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Allstate Reports Over \$1 Billion in Q3 Underwriting Income

The Allstate Corporation reported that for the third quarter of 2006 the company's Property-Liability underwriting income was \$1.08 billion compared to a \$3.36 billion loss in the third quarter of 2005, driven by lower catastrophe losses.

Premiums written grew 1.6 percent compared to the third quarter of last year, driven by an Allstate brand standard auto increase of 2.2 percent. Policies in force for Allstate brand standard auto increased 2.6 percent from September 30, 2005 levels.

"It was another very solid quarter for Allstate as overall profitability was excellent for the corporation. Our auto insurance business continues to perform exceptionally well," said Edward M. Liddy, chairman and CEO for The Allstate Corporation. "Underwriting income for Allstate Protection was once again outstanding at \$1.2 billion in the quarter. Automobile accident frequency continues to be favorable and claim severities were in line with our expectations and general inflationary trends."

Liddy praised the company's performance saying, "We run our business with the intention of delivering profitable growth over a sustainable period of time. We believe we have the right strategy in place to do that and this quarter is another strong indication that the strategy is working.

Allstate also raised its estimate of annual operating income for 2006 to a range of \$7.35 to \$7.50, compared to the previously announced range of \$6.70 to \$7.00.