurricane program and is not rated by either A.M. Best or S&P. We have collateral for the full reinsurance limit of the Texas Hurricane contract.

We estimate that the total annualized cost of all catastrophe reinsurance programs for the year beginning June 1, 2010 will be approximately $560 million or $140 million per quarter compared to $640 million annualized cost for the year beginning June 1, 2009. The total cost of our reinsurance programs during 2009 was $158 million in the first quarter, $156 million in the second quarter, $162 million in the third quarter and $153 million in the fourth quarter. The total cost of our property catastrophe reinsurance programs during the first quarter of 2010 was $151 million. We continue to attempt to capture our reinsurance cost in premium rates as allowed by state regulatory authorities.

The terms, retentions and limits for Allstate's Catastrophe Reinsurance Program, except Florida, in place as of June 1, 2010 are contained in the following table.

($ in millions)	**Effective date**	**% placed** Yr 1	Yr 2	Yr 3	**Reinstatements***	**Retention**	**Per occurrence Limit**
Aggregate excess[1]	6/1/2009 and 6/1/2010	95	47.5	NA	None	$2,000	$2,000
Multi-peril[2]:	Various per below						
- Connecticut/Rhode Island	6/1/2008, 6/1/2009	53	26		2 limits each year for each contract, prepaid	200	200
- Connecticut/Rhode Island	6/1/2010	42	42	42	2 limits each year for each contract, prepaid	200	250
- New Jersey	6/1/2008, 6/1/2009, and 6/1/2010	95	63	32	2 limits each year for each contract, prepaid	200	300
- New Jersey Excess	6/1/2008, 6/1/2009, and 6/1/2010	95	68	42	2 limits each year for each contract, prepaid	500	200
-New York	6/1/2008, 6/1/2009	53	27		2 limits each year for each contract, prepaid	750	1,000
-New York	6/1/2010	42	42	42	2 limits each year for each contract, prepaid	600	1,000
-Pennsylvania	6/1/2009	95	95		3 limits over 3 years, prepaid	100	100
-North Carolina	7/1/2009	95			2 limits, prepaid	150	150
-California	6/1/2010	32	32	32	2 limits each year, prepaid	500	500
California fires following earthquakes[3]	6/1/2008 and 6/1/2009	63	32		2 limits each year for each contract, prepaid	750	750
Atlantic States [4]	6/1/2010	95	63	32	1 reinstatement each year for each contract, premium required	500	500
Gulf States [5]	6/1/2010	95	63	32	1 reinstatement each year for each contract, premium required	500	500
Texas Hurricane [6]	6/18/2008	100			1 limit over contract term	1,080	250
Kentucky [7]	6/1/2008	95			3 limits over 3 years, prepaid	10	40

*A prepaid reinstatement provision restores the full amount of a per occurrence limit, capped at the reinsurance contract's limit, after payment of loss; its cost is included within the initial reinsurance premium. .

(1) Aggregate Excess - This agreement comprises two contracts: one contract effective 6/1/2009 to 5/31/2011 with one year remaining on its two year term, and one contract effective 6/1/2010 to 5/31/2012. This agreement covers the aggregation of qualifying losses for storms named or numbered by the National Weather Service, fires following earthquakes and California wildfires, for Allstate Protection personal lines auto and property business countrywide, except for Florida, in excess of $2.0 billion in aggregated losses per contract year. Our multi-peril (except for the North Carolina agreement which will not be renewed upon its 6/30/2010 expiration), California fires following earthquakes, Gulf States,

Atlantic States, Texas Hurricane, and Kentucky agreements are deemed in place, and losses recoverable under these agreements, if any, are excluded when determining coverage under this agreement. The contract expiring as of 5/31/2011 represents 47.5% of the placement or $950 million of the $2.0 billion limit. The contract expiring 5/31/2012 represents the remaining 47.5% of the placement with Allstate retaining the option in 2011 to place up to the entire $2.0 billion limit of this contract. For the year 6/1/10 to 5/31/11, Allstate retains 5% of the $2.0 billion reinsurance limit.

