



# The Allstate Corporation

Fourth Quarter 2024 Earnings Presentation

02.06.2025

## Forward-looking statements and non-GAAP financial information

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

Additional information on factors that could cause results to differ materially from this presentation is available in the 2023 Form 10-K, Form 10-Q for September 30, 2024, our most recent earnings release, and at the end of these slides. These materials are available on our website, [www.allstateinvestors.com](http://www.allstateinvestors.com), under the “Financials” link.

# Allstate Delivers Excellent Returns While Advancing Strategy

## Allstate's Strategy To Create Shareholder Value

**Increase Personal  
Property-Liability Market Share**

NATIONAL  
GENERAL  
an Allstate company

**Allstate**  
You're in good hands.

 **Answer  
financial**

**Leveraging Allstate brand,  
customer base and capabilities**

**Allstate**  
PROTECTION PLANS

**Expand Protection  
Services**

**arity**

**Allstate**  
HEALTH & BENEFITS

**Allstate**  
DEALER SERVICES

**Allstate**  
IDENTITY PROTECTION

**Allstate**  
ROADSIDE



## 2024 performance highlights

- Strong financial results:
  - Total revenue of \$16.5 billion in fourth quarter and \$64.1 billion for the full year, increased 11.3% and 12.3% compared to prior year, respectively
  - Net income of \$1.9 billion in fourth quarter and \$4.6 billion for the full year
  - Adjusted net income return on equity\* of 26.8% over the last twelve months
- Successful risk and return management contributed to excellent underwriting and investment results
- Strengthened competitive position through Transformative Growth execution
- The sale of Group Health, combined with the previously announced Employer Voluntary Benefits sale, will generate \$3.25 billion of total expected proceeds

# Allstate Produced Strong Results and Generated Attractive Returns on Capital

(\$ in millions, except per share data and ratios)

## Full Year Results

**Total revenues:**  
**\$64,106**  
(+12.3% to prior year)

Growth in both auto and homeowners insurance

Three months ended  
December 31,

2024

Change from  
prior year

Twelve months ended  
December 31,

2024

Change from  
prior year

Property-Liability insurance premiums

13,933

10.6%

\$53,866

11.2%

Accident and health insurance premiums and contract charges

482

3.2%

1,921

4.1%

Net investment income

833

37.9%

3,092

24.8%

Net income applicable to common shareholders

1,899

30.1%

4,550

NM

Adjusted net income\*

2,062

33.8%

4,906

NM

Per diluted common share<sup>(1)</sup>

Property-Liability underwriting  
profit improvement and higher  
investment income

– Net income

7.07

28.1%

16.99

NM

– Adjusted net income\*

7.67

31.8%

18.32

NM

**Return on  
Allstate common  
shareholders'  
equity**

Net income

25.8%

27.8 pts

Adjusted net income\*

26.8%

25.3 pts

NM = Not meaningful

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

# Transformative Growth Improves Customer Value and Expands Customer Access

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

Transformative Growth:		Key accomplishments:
<p><b>Improve Customer Value</b></p>	<ul style="list-style-type: none"> <li>Lowered cost structure to improve competitive price position</li> <li>Deploying differentiated Affordable, Simple and Connected products</li> </ul>	<ul style="list-style-type: none"> <li>Reduced adjusted expense ratio* from 27.9 in 2019 to 23.1 in 2024</li> <li>Launched Allstate branded new Affordable, Simple and Connected auto and homeowners insurance products in 31 and 4 states, respectively</li> <li>New middle market standard and preferred auto and homeowners products (Custom360®) available through independent agents in 30 states</li> <li>Redesigned Allstate mobile app with personalized and value-added features</li> </ul>
<p><b>Expand Customer Access</b></p>	<ul style="list-style-type: none"> <li>Only major carrier with competitive offering in branded agent, direct and independent agent distribution                             <ul style="list-style-type: none"> <li>Improved Allstate agent productivity at a lower cost</li> <li>Expanding Allstate direct sales capabilities, along with lower pricing</li> <li>Increased independent agent business through National General acquisition</li> </ul> </li> </ul>	<p>Broader distribution supports increase from 2019 to 2024</p> <p> <span style="color: blue;">■</span> Exclusive agent                                <span style="color: gray;">■</span> Independent agent                                <span style="color: green;">■</span> Direct                         </p> <p>Personal lines new issued applications</p> <div>   </div> <p>5.5 million      9.7 million</p> <p>Personal lines policies in force</p> <div>   </div> <p>33.5 million      37.3 million</p>

