



Allstate®

You're in good hands.

Goldman Sachs Financial Services CEO Conference

December 12, 2006

Edward M. Liddy

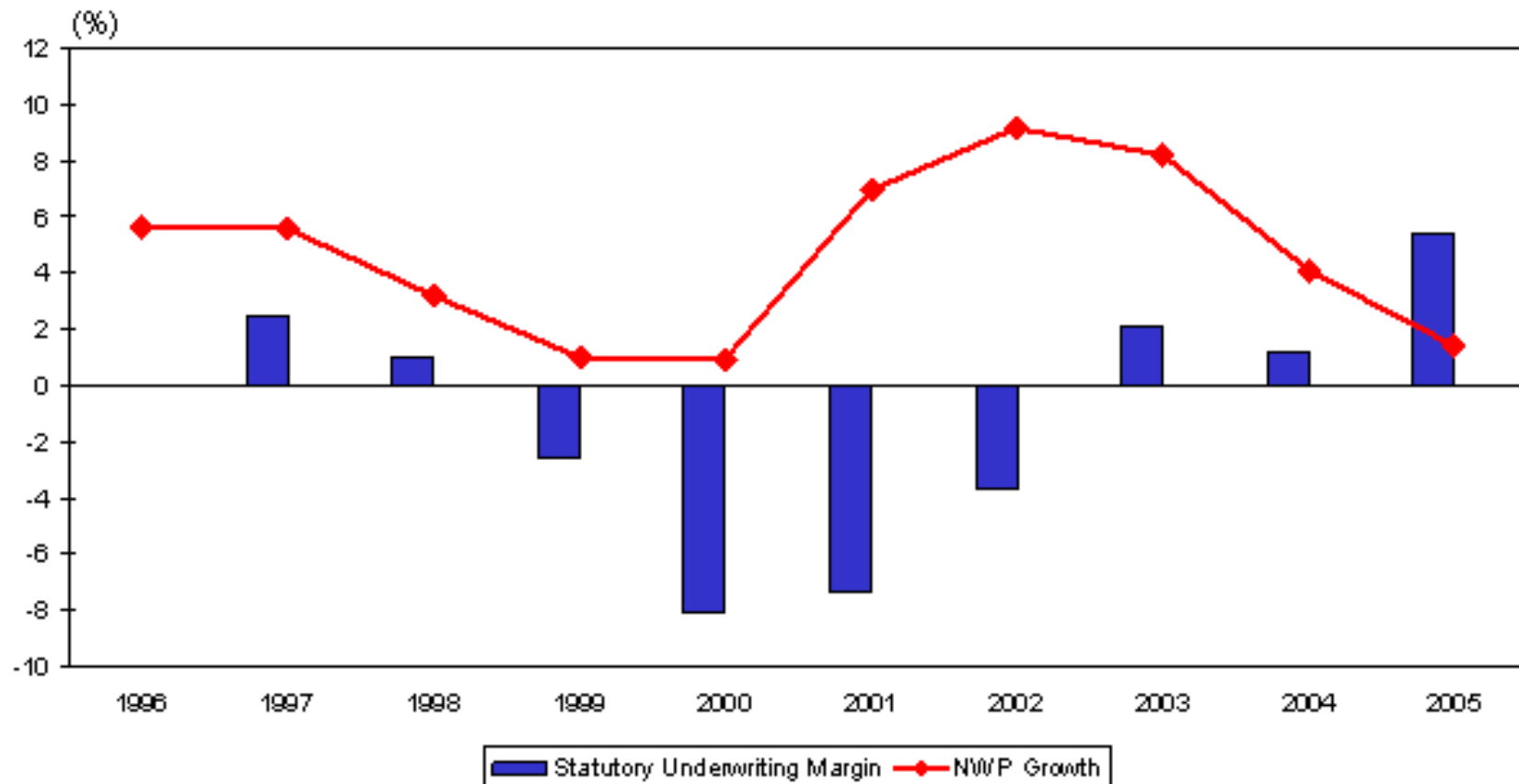
Chairman and Chief Executive Officer

The Allstate Corporation

Safe Harbor

This presentation contains forward-looking statements. Additional information on factors that could cause results to differ materially from those projected in this presentation is available in the Annual Report for 2005 on Form 10-K and in our most recent earnings release, available on our website, allstate.com. This presentation also contains some non-GAAP measures. You can find the reconciliation of those measures to GAAP measures on the Investor Relations portion of our website, allstate.com, under the “Quarterly Investor Information” link.

