



# The Allstate Corporation

**Fourth Quarter 2025 Earnings Presentation**

02.05.2026

# 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 2024 Form 10-K, Form 10-Q for September 30, 2025, 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 More Affordable Protection And Strong Results

## Allstate's Strategy To Create Shareholder Value



# Generated Strong Financial Results

(\$ in millions except per share data)

2025 results	Fourth quarter	Full year
Total revenues	\$17,345	\$67,685
Net income applicable to common shareholders	\$3,803	\$10,165
- Per diluted common share	\$14.37	\$38.06
Adjusted net income*	\$3,788	\$9,304
- Per diluted common share	\$14.31	\$34.83

2025 versus 2024 net income	Fourth quarter
<b>Net income applicable to common shareholders - 2024</b>	<b>\$1,899</b>
Significant reconciling items <sup>(1)</sup>	
- Underwriting income, excluding catastrophe losses and reserve reestimates*	\$767
- Catastrophe losses	\$159
- Reserve reestimates (non-catastrophe) <sup>(2)</sup>	\$792
Other reconciling items <sup>(3)</sup>	\$186
<b>Net income applicable to common shareholders - 2025</b>	<b>\$3,803</b>

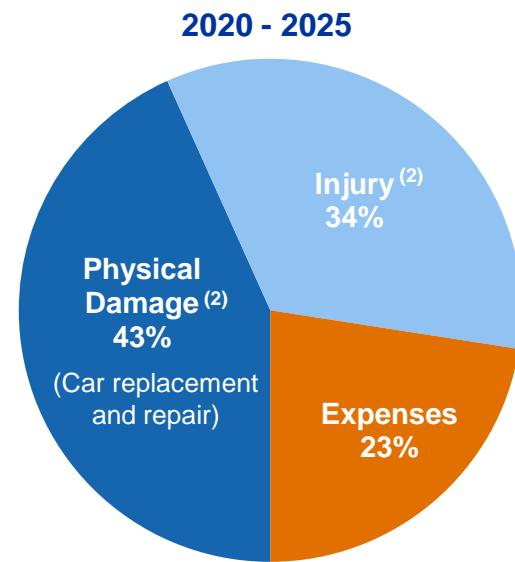
(1) Utilizes 21% tax rate

(2) Reflects the change in prior year reserve reestimates (non-catastrophe) and development of auto insurance claims reported through the first three quarters of the year

(3) Reflects the change in adjusted net income from all other reportable segments, and the after-tax changes of gain on dispositions, net investment income, net gains (losses) on investments and derivatives, and other reconciling items

# Regulatory/Legislative Changes To Improve Affordability Must Focus On Costs

## Auto insurance industry costs<sup>(1)</sup> – % of total



- Industry combined ratio averaged ~100
- Allstate combined ratio averaged 95.7

## Cost factors and trends

### Physical damage

- Physical damage costs have increased ~47%<sup>(2)</sup> over 5 years
- Used car prices increased 43% from 2020 to 2022 following the pandemic<sup>(3)</sup>
  - Decline of 13% since 2022 will lower severity and improve affordability

### Injury costs

- Injury costs have increased ~52%<sup>(2)</sup> over 5 years
- Tort reform has reduced costs in Florida with top 5 carriers reducing prices by 5.9%<sup>(4)</sup>
  - New York average bodily injury cost is approximately two times that of Florida and the national average
- Uninsured and underinsured motorist claims costs have increased by 72%<sup>(2)</sup>

### Profitability

- Industry underwriting profitability is close to zero for last five years

<sup>(1)</sup> Industry information represents U.S. statutory results per S&P Global Market Intelligence. 2025 results are estimates based on statutory data available through the third quarter and internal assumptions

<sup>(2)</sup> Industry coverage loss distributions are based on Allstate loss distributions. Physical damage includes property damage, collision and comprehensive coverages. Injury includes all other coverages

<sup>(3)</sup> Source: Manheim Used Vehicle Value Index

<sup>(4)</sup> Source: Florida Office of Insurance Regulation

# Allstate Improved Auto And Homeowners Insurance Affordability While Maintaining Returns

## Actions to improve affordability

### Customer value

- Customer renewal processes used to optimize coverage and discounts
- Rolled out Allstate-branded Affordable, Simple, Connected (ASC) insurance products
- Expanded direct purchase options

