Catastrophe Reinsurance Program
Effective June 1, 2007 to May 31, 2008

Northbrook, Ill., January 30, 2007 –Our personal property catastrophe reinsurance program for Allstate Protection, the property and casualty business unit of The Allstate Corporation (NYSE: ALL), has now been completed with the exception of the state of Florida. The Florida program, which will be placed later this year once the state's recent legislative actions have been assessed, should become effective June 1, 2007, the beginning of the hurricane catastrophe season.

Our personal lines catastrophe reinsurance program was designed, utilizing our risk management methodology, to address our exposure to catastrophes nationwide. Our program provides reinsurance protection to us for catastrophes including storms named or numbered by the National Weather Service, earthquakes and fires following earthquakes. 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. As discussed below, our reinsurance program is comprised of agreements that provide coverage for the occurrence of certain qualifying catastrophes in specific states including New York, New Jersey, Connecticut and Texas ("multi-year"); other states along the southern and eastern coasts ("South-East") principally for hurricanes; in California for fires following earthquakes ("California fires following"); in New Jersey for losses in excess of the multi year agreement ("New Jersey excess") and in Kentucky for earthquakes and fires following earthquakes ("Kentucky"). Another reinsurance agreement provides coverage nationwide, excluding Florida, for the aggregate or sum of catastrophe losses in excess of an annual retention associated with storms named or numbered by the National Weather Service, earthquakes and fires following earthquakes ("aggregate excess"). The Florida component of the reinsurance program is designed separately from the other components of the program to address the distinct needs of our separately capitalized legal entities in that state.

During January 2007 we completed the renewal of our aggregate excess, South-East and New Jersey excess reinsurance contracts, opted to expand coverage in the existing multi-year contracts in the states of Texas and New Jersey and added a new agreement covering Kentucky earthquake and fires following earthquakes. These contracts will be effective June 1, 2007 to May 31, 2008, with the exception of the aggregate excess contract which is effective June 1, 2007 to May 31, 2009.

The multi-year agreements have various retentions and limits designed 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 tables and charts. The multi-year, California fires following, New Jersey excess, South-East and Kentucky agreements cover qualifying losses related to a specific qualifying event in excess of the agreement's retention. Reinsurance recoveries under each agreement are equal to the qualifying losses in excess of the agreement's retention for a specific event multiplied by the percentage of reinsurance placed up to the agreement's occurrence limit.

The South-East agreement provides coverage for Allstate Protection personal property excess catastrophe losses for storms named or numbered by the National Weather Service, effective June 1, 2007 for one year. The South-East agreement covers $500 million of losses in excess of $500 million, of which Allstate retains 5%. This agreement reinsures losses in the states of Louisiana, Mississippi, Alabama, Georgia, South Carolina, North Carolina, Virginia, Maryland, Delaware, Pennsylvania and Rhode Island and the District of Columbia. Unlike the multi-year agreements, the South-East agreement provides that losses resulting from the same occurrence

but taking place in various states may be combined to meet the agreements per occurrence retention and limit.

The New Jersey excess agreement provides coverage for Allstate Protection personal property excess catastrophe losses in the state of New Jersey from events such as hurricanes and earthquakes, effective June 1, 2007 for one year. This agreement is for $200 million of coverage in excess of our existing multi-year agreement in the state, with Allstate retaining 5%. The multi-year agreement covers 95% of losses of $300 million in excess of $140 million.

The Kentucky agreement provides coverage for Allstate Protection personal property excess catastrophe losses in the state of Kentucky for earthquake and fires following earthquakes, effective June 1, 2007 for one year. This agreement is for $40 million of coverage, in excess of $10 million with Allstate retaining 5%.