Industry Results – PPA Growth and Profit



Source: A.M. Best

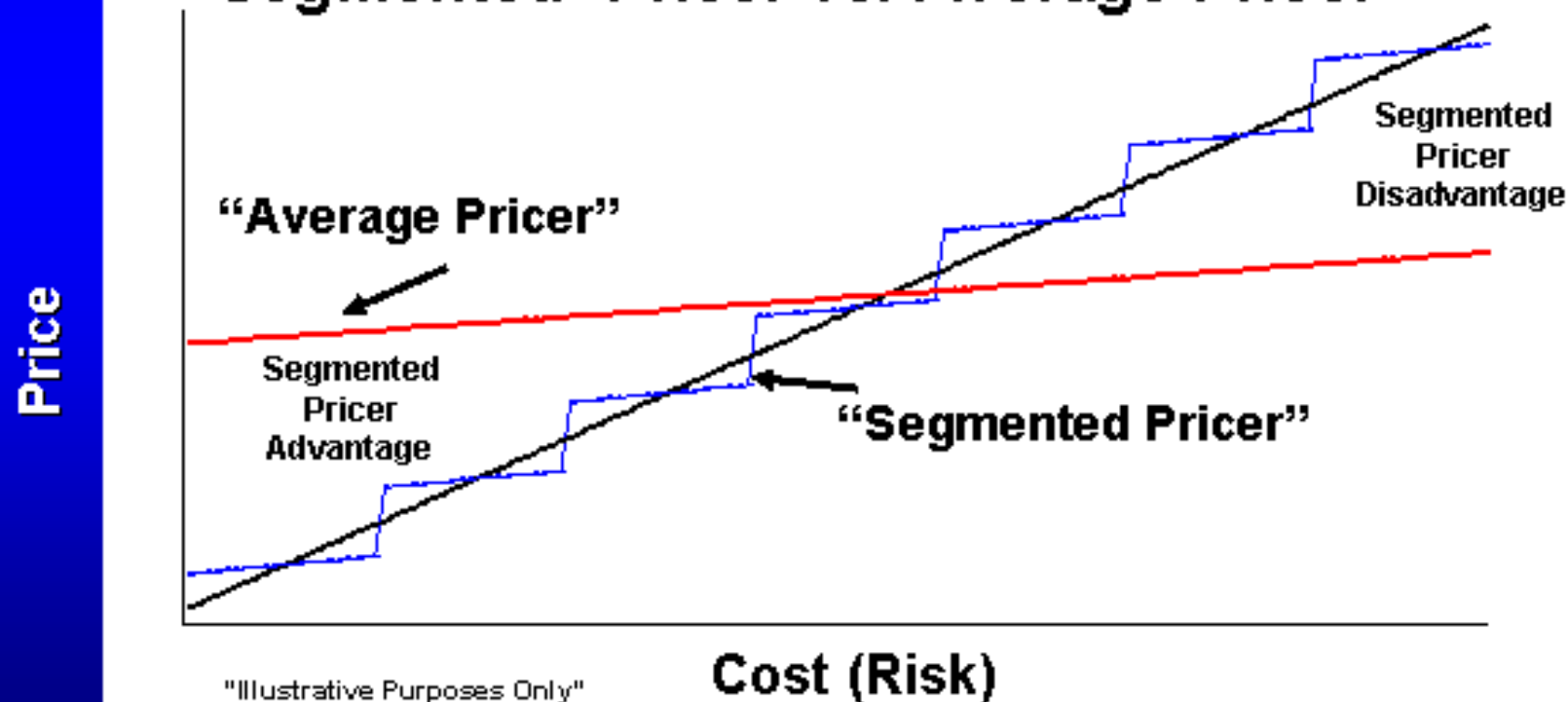
The Current Reality

- **Auto pricing environment remains competitive but rational**
- **Auto frequencies continue the long-term downward trend**
- **Lower investment yields necessitate focus on underwriting profitability**
- **Customer behavior still includes personal touch but comfort level with direct has increased**


Pricing Discipline

- Create local market competitive advantage through pricing expertise
 - Leverage data advantage
 - Generate efficient, effective pricing structures
 - Utilize innovative techniques
 - Increase speed to market

