Allstate Issues Update to Catastrophe Reinsurance Program

Northbrook, Ill., August 18, 2006 – A description of our completed personal property reinsurance program for Allstate Protection, the property and casualty business unit for The Allstate Corporation (NYSE: ALL), follows.

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 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 (described as "multi-year agreements"); Florida; other states along the southern and eastern coasts (described as "South-East agreement") principally for hurricanes; and in California for fires following earthquakes. 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 (described as "aggregate excess agreement"). 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 the 2006 second quarter, we acquired additional reinsurance protection, primarily for hurricanes, by purchasing the South-East agreement that provides 80% of $500 million in additional reinsurance protection covering 10 states and the District of Columbia; a New Jersey excess agreement that provides 95% of $200 million in additional reinsurance coverage; and four new agreements to decrease our net exposure to catastrophes in Florida.

The new 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-.

The new 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, 2006 for one year. The South-East agreement covers $500 million of losses in excess of $500 million, of which Allstate retains 20%. This agreement reinsures losses in the states of Louisiana, Mississippi, Alabama, Georgia, South Carolina, North Carolina, Virginia, Maryland, Delaware and Pennsylvania 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 agreement's per occurrence retention and limit.

The New Jersey excess agreement provides coverage for Allstate Protection personal property excess catastrophe losses from events such as hurricanes and earthquakes, effective June 1, 2006 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 $200 million in excess of $120 million.

Four new separate agreements have been entered into by Allstate Floridian Insurance Company and its subsidiaries ("Allstate Floridian") for personal property excess catastrophe losses in

Florida, effective June 1, 2006 for one year. These agreements coordinate coverage with the Florida Hurricane Catastrophe Fund ("FHCF") and with the existing excess of loss agreement. The FHCF provides 90% reimbursement on qualifying Allstate Floridian property losses up to an estimated maximum of $768 million in excess of a retention of $243 million for each of the two largest hurricanes and $85 million for all other hurricanes for the season beginning June 1, 2006. Our excess of loss agreement for Florida provides 90% reimbursement for $900 million of Allstate Floridian's property catastrophe losses in excess of the FHCF reimbursement. Recoveries from the FHCF and the excess of loss agreement on policies included in our reinsurance agreements with Universal Insurance Company ("Universal") and Royal Palm Insurance Company ("Royal Palm"), as discussed below, are ceded to those companies. This agreement brings our estimated maximum net reimbursement from the FHCF to $476 million in excess of a retention of $150 million for each of the two largest hurricanes and $50 million for all other hurricanes, and 90% of $700 million on the excess of loss agreement. The four new agreements are listed and described below, net of policies reinsured with Universal and Royal Palm.

- FHCF Retention – provides coverage on $100 million of losses in excess of $50 million and is 70% placed.
- FHCF Sliver – provides coverage on 10% co-participation of the FHCF payout, or $48 million, and is 100% placed.
- Excess of loss sliver – provides coverage on half of Allstate's 10% retention on our existing excess of loss agreement, or $45 million, and is 100% placed.
- Additional excess of loss – provides coverage on $200 million of losses in excess of the FHCF and our existing additional excess of loss agreement once $100 million has been reimbursed by the FHCF for prior event(s) and after recovery under the excess of loss agreement. This agreement is 95% placed, and is adjusted to only exclude policies reinsured by Universal.

The multi-year agreements have various retentions and limits designed commensurate with the amount of catastrophe risk in each covered state. The multi-year, California fire following, New Jersey excess and South-East agreements cover qualifying losses related to a specific qualifying event in excess of the agreement's retention. Reinsurance recoveries are equal to the qualifying losses in excess of the retention for a specific event multiplied by the percent placed up to the occurrence limit.

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. Losses recoverable from the multi-year, California fire following and New Jersey excess 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 fire following and New Jersey excess agreements and qualifying as covered named peril losses under the aggregate excess agreement are covered by the aggregate excess agreement. Losses recoverable from qualifying losses under the South-East agreement are not excluded from coverage under the aggregate excess agreement and are also eligible to be ceded under the aggregate excess agreement.

The multi-year and California fire following agreements expire on May 31, 2008. The South-East, New Jersey excess, aggregate excess and all of the Allstate Floridian agreements expire on May 31, 2007.

We anticipate that the total annualized cost of all reinsurance programs will be approximately $840 million per year or $210 million per quarter. This represents an increase of approximately $600 million per year or $150 million per quarter over our total annualized cost during the 2005 hurricane season. Based on the effective dates of these agreements, our ceded premiums earned are expected to increase to approximately $210 million in the third and fourth quarters of

2006. We will continue to aggressively seek regulatory approvals, as necessary, to include reinsurance costs in our premium rates in order to mitigate the impact of the increased cost. We currently expect that a similar level of coverage will be purchased or renewed for the comparable 2007 period.

As previously announced, Allstate Floridian has entered into a reinsurance agreement to cede losses incurred on 120,000 personal property policies in the state of Florida to Royal Palm. Allstate Floridian plans to no longer offer coverage on these policies after their contract terms expire, at which time Royal Palm may offer coverage to these policyholders. Any qualifying recoveries from the FHCF and the existing excess of loss agreement will be shared with Royal Palm under this agreement.