**SAVE program reduced 7.8 million insurance customers' premiums 17% by adjusting coverages**

### Operational excellence

- Reduced adjusted expense ratio<sup>\*(1)</sup>
- Enhanced claims processes

**Implemented auto insurance rate decreases for the Affordable, Simple, Connected product, averaging 9% in 32 states**

<sup>(1)</sup> Includes Property-Liability adjusted underwriting and claims expense ratios which incorporates unallocated claims expenses; ratio excludes amortization and impairment of purchased intangibles, restructuring, Coronavirus-related and advertising expenses and allocated claims expenses and catastrophes

# Benefited From Transformative Growth Initiative

## Competitive Prices

- Reduced adjusted expense ratio\* by 6.6 points since 2018
- Improved auto and homeowners insurance pricing models

## Expand Distribution

- Acquired National General with independent agent distribution
- Increased direct sales utilizing Allstate brand at 7-8% lower prices
- Improved Allstate agent productivity

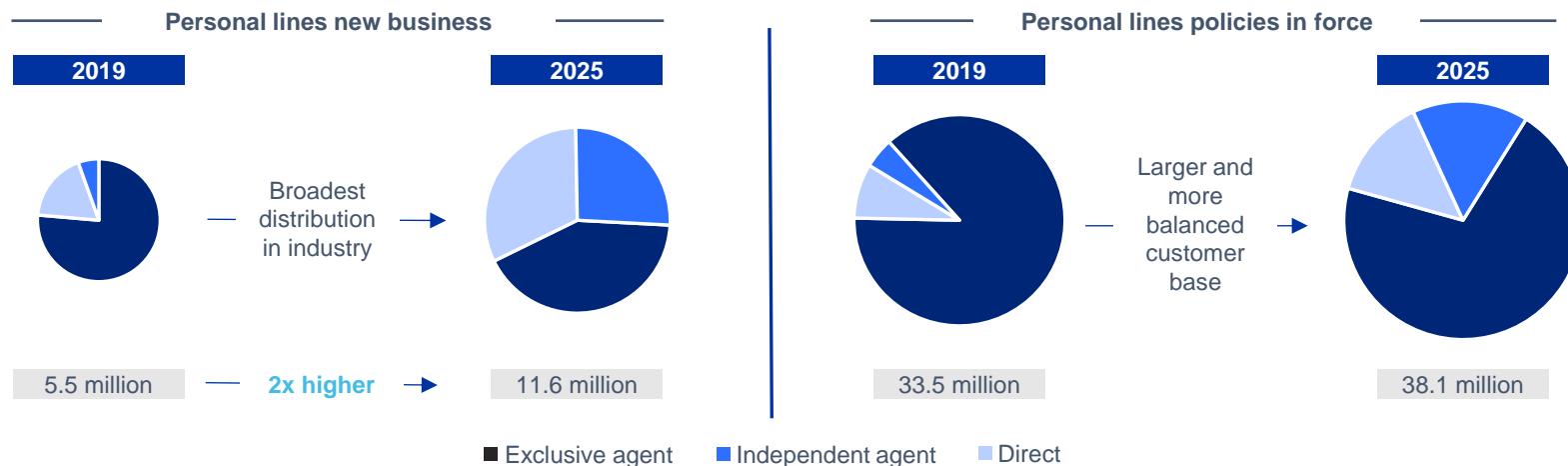
## New Products

- Expanded non-standard auto insurance offerings
- Introduced Allstate ASC auto and homeowners insurance products to 43 and 31 states, respectively
- Launched standard auto and homeowners insurance products for independent agents in 36 states

## Sophisticated Marketing

- Increased marketing investments to \$2.1 billion in 2025; \$0.9 billion in 2019

Significantly expanded distribution and grew policies in force



# 2026 Transformative Growth Focus Is To Roll-out New Platforms



Improve customer value	Expand distribution	Increase sophistication of customer acquisition	Deploy technology ecosystem
<ul style="list-style-type: none"><li>• Improve customer experiences</li><li>• Complete ASC and Custom360® product rollouts</li><li>• Additional cost reductions</li></ul>	<ul style="list-style-type: none"><li>• Further enhance Allstate agent customer value</li><li>• Continue expansion of direct sales</li><li>• Broaden independent agent sales with Custom360® products</li></ul>	<ul style="list-style-type: none"><li>• Optimize lead acquisition</li><li>• Leverage artificial intelligence</li></ul>	<ul style="list-style-type: none"><li>• Extend ASC product concepts to specialty lines</li><li>• Transition customers from classic (pre-ASC) to ASC products</li><li>• Initiate retirement of legacy systems</li><li>• Launch Agentic AI purchase, service and claims customer experiences</li></ul>