Segmented Pricer vs. Average Pricer

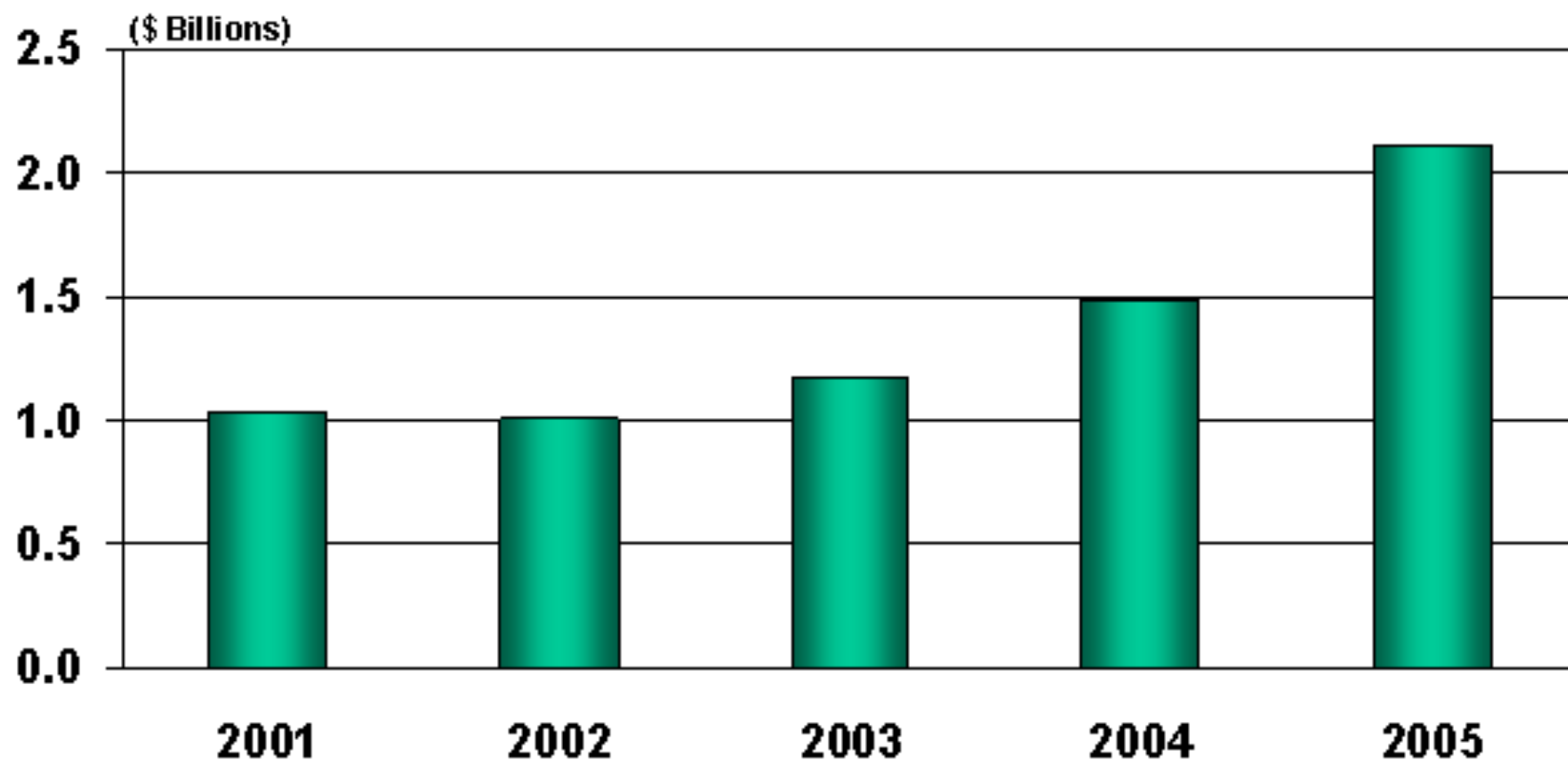


The Auto Value Proposition

	Product Offerings	Differentiated Features	Discounts Available	
Standard / Preferred Auto		Platinum	<ul style="list-style-type: none"> ✓ Deductible Rewards ✓ Multiple Accident Forgiveness ✓ Safe Driving Bonus 	<ul style="list-style-type: none"> ✓ Future Effective Date ✓ Multi-Policy ✓ Easy Pay ✓ Good Payer ✓ Good Student ✓ Teen Smart ✓ The Good Hands People ✓ Resident Student ✓ Passive Restraint ✓ Anti-Lock Brakes ✓ Defensive Driving
		Gold	<ul style="list-style-type: none"> ✓ Deductible Rewards ✓ First Accident Forgiveness 	
		Value	<ul style="list-style-type: none"> ✓ Reduced premium based on no 5 year accident forgiveness and Easy Pay sign up requirement 	
		Standard	<ul style="list-style-type: none"> ✓ First Accident Forgiveness after 5 years of no claims 	
	Allstate Blue	<ul style="list-style-type: none"> ✓ Loyalty Bonus ✓ Roadside Help 		

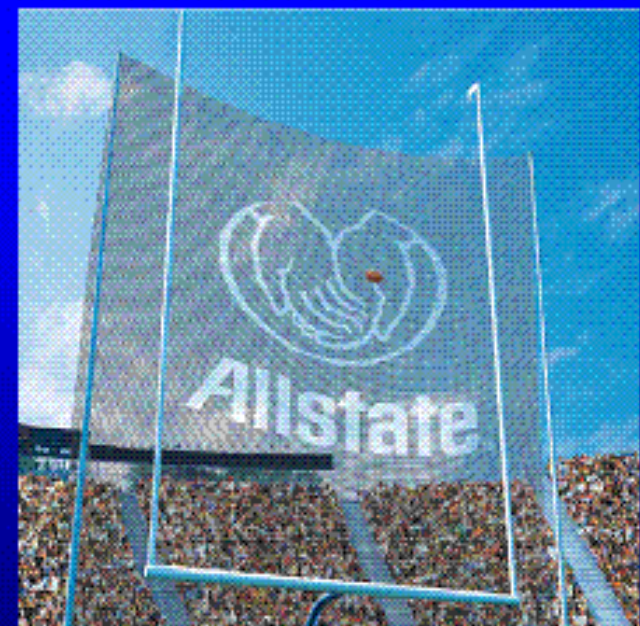
* Availability of features and qualifications vary by state

Property-Casualty Insurance Industry Media Spend





YOUR CHOICE  AUTO™



**ENCUENTRA EL PERDÓN
FUERA DE LA IGLESIA.**



Allstate.