The terms, retentions and limits for all of Allstate's catastrophe management reinsurance agreements in place as of June 30, 2006 are listed in the following table.

(in millions)	Effective Date	% Placed	Reinstatement	Retention	Per Occurrence Limit
Coordinated coverage					
Aggregate excess[(1)]	6/1/2006	95	None	$2,000	$2,000
California fire following[(2)]	2/1/2006	95	2 limits over 28 month term, prepaid	500	1,500
Multi-year[(3)]:	6/1/2005				
Connecticut		95	2 limits over 3-year term, prepaid	114	200
New Jersey		95	1 reinstatement each contract year over 3-year term, premium required	120	200
New York[(4)]		90	2 limits over 3-year term, prepaid	830	1,000
Texas[(5)]		95	2 limits for each contract year over 3-year term, prepaid	361	650
New Jersey excess[(6)]	6/1/2006	95	1 reinstatement, premium required	320	200
South-East[(7)]	6/1/2006	80	1 limit of $220 over 1-year term; 1 reinstatement of $180 limit, premium required	500	500

Coordinated Coverage

(1)Aggregate Excess Agreement – This agreement is effective 6/1/2006 for 1 year and covers 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. Losses recoverable, if any, from our California fire following agreement, multi-year agreements and the New Jersey excess agreement are excluded when determining the retention of this agreement.

(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 June 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.

(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 6/1/2006 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 6/1/2006 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 and Pennsylvania and the District of Columbia. Qualifying losses under this agreement are also eligible to be ceded under the aggregate excess agreement.

Allstate Floridian[1]

(in millions)	Effective Date	% Placed	Reinstatement	Retention	Per Occurrence Limit
FHCF Retention[2]	6/1/2006	70	2 limits over 1-year term, prepaid	50	100
FHCF[3]	6/1/2006	90	Annual remeasurements with a first and second season coverage provision	150 for the 2 largest storms, 50 for all other storms	476
FHCF sliver[4]	6/1/2006	100	None	150	Allstate's 10% co-participation of the FHCF recoveries estimated at $476, up to a limit of $48
Excess of loss[5]	6/1/2005	90	2 limits over 2-year term, prepaid	Excess of FHCF Limit	700
Excess of loss sliver[6]	6/1/2006	100	1 reinstatement over 1-year term, premium required	Excess of FHCF limit	5% of the excess of loss limit or $45
Additional excess of loss[7]	6/1/2006	95	None	In excess of the FHCF and excess of loss agreements	200

(1) The coverage of these agreements is adjusted to exclude the economic impact of policies reinsured with Universal Insurance Company of North America in 2005 and Royal Palm Insurance Company in 2006. The estimated net economic benefit after sharing recoveries on ceded policies to Universal and Royal Palm is shown above and reflects Universal and Royal Palm losses in proportion to the total losses recoverable subject to the FHCF limit and a $200 limit acquired by Royal Palm of the excess of loss program. Also, the excess of loss and additional excess of loss coverages are adjusted to only exclude policies reinsured by Universal.

[2]FHCF Retention - provides coverage beginning 6/1/2006 for 1 year covering personal property excess catastrophe losses on policies written by Allstate Floridian, excluding policies remaining in force by Allstate Floridian and ceded to Universal and Royal Palm.

[3]FHCF (Florida Hurricane Catastrophe Fund) – provides 90% reimbursement on qualifying personal property losses up to an estimated maximum per hurricane season. Estimated coverages are calculated for Allstate Floridian Insurance Company and each of its subsidiaries independently, and are subject to annual remeasurements at the beginning of the FHCF fiscal year of 6/1. As of 6/1/2006, these limits are an estimated $595 for Allstate Floridian Insurance Company, $128 for Allstate Floridian Indemnity Company, $37 for Encompass Floridian Insurance Company, and $8 for Encompass Floridian Indemnity Company for a total of $768. Provisional retentions, that is, estimated retentions based on preliminary exposure data, for each of the Floridian companies are an estimated $188 for Allstate Floridian Insurance Company, $40 for Allstate Floridian Indemnity Company, $12 for Encompass Floridian Insurance Company, and $3 for Encompass Floridian Indemnity Company for a total of $243. “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.