# Protection Services Generating Profitable Growth

2025 results		
<i>Policies in force:</i> <b>172M</b> (+3.3% to prior year)	<i>Premiums earned/other revenue:</i> <b>\$3.3B</b> (+11.7% to prior year)	<i>Adjusted net income:</i> <b>\$218M</b> (+0.5% to prior year)

Protection Plans				
Consumer protection	Distribution partners	Q4 2025 quarterly performance		
		(\$ in millions)	Domestic	International
<ul style="list-style-type: none"> <li>Electronics</li> <li>Computers/tablets</li> <li>TVs</li> <li>Mobile phones</li> <li>Major appliances</li> <li>Furniture</li> </ul>	      	Revenue	439	170
		Growth – prior year	8.1%	39.7%
		Adjusted Net Income	49 (+32.4% to prior year)	

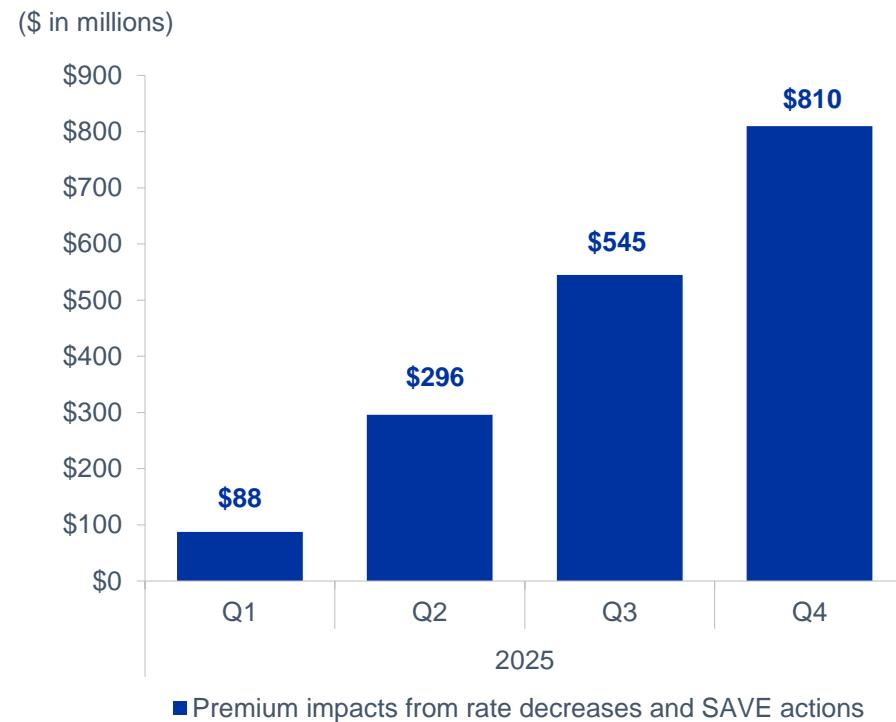
# Property-Liability Generates Strong Results

## Full year 2025 results

	Auto insurance	Homeowners insurance
(% change from prior year)		
Premiums earned	4.4%	15.0%
Policies in force	2.3%	2.5%
(% of premiums earned)		
<b>Combined ratio – 2024</b>	<b>95.0</b>	<b>90.1</b>
Underlying loss ratio*	(4.6) pts	(4.2) pts
Underlying expense ratio*	(0.7) pts	(0.4) pts
Catastrophe losses	(0.8) pts	(1.2) pts
Prior year reserve reestimates (non-catastrophe)	(3.9) pts	0.1 pts
<b>Combined ratio – 2025</b>	<b>85.0</b>	<b>84.4</b>
Underwriting income (\$ in millions)	\$5,724	\$2,393

Improving affordability had manageable impact on auto insurance earned premium

## Cumulative earned premium impact



# Auto Claims Process Improvements Support Favorable Reserve Adjustments

## Physical damage

### **Improved accuracy and customer experience**

- Optimize inspection methodology
- Adjuster training to enhance quality and consistency
- Large language models and AI-driven photo analysis improve total loss predictions and valuation accuracy