# Successful Execution of Profit Improvement Plan Generated Strong Underwriting Fourth Quarter Results

Underwriting improvement reflects successful execution of the auto profit improvement plan

## Income highlights

(in millions)

	Q4	Var To PY
Property-Liability underwriting income	\$1,832	\$507
– Auto Insurance	\$603	\$510
– Homeowners Insurance	\$1,070	(\$99)
– All Other <sup>(1)</sup>	\$159	\$96
Property-Liability combined ratio	86.9	(2.6) pts
– Auto Insurance	93.5	(5.4) pts
– Homeowners Insurance	69.8	7.8 pts
– All Other <sup>(1)</sup>	84.7	(8.7) pts

<sup>(1)</sup> Results include other personal lines, commercial, other business lines, Answer Financial and Run-Off Property-Liability

# Auto Profit Improvement Restored Target Margins

## Allstate Protection auto profitability



<sup>(1)</sup> Adjusts quarterly underlying combined ratios\* and underlying losses per policy to reflect year-end current report year ultimate severities for 2022, 2023, and 2024

<sup>(2)</sup> Reflects combined ratio impact of catastrophe losses, prior year reserve reestimates and amortization of purchased intangibles

# Homeowners Insurance Generates Attractive Returns

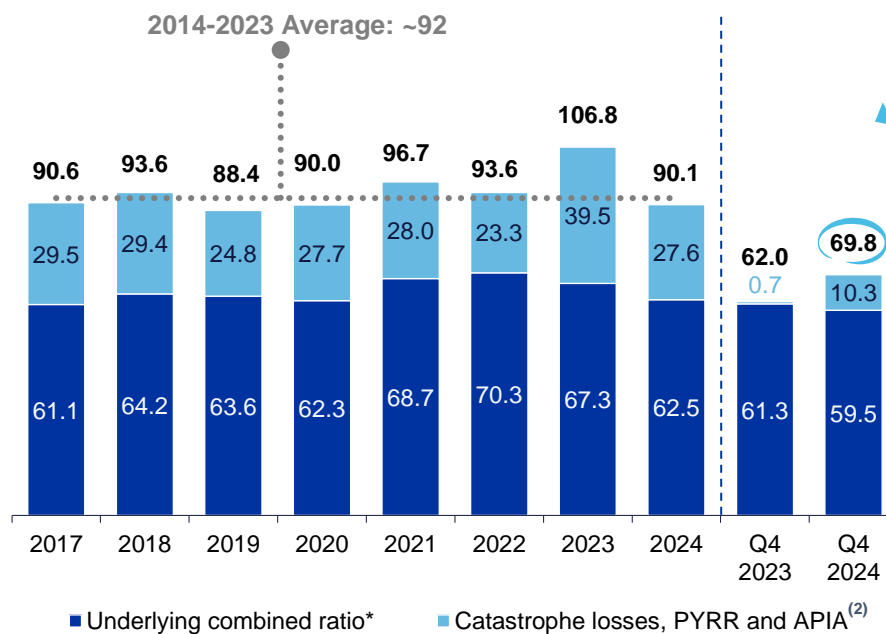
Net written premium growth of 15.3% in the fourth quarter primarily driven by higher average premiums and policies in force growth

## Allstate Protection homeowners operating statistics

	Q4 2024	Var to PY	YE 2024	Var to PY
Written premium (\$ in millions)	\$3,624	15.3%	\$14,416	14.6%
Average premium - gross written (\$) <sup>(1)</sup>	2,111	12.8%	2,021	11.5%
Underwriting income (\$ in millions)	1,070	-8.5%	1,319	NM
Combined Ratio	69.8	7.8 pts	90.1	(16.7) pts
Catastrophe Loss Ratio	8.9	8.2 pts	27.8	(10.8) pts
Underlying Combined Ratio*	59.5	(1.8) pts	62.5	(4.8) pts

Fourth quarter profitability reflects favorable underlying performance partially offset by higher catastrophe losses mostly attributed to hurricane losses