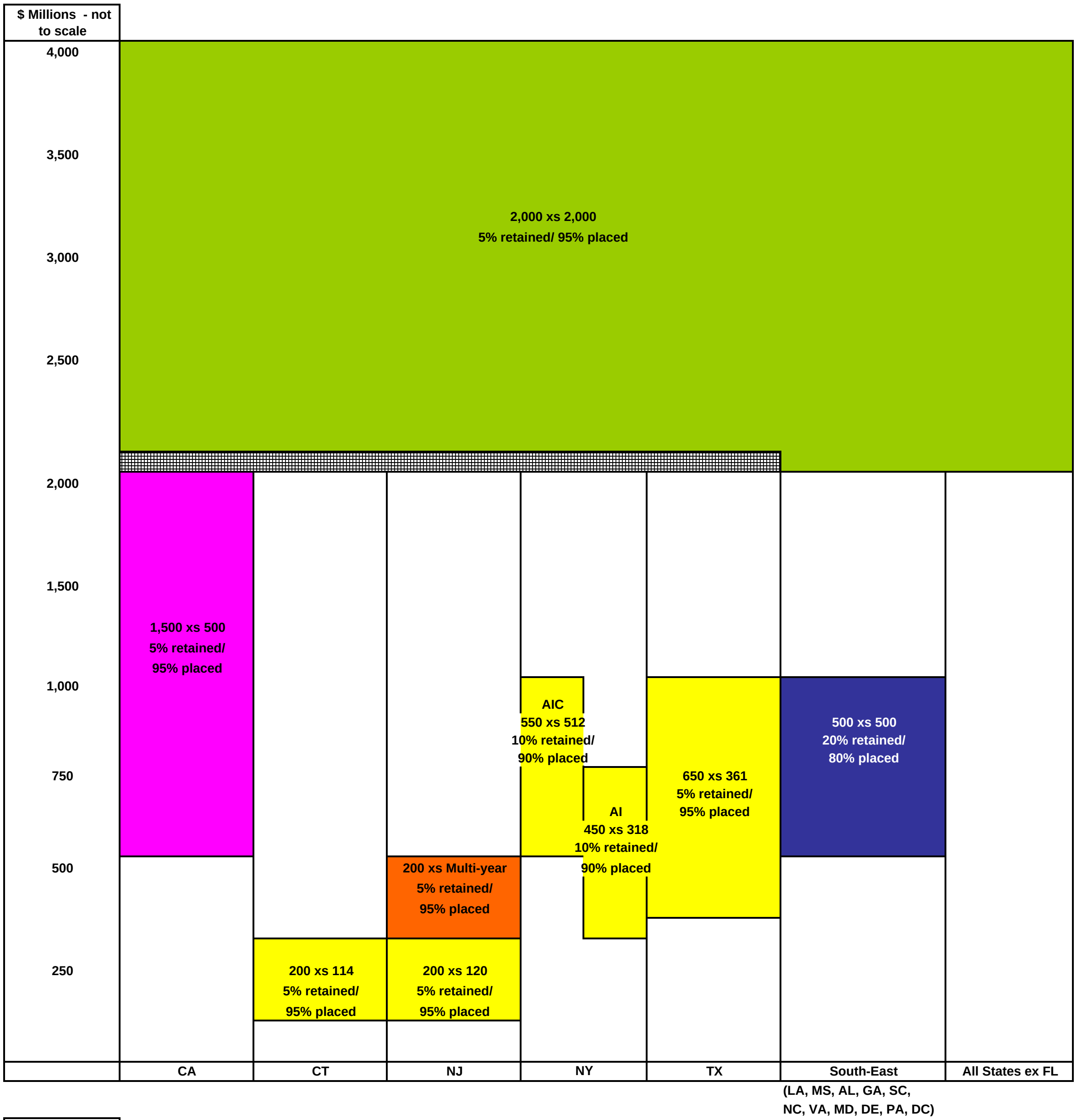
[4]FHCF sliver - provides coverage beginning 6/1/2006 for 1 year covering primarily excess catastrophe losses not reimbursed by the FHCF. The provisional retention is $150 and is subject to adjustment upward or downward to an actual retention that will equal the FHCF retention as respects business covered by this contract, excluding policies remaining in force by Allstate Floridian and ceded to Universal and Royal Palm.

[5]Excess of loss - covers excess catastrophe losses, effective June 1, 2005, and expires May 31, 2007. This agreement is designed to attach above and contiguous to the FHCF payout and as the FHCF capacity is paid out, the retention on this agreement automatically adjusts to mirror the amount of the payout. The limit is $900 and is 90% placed. The noted $700 limit reflects the $200 limit acquired by Royal Palm and described in footnote 1 above. The retention is subject to annual remeasurements on the anniversary date.

[6]Excess of loss sliver - provides coverage beginning 6/1/2006 for 1 year covering primarily excess catastrophe losses within the 10% co-participation of the excess of loss agreement. The provisional estimated retention on this agreement is $626 and is subject to adjustment upward or downward to an actual retention that will equal the FHCF retention, plus losses paid by the FHCF divided by .90 as respects business covered by this contract, excluding policies remaining in force by Allstate Floridian and ceded to Universal and Royal Palm.

[7]Additional excess of loss - provides coverage beginning 6/1/2006 for 1 year covering excess catastrophe losses. The retention on this agreement is designed to attach to the excess of loss limit and will adjust automatically as the FHCF and the excess of loss capacity are needed and paid. The contract is triggered once $100 has been paid by the FHCF for prior events.

Current 2006 Reinsurance Programs by State (excluding Florida)
For Illustrative Purposes only.
Not intended to reflect all terms of all agreements.
See Form 8-K filed July 19, 2006 for additional details.



Legend

Aggregate Excess Agreement – This agreement is effective 6/1/2006 for 1 year and covers 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.