PERDÓN DE
ACCIDENTES

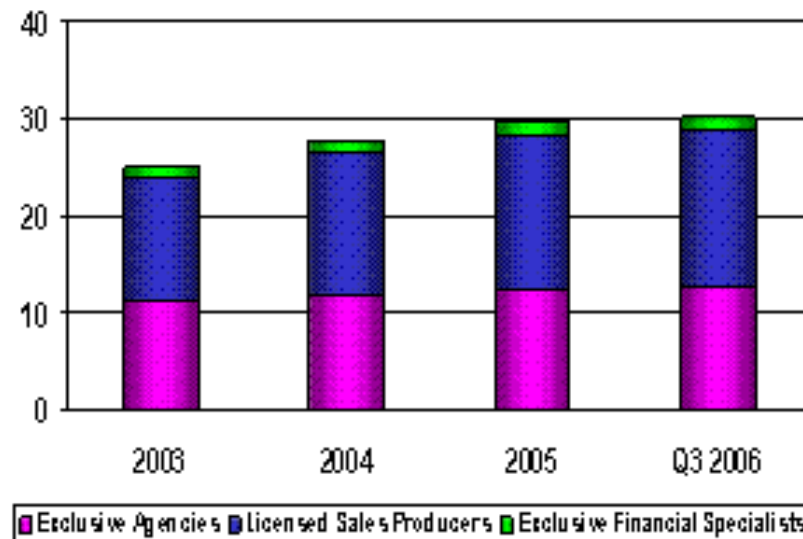
Transforming Allstate Marketing and Brand

- **“Our stand” campaign . . . a proven winner**
- **Increased measurement sophistication**
- **Willingness to experiment and learn**
- **Renewed focus on customer loyalty**

Distribution

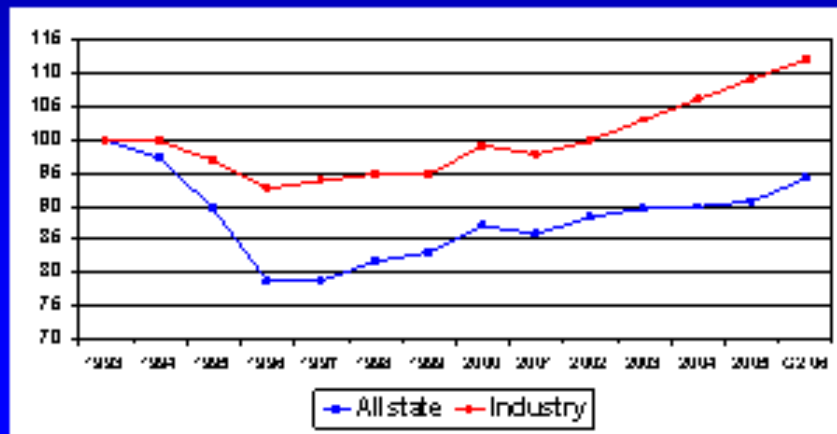


Capacity - Growth in Total Producers

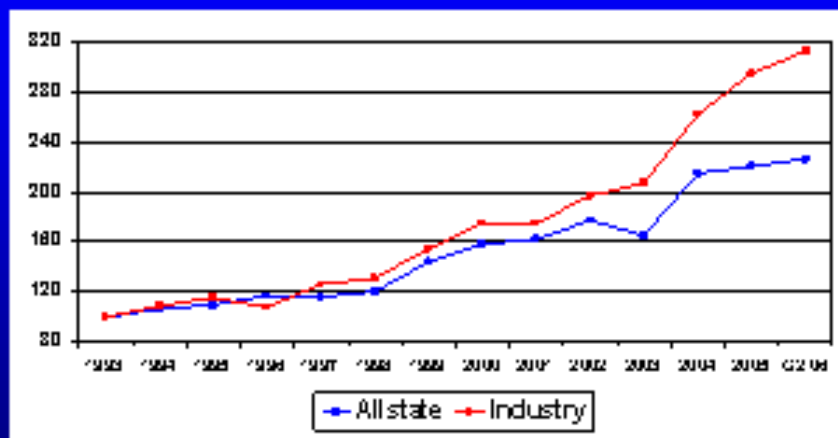


Claims Management

Auto Bodily Injury



Homeowners



1993

2000

2004



Focused primarily on managing loss costs

- Initially Casualty
- Auto and Property



Focused on improved organization and expense reduction

- Reduced number of offices
- Increased span of control
- Expansion of centralized services