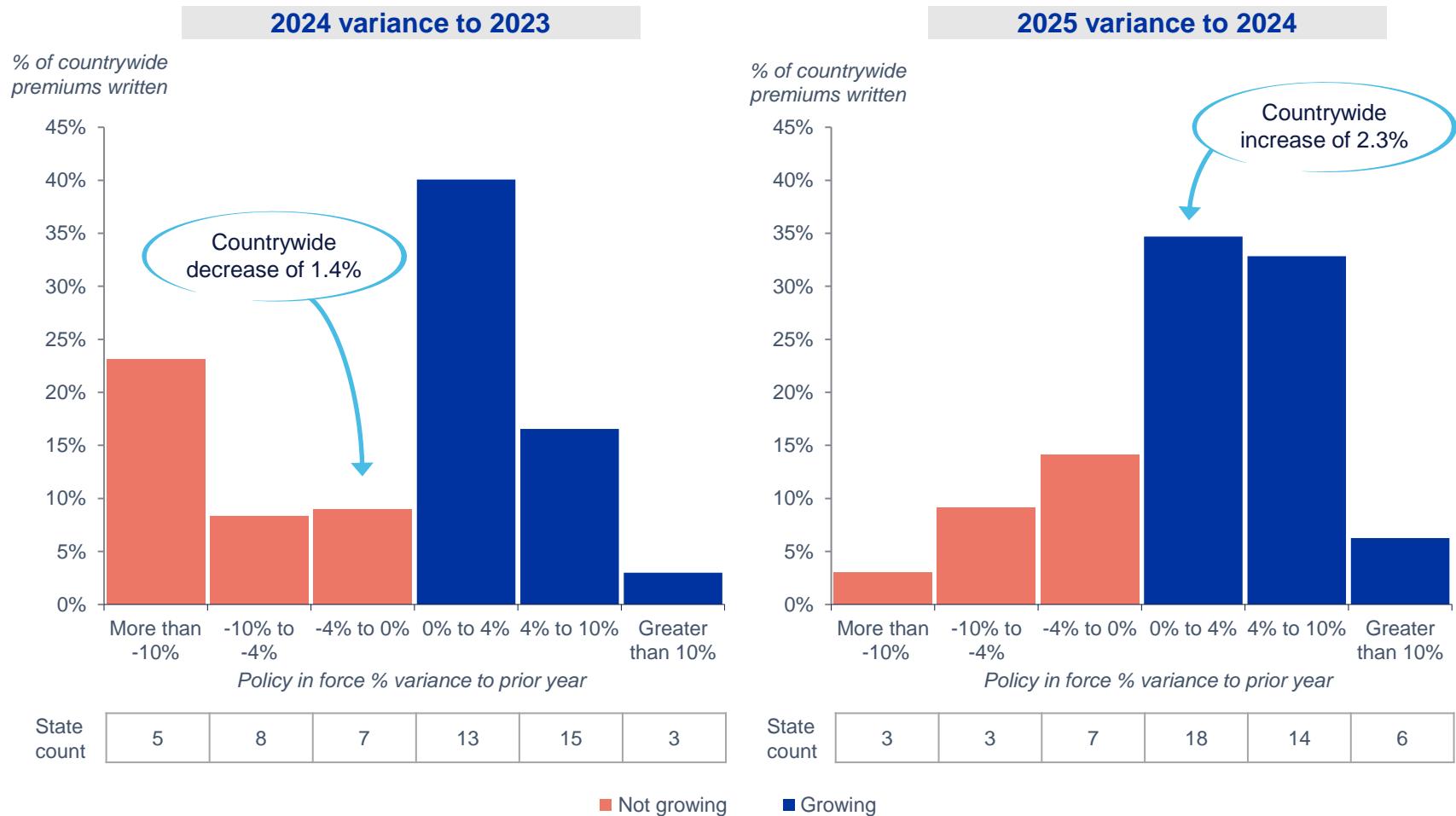
## Injury

### **Enhanced processes and analytics**

- Redesigned claims operating model to accelerate payment to injured parties
- Utilizing new tools and quality assurance processes
- Predictive models identify potential injured parties earlier to control liability

# Auto Insurance Growth Accelerated And Broadened In 2025

Allstate Protection auto – distribution of policy in force growth<sup>(1)</sup>



<sup>(1)</sup> Distribution of year-over-year policy in force growth by state and written premium totals