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

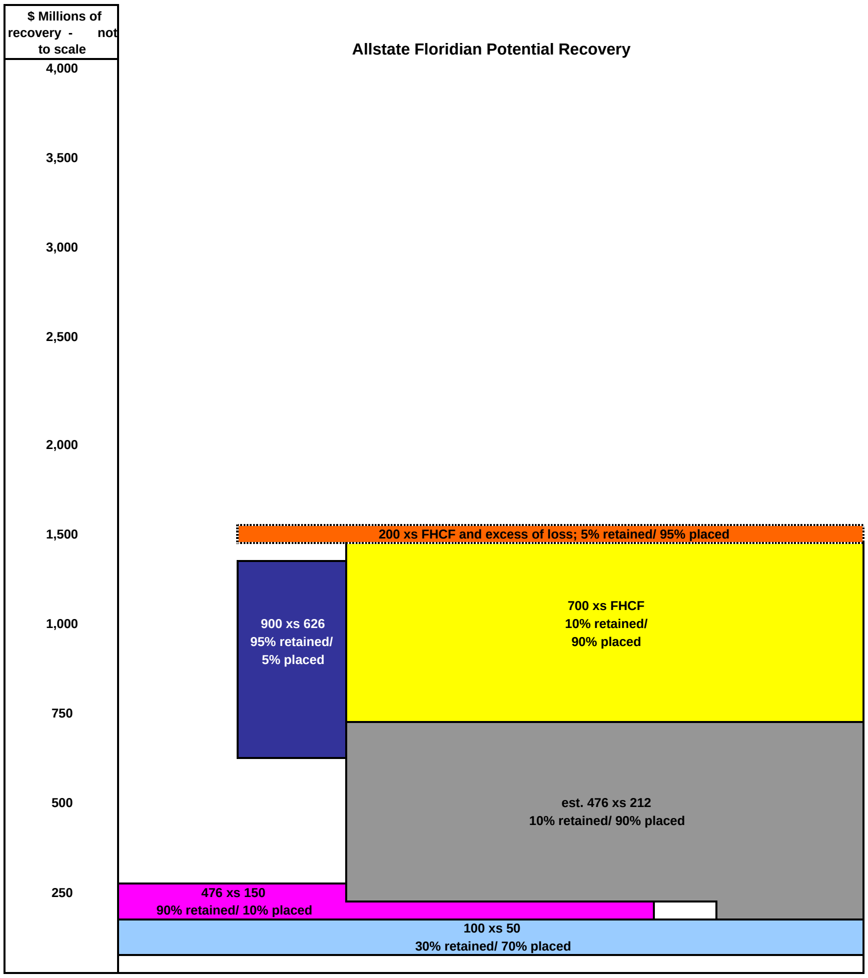
California Fire Following Agreement – This agreement is effective 2/1/2006 and expires 5/31/2008. This agreement covers Allstate Protection personal property excess catastrophe losses in California for fires following earthquakes. This agreement provides $1.5 billion of coverage for all qualifying losses 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.

Multi-year Agreements – These agreements have been in effect since June 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 6/1/2006 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 6/1/2006 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 and Pennsylvania and the District of Columbia. Qualifying losses under this agreement are also eligible to be ceded under the aggregate excess agreement.

Current 2006 Reinsurance Program for Allstate Floridian - Net Economic Basis
For Illustrative Purposes only.
Not intended to reflect all terms of all agreements.
See Form 8-K filed July 19, 2006 for additional details.



Legend

The coverage of these agreements is adjusted to exclude the economic impact of policies reinsured with Universal Insurance Company of North America in 2005 and Royal Palm Insurance Company in 2006. The estimated net economic benefit after sharing recoveries on ceded policies to Universal and Royal Palm is shown above and reflects Universal and Royal Palm losses in proportion to the total losses recoverable subject to the FHCF limit and a $200 limit acquired by Royal Palm of the excess of loss program. Also, the excess of loss and additional excess of loss coverages are adjusted to only exclude policies reinsured by Universal.

FHCF Retention - provides coverage beginning 6/1/2006 for 1 year covering personal property excess catastrophe losses on policies written by Allstate Floridian, excluding policies remaining in force by Allstate Floridian and ceded to Universal and Royal Palm.

FHCF (Florida Hurricane Catastrophe Fund) – provides 90% reimbursement on qualifying personal property losses up to an estimated maximum per hurricane season. Estimated coverages are calculated for Allstate Floridian Insurance Company and each of its subsidiaries independently, and are subject to annual remeasurements at the beginning of the FHCF fiscal year of 6/1. As of 6/1/2006, these limits are an estimated $595 for Allstate Floridian Insurance Company, $128 for Allstate Floridian Indemnity Company, $37 for Encompass Floridian Insurance Company, and $8 for Encompass Floridian Indemnity Company for a total of $768. Provisional retentions, that is, estimated retentions based on preliminary exposure data, for each of the Floridian companies are an estimated $188 for Allstate Floridian Insurance Company, $40 for Allstate Floridian Indemnity Company, $12 for Encompass Floridian Insurance Company, and $3 for Encompass Floridian Indemnity Company for a total of $243. “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.