The aggregate excess agreement provides coverage for the aggregate or sum of all qualifying 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, earthquakes and fires following earthquakes, with 5% retained by Allstate in the first year and 20% retained by Allstate in the second year. Losses recoverable from the multi-year, California fires following, New Jersey excess, South-East and Kentucky agreements are excluded when determining the retention of the aggregate excess agreement to the extent that the loss recoveries conform to the named peril coverage in the aggregate excess agreement. Conversely, losses retained under, or which exceed the limits of, the multi-year, California fires following, New Jersey excess, South-East and Kentucky agreements and qualifying as covered named peril losses under the aggregate excess agreement are covered. When we placed the aggregate excess agreement this year, we designed it to treat losses recoverable from the South-East excess agreement identical to the treatment accorded the multi-year, California fires following, New Jersey excess and Kentucky agreements, as noted above.

The multi-year, California fires following, New Jersey excess, South-East, and Kentucky agreements expire on May 31, 2008. The aggregate excess agreement was placed with a one year term and two year term. For the first year, effective June 1, 2007 to May 31, 2008, Allstate retains 5% of the $2 billion reinsurance limit. The one year term for the period June 1, 2007 to May 31, 2008 is 15% placed or $0.3 billion of the $2.0 billion limit. A separately placed two year term is for the period June 1, 2007 to May 31, 2009 and Allstate also retains 5% of the $2.0 billion reinsurance limit. The two year term for the period June 1, 2007 to May 31, 2009 is 80% placed for both years or $1.6 billion of the $2.0 billion limit. For the second year of the two year term, which expires on May 31, 2009, Allstate has the option to place an additional 15% or $300 million of the $2.0 billion limit. Allstate has stipulated that the coverage provided by the multi-year, California fires following, New Jersey excess, South-East and Kentucky agreements will be in place for the purpose of making loss recoveries throughout the two-year duration of the aggregate excess agreement.

The reinsurance agreements have been placed in the global reinsurance market, with the majority of the limits placed with reinsurers who currently have an A.M. Best insurance financial strength rating of A+ or better. The remaining limits are placed with reinsurers who currently have an A.M. Best insurance financial strength rating no lower than A-, with three exceptions. Two of the three exceptions have a Standard and Poors rating of AA- and we will have collateral for the entire contract limit exposure for the third reinsurer which is not rated by either rating agency.

We expanded the number of reinsurance participants on our program and placed approximately $215 million or 11% of the aggregate excess agreement limits for June 1, 2007 to May 31, 2008 period and $30 million or 6% of the South-East agreement limit with alternative market sources. Alternative market sources refers to a reinsurer that hedge funds, private equity firms, or investment banks substantially or wholly support; retrocedes 100% of its assumed liability to a specific retrocessionaire; or provides collateral to us equal to its assumed per occurrence limit.

We estimate that the total annualized cost of all reinsurance programs will be approximately $770 million per year or $193 million per quarter, including an estimate for reinsurance coverage in Florida. This is compared to approximately $800 million per year from our total annualized cost during the 2006 hurricane season, or an estimated decrease of $30 million due to lower expected cost of coverage in Florida. This is compared to a cost of $73 million in the first quarter, $114 million in the second quarter, $211 million in the third quarter and $209 million in the fourth quarter of 2006. We currently expect that a similar level of coverage will be purchased or renewed for the comparable 2008 period. The actual placement of the Florida program, contractual redeterminations and risk transfers of certain catastrophe and other liability exposures during 2007 may cause our total annualized cost to differ from our current estimates.

The Florida program will be placed later this year, once the state's recent legislative actions have been assessed, and should become effective on June 1, 2007 for the beginning of the hurricane catastrophe season.

The terms, retentions and limits for all of Allstate's catastrophe management reinsurance agreements in place as of June 30, 2007 are listed in the following table.