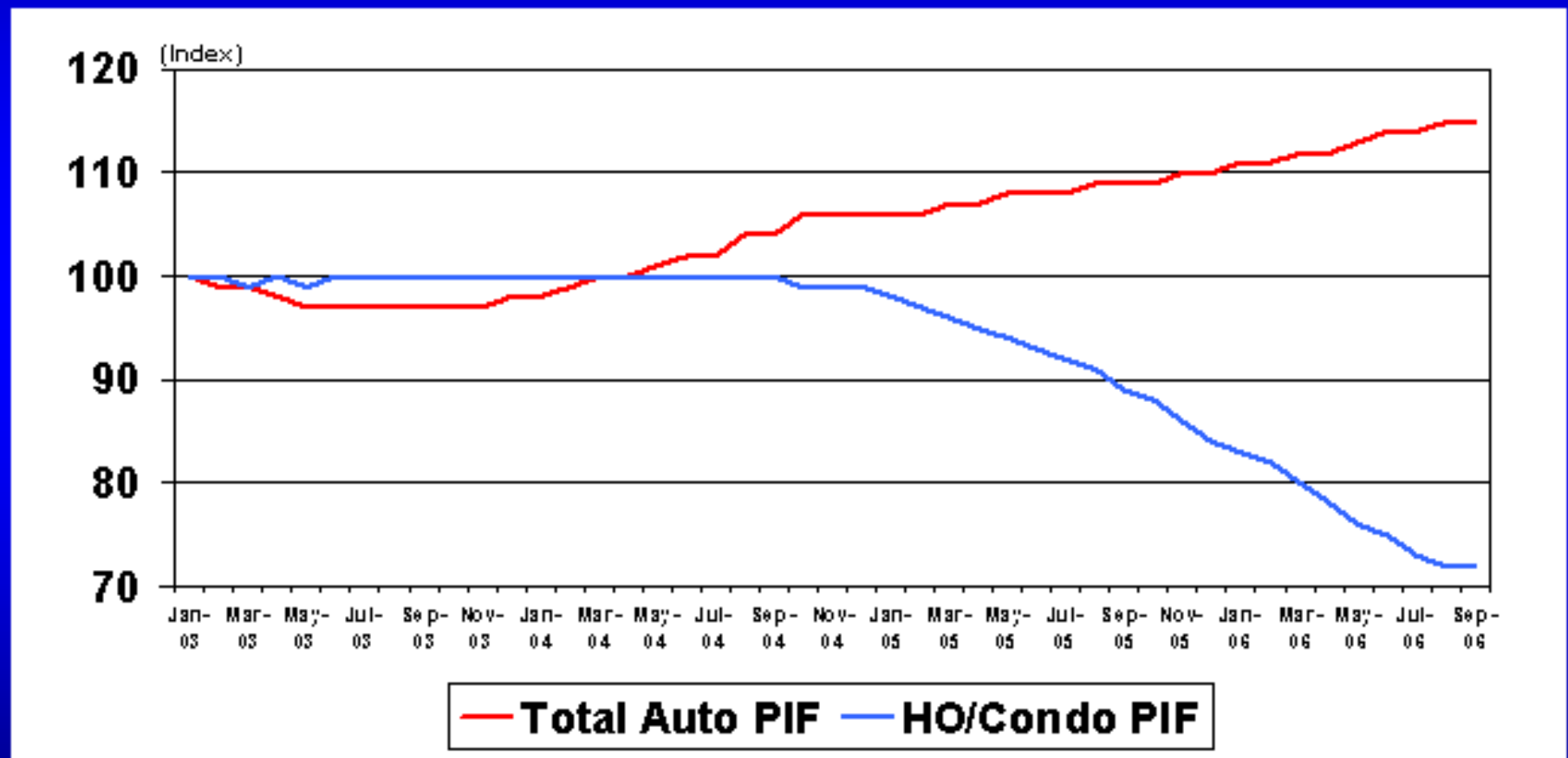
Focused on loss costs, expenses, AND customer satisfaction

We have demonstrated the ability to execute

Impact of Florida Property Policy Reduction

TOTAL FLORIDA POLICIES

(Month-end Policy Count indexed to January 2003)



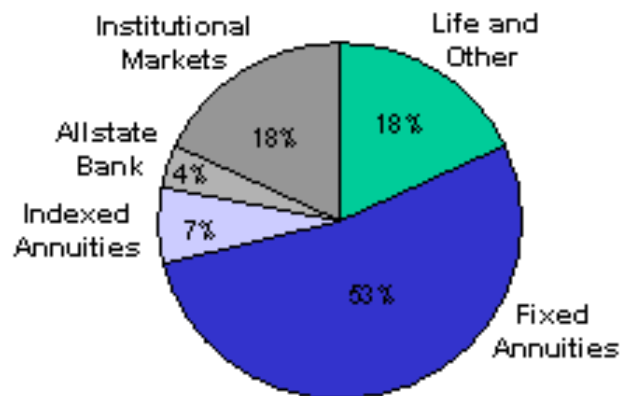
Allstate Homeowner's Strategy

- **Pricing ... SRM III Rolling Out**
- **Product ... Testing "Your Choice Home"**
- **Risk Management ...**
 - **Secure reinsurance**
 - **Reduce new and renewal business flows in cat-prone markets**
 - **Significantly reduce coverage, where possible**
 - **Introduce appropriate deductible options and policy language changes**
 - **File for rate changes to match risk expectations**
 - **ProtectingAmerica.org**

Significant Breadth & Size of Allstate Financial...