## Allstate Protection homeowners combined ratio components



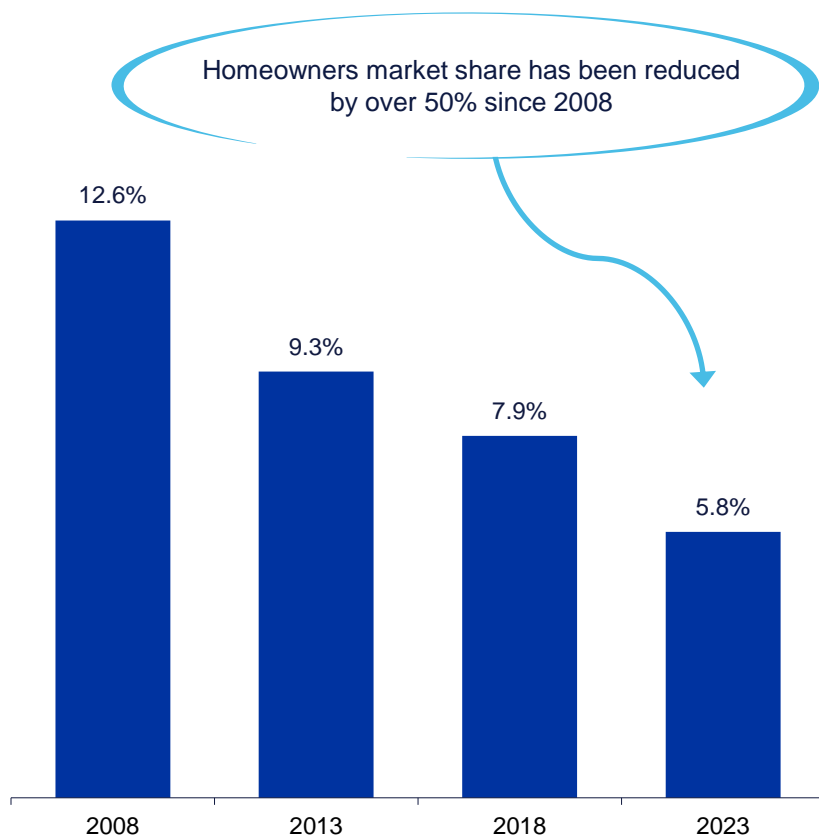
<sup>(1)</sup> Reflects Allstate brand homeowners

<sup>(2)</sup> Reflects combined ratio impact of catastrophe losses, prior year reserve reestimates and amortization of purchased intangibles



# Underwriting, Exposure Management and Robust Reinsurance Program Mitigate Impact of California Wildfire Losses

Allstate California homeowners market share at year-end<sup>(1)</sup>



California wildfire estimated impact

Gross Losses	\$2.0B	<ul style="list-style-type: none"> <li>Includes losses, claims expenses and an estimated California FAIR Plan assessment</li> </ul>
Reinsurance Recoveries	\$0.9B	<ul style="list-style-type: none"> <li>Reinsurance program provides coverage up to \$7.9 billion for a single event net of reinstatement provision</li> </ul>
Net Losses, Pre-Tax	\$1.1B	<ul style="list-style-type: none"> <li>Net losses will be reflected in 1Q 2025 results</li> </ul>



Due to comprehensive reinsurance, each additional \$100 million in gross losses results in \$10 million in net losses

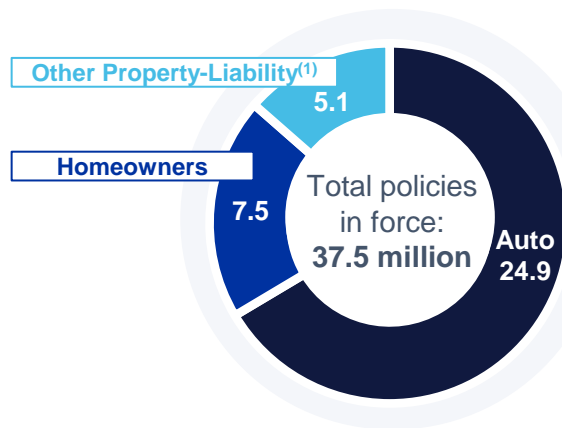
<sup>(1)</sup> Source: Aon

# Auto Policies In Force Below Prior Year; Homeowners Growth Continues

Auto policies in force decreased as new business growth was more than offset by lower retention

Homeowners growth driven by increased new business and stable retention

## Property-Liability policies in force – Fourth quarter, 2024



Policies in force  
(in thousands)

- % Increase / (Decrease)

### Variance to prior year

	Auto	Homeowners	Property-Liability
Policies in force (in thousands)	(347)	173	(238)
- % Increase / (Decrease)	(1.4)	2.4	(0.6)