(in millions)	**Effective Date**	**% Placed**	**Reinstatement**	**Retention**	**Per Occurrence Limit**
Coordinated coverage					
Aggregate excess[1]	6/1/2007	95 for year 1; 80 for year 2	None	$2,000	$2,000
California fire following[2]	2/1/2006	95	2 limits over 28 month term, prepaid	520	1,500
Multi-year[3]:	6/1/2005				
Connecticut		95	2 limits over remaining term, prepaid	129	200
New Jersey		95	1 reinstatement each contract year over 3-year term, premium required	140	300
New York[4]		90	2 limits over remaining term, prepaid	830	1,000
Texas[5]		95	2 limits over remaining term, prepaid	399	750
New Jersey excess[6]	6/1/2007	95	1 reinstatement, premium required	440	200
South-East[7]	6/1/2007	95	1 reinstatement premium required	500	500
Kentucky (8)	6/1/2007	95	1 reinstatement, premium required	10	40

Coordinated Coverage

(1)Aggregate Excess Agreement – This agreement has a one year term, effective 6/1/2007 to 5/31/2008, and a two year term, effective 6/1/2007 to 5/31/2009. It covers the aggregation of qualifying losses for storms named or numbered by the National Weather Service, earthquakes and fires following earthquakes for Allstate Protection personal lines auto and property business countrywide, except for Florida, in excess of $2 billion in aggregated losses per contract year. Losses recoverable if any, from our California fires following, multi-year, New Jersey excess, South-East and Kentucky agreements are excluded when determining the retention of this agreement. The one year contract is 15% placed or $.3 billion of the total $2 billion limit. The two year term contract is 80% placed or $1.6 billion of the total $2 billion limit leaving Allstate the option to place up to an additional 15% in year two. The aggregate excess agreement in effect for 6/1/2006 to 5/31/2007 was placed prior to the South-East agreement and accordingly did not provide for its consideration.

The preliminary reinsurance premium is subject to redetermination for exposure changes.

(2)California Fire Following Agreement – This agreement is effective 2/1/2006 and expires 5/31/2008. This agreement covers Allstate Protection personal property excess catastrophe losses in California for fires following earthquakes. This agreement provides $1.5 billion of coverage for all qualifying losses with one reinstatement except when a qualifying loss occurrence exceeds $2 billion, then for 21 days no additional recovery can occur for any losses within the same seismic geographically affected area. The retention on this agreement is subject to remeasurement.

(3)Multi-year Agreements – These agreements have been in effect since 6/1/2005 and cover the Allstate brand personal property excess catastrophe losses, expiring 5/31/2008. The retentions on these agreements are subject to annual remeasurements on their anniversary dates. The Company is planning to elect $100 million of additional coverage effective 6/1/2007 in the states of Texas and New Jersey.

(4)Two separate reinsurance agreements provide coverage for catastrophe risks in the state of New York: Allstate Insurance Company ("AIC") has a $512 retention and a $550 limit, and Allstate Indemnity Company ("AI") has a $318 retention and a $450 limit.

