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Allstate Reports Record Earnings Nearing \$5 Billion in 2006

"Allstate had a great fourth quarter and outstanding performance for the entire year," said Thomas J. Wilson, president and chief executive officer, The Allstate Corporation. "The strong operating results of our property-casualty, financial and investment operations generated net income of \$1.2 billion for the quarter and a record of \$4.99 billion for 2006. This enabled us to deliver a 24 percent return on equity for shareholders and reward our employees with an increased profit sharing contribution.

Allstate reported that consolidated revenues were up 1.2 percent for the year compared to 2005.

Excluding the cost of its reinsurance program, premiums written grew 1.4 percent in the fourth quarter compared to the fourth quarter of last year, driven by an Allstate brand standard auto increase of 4.1 percent. Policies in force increased 0.6 percent for Allstate Protection, driven by an Allstate brand standard auto increase of 2.7 percent from December 31, 2005 levels. New issued applications for Allstate brand standard auto increased 8.5 percent compared to the fourth quarter of 2005.

Allstate reported that net income increased 16.5 percent and operating income increased 15 percent in the fourth quarter 2006 compared to fourth quarter of 2005.

Property-Liability underwriting income was \$978 million in the fourth quarter of 2006 compared to \$752 million in the fourth quarter of 2005.

"Virtually every area of our company had an outstanding year," added Wilson. Operating income of \$1.1 billion for the fourth quarter was 15 percent above last year's fourth quarter result reflecting the operational strength of our talented employees. The Property-Liability combined ratio for the year was 83.6 reflecting our pricing and claims expertise and the benefits of low claim frequencies.

Allstate's standard auto six month average premium grew .2 percent to \$421.