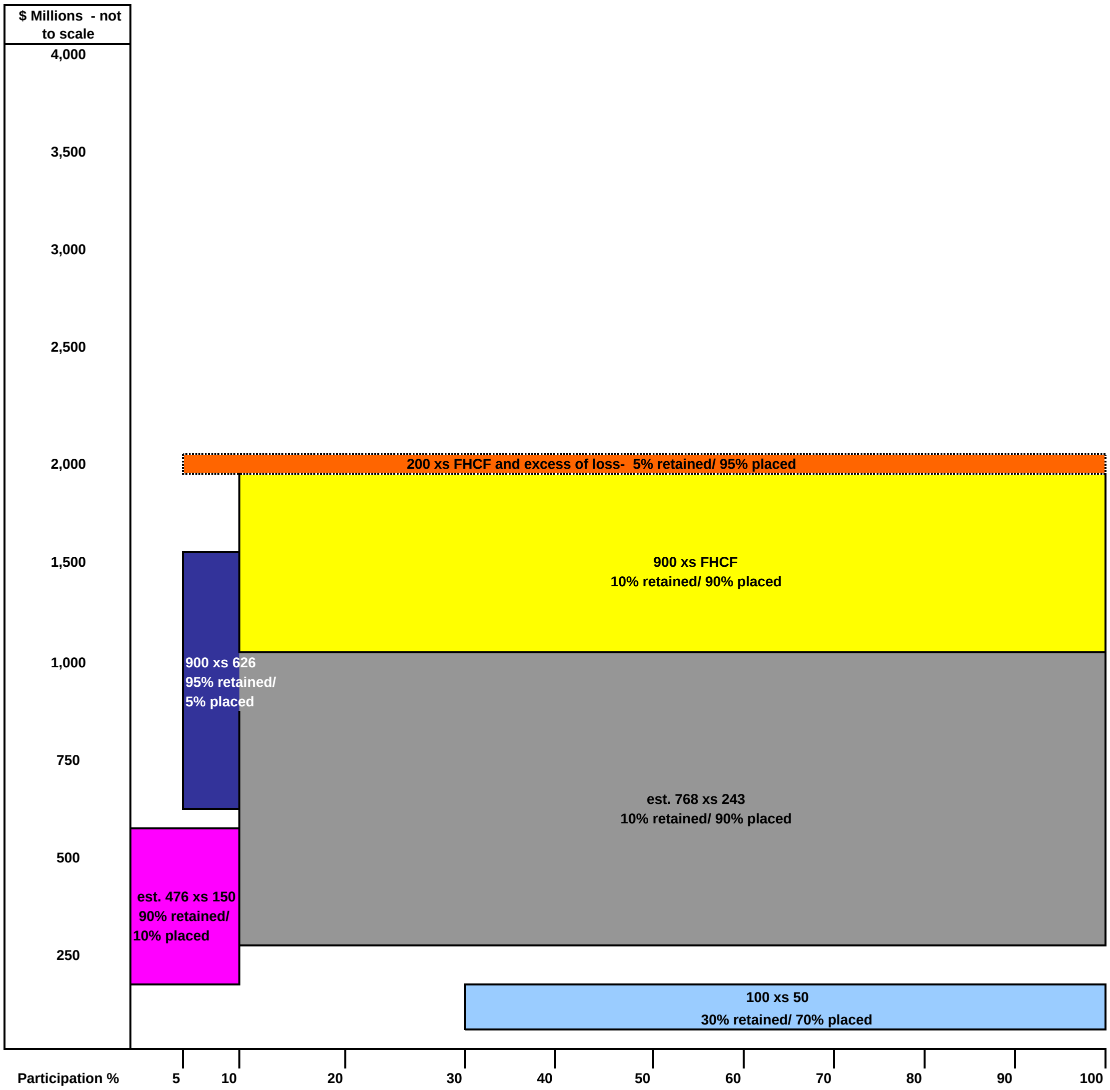
FHCF sliver - provides coverage beginning 6/1/2006 for 1 year covering primarily excess catastrophe losses not reimbursed by the FHCF. The provisional retention is $150 and is subject to adjustment upward or downward to an actual retention that will equal the FHCF retention as respects business covered by this contract, excluding policies remaining in force by Allstate Floridian and ceded to Universal and Royal Palm.

Excess of loss - covers excess catastrophe losses, effective June 1, 2005, and expires May 31, 2007. This agreement is designed to attach above and contiguous to the FHCF payout and as the FHCF capacity is paid out, the retention on this agreement automatically adjusts to mirror the amount of the payout. The limit is $900 and is 90% placed. The noted $700 limit reflects the $200 limit acquired by Royal Palm and described in footnote 1 above. The retention is subject to annual remeasurements on the anniversary date.

Excess of loss sliver - provides coverage beginning 6/1/2006 for 1 year covering primarily excess catastrophe losses within the 10% co-participation of the excess of loss agreement. The provisional estimated retention on this agreement is $626 and is subject to adjustment upward or downward to an actual retention that will equal the FHCF retention, plus losses paid by the FHCF divided by .90 as respects business covered by this contract, excluding policies remaining in force by Allstate Floridian and ceded to Universal and Royal Palm.

Additional excess of loss - provides coverage beginning 6/1/2006 for 1 year covering excess catastrophe losses. The retention on this agreement is designed to attach to the excess of loss limit and will adjust automatically as the FHCF and the excess of loss capacity are needed and paid. The contract is triggered once $100 has been paid by the FHCF for prior events.