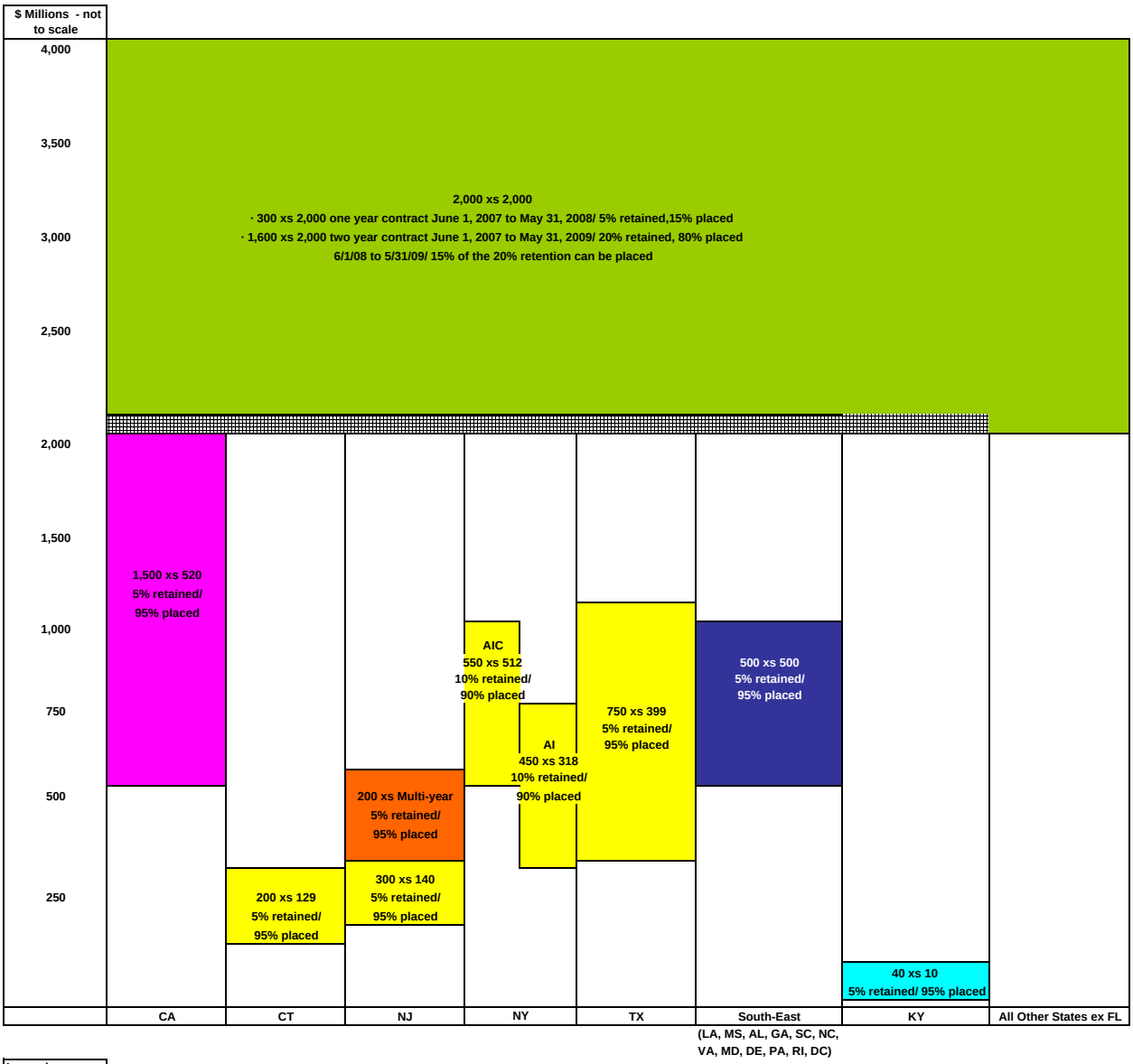
(5)The Texas agreement is with Allstate Texas Lloyd's ("ATL"), a syndicate insurance company. ATL also has a 100% reinsurance agreement with AIC covering losses in excess of and/or not reinsured by the Texas agreement.

(6)New Jersey Excess – This agreement is effective 6/1/2007 for 1 year and covers Allstate Protection personal property catastrophe losses in excess of the New Jersey multi-year agreement.

(7)South-East – This agreement is effective 6/1/2007 for 1 year and covers Allstate Protection personal property excess catastrophe losses for storms named or numbered by the National Weather Service. This agreement covers personal property business in the states of Louisiana, Mississippi, Alabama, Georgia, South Carolina, North Carolina, Virginia, Maryland, Delaware, Pennsylvania and Rhode Island and the District of Columbia. The South-East agreement in effect for 6/1/2006 to 5/31/2007 did not cover business in Rhode Island, provided one reinstatement of $180 million of the $400 million limit placed and was 80% placed. The preliminary reinsurance premium is subject to redetermination for exposure changes.

(8) Kentucky – This agreement is effective 6/1/2007 for one-year and covers Allstate Protection's personal property excess catastrophe losses for earthquakes and fires following earthquakes.

Current 2007 Reinsurance Programs by State (excluding Florida)
For Illustrative Purposes only.
Not intended to reflect all terms of all agreements.