## Focus on growing insurance policies in force

- Proactively contacting existing customers to lower the cost of protection to increase retention
- Complete the implementation of Affordable, Simple and Connected auto and homeowners insurance products leveraging most sophisticated rating plans
- Increasing new business through aggressive marketing, product expansion and broader distribution

<sup>(1)</sup> Results include other personal lines and commercial

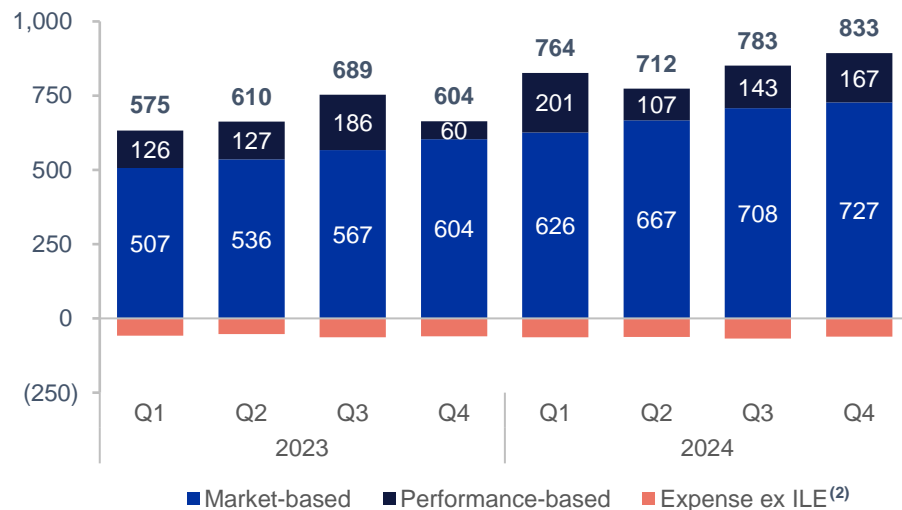
Note: Starting February, Property-Liability disclosures will be expanded to include monthly policies in force and will be posted on the investor relations website to provide additional information on growth trends. Disclosures will be posted on the third Thursday of every month

# Income from Investment Portfolio Increased

Market-based benefiting from portfolio growth and higher fixed income yields while Performance-based results included broad-based valuation increases

## Net investment income and earned yield

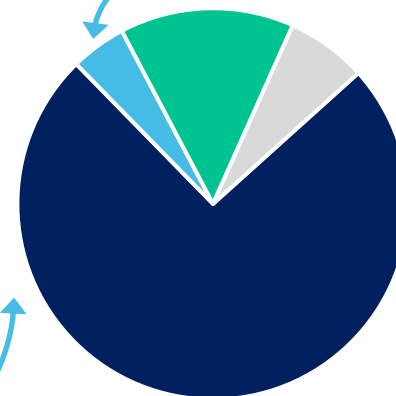
(\$ in millions)



Fixed Income Earned Yield <sup>(1)</sup>	3.4	3.6	3.7	4.0	4.1	4.3	4.3	4.4
--	-----	-----	-----	-----	-----	-----	-----	-----

## Portfolio asset allocations<sup>(3)</sup>

As of 12/31/2024



\$72.6 billion portfolio

- MB interest-bearing: Investment grade, government and short-term
- MB equity investments
- Performance-based
- MB interest-bearing: Below investment grade

Fixed income portfolio duration increased from 4.8 to 5.3 years in 2024

<sup>(1)</sup> Beginning in the third quarter of 2024, calculations include investments held for sale

<sup>(2)</sup> Investee level expenses (ILE) comprised of asset level operating expenses are netted against market-based and performance-based income

<sup>(3)</sup> Excluding Pension Plan and Third-party. Fixed Income ETFs, classified as equity on the balance sheet, are shown in respective fixed income categories

# Protection Plans Is Delivering Profitable Growth

Revenues increased 20.3% compared to prior year, driven by growth in North America and internationally