(2) Multi-peril – The multi-peril agreements cover Allstate Protection personal property excess catastrophe losses. Each agreement, except for Pennsylvania and North Carolina, comprises three contracts expiring 5/31/2011, 2012 and 2013, respectively. The preliminary retention and reinsurance premium are subject to redetermination for exposure changes at each anniversary. The Pennsylvania agreement is a three year term contract effective 6/1/2009 to 5/31/2012 and provides three limits over three years subject to two limits being available in any one contract year. The Pennsylvania agreement's retention and premium are not subject to redetermination for exposure change at each anniversary. The North Carolina agreement provides two limits over its one year term and will not be replaced upon its June 30, 2010 expiration. Unlike the existing California fires following earthquakes contracts, the newly placed California contract reinsures multiple perils, including earthquakes and fires following earthquakes, resulting in its classification as a multi-peril agreement.

(3) California Fires Following Earthquakes - This agreement comprises two contracts expiring 5/31/2011, and 2012, respectively. This agreement covers Allstate Protection personal property excess catastrophe losses in California for fires following earthquakes only as opposed to the multi-peril coverage provided by the newly placed California contract. The preliminary retention and reinsurance premium are subject to redetermination for exposure changes at each anniversary.

(4) Atlantic States – This agreement has one, two and three year contracts expiring 5/31/2011, 2012, and 2013, respectively, and covers Allstate Protection personal property excess catastrophe losses for storms named or numbered by the National Weather Service in the states of Georgia, North Carolina, South Carolina, Virginia, Maryland, and Delaware and the District of Columbia. The preliminary retention and reinsurance premium are subject to redetermination for exposure changes at each anniversary.

(5) Gulf States – This agreement has one, two and three year contracts expiring 5/31/2011, 2012, and 2013, respectively, and covers Allstate Protection personal property excess catastrophe losses for storms named or numbered by the National Weather Service in the states of Texas, Louisiana, Alabama and Mississippi. The preliminary reinsurance retention and reinsurance premium are subject to redetermination for exposure changes at each anniversary.

(6) Texas Hurricane - This agreement is effective 6/18/2008 to 6/17/2011 and covers Allstate Protection personal property excess catastrophe losses for hurricanes. As of June 1, 2010, this agreement provides coverage for 100% of $250 million of our catastrophe losses between $1.1 billion (retention) and $1.35 billion (exhaustion point). Qualifying losses under this agreement are also eligible to be ceded under the Gulf States agreement. The retention and exhaustion point are reset annually based on updated industry and Allstate exposure data. For a given hurricane event, the retention may vary depending on the Property Claim Services' estimate of insured personal property losses in Texas.

(7) Kentucky - This agreement is effective 6/1/2008 for three years and covers Allstate Protection personal property excess catastrophe losses for earthquakes and fires following earthquakes. This agreement provides three limits over three years subject to two limits being available in any one contract year.

Castle Key Group

($ in millions)	Effective date	% placed	Reinstatement	Retention	Per occurrence Limit
FHCF Retention[(1)]	6/1/2010	100	2 limits over 1-year term, prepaid	$30	$45.5
Third Limit Below FHCF [(2)]	6/1/2010	100%	1 limit over 1-year term	30 and excess of the exhaustion of 2 limits provided by FHCF Retention contract	45.5
Mandatory FHCF Coverage and TICL[(3)]	6/1/2010	90	1 limit over 1-year term	75.5 for each of the 2 largest storms, 25 for all other storms	mandatory FHCF Coverage limit of 199.5 and TICL limit of 94
FHCF Sliver[(4)]	6/1/2010	100	2 limits over 1-year term, prepaid	75.5	10% co-participation of the mandatory FHCF coverage recoveries estimated at 19.95
FHCF Backup[(5)]	6/1/2010	90	1 limit over 1-year term	75.5 and any limit remaining of the mandatory FHCF coverage	199.5
TICL Sliver[(6)]	6/1/2010	100	2 limits over 1-year term, prepaid	75.5	10% co-participation of the TICL recoveries estimated at 9.4
TICL Backup[(7)]	6/1/2010	90	1 limit over 1-year term	75.5 and any limit remaining of the TICL	94
Excess[(8)]	6/1/2010	100	2 limits over 1-year term, prepaid	75.5, and an estimated 293.5 comprised of 199.5 (the mandatory FHCF coverage payout or alternatively the FHCF Backup) and 94 (the TICL payout or alternatively the TICL Backup)	184.2

(1) FHCF Retention - provides coverage beginning 6/1/2010 for 1 year covering personal property excess catastrophe losses on policies written by the Castle Key Group. The preliminary reinsurance premium is subject to redetermination for exposure changes. Reinsurance premium to reinstate the second limit is prepaid.