Legend

Aggregate Excess Agreement – This agreement has a one year term, effective 6/1/2007 to 5/31/2008 and a two year term effective 6/1/2007 to 5/31/2009. It covers the aggregation of qualifying losses for storms named or numbered by the National Weather Service, earthquakes and fires following earthquakes for Allstate Protection personal lines auto and property business countrywide except for Florida.

The one year contract (6/1/2007 to 5/31/2008) has been 15% placed or $.3 billion of the $2.0 billion limit. The two year contract (6/1/2007 to 5/31/2009) has been 80% placed or $1.6 billion of the $2.0 billion limit leaving Allstate the option to place up to an additional 15% in year two.

The preliminary reinsurance premium is subject to redetermination for exposure changes.

Losses recoverable, if any, from our California fires following, multi-year, the New Jersey excess, South-East and Kentucky agreements are excluded when determining the retention of this agreement.

California Fires Following Agreement – This agreement is effective 2/1/2006 and expires 5/31/2008. This agreement covers Allstate Protection personal property excess catastrophe losses in California for fires following earthquakes. This agreement provides $1.5 billion of coverage for all qualifying losses with one reinstatement except when a qualifying loss occurrence exceeds $2 billion, then for 21 days no additional recovery can occur for any losses within the same seismic geographically affected area. The retention on this agreement is subject to remeasurement.

Multi-year Agreements – These agreements have been in effect since 6/1/2005 and cover the Allstate brand personal property excess catastrophe losses, expiring 5/31/2008. The retentions on these agreements are subject to annual remeasurements on their anniversary dates. Two separate reinsurance agreements provide coverage for catastrophe risks in the state of New York: Allstate Insurance Company ("AIC") has a $512 retention and a $550 limit, and Allstate Indemnity Company ("AI") has a $318 retention and a $450 limit. The Texas agreement is with Allstate Texas Lloyd's ("ATL"), a syndicate insurance company. ATL also has a 100% reinsurance agreement with AIC covering losses in excess of and/or not reinsured by the Texas agreement.

New Jersey Excess – This agreement is effective 6/1/2007 for 1 year and covers Allstate Protection personal property catastrophe losses in excess of the New Jersey multi-year agreement.

South-East – This agreement is effective 6/1/2007 for 1 year and covers Allstate Protection personal property excess catastrophe losses for storms named or numbered by the National Weather Service. This agreement covers personal property business in the states of Louisiana, Mississippi, Alabama, Georgia, South Carolina, North Carolina, Virginia, Maryland, Delaware, Pennsylvania and Rhode Island and the District of Columbia. The preliminary reinsurance premium is subject to redetermination for exposure changes.

Kentucky- This agreement is effective 6/1/2007 for 1 year and covers Allstate Protection personal property excess catastrophe losses for earthquakes and fires following earthquakes.

Reinsurance Agreements
Highlights of Certain Other Contract Terms and Conditions

	South-East	Aggregate Excess	Multi-year, New Jersey excess, California fires following and Kentucky
Business Reinsured	Personal Lines Property business	Personal Lines Property and Auto business	Personal Lines Property business
Location (s)	11 states and Washington, DC	Nationwide except Florida	Each specific state
Covered Losses	1 specific peril – storms named or numbered by the National Weather Service	3 specific perils – storms named or numbered by the National Weather Service, earthquakes, and fires following earthquakes	Multi-year and New Jersey excess: multi-perils - includes hurricanes and earthquakes California fires following: 1 specific peril – fires following earthquakes Kentucky-earthquakes and fires following earthquakes.
Brands Reinsured	Allstate Brand Encompass Brand	Allstate Brand Encompass Brand	Multi-year: Allstate Brand New Jersey excess, California fires following, Kentucky: Allstate Brand and Encompass Brand
Exclusions, other than typical market negotiated exclusions	Automobile Terrorism Commercial	Assessment exposure to California Earthquake Authority Terrorism Commercial	Automobile Terrorism Commercial
Loss Occurrence	Sum of all qualifying losses from named or numbered storms by the National Weather Service over 96 hours	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 an earthquake Losses over 168 hours within a 336 hour period for fires following an earthquake	Sum of all qualifying losses for a specific occurrence over 168 hours Windstorm related occurrences over 96 hours Riot related occurrences over 72 hours California fires following occurrences over 168 hours. No additional recovery can occur for any losses within the same seismic geographically affected area for an additional 336 hours when a qualifying loss exceeds $2 billion. Kentucky earthquake and fires following earthquake occurrences over 336 hours.
Loss adjustment expenses included within ultimate net loss	10% of qualifying losses	10% of qualifying losses	Multi-year and California fires following: actual expenses New Jersey excess and Kentucky: 10% of qualifying losses