Strong Multi-Product Player in Our "Protect & Prepare" Markets

% of Premiums and Deposits (9/30/06 YTD)

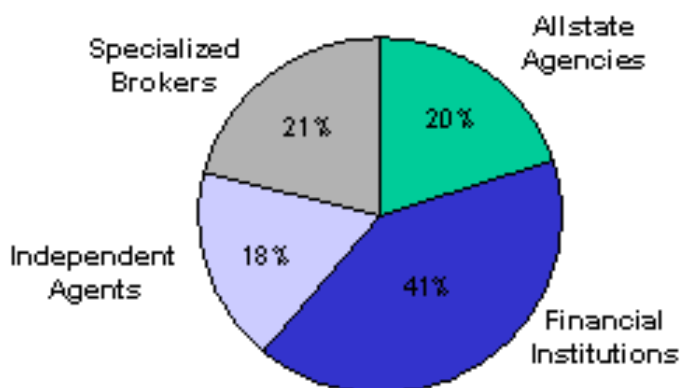


Product/Market Allstate Rank (6/30/06 YTD)

Total Fixed Annuities	#3
Indexed Annuities	#10
Multi-Line Agencies	#2
Workplace (Small)	#3
Structured Settlements	#5
Life Insurance	#16

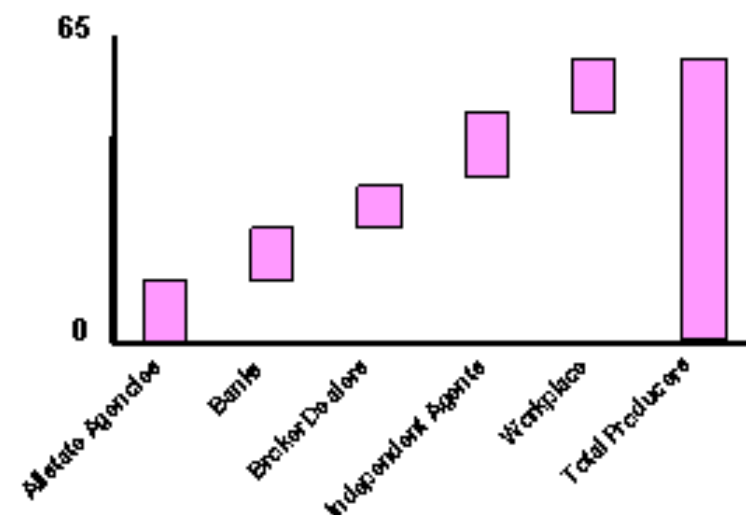
Multi-Channel Business Model, With Depth In Producer Relationships

% of Premiums and Deposits (9/30/06 YTD)



Producers (000's)

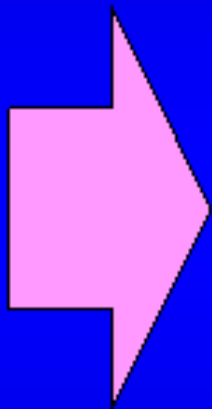
Broad Customer Access



Allstate Financial Focus

Objectives

- **Improve ROE**
- **Grow Operating & Net Income**
- **Increase Profitable Top Line Growth**



Key Priorities

- **Address Non-performing Lines of Business (VA)**
- **Optimize the Level of Capital**
- **Further Decrease Operating Expenses**
- **Continue Allstate Agency Sales Momentum**
- **Continue Improving Returns on New Sales**



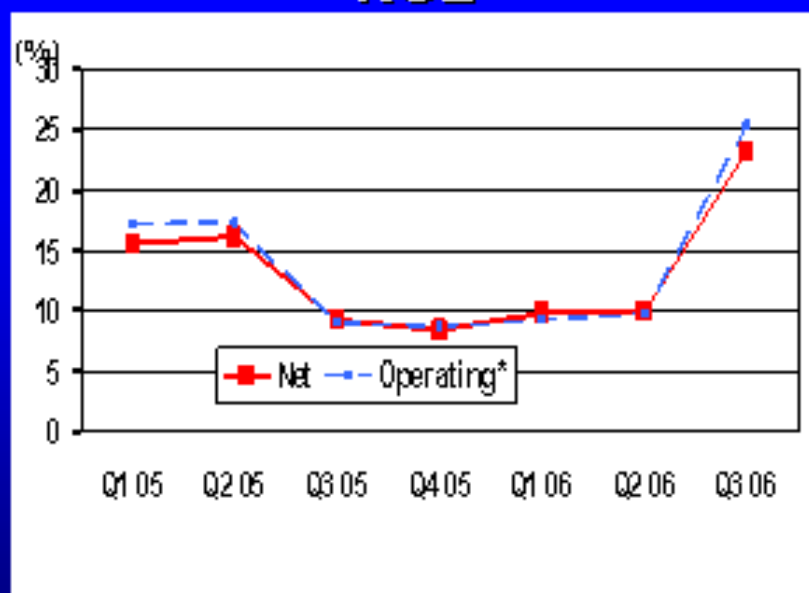
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Financial Highlights