(2) Third Limit Below FHCF - provides coverage beginning 6/1/2010 for 1 year covering personal property excess catastrophe losses on policies written by the Castle Key Group after the exhaustion of the limits provided by the FHCF Retention Contract. The preliminary reinsurance premium is subject to redetermination for exposure changes.

(3) Mandatory Florida Hurricane Catastrophe Fund ("FHCF") Coverage and Temporary Increase In Coverage Limit ("TICL") – provides 90% reimbursement on qualifying personal property losses up to an estimated maximum per hurricane season. Estimated limits and retentions are calculated for Castle Key Insurance Company and each of its subsidiaries independently, and are subject to annual remeasurements based on June 30th exposure data. "Provisional retentions" are initial estimates subject to adjustment upward or downward to the actual retention which is determined based on the submitted exposures of all FHCF participants.

(4) FHCF Sliver - provides coverage beginning 6/1/2010 for 1 year covering primarily excess catastrophe losses not reimbursed by the FHCF. The retention is $75.5 million and is subject to adjustment upward or downward to an actual retention that will equal the mandatory FHCF Coverage retention as respects business covered by this contract. The preliminary reinsurance premium is subject to redetermination for exposure changes. Estimated limits and retentions are calculated for Castle Key Insurance Company and each of its subsidiaries independently. Reinsurance premium to reinstate the second limit is prepaid.

(5) FHCF Backup – provides coverage beginning 6/1/2010 for 1 year covering personal property excess catastrophe losses and is contiguous to the mandatory FHCF Coverage payout. As the mandatory FHCF coverage capacity is paid out, this agreement automatically adjusts to replenish the exhausted mandatory FHCF coverage up to the original mandatory FHCF coverage reinsurance limits. The preliminary reinsurance premium is subject to redetermination for exposure changes. Estimated limits and retentions are calculated for Castle Key Insurance Company and each of its subsidiaries independently. The limits provided match the per company limits of the mandatory FHCF coverage. Retentions for each of the companies in the Castle Key Group also match the mandatory FHCF coverage retention.

(6) TICL Sliver - provides coverage beginning 6/1/2010 for 1 year covering primarily excess catastrophe losses not reimbursed by the TICL coverage. The retention is $75.5 million and is subject to adjustment upward or downward to an actual retention that will equal the FHCF retention as respects business covered by this contract. The preliminary reinsurance premium is subject to redetermination for exposure changes. Estimated limits and retentions are calculated for Castle Key Insurance Company and each of its subsidiaries independently. Reinsurance premium to reinstate the second limit is prepaid.

[7] TICL Backup – provides coverage beginning 6/1/2010 for 1 year covering personal property excess catastrophe losses and is contiguous to the TICL payout. As the TICL capacity is paid out, this agreement automatically adjusts to replenish the exhausted TICL reinsurance up to the original TICL reinsurance limits. The preliminary reinsurance premium is subject to redetermination for exposure changes. Estimated limits and retentions are calculated for Castle Key Insurance Company and each of its subsidiaries independently. The limits provided match the per company limits of the TICL coverage. Retentions for each of the companies in the Castle Key Group also match the FHCF retention.

[8] Excess - provides coverage beginning 6/1/2010 for 1 year covering personal property excess catastrophe losses and is designed to attach in excess of TICL (or alternatively the TICL Backup).. The preliminary reinsurance premium is subject to redetermination for exposure changes. The estimated limit is calculated for Castle Key Insurance Company and its subsidiaries on a consolidated basis. Estimated retentions are calculated for Castle Key Insurance Company and each of its subsidiaries independently. Reinsurance premium to reinstate the second limit is prepaid.