Current 2006 Reinsurance Program for Allstate Floridian - Contractual retentions and limits
For Illustrative Purposes only.
Not intended to reflect all terms of all agreements.
See Form 8-K filed July 19, 2006 for additional details.



Legend

The ultimate loss to Allstate depends upon the mix of exposures involved among Allstate, Universal Insurance Company of North America beginning in 2005 and Royal Palm Insurance Company beginning in 2006.

FHCF Retention - provides coverage beginning 6/1/2006 for 1 year covering personal property excess catastrophe losses on policies written by Allstate Floridian, excluding policies remaining in force by Allstate Floridian and ceded to Universal and Royal Palm.

FHCF (Florida Hurricane Catastrophe Fund) – provides 90% reimbursement on qualifying personal property losses up to an estimated maximum per hurricane season. Estimated coverages are calculated for Allstate Floridian Insurance Company and each of its subsidiaries independently, and are subject to annual remeasurements at the beginning of the FHCF fiscal year of 6/1. As of 6/1/2006, these limits are an estimated $595 for Allstate Floridian Insurance Company, $128 for Allstate Floridian Indemnity Company, $37 for Encompass Floridian Insurance Company, and $8 for Encompass Floridian Indemnity Company for a total of $768. Provisional retentions, that is, estimated retentions based on preliminary exposure data, for each of the Floridian companies are an estimated $188 for Allstate Floridian Insurance Company, $40 for Allstate Floridian Indemnity Company, $12 for Encompass Floridian Insurance Company, and $3 for Encompass Floridian Indemnity Company for a total of $243. “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.

FHCF sliver - provides coverage beginning 6/1/2006 for 1 year covering primarily excess catastrophe losses not reimbursed by the FHCF. The provisional retention is $150 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, excluding policies remaining in force by Allstate Floridian and ceded to Universal and Royal Palm.

Excess of loss - covers excess catastrophe losses, effective June 1, 2005, and expires May 31, 2007. This agreement is designed to attach above and contiguous to the FHCF payout and as the FHCF capacity is paid out, the retention on this agreement automatically adjusts to mirror the amount of the payout. The limit is $900 and is 90% placed. The noted $700 limit reflects the $200 limit acquired by Royal Palm and described in footnote 1 above. The retention is subject to annual remeasurements on the anniversary date.

Excess of loss sliver - provides coverage beginning 6/1/2006 for 1 year covering primarily excess catastrophe losses within the 10% co-participation of the excess of loss agreement. The provisional estimated retention on this agreement is $626 and is subject to adjustment upward or downward to an actual retention that will equal the FHCF retention, plus losses paid by the FHCF divided by .90 as respects business covered by this contract, excluding policies remaining in force by Allstate Floridian and ceded to Universal and Royal Palm.

Additional excess of loss - provides coverage beginning 6/1/2006 for 1 year covering excess catastrophe losses. The retention on this agreement is designed to attach to the excess of loss limit and will adjust automatically as the FHCF and the excess of loss capacity are needed and paid. The contract is triggered once $100 has been paid by the FHCF for prior events.

Reinsurance Agreements
Highlights of Certain Other Contract Terms and Conditions

	South-East	Allstate Floridian*	Aggregate Excess	Multi-year, New Jersey excess and California fire following
Business Reinsured	Personal Lines Property business	Personal Lines Property business	Personal Lines Property and Auto business	Personal Lines Property business
Location (s)	10 states and Washington, DC	Florida	Nationwide except Florida	Each specific state
Covered Losses	1 specific peril – storms named or numbered by the National Weather Service	Multi-peril – includes hurricanes and earthquakes	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 fire following: 1 specific peril – fires following earthquakes
Brands Reinsured	Allstate Brand Encompass Brand	Allstate Brand Encompass Brand	Allstate Brand Encompass Brand	Multi-year: Allstate Brand New Jersey excess and California fire following: Allstate Brand and Encompass Brand
Exclusions, other than typical market negotiated exclusions	Automobile Terrorism Commercial	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 for specific occurrences over 168 hours As regards windstorm related occurrences over 96 hours As regards riot related occurrences over 72 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 fire following an earthquake	Sum of all qualifying losses for a specific occurrence over 168 hours As regards windstorm related occurrences over 96 hours As regards riot related occurrences over 72 hours As regards California fire 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.

* Allstate Floridian information relates to the FHCF retention, FHCF, FHCF sliver, excess of loss, excess of loss sliver and additional excess of loss agreements.