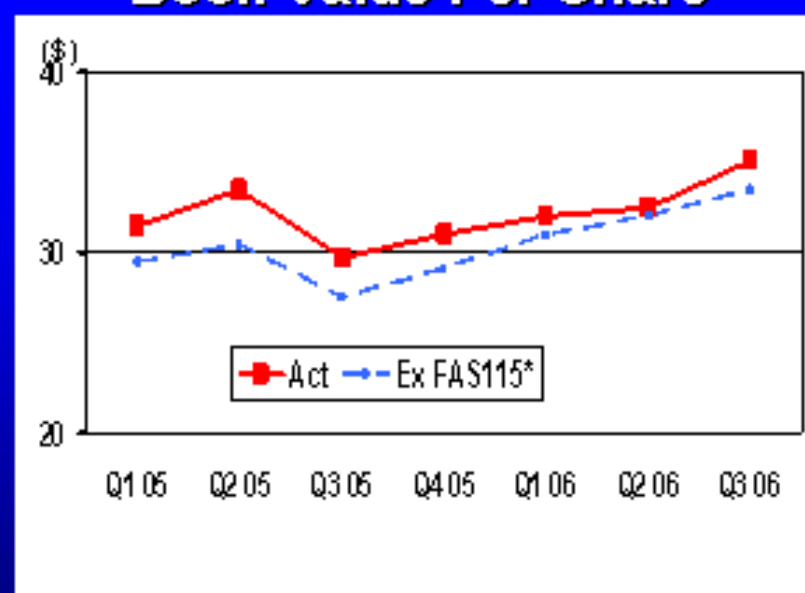
<u>Consolidated</u>	<u>Q3</u>		<u>Sept YTD</u>	
	<u>Actual</u>	<u>Var. to Pr. Yr.</u>	<u>Actual</u>	<u>Var. to Pr. Yr.</u>
Revenues	\$8.74 B	-2.3%	\$26.69 B	1.0%
Per Diluted Share:				
-Net Income	\$1.83	\$4.19	\$5.91	\$4.83
-Operating Income*	\$1.88	\$4.40	\$5.89	\$4.99