Reinsurance Agreements
Highlights of Certain Other Contract Terms and Conditions

	Aggregate Excess	Multi-peril, California fires following earthquakes and Kentucky	Gulf States	Atlantic States	Texas Hurricane	Castle Key
Business Reinsured	Personal Lines Property and Auto Business	Personal Lines Property Business	Personal Lines Property Business	Personal Lines Property Business	Personal Lines Property Business	Personal Lines Property Business
Location (s)	Nationwide except Florida	Each specific state Multi-peril states include New York, New Jersey, Connecticut, Rhode Island, Pennsylvania, North Carolina and California for the contract effective June 1, 2010.	Texas, Louisiana, Mississippi and Alabama	Georgia, South Carolina, North Carolina, Virginia, Maryland, Delaware and the District of Columbia	Texas	Florida
Covered Losses	3 specific perils in each contract – storms named or numbered by the National Weather Service, fires following earthquakes, and California wildfires.	Multi-peril – including hurricanes and earthquakes, fires following earthquakes, and wildfires. California fires following earthquakes: Fires following earthquakes for the contracts effective June 1, 2008 and June 1, 2009 Kentucky: Earthquakes and fires following earthquakes	Storms named or numbered by the National Weather Service	Storms named or numbered by the National Weather Service	Hurricanes	Multi-peril – including hurricanes and earthquakes
Pertinent Exclusions	Assessment exposure to California Earthquake Authority, Terrorism, Commercial	Automobile, Terrorism, Commercial	Automobile, Terrorism, Commercial	Automobile, Terrorism, Commercial	Assessment exposure to the Texas Windstorm Insurance Association, Automobile, Terrorism, Commercial	Automobile, Terrorism, Commercial, Policies reinsured under 100% quota share agreements with Royal Palm Insurance Company and Universal Insurance Company of North America
Loss Occurrence	Sum of all qualifying losses and sum of all qualifying occurrences (Aggregate) Losses over 96 hours from a named or numbered storm Losses over 168 hours for California wildfires Losses over 168 hours within a 336 hour period for fires following an earthquake	Multi-peril: Sum of all qualifying earthquakes, fires following earthquake and wildfire losses for a specific occurrence over 168 hours. Windstorm related occurrences over 96 hours. Riot related occurrences over 72 hours. California fires following earthquakes: occurrences over 168 hours. Kentucky: earthquake and fires following earthquake occurrences over 168 hours within a 336 hour period.	Sum of all qualifying losses from named or numbered storms by the National Weather Service over 96 hours	Sum of all qualifying losses from named or numbered storms by the National Weather Service over 96 hours	Hurricane event – our market share of PCS' estimated modified industry catastrophe losses	Sum of all qualifying losses for specific occurrences over 168 hours Windstorm related occurrences over 96 hours Riot related occurrences over 72 hours
Loss adjustment expenses included within ultimate net loss	12.5% of qualifying losses for the contract expiring May 31, 2011; 16% of qualifying named or numbered storm losses and CA wildfire losses and 17% of qualifying fires following earthquakes losses for the contract expiring May 31, 2012	12.5% of qualifying losses for contracts expiring May 31, 2011 and 2012 and June 30, 2010; 16% of qualifying named or numbered storm losses and CA wildfire losses and 17% of qualifying fires following earthquake losses for contracts expiring May 31, 2013	16% of qualifying losses	16% of qualifying losses	12.5% of qualifying losses	16% of qualifying losses

Illustration of Utilization of Reinsurance Coverage

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. Provisional retentions for the 2010 program have been used.

(in millions)

	Amount	Notes	Multi-peril (a)	Atlantic States (b)	Gulf States (b)	California Fires Following Earthquakes	Kentucky	Pennsylvania	Aggregate Excess	Castle Key Group (c)					
										FHCF Retention	FHCF	FHCF Sliver	FHCF Back-Up	First Excess	Second Excess
Example 1 - One hurricane landfalls in South Carolina, total loss of $2.1 billion (Total loss of $2.1 billion, net loss of $1.625 billion or 77.4%)															
Hurricane in South Carolina															
Atlantic States															
Loss	2,100.0														
Retention	500.0	500 retention													
Subject Loss	1,600.0	Total loss less 500 retention													
Retained	25.0	5% retained on 500 xs 500 retention													
Recoverable	(475.0)	95% of 500 xs 500 retention		(475.0)											
Retained	1,100.0	In excess of Atlantic States limit													
South Carolina loss	**2,100.0**														
Less recoverables	**(475.0)**			**(475.0)**											
Net loss	**1,625.0**														