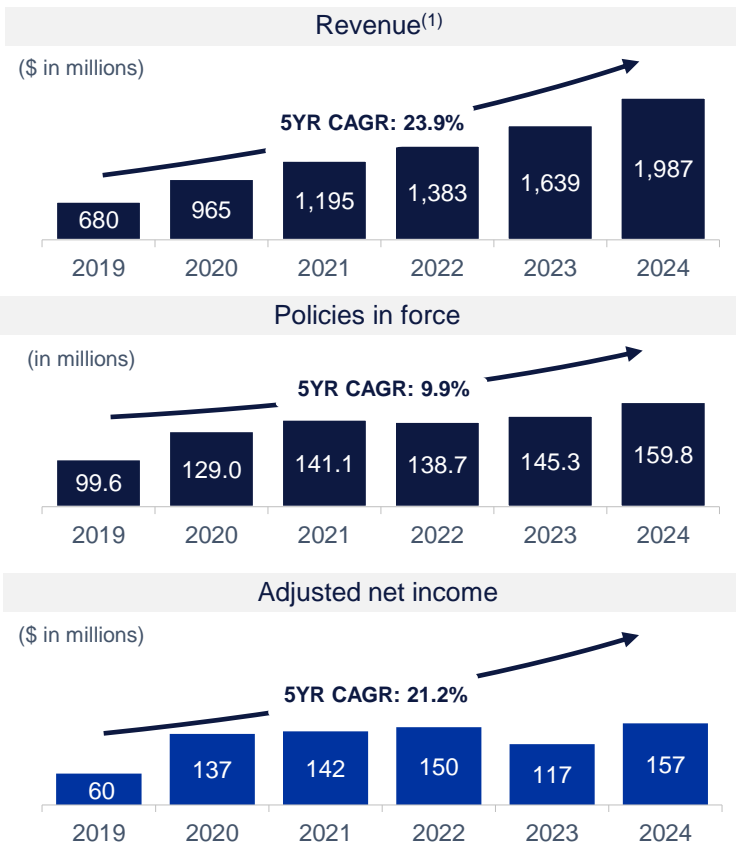
## Protection Plans results

(\$ in millions)

	Three months ended December 31,		Twelve months ended December 31,	
	2024	Var to PY	2024	Var to PY
<b>Revenues<sup>(1)</sup></b>	<b>\$528</b>	<b>20.3%</b>	<b>\$1,987</b>	<b>21.2%</b>
Domestic	406	17.0%	1,531	17.7%
International	122	32.6%	456	34.9%
<b>Adjusted Net Income</b>	<b>\$37</b>	<b>(\$1)</b>	<b>\$157</b>	<b>\$40</b>

2024 adjusted net income favorable to prior year primarily driven by higher revenue and improved claims costs

## Protection Plans performance over past five years



<sup>(1)</sup> Revenues exclude the impact of net gains and losses on investments and derivatives