Illustration of Utilization of Reinsurance Coverage

The following examples are provided to illustrate to investors 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.

(in millions)

			Amounts Recoverable by Reinsurance Agreement											
											Allstate Floridian (c)			
	Amount	Notes	South-East	Multi-year	New Jersey Excess	California Fire Following	Kentucky	Aggregate Excess	FHCF Retention	FHCF	FHCF Sliver	Excess of Loss	Excess of Loss Sliver	Additional Excess of Loss
Example 1 - One hurricane landfalls in North Carolina, total loss of $2.1 billion (Total loss of $2.1 billion, net loss of $1.6 billion or 77.4%)														
North Carolina hurricane														
South-East														
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 placed (a)	(475.0)											
Retained	1,100.0	In excess of South-East Agreement retention and limit												
North 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)

			Amounts Recoverable by Reinsurance Agreement											
										Allstate Floridian (c)				
	Amount	Notes	South-East	Multi-year	New Jersey Excess	California Fire Following	Kentucky	Aggregate Excess	FHCF Retention	FHCF	FHCF Sliver	Excess of Loss	Excess of Loss Sliver	Additional Excess of Loss
Example 2 - First hurricane landfalls in North Carolina, total loss of $1.05 billion; second hurricane landfalls in Louisiana, total loss of $1.4 billion (Total loss of $2.45 billion, net loss of $1.5 billion or 61.2%)														
Hurricane in North Carolina														
South-East														
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 placed (a)	(475.0)											
Retained	50.0	In excess of South-East Agreement retention and limit												
North Carolina loss	**1,050.0**													
Less recoverables	**(475.0)**													
Net loss	**575.0**													
Hurricane in Louisiana														
South-East														
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)	45% of 95% of 500 xs 500 retention, limit reinstated	(475.0)											
Retained	400.0	In excess of South-East Agreement retention and limit as reinstated												
Louisiana loss	**1,400.0**													
Less recoverables	**(475.0)**													
Net loss	**925.0**													
Total losses	**2,450.0**													
Less recoverables	**(950.0)**													
Net loss	**1,500.0**		(950.0)											

Illustration of Utilization of Reinsurance Coverage

The following examples are provided to illustrate to investors 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.

(in millions)

			Amounts Recoverable by Reinsurance Agreement											
											Allstate Floridian (c)			
	Amount	Notes	South-East	Multi-year	New Jersey Excess	California Fire Following	Kentucky	Aggregate Excess	FHCF Retention	FHCF	FHCF Sliver	Excess of Loss	Excess of Loss Sliver	Additional Excess of Loss
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 North Carolina and South Carolina, total loss of $750 (Total loss of $2 billion, net loss of $1.4 billion or 69.1%)														
Hurricane in Alabama														
South-East														
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														
South-East														
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 loss xs 500 retention (a)	(380.0)											
Georgia loss	**900.0**													
Less recoverables	**(380.0)**													
Net loss	**520.0**													
Hurricane in North Carolina and South Carolina														
South-East														
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 loss xs 500 retention, limit reinstated (a)	(237.5)											
NC and SC loss	**750.0**													
Less recoverables	**(237.5)**													
Net loss	**512.5**													
Total loss	**2,000.0**													
Less recoverables	**(617.5)**		**(617.5)**											
Net loss	**1,382.5**													

Illustration of Utilization of Reinsurance Coverage

The following examples are provided to illustrate to investors 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.