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											
	Amount	Notes	South-East (220 limit)	South-East (180 limit) (a)	Multi-year	New Jersey Excess	California Fire Following	Aggregate Excess (b)	FHCF Retention	FHCF	FHCF Sliver	Allstate Floridian Excess of Loss	Allstate Floridian 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 76.4%)														
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	100.0	20% retained on 500 xs 500 retention												
Recoverable	(220.0)	55% of 80% of 500 xs 500 placed (500 x 80% = 400; 400 x 55% = 220)	(220.0)											
Recoverable	(180.0)	45% of 80% of 500 xs 500 placed (500 x 80% = 400; 400 x 45% = 180)		(180.0)										
Retained	1,100.0	In excess of South-East Agreement retention and limit												
North Carolina loss	**2,100.0**													
Less recoverables	**(400.0)**													
Net loss	**1,700.0**													
Aggregate Excess														
Loss	2,100.0													
Retention	2,000.0	2,000 retention												
Subject Loss	100.0	Total loss less 2,000 retention												
Retained	5.0	5% retained on 100 xs 2,000 retention												
Recoverable	(95.0)	95% placed on 100 xs 2,000 retention						(95.0)						
Aggregate Excess Recoverable	**(95.0)**													
Total loss	**2,100.0**													
Less recoverables	**(495.0)**		**(220.0)**	**(180.0)**				**(95.0)**						
Net loss	**1,605.0**													

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			
	Amount	Notes	South-East (220 limit)	South-East (180 limit) (a)	Multi-year	New Jersey Excess	California Fire Following	Aggregate Excess (b)	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 $1.4 billion or 58.9%)														
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	100.0	20% retained on 500 xs 500 retention												
Recoverable	(220.0)	55% of 80% of 500 xs 500 placed (500 x 80% = 400; 400 x 55% = 220)	(220.0)											
Recoverable	(180.0)	45% of 80% of 500 xs 500 placed (500 x 80% = 400; 400 x 45% = 180)		(180.0)										
Retained	50.0	In excess of South-East Agreement retention and limit												
North Carolina loss	**1,050.0**													
Less recoverables	**(400.0)**													
Net loss	**650.0**													
Hurricane in Louisiana														
South-East														
Loss	1,400.0													
Retention	500.0	500 retention												
Subject Loss	900.0	Total loss less 500 retention												
Retained	100.0	20% retained on 500 xs 500 retention												
Recoverable	0.0	55% placed, 20% retained on 500 xs 500 retention; limit exhausted by first hurricane, no reinstatement option		(c)										
Recoverable	(180.0)	45% of 80% of 500 xs 500 placed (500 x 80% = 400; 400 x 45% = 180), limit reinstated		(180.0) (c)										
Retained	620.0	In excess of South-East Agreement retention and limit as reinstated												
Louisiana loss	**1,400.0**													
Less recoverables	**(180.0)**													
Net loss	**1,220.0**													
Aggregate Excess														
Total losses	2,450.0													
Retention	2,000.0	2,000 retention												
Subject Loss	450.0	Total loss less 2,000 retention												
Retained	22.5	5% retained on 450 xs 2,000 retention												
Recoverable	(427.5)	95% placed on 500 xs 2,000 retention						(427.5)						
Aggregate Excess recoverable	**(427.5)**													
Total losses	**2,450.0**													
Less recoverables	**(1,007.5)**		**(220.0)**	**(360.0)**				**(427.5)**						
Net loss	**1,442.5**													

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			
	Amount	Notes	South-East (220 limit)	South-East (180 limit) (a)	Multi-year	New Jersey Excess	California Fire Following	Aggregate Excess (b)	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 $1.5 billion or 77.3%)														
Hurricane in Alabama														
South-East														
Loss	350.0													
Retention	500.0	500 retention												
Recoverable	0.0	Retention exceeds total loss	0.0	0.0										
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	80.0	20% retained on 400 xs 500 retention												
Recoverable	(176.0)	55% of 80% of 400 loss xs 500 retention (400 x 80% = 320; 320 x 55% = 176)	(176.0)											
Recoverable	(144.0)	45% of 80% of 400 loss xs 500 retention (400 x 80% = 320; 320 x 45% = 144)		(144.0)										
Georgia loss	**900.0**													
Less recoverables	**(320.0)**													
Net loss	**580.0**													
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	50	20% retained on 250 xs 500 retention												
Recoverable	(44.0)	55% of 80% of 250 loss xs 500 retention (250 x 80% = 200; 200 x 55% = 110), subject to remaining limit of 44 (220 limit less 176 paid for first hurricane)	(44.0)	(c)										
Retained	66.0	Loss in excess of 220 limit												
Recoverable	(90.0)	45% of 80% of 250 loss xs 500 retention (250 x 80% = 200; 200 x 45% = 90), as reinstated		(90.0) (c)										
NC and SC loss	**750.0**													
Less recoverables	**(134.0)**													
Net loss	**616.0**													
Total loss	**2,000.0**													
Less recoverables	**(454.0)**		**(220.0)**	**(234.0)**										
Net loss	**1,546.0**													

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)

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 $1.6 billion or 50%)