# Employer Voluntary Benefits and Group Health Divestitures Maximize Shareholder Value

## Sale agreements – Employer Voluntary Benefits and Group Health businesses

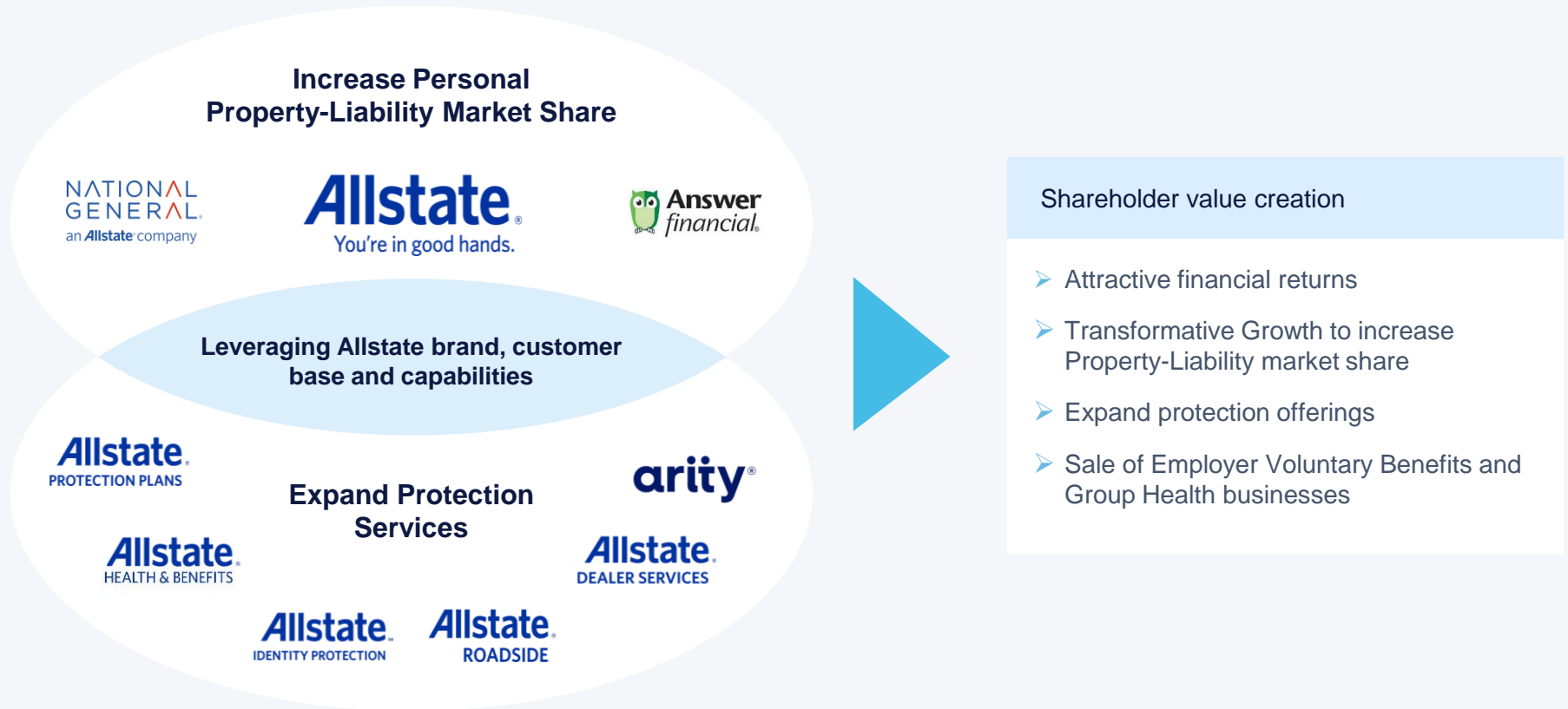
Transaction terms (\$ in billions)	Employer Voluntary Benefits	Group Health	Total
Sale price	\$2.0	\$1.25	\$3.25
GAAP gain est. (after-tax) <sup>(1)</sup>	\$0.6	\$0.45	\$1.05
Price-to-earnings multiple <sup>(2)</sup>	23.5x	17.6x	20.8x
Assets   Liabilities held for sale <sup>(3)</sup>	\$3.1   \$2.1	\$0.8   \$0.3	\$3.9   \$2.4
Expected close	First Half 2025	In 2025	—

<sup>(1)</sup> Subject to change pending the closing balance sheet

<sup>(2)</sup> Reflects trailing twelve months of adjusted net income ending December 31, 2024

<sup>(3)</sup> Assets and liabilities for the Employer Voluntary Benefits business have been classified as held for sale at December 31, 2024. Beginning in the first quarter of 2025, the assets and liabilities of the Group Health business will also be classified as held for sale

# Allstate's Strategy To Create Shareholder Value





# Forward-looking Statements

This presentation contains “forward-looking statements” that anticipate results based on our estimates, assumptions and plans that are subject to uncertainty. These statements are made subject to the safe-harbor provisions of the Private Securities Litigation Reform Act of 1995.

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

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

Business, Strategy and Operations (11) operations in markets that are highly competitive; (12) changing consumer preferences; (13) new or changing technologies; (14) implementation of our Transformative Growth strategy; (15) our catastrophe management strategy; (16) restrictions on our subsidiaries’ ability to pay dividends; (17) restrictions under terms of certain of our securities on our ability to pay dividends or repurchase our stock; (18) the availability of reinsurance at current levels and prices; (19) counterparty risk related to reinsurance; (20) acquisitions and divestitures of businesses; (21) intellectual property infringement, misappropriation and third-party claims; (22) vendor-related business disruptions or failure of a vendor to provide and protect data, confidential and proprietary information, or personal information of our customers, claimants or employees; (23) our ability to attract, develop and retain talent;

Macro, Regulatory and Risk Environment (24) conditions in the global economy and capital markets; (25) a large-scale pandemic, the occurrence of terrorism, military actions or social unrest; (26) the failure in cyber or other information security controls, as well as the occurrence of events unanticipated in our disaster recovery processes and business continuity planning; (27) changing climate and weather conditions; (28) evolving environmental, social and governance standards and expectations; (29) restrictive regulations and regulatory reforms and uncertainty around the interpretation and implementation of regulations in the U.S. and internationally; (30) regulatory limitations on rate increases and requirements to underwrite business and participate in loss sharing arrangements; (31) losses from legal and regulatory actions; (32) changes in or the application of accounting standards and changes in tax laws; and (33) misconduct or fraudulent acts by employees, agents and third parties.

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