ROE



*Non-GAAP measure

Book Value Per Share

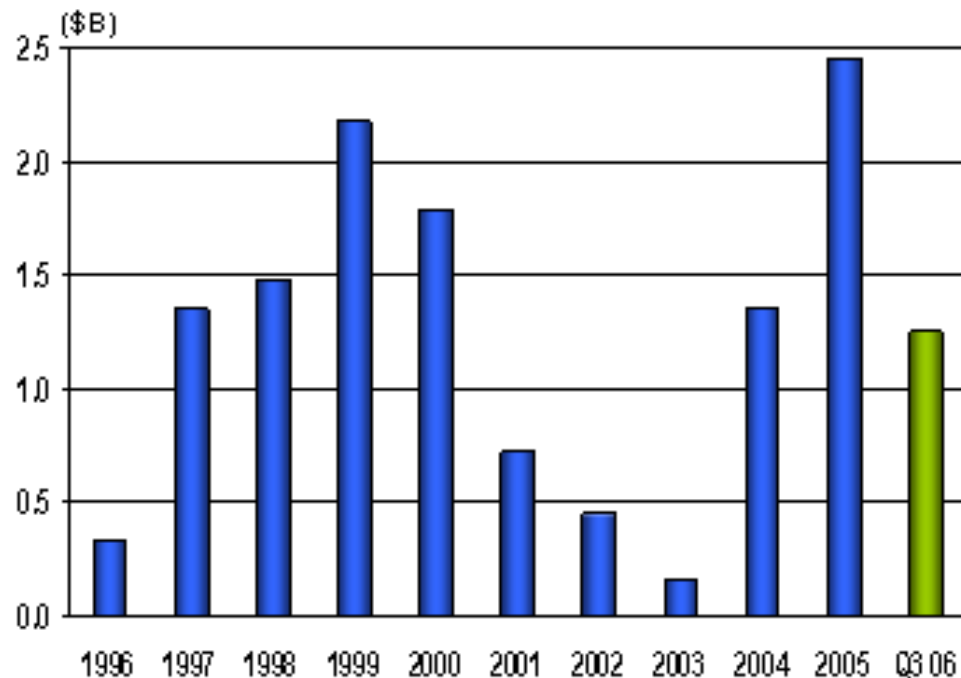


*Non-GAAP measure

Disciplined Capital Manager

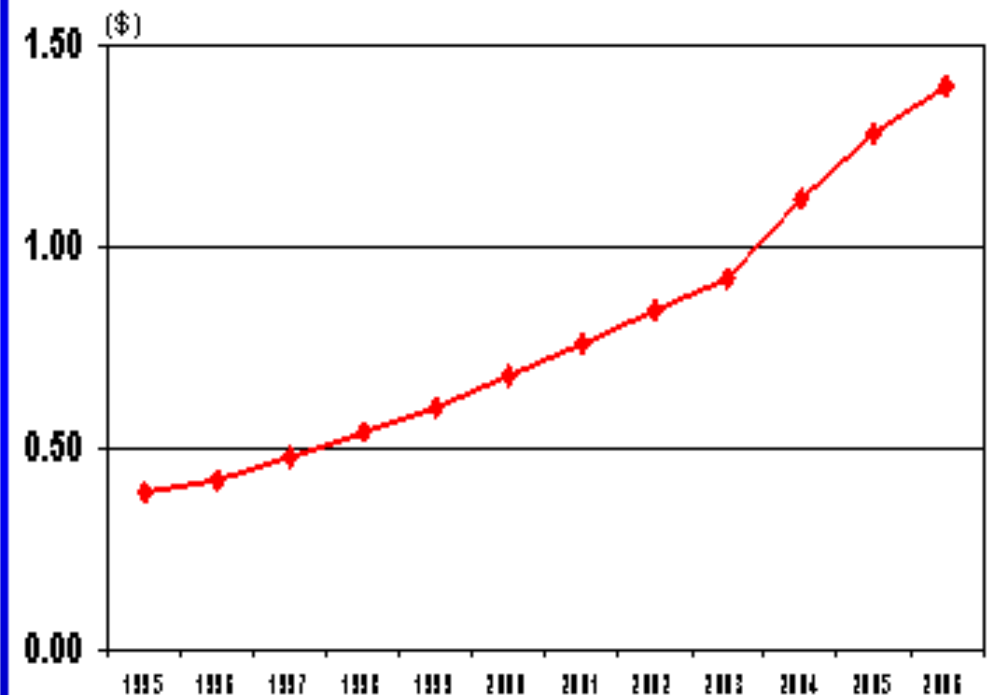
Share Repurchases

10+ Year Total = \$13.5 B

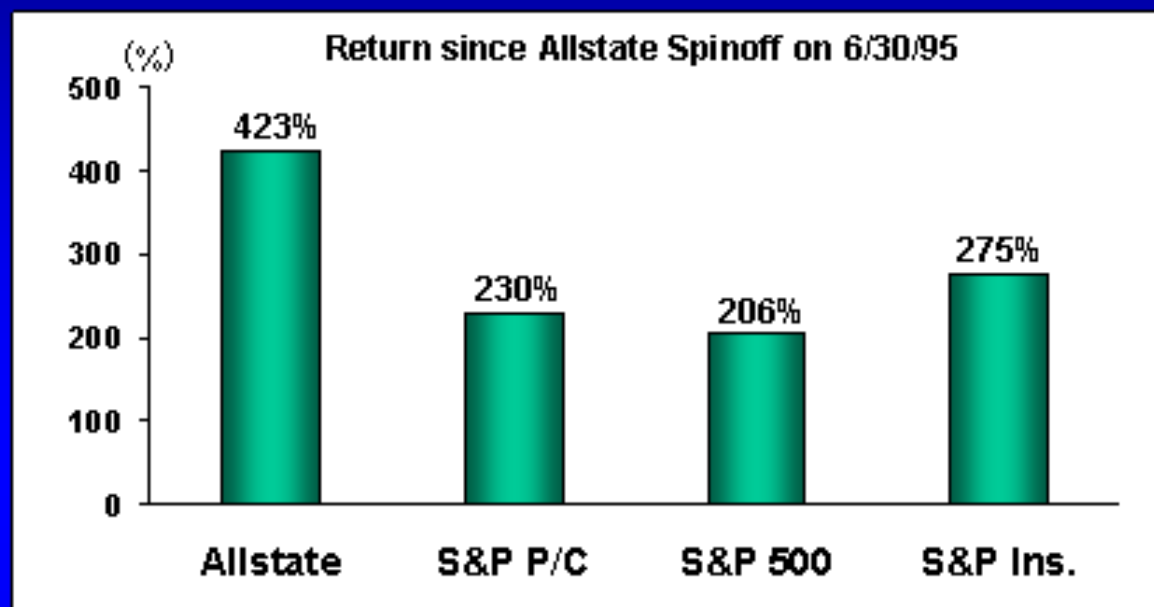


Dividends Per Share

11 Year CAGR = 12.3%



Total Shareholder Return @ 11/30/06



	<u>%</u>	<u>%</u>	<u>%</u>	<u>%</u>
1 Year	16	6	14	7
3 Years	69	47	40	43
5 Years	109	54	34	25
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Price/Book	1.9	1.6	2.9	1.8
P/E (forward)	9.4	9.9	15.3	12.4



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