



The Allstate Corporation

Bank of America / Merrill Lynch 2017 Insurance Conference
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February 15, 2017

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You're in good hands.



Forward-Looking Statements and Non-GAAP Financial Information

This presentation contains forward-looking statements and information. Additional information on factors that could cause results to differ materially from those projected in this presentation is available in the 2015 Form 10-K, in our most recent earnings release, and at the end of these slides. These materials are available on our website, allstateinvestors.com, under the “Financials” link.

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



Allstate Creates Long-Term Value By Leveraging Our Capabilities and Strategic Assets

- **Serve more than 16 million households**
- **Nation's largest publicly held personal lines insurer**
- **Over 36,000 total Allstate agencies and licensed sales professionals**
- **Operate in all 50 states plus D.C. and Canada**
- **Diversified portfolio of businesses**
 - **Auto, Homeowners, Other Personal Lines**
 - **Life, Benefits, Annuities**
 - **Roadside Services, Dealer Services**
 - **Arity**
 - **Consumer Protection Plans**
- **\$80+ billion investment portfolio**
- **Unique customer value propositions**
- **Drivewise® and DriveSense® telematics offerings**

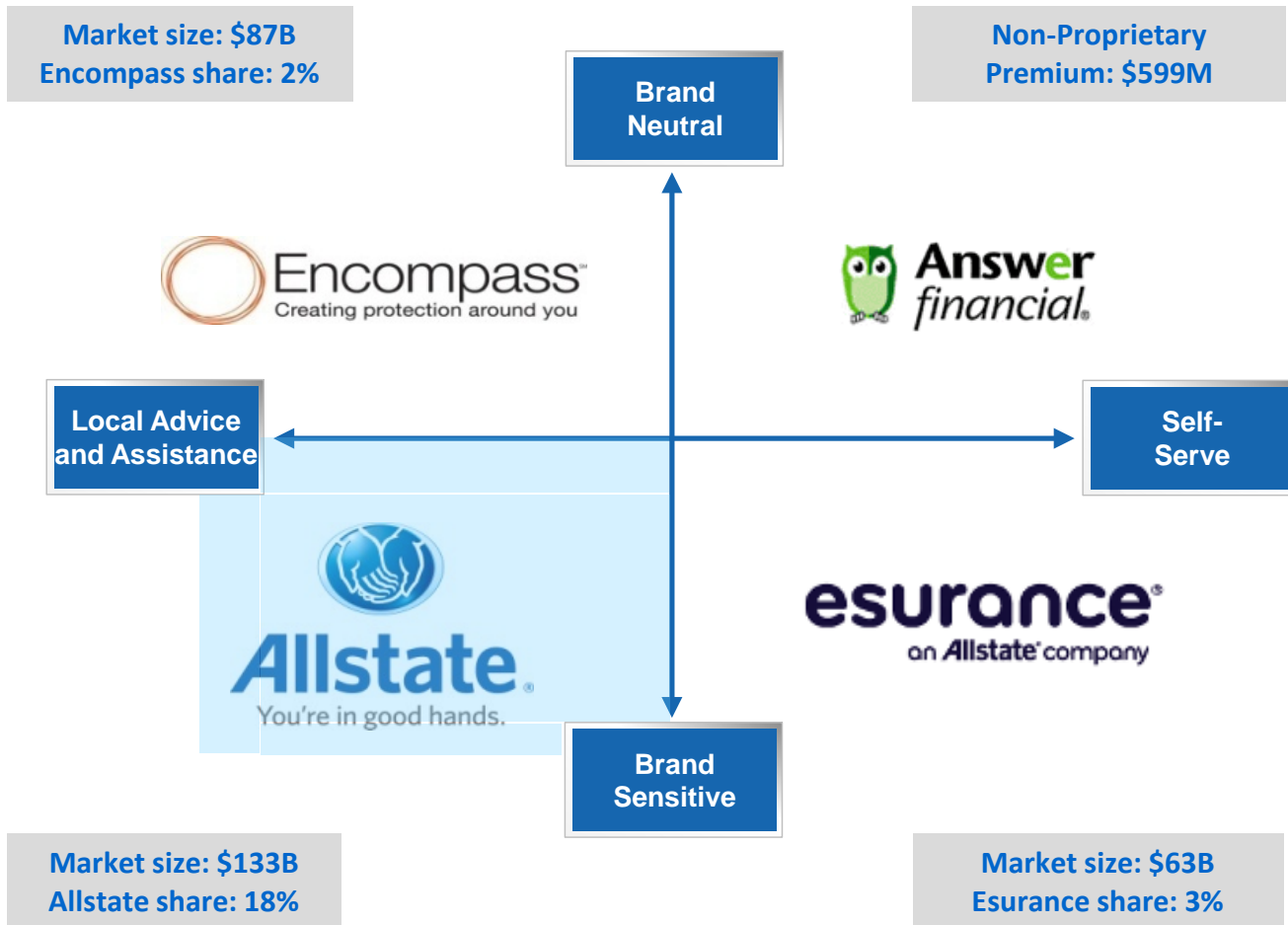


2017 Operating Priorities

1. **Better serve our customers**
2. **Achieve target economic returns on capital**
3. **Grow customer base**
4. **Proactively manage investments**
5. **Build long-term growth platforms**



Provides Differentiated Value Propositions to Unique Customer Segments



Note: Market share statistics based on Allstate internal analysis, which is based on multiple sources including AM Best and public filings for 2015. Non-proprietary premium for Answer Financial reflects year end 2016.