			Amounts Recoverable by Reinsurance Agreement											
	Amount	Notes	South-East (220 limit)	South-East (180 limit) (a)	Multi-year	New Jersey Excess	California Fire Following	Aggregate Excess (b)	FHCF Retention	FHCF	FHCF Sliver	Allstate Floridian Excess of Loss	Allstate Floridian Excess of Loss Sliver	Additional Excess of Loss
Hurricane in Maryland														
South-East														
Loss	600.0													
Retention	500.0	500 retention												
Subject loss	100.0	Total loss less 500 retention												
Retained	20.0	20% retained on 100 xs 500 retention												
Recoverable	(44.0)	55% of 80% of 100 loss xs 500 retention (100 x 80% = 80; 80 x 55% = 44)	(44.0)											
Recoverable	(36.0)	45% of 80% of 100 loss xs 500 retention (100 x 80% = 80 x 45% = 36)		(36.0)										
Maryland loss	**600.0**													
Less recoverables	**(80.0)**													
Net loss	**520.0**													
Hurricane in New Jersey														
Multi-Year														
Loss	700.0													
Retention	120.0	120 retention												
Subject Loss	580.0	Total loss less 120 retention												
Retained	10.0	5% retained on 200 limit xs 120 retention												
Recoverable	(190.0)	95% placed on 200 limit xs 120 retention			(190.0)									
New Jersey Excess														
Retained	10.0	5% retained on 200 limit xs 320 retention												
Recoverable	(190.0)	95% placed on 200 limit xs 320 retention				(190.0)								
Retained	180.0	In excess of New Jersey Excess retention and limit												
New Jersey loss	**700.0**													
Less recoverables	**(380.0)**													
Net loss	**320.0**													
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

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		
	Amount	Notes	South-East (220 limit)	South-East (180 limit) (a)	Multi-year	New Jersey Excess	California Fire Following	Aggregate Excess (b)	FHCF Retention	FHCF	FHCF Sliver	Excess of Loss	Excess of Loss Sliver	Additional Excess of Loss
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	**(1,600.0)**		**(44.0)**	**(36.0)**	**(190.0)**	**(190.0)**	**(1140.0)**							
Net loss	**1,600.0**													

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)

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 $1.79 billion or 34.4%)

			Amounts Recoverable by Reinsurance Agreement								Allstate Floridian			
	Amount	**Notes**	**South-East** (220 limit)	**South-East** (180 limit) (a)	**Multi-year**	**New Jersey Excess**	**California Fire Following**	**Aggregate Excess** (b)	**FHCF Retention**	**FHCF**	**FHCF Sliver**	**Excess of Loss**	**Excess of Loss Sliver**	**Additional Excess of Loss**
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	100.0	20% retained on 500 xs 500 retention												
Recoverable	(220.0)	55% of 80% of 500 xs 500 placed (500 x 80% = 400; 400 x 55% = 220)	(220.0)											
Recoverable	(180.0)	45% of 80% of 500 xs 500 placed (500 x 80% = 400; 400 x 45% = 180)		(180.0)										
Retained	2,600.0	In excess of South-East Agreement retention and limit												
Louisiana loss	**3,600.0**													
Less recoverables	**(400.0)**													
Net loss	**3,200.0**													
Aggregate Excess														
Loss	3,600.0													
Retention	2,000.0	2,000 retention												
Subject Loss	1,600.0	Total loss less 2,000 retention												
Retained	80.0	5% retained on 1,600 xs 2,000 retention												
Recoverable	(1,520.0)	95% placed on 1,600 xs 2,000 retention						(1520.0)						
Aggregate excess recoverable	**(1,520.0)**													
Hurricane in Texas														
Multi-Year														
Loss	1,000.0													
Retention	361.0	361 retention												
Subject Loss	639.0	Total loss less 361 retention												
Retained	32.0	5% retained on 639 loss xs 361 retention												
Recoverable	(607.0)	95% placed on 639 loss xs 361 retention			(607.0)									
Texas loss	**1,000.0**													
Less recoverable	**(607.0)**													
Net loss	**393.0**													
Aggregate Excess														
Subject Loss	393.0	Retention for multi-year agreement (361 + 32 = 393)												
Retention	0.0	Retention exhausted via Louisiana hurricane												
Retained	19.6	5% retained on 1000 loss less 607 recovery (1000 - 607 x .05 = 19.6)												
Recoverable	(373.4)	95% placed on 1000 loss less 607 recovery (1000 - 607 x .95 = 373.4)						(373.4)						
Aggregate Excess Recoverable	**(373.4)**													

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			
	Amount	**Notes**	**South-East** (220 limit)	**South-East** (180 limit) (a)	**Multi-year**	**New Jersey Excess**	**California Fire Following**	**Aggregate Excess** (b)	**FHCF Retention**	**FHCF**	**FHCF Sliver**	**Excess of Loss**	**Excess of Loss Sliver**	**Additional Excess of Loss**
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	**(3,409.5)**		**(220.0)**	**(180.0)**	**(607.0)**			**(1893.4)**	**(70.0)**	**(394.1)**	**(44.9)**			
Net loss	**1,790.5**													

(a) The South-East comprises two agreements each with $500 million per occurrence limits of which Allstate retains 20%. One agreement is 55% placed, is not subject to reinstatement, and thus has a $220 million per occurrence and in the aggregate limit (55% of 80% of $500 million). The other agreement is 45% placed, is subject to reinstatement but with a $1 billion aggregate limit, and thus has a $180 million per occurrence and a $360 million in the aggregate limit. (45% of 80% of $500 million per occurrence and 45% of 80% of $1 billion in the aggregate.)

(b) Qualifying losses under the South-East agreement also can be ceded to the Aggregate Excess agreement.

(c) One reinstatement limit of $180 million was acquired. For the $220 million agreement only one limit of $220 million was acquired.

(d) For puposes of this example, the limit of liability and retention applicable to the FHCF have been combined for all Floridian companies