(in millions)

			Amounts Recoverable by Reinsurance Agreement											
										Allstate Floridian (c)				
	Amount	Notes	South-East	Multi-year	New Jersey Excess	California Fire Following	Kentucky	Aggregate Excess	FHCF Retention	FHCF	FHCF Sliver	Excess of Loss	Excess of Loss Sliver	Additional Excess of Loss
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 $1.5 billion or 46.6%)														
Hurricane in Maryland														
South-East														
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 loss xs 500 retention (a)	(95.0)											
Maryland loss	**600.0**													
Less recoverables	**(95.0)**													
Net loss	**505.0**													
Hurricane in New Jersey														
Multi-Year														
Loss	700.0													
Retention	140.0	140 retention												
Subject Loss	560.0	Total loss less 140 retention												
Retained	15.0	5% retained on 300 limit xs 140 retention												
Recoverable	(285.0)	95% placed on 300 limit xs 140 retention (b)		(285.0)										
New Jersey Excess														
Retained	10.0	5% retained on 200 limit xs 440 retention												
Recoverable	(190.0)	95% placed on 200 limit xs 440 retention (b)			(190.0)									
Retained	60.0	In excess of New Jersey Excess retention and limit												
New Jersey loss	**700.0**													
Less recoverables	**(475.0)**													
Net loss	**225.0**													
Hurricane in Maine														
Loss	200.0													
Retained	200.0	No state specific reinsurance												
Maine loss	**200.0**													
Less recoverable	**0.0**													
Net loss	**200.0**													

Illustration of Utilization of Reinsurance Coverage

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(in millions)

			Amounts Recoverable by Reinsurance Agreement											
											Allstate Floridian (c)			
	Amount	Notes	South-East	Multi-year	New Jersey Excess	California Fire Following	Kentucky	Aggregate Excess	FHCF Retention	FHCF	FHCF Sliver	Excess of Loss	Excess of Loss Sliver	Additional Excess of Loss
Example 4 - continuation														
Fire losses in California following an earthquake														
CA Fire Following														
Loss	1,700.0													
Retention	500.0	500 retention												
Subject loss	1,200.0	Total loss less 500 retention												
Retained	60.0	5% retained on 1,200 xs 500 retention												
Recoverable	(1,140.0)	95% placed on 1,200 xs 500 retention				(1140.0)								
CA loss	**1,700.0**													
Less recoverable	**(1,140.0)**													
Net loss	**560.0**													
Total loss	**3,200.0**													
Less recoverables	**(1,710.0)**		**(95.0)**	**(285.0)**	**(190.0)**	**(1140.0)**								
Net loss	**1,490.0**													

Illustration of Utilization of Reinsurance Coverage

The following examples are provided to illustrate to investors 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.

(in millions)

			Amounts Recoverable by Reinsurance Agreement											
										Allstate Floridian (c)				
	Amount	Notes	South-East	Multi-year	New Jersey Excess	California Fire Following	Kentucky	Aggregate Excess	FHCF Retention	FHCF	FHCF Sliver	Excess of Loss	Excess of Loss Sliver	Additional Excess of Loss
Example 5 - First hurricane landfalls in Louisiana, total loss of $3.6 billion; second hurricane landfalls in Texas, total loss of $1 billion; third hurricane landfalls in Florida, total loss of $900 million ($600 million net of Universal and Royal Palm) (Total loss of $5.2 billion, net loss of $2.17 billion or 41.7%)														
Hurricane in Louisiana														
South-East														
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 placed (a)	(475.0)											
Retained	2,600.0	In excess of South-East Agreement retention and limit												
Louisiana loss	**3,600.0**													
Less recoverables	**(475.0)**													
Net loss	**3,125.0**													
Aggregate Excess														
Subject Loss	3,125.0													
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% placed on 1,125 xs 2,000 retention						(1068.8)						
Aggregate excess recoverable	**(1,068.8)**													
Hurricane in Texas														
Multi-Year														
Loss	1,000.0													
Retention	399.0	399 retention												
Subject Loss	601.0	Total loss less 361 retention												
Retained	30.0	5% retained on 601 loss xs 399 retention												
Recoverable	(571.0)	95% placed on 601 loss xs 399 retention		(571.0)										
Texas loss	**1,000.0**													
Less recoverable	**(571.0)**													
Net loss	**429.0**													
Aggregate Excess														
Subject Loss	429.0	Retention for multi-year agreement (399 + 30 = 429)												
Retained	21.4	5% retained on 429 loss (limit remaining: 1900 placed less 1068.8 = 831.2)												
Recoverable	(407.6)	95% placed on 429 loss						(407.6)						
Aggregate Excess Recoverable	**(407.6)**													