Illustration of Utilization of Reinsurance Coverage

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(in millions)

										Castle Key Group (c)					
	Amount	Notes	Multi-peril (a)	Atlantic States (b)	Gulf States (b)	California Fires Following Earthquakes	Kentucky	Pennsylvania	Aggregate Excess	FHCF Retention	FHCF	FHCF Sliver	FHCF Back-Up	First Excess	Second Excess
Example 2 - First hurricane landfalls in South Carolina, total loss of $1.05 billion; second hurricane landfalls in Texas, total loss of $1.4 billion (Total loss of $2.45 billion, net loss of $1.5 billion or 61.2%)															
Hurricane in South Carolina															
Atlantic States															
Loss	1,050.0														
Retention	500.0	500 retention													
Subject Loss	550.0	Total loss less 500 retention													
Retained	25.0	5% retained on 500 xs 500 retention													
Recoverable	(475.0)	95% of 500 xs 500 retention		(475.0)											
Retained	50.0	In excess of Atlantic States limit													
South Carolina loss	**1,050.0**														
Less recoverables	**(475.0)**														
Net loss	**575.0**														
Hurricane in Texas															
Gulf States															
Loss	1,400.0														
Retention	500.0	500 retention													
Subject Loss	900.0	Total loss less 500 retention													
Retained	25.0	5% retained on 500 xs 500 retention													
Recoverable	(475.0)	95% of 500 xs 500 retention			(475.0)										
Retained	400.0	In excess of Gulf States limit													
Texas loss	**1,400.0**														
Less recoverables	**(475.0)**														
Net loss	**925.0**														
Total losses	**2,450.0**														
Less recoverables	**(950.0)**			**(475.0)**	**(475.0)**										
Net loss	**1,500.0**														

Illustration of Utilization of Reinsurance Coverage

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. Provisional retentions for the 2010 program 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 (Total loss of $2 billion, net loss of $1.382 billion or 69.1%)

						California				Castle Key Group (c)					
						Fires Following			Aggregate	FHCF		FHCF	FHCF	First	Second
	Amount	Notes	Multi-peril (a)	Atlantic States (b)	Gulf States (b)	Earthquakes	Kentucky	Pennsylvania	Excess	Retention	FHCF	Sliver	Back-Up	Excess	Excess
Hurricane in Alabama															
Gulf Multi Peril															
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															
Atlantic Multi Peril															
Loss	900.0														
Retention	500.0	500 retention													
Subject Loss	400.0	Total loss less 500 retention													
Retained	20.0	5% retained on 400 xs 500 retention													
Recoverable	(380.0)	95% of 400 xs 500 retention		(380.0)											
Georgia loss	**900.0**														
Less recoverables	**(380.0)**														
Net loss	**520.0**														
Hurricane in South Carolina															
Atlantic Multi Peril															
Loss	750.0														
Retention	500.0	500 retention													
Subject Loss	250.0	Total loss less 500 retention													
Retained	12.5	5% retained on 250 xs 500 retention													
Recoverable	(237.5)	95% of 250 xs 500 retention, limit reinstated	(237.5)												
South Carolina loss	**750.0**														
Less recoverables	**(237.5)**														
Net loss	**512.5**														
Total loss	**2,000.0**														
Less recoverables	**(617.5)**		**(237.5)**	**(380.0)**											
Net loss	**1,382.5**														

Illustration of Utilization of Reinsurance Coverage

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. Provisional retentions for the 2010 program 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 $700 million; third hurricane landfalls in Maine, total loss of $200 million; fire losses reported in California following an earthquake, total loss of $1.7 billion. (Total loss of $3.2 billion, net loss of $1.998 billion or 62.4%)