Allstate Personal Lines Strategic Priorities

Near-Term

Fix and stabilize our core business

- Improve auto returns
- Maintain homeowners margins
- Drive near-term growth

Mid-Term

Transform existing business model

- Trusted advisor capabilities
- Enhance data & analytics capabilities
- Digital transformation

Long-Term

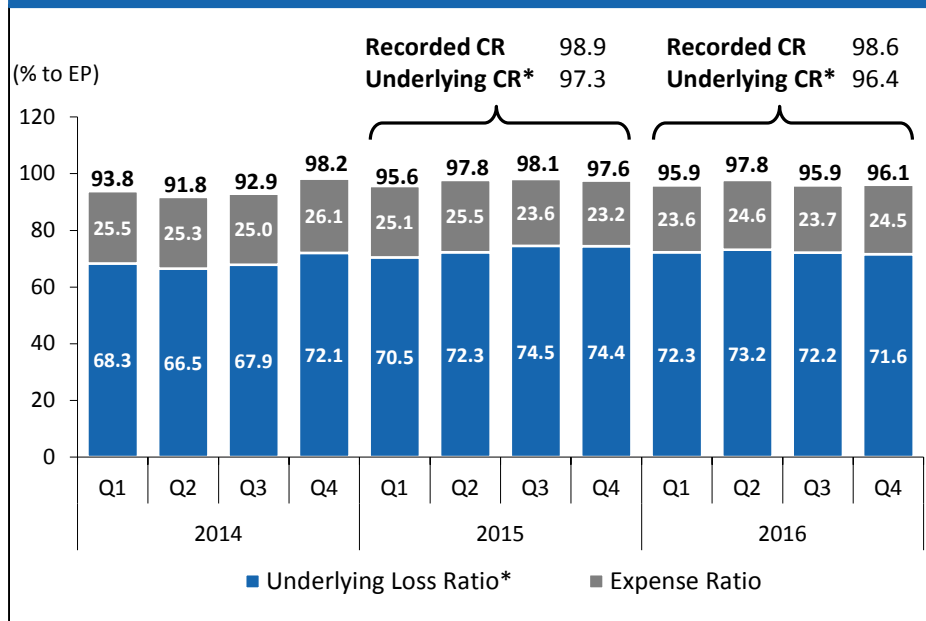
Create the future

- New consumer products (SquareTrade)
- Expand Connected Car platform
- Monetize data assets

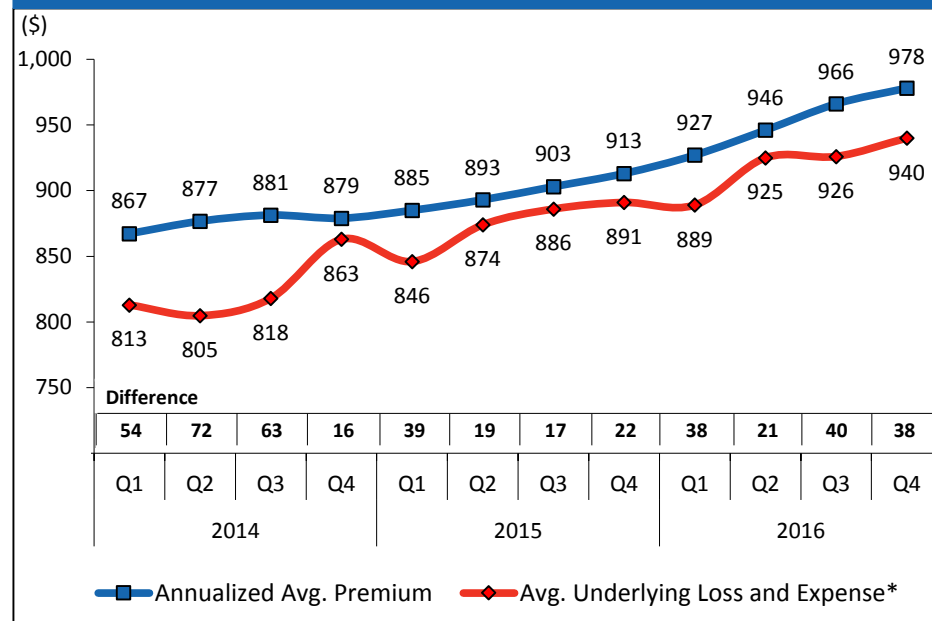


Progress Continues on Auto Insurance Profit Improvement Plan

Allstate Brand Auto Underlying Combined Ratio*



Auto Underlying Margin Per Policy Trend



- 2015 – 2016 auto profit improvement actions focused on catching up to increase in loss costs**
 - Gross auto rate increases of ~\$2.5 billion¹ approved across all underwriting brands in 2015 and 2016
 - Underwriting guideline changes to target underperforming segments and geographies
 - Claims organization focused on operational excellence
 - Expense spending controls
- Near-term objective focused on continued margin improvement while changing growth trajectory**

⁽¹⁾ Estimate based on historical written premium. Actual amounts realized will be based on retention and mix of customers. Approximately 30% of the Allstate brand rate increases approved in 2015 were earned in 2015, with the remainder earned in 2016 and 2017. Approximately 28% of the Allstate brand auto rate increases approved in 2016 were earned in 2016, with the remainder expected to be earned in 2017 and 2018.