# Homeowners Insurance Continues To Generate Attractive Returns And Grow

Property-Liability financial highlights		2021	2022	2023	2024	2025
Premiums earned (\$ in millions)		\$9,552	\$10,418	\$11,739	\$13,360	\$15,363
Policies in force % to prior year		7.8%	1.4%	1.1%	2.4%	2.5%
<b>Combined ratio</b>						
Underlying*		68.7	70.3	67.3	62.5	57.9
Recorded		96.7	93.6	106.8	90.1	84.4
Industry combined ratio		104.7	106.0	112.7	101.6	104.1 <sup>(1)</sup>

Allstate recorded 10-year combined ratio average of 92.0 while the industry recorded an underwriting loss<sup>(1)</sup>

<sup>(1)</sup>Industry information represents U.S. statutory results per S&P Global Market Intelligence. 2025 results are estimates based on statutory data available through the third quarter and internal assumptions

# Increased Investment Income Reflecting Portfolio Growth And Increased Fixed Income Yields

## Investment Portfolio financial highlights

	Twelve months ended December 31,	
	2024	2025
<b>Portfolio Carrying Value (\$ in billions)</b>		
Market-based	62.1	73.4
Performance-based	10.5	9.8
<b>Total</b>	<b>72.6</b>	<b>83.2</b>
<b>Net Investment Income (\$ in millions)</b>		
Market-based <sup>(1)</sup>	2,728	3,036
Performance-based <sup>(1)</sup>	618	648
<b>Total</b>	<b>3,092</b>	<b>3,449</b>
<b>Total Return (%)<sup>(2)</sup></b>		
Market-based	3.7%	6.1%
Performance-based	6.3%	5.8%
<b>Total</b>	<b>3.8%</b>	<b>5.8%</b>

<sup>(1)</sup> Investment expenses are not allocated between market-based and performance-based portfolios with the exception of investee level expenses

<sup>(2)</sup> Total portfolio and market-based returns reflect asset-weighted GAAP total returns, performance-based results reflect IRR. See investor supplement for definitions

# Proactive Capital Management Increases Cash Returns To Shareholders

- › Returned over \$2.2 billion to shareholders in 2025 through a combination of common shareholder dividends and share repurchases
- › Approved quarterly common dividend of \$1.08 per share – payable in cash on Apr. 1, 2026 to stockholders of record at the close of business on Mar. 2, 2026
- › Authorized a \$4 billion share repurchase program effective upon completion of outstanding \$1.5 billion program in early 2026
  - › Repurchased 18% and 39% of common shares outstanding over the last 5 years and 10 years, respectively



# 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 resulting from 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) regulatory limitations on rate increases and requirements to underwrite business and participate in loss sharing arrangements; (7) market risk and declines in credit quality of our investment portfolios; (8) economic and capital market conditions affecting investments; (9) subjective determination of fair value and amount of credit losses for investments; (10) participation in indemnification programs, including state industry pools and facilities; (11) inability to mitigate the impact associated with changes in capital requirements; (12) a downgrade in financial strength ratings;
- Business, Strategy and Operations (13) operations in markets that are

highly competitive; (14) changing consumer preferences; (15) new or changing technologies impacting the business; (16) inability to successfully deploy new technologies; (17) Transformative Growth strategy; (18) catastrophe management strategy; (19) restrictions on our subsidiaries' ability to pay dividends; (20) restrictions under terms of some of our securities on the ability to pay dividends or repurchase stock; (21) the availability and cost of reinsurance; (22) counterparty risk related to reinsurance; (23) acquisitions and divestitures of businesses; (24) intellectual property infringement, misappropriation and third-party claims; (25) reliance on vendors for products, services or protection of data and information; (26) inability to attract, develop and retain talent;

Macro, Regulatory and Risk Environment (27) conditions in the global economy and capital markets, including changes in U.S. trade and tariff policy, new or additional U.S. and responsive non-U.S. tariffs, and our ability to plan for and respond to the impact of those changes; (28) restrictions on liquidity or availability of credit on acceptable terms; (29) a large-scale pandemic, the occurrence of terrorism, military actions or political and social unrest or other disruptive or destabilizing events; (30) the failure in cyber or other information security controls; (31) failure of business continuity following a disaster or other event; (32) changing climate and weather conditions; (33) evolving environmental, social and governance standards and expectations; (34) evolving privacy and data security regulations and increased focus on enforcement; (35) failure to manage risk and to timely detect and mitigate a cybersecurity event; (36) restrictive regulations and uncertainty around the interpretation and implementation of regulations in the U.S. and internationally; (37) regulatory reforms and enforcement of existing regulations; (38) losses from legal and regulatory actions; (39) changes in or the application of accounting standards and changes in tax laws; and (40) 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.