										Castle Key Group (c)					
	Amount	**Notes**	**Multi-peril (a)**	**Atlantic States (b)**	**Gulf States (b)**	**California Fires Following Earthquakes**	**Kentucky**	**Pennsylvania**	**Aggregate Excess**	**FHCF Retention**	**FHCF**	**FHCF Sliver**	**FHCF Back-Up**	**First Excess**	**Second Excess**
Hurricane in Maryland															
Atlantic States															
Loss	600.0														
Retention	500.0	500 retention													
Subject loss	100.0	Total loss less 500 retention													
Retained	5.0	5% retained on 100 xs 500 retention													
Recoverable	(95.0)	95% of 100 xs 500 retention		(95.0)											
Maryland loss	**600.0**														
Less recoverables	**(95.0)**														
Net loss	**505.0**														
Hurricane in New Jersey															
Multi-Peril															
Loss	700.0														
Retention	200.0	200 retention													
Subject Loss	500.0	Total loss less 200 retention													
Retained	15.0	5% retained on 300 xs 200 retention													
Recoverable	(285.0)	95% of 300 xs 200 retention	(285.0)												
Retained	10.0	5% retained on 200 xs 500 retention													
Recoverable	(190.0)	95% of 200 xs 500 retention	(190.0)												
New Jersey loss	**700.0**														
Less recoverables	**(475.0)**														
Net loss	**225.0**														
Hurricane in Maine															
Loss	200.0														
Retained	200.0	No applicable reinsurance													
Maine loss	**200.0**														
Less recoverable	**0.0**														
Net loss	**200.0**														

Illustration of Utilization of Reinsurance Coverage

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. Provisional retentions for the 2010 program have been used.

(in millions)

	Amount	Notes	Multi-peril (a)	Atlantic States (b)	Gulf States (b)	California Fires Following Earthquakes	Kentucky	Pennsylvania	Aggregate Excess	Castle Key Group (c) FHCF Retention	Castle Key Group (c) FHCF	Castle Key Group (c) FHCF Sliver	Castle Key Group (c) FHCF Back-Up	Castle Key Group (c) First Excess	Castle Key Group (c) Second Excess
Example 4 - continuation															
Fire losses in California following an earthquake															
CA Fires Following Earthquakes															
Loss	1,700.0														
Retention	750.0	750 retention													
Subject loss	950.0	Total loss less 750 retention													
Retained	277.5	37% retained on 750 xs 750 retention													
Recoverable	(472.5)	63% of 750 xs 750 retention				(472.5)									
CA Multiple Peril															
Loss	1,700.0														
Retention	500.0	500 retention													
Subject loss	1,200.0	Total loss less 750 retention													
Retained	340.0	68% retained on 500 xs 500 retention													
Recoverable	(160.0)	32% of 500 xs 500 retention	(160.0)												
CA loss	**1,700.0**														
Less recoverable	**(632.5)**														
Net loss	**1,067.5**														
Total loss	**3,200.0**														
Less recoverables	**(1,202.5)**		**(635.0)**	**(95.0)**		**(472.5)**									
Net loss	**1,997.5**														

Illustration of Utilization of Reinsurance Coverage

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. Provisional retentions for the 2010 program have been used.

(in millions)	Amount	Notes	Multi-peril (a)	Atlantic States (b)	Gulf States (b)	California Fires Following Earthquakes	Kentucky	Pennsylvania	Aggregate Excess	Castle Key Group (c) FHCF Retention	FHCF	FHCF Sliver	FHCF Back-Up	First Excess	Second Excess
Example 5 - First hurricane landfalls in Louisiana, total loss of $3.6 billion; second hurricane landfalls in Texas, total loss of $1billion; third hurricane landfalls in Florida, total loss of $600 million. (Total loss of $5.2 billion, net loss of $2.159 billion or 41.52%)															
Hurricane in Louisiana															
Gulf States															
Loss	3,600.0														
Retained	500.0	500 retention													
Subject Loss	3,100.0	Total loss less 500 retention													
Retained	25.0	5% retained on 500 xs 500 retention													
Recoverable	(475.0)	95% of 500 xs 500 retention	(475.0)												
Retained	2,600.0	In excess of Gulf States limit													
Aggregate Excess															
Subject Loss	3,125.0	Retained under Gulf States (500+25+2,600)													
Retention	2,000.0	2,000 retention													
Subject Loss	1,125.0	Total loss less 2,000 retention													
Retained	56.2	5% retained on 1,125 xs 2,000 retention													
Recoverable	(1,068.8)	95% of 1,125 xs 2,000 retention							(1068.8)						
Louisiana loss	**3,600.0**														
Less recoverables:															
Gulf States	**(475.0)**														
Aggregate excess	**(1,068.8)**														
Net loss	**2,056.2**														
Hurricane in Texas															
Gulf States															
Loss	1,000.0														
Retention	500.0	500 retention													
Subject Loss	500.0	Total loss less 500 retention													
Retained	25.0	5% retained on 500 xs 500 retention													
Recoverable	(475.0)	95% of 500 xs 500 retention			(475.0)										
Aggregate Excess															
Subject Loss	525.0	Retained under Gulf States (500 + 25), aggregate excess retention exceeded													
Retained	26.2	5% retained on 525 loss													
Recoverable	(498.8)	95% of 525 loss							(498.8)						
Texas loss	**1,000.0**														
Less recoverables:															
Gulf States	**(475.0)**														
Aggregate Excess	**(498.8)**		**(475.0)**		**(475.0)**				**(1567.6)**						
Net loss	**26.2**														