Illustration of Utilization of Reinsurance Coverage

The following examples are provided to illustrate to investors 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.

(in millions)

			Amounts Recoverable by Reinsurance Agreement											
										Allstate Floridian (c)				
	Amount	Notes	South-East	Multi-year	New Jersey Excess	California Fire Following	Kentucky	Aggregate Excess	FHCF Retention	FHCF	FHCF Sliver	Excess of Loss	Excess of Loss Sliver	Additional Excess of Loss
Example 5- continuation														
Hurricane in Florida	(d)													
FHCF Retention														
Loss	900.0													
Less Ceded	300.0	Total loss less 300 ceded to Royal Palm and Universal												
Net loss	600.0	Royal Palm and Universal exposure excluded												
Retention	50.0	50 retention												
Subject Loss	550.0	Net loss less 50 retention												
Retained	30.0	30% retained on 100 xs 50 retention												
Recoverable	(70.0)	70% placed on 100 xs 50 retention							(70.0)					
FHCF														
Loss	900.0													
Retention	243.1	243.1 provisional retention for the FHCF												
Subject Loss	656.9													
Total retention	65.7	10% retained on 656.9 xs 243.1 retention												
Total recoverable	(591.2)	90% placed on 656.9 xs 243.1, inclusive of Royal Palm and Universal								(591.2)				
FHCF Sliver														
Net loss	600.0	Royal Palm and Universal exposure excluded												
Retention	150.6	150.6 retention												
Subject Loss	449.4	Net loss less 150.6 retention												
Recoverable	(44.9)	10% placed on 449.4 xs of 150.6 limit up to reinsured limit of 47.6									(44.9)			
Quota Share Recoveries														
Ceded loss	(300.0)	Ceded to Royal Palm and Universal												
FHCF cession	197.1	Recovery due Royal Palm and Universal (33.33% of FHCF recovery of 591.2)								197.1				
Net recoverable	(102.9)													
Florida loss	**900.0**													
Less ceded	**300.0**	Ceded to Royal Palm and Universal												
Net loss	**600.0**													
Total recoverables	**(706.2)**													
Less ceded recoverable	**197.1**	Ceded to Royal Palm and Universal												
Net recoverables	**(509.1)**													
Florida loss	**90.9**													
Total loss	**5,200.0**													
Less net recoverables	**(3,031.5)**		**(475.0)**	**(571.0)**				**(1476.4)**	**(70.0)**	**(394.1)**	**(44.9)**			
Net loss	**2,168.5**													

(a) 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%.
(b) Reinsurance premiums will be payable to the extent that the reinsurance limit(s) can be reinstated up to a total of $300 million for the New Jersey multi-year and $200 million for the New Jersey excess for all qualifying occurrences. The amount of premium payable is determined pursuant to the same formula as noted in Note (a) above for the South-East agreement.
(c) Reinsurance coverage for Allstate Floridian will be placed later this year and should become effective June 1, 2007. In order to complete this example, we have assumed that Allstate Floridian's 2006 reinsurance coverage is effective as of June 1, 2007, including its existing quota share reinsurance agreements with Universal Insurance Company and Royal Palm Insurance Company.
(d) For purposes of this example, the limit of liability and retention applicable to the FHCF have been combined for all Floridian companies