Trusted Advisor Strategy is Based on Three Pillars With Focus on Relationship Initiation

Trusted Advisor | Data & Analytics | Digitization

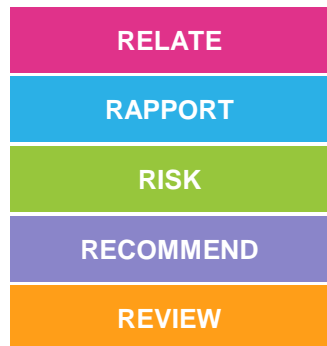
A Attract customers in new ways

B Build personalized solutions

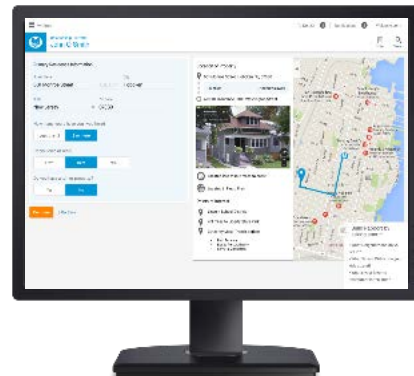
C Cultivate a trust-based relationship

Trusted Advisor Key Capabilities – Attract & Build

Five R's Sales Process



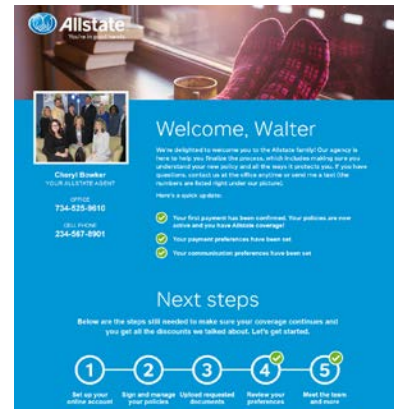
Relationship Platform



Personalized Proposal



Customer Onboarding



Business Outcomes

- ✓ Higher close rates
- ✓ Improved retention
- ✓ Broader customer relationships
- ✓ Less price sensitivity
- ✓ Accelerated growth



Data & Analytics Capabilities Enhanced Across The Organization

Trusted Advisor

Data & Analytics

Digitization

Organization

Sample Data & Analytics Initiatives



Distribution



- Trusted Advisor agency-level diagnostic measures
- Targeted agency deployment



Operations



- Improve customer service, consistency and quality
- Utilize data science and behavioral insights



Claims



- Transformation of claim handling model
- Optimize claim routing / self service capabilities



Marketing



- Customer segmentation analytics
- Marketing optimization and performance



Product & Pricing



- Prescreen homeowners reinspections - reducing number and cost with consistent accuracy
- Transition from telematics to true usage based insurance



True Usage-Based Insurance

Product



Outcome

Personalize the auto experience with rewards for safe driving

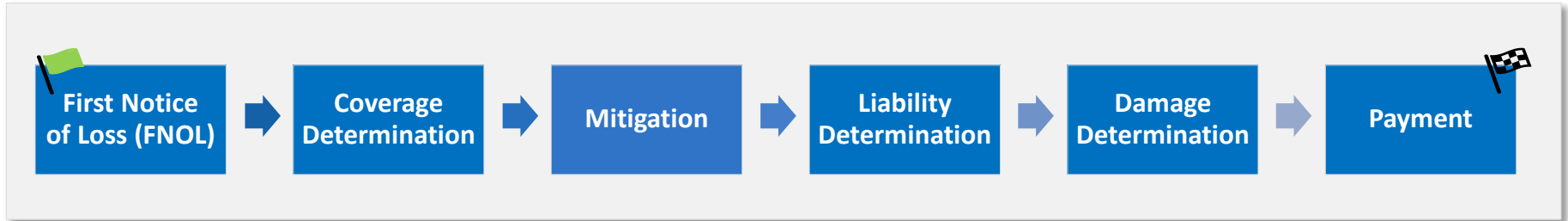
Give customers transparency into and control of premiums

Customer price based on how, when, where, and what is driven





TODAY...A Linear Service Model



TOMORROW...A Digitized Real-Time Service Model



Business Outcomes

- ✓ Lower expenses
- ✓ Greater consistency and accuracy
- ✓ Quicker processing/cycle time
- ✓ More customer & agency owner control
- ✓ Faster speed to market



- **Disciplined, economic value-based management of our business**
- **Leveraging broad market reach, substantial capabilities and resources to provide differentiated customer value propositions**
- **Building long-term strategic platforms**
- **Attractive long-term investment returns**
- **Proactive capital management to enhance shareholder value**



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