Illustration of Utilization of Reinsurance Coverage

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. Provisional retentions for the 2010 program have been used.

(in millions)

											Castle Key Group (c)							
	Amount	Notes	Multi-peril (a)	Atlantic States (b)	Gulf States (b)	California Fires Following Earthquakes	Kentucky	Pennsylvania	Aggregate Excess	FHCF Retention	FHCF	FHCF Sliver	FHCF Backup	TICL	TICL Sliver	TICL Backup	Excess
Example 5- continuation																	
Hurricane in Florida																	
FHCF Retention		45.5 xs 30 retention															
Loss	600.0																
Retention	30.0	30 retention															
Subject Loss	570.0	Total loss less 30 retention															
Recoverable	(45.5)	100% of 45.5 xs 30 retention								(45.5)							
FHCF		199.5 xs 75.5 retention															
Loss	600.0																
Retention	75.5	75.5 retention															
Subject Loss	524.5	Total loss less 75.5 retention															
Retained	19.95	10% retained on 199.5 limit															
Recoverable	(179.55)	90% of 199.5									(179.55)						
FHCF Sliver		19.95 x 75.5 retention															
Loss	600.0																
Retention	75.5	75.5 retention															
Subject Loss	524.5	Total loss less 75.5 retention															
Recoverable	(19.95)	100% of 19.95 contract limit										(19.95)					
TICL		94 x 275 retention															
Loss	600.0																
Retention	275.0	275 (75.5 retention below FHCF + FHCF limit 199.5)															
Subject Loss	325.0	Total loss less 275 retention															
Recoverable	(84.6)	90% of 94 contract limit												(84.6)			
TICL Sliver		9.4 x 275 retention															
Loss	600.0																
Retention	275.0	275 (75.5 retention below FHCF + FHCF limit 199.5)															
Subject Loss	325.0	Total loss less 275 retention															
Recoverable	(9.4)	100% of 9.4 contract limit													(9.4)		
Excess		184.2 x 369 retention															
Loss	600.0																
Retention	369.0	369 retention (75.5 retention below FHCF + FHCF limit 199.5 + TICL limit 94)															
Subject Loss	231.0	Total loss less 369 retention															
Recoverable	(184.2)	100% of 184.2 contract limit															(184.2)
Florida loss	**600.0**																
Less recoverables:																	
FHCF Retention	**(45.5)**																
FHCF	**(179.55)**																
FHCF Sliver	**(19.95)**																
TICL	**(84.6)**																
TICL Sliver	**(9.4)**																
Second Excess	**(184.2)**																
Net loss	**76.80**																
Total loss	**5,200.0**																
Less net recoverables	**(3,040.8)**		**(475.0)**		**(475.0)**				**(1567.6)**	**(45.5)**	**(179.55)**	**(19.95)**		**(84.6)**	**(9.4)**		**(184.2)**
Net loss	**2,159.2**																

(a) For purposes of these examples, the loss is assumed to have occurred during the contract year6/1/10 to 5/31/11.
(b) Reinsurance premium will be payable to the extent that the reinsurance limit can be reinstated up to a total of $500 million for all qualifying occurrences. The contract allows one per occurrence reinstatement limit. The amount of reinstatement premium due is equal to the amount of limit reinstated multiplied by the reinsurance premium rate on line and the amount of reinsurance limit placed or 95%.
(c) For purposes of these examples, the limits of liability and retentions have been combined for Castle Key Insurance Company and it subsidiaries ("Castle Key Group"), formerly known as Allstate Floridian.