



# INSURANCE EXPENSE EXHIBIT

FOR THE YEAR ENDED DECEMBER 31, 2003

OF THE (Name) ALLSTATE INSURANCE COMPANY .....  
 ADDRESS (City, State and Zip Code) NORTHBROOK, IL 60062-6127.....  
 NAIC Group Code 0008..... NAIC Company Code 19232..... Employer's ID Number 36-0719665.....  
 Contact Person LYNN CIRRINCIONE..... Title ACCOUNTING SENIOR MGR..... Telephone 847-402-3029.....

**IF MODIFICATIONS AND/OR CHANGES AFFECTING THIS EXHIBIT ARE MADE TO THE ANNUAL STATEMENT SUBSEQUENT TO THE FILING OF THIS EXHIBIT, AN AMENDED ANNUAL STATEMENT AND INSURANCE EXPENSE EXHIBIT MUST BE FILED IN WRITING WITH THE APPROPRIATE INSURANCE DEPARTMENT.**

**(To Be Filed Not Later Than April 1)  
(Combined Statement IEE Supplement to be filed not later than May 1)**

- (1) Refer to Instructions for Uniform Classification of Expenses for definition of Expenses Groups and instructions for allocation of expenses to lines of business.
- (2) Compute all ratios to nearest fourth place and express as percentages, e.g. 48.3.
- (3) There should be submitted in Interrogatory 4 a detailed statement or footnote with respect to any item or items requiring special comment or explanation.
- (4) Parts I, II and III only: Report all amounts to the nearest thousand or through truncation of digits below a thousand. (Example: \$602,503 may be reported as \$603 by rounding or as \$602 by truncation.)
- (5) Interrogatories only: Report all amounts in whole dollars. Do NOT omit thousands.
- (6) Each individual insurer whether or not a member of a group must submit this exhibit.

## INTERROGATORIES

1. Change in reserve for deferred maternity and other similar benefits to be reflected in:

- 1.1. Premiums Earned ..... [  ]
- 1.2. Losses Incurred ..... [  ]
- 1.3. Not Applicable ..... [  ]

2. Indicate amounts received from securities subject to proration for federal tax purposes. Report amounts in whole dollars only:

- 2.1. Amount included on Exhibit of Net Investment Income, Line 1.1, Column 2 ..... \$ ..... 922,716,794
- 2.2. Amount included on Exhibit of Net Investment Income, Line 2.1, Column 2 ..... \$ ..... 18,488,340
- 2.3. Amount included on Exhibit of Net Investment Income, Line 2.11, Column 2 ..... \$ .....
- 2.4. Amount included on Exhibit of Net Investment Income, Line 2.2, Column 2 ..... \$ ..... 74,553,660
- 2.5. Amount included on Exhibit of Net Investment Income, Line 2.21, Column 2 ..... \$ ..... 317,312,917

3. Indicate amounts shown in the Annual Statement for the following items. Report amounts in whole dollars only:

- 3.1. Net Investment Income, Page 4, Line 9, Column 1 ..... \$ ..... 1,757,843,601
- 3.2. Realized Capital Gain or (Loss), Page 4, Line 10, Column 1 ..... \$ ..... 271,148,882

4.1 The information provided in the Insurance Expense Exhibit will be used by many persons to estimate the allocation of expenses and profit to the various lines of business. Are there any items requiring special comment or explanation? ..... Yes [  ] No [  ]

4.2 Are items allocated to lines of business in Parts II and III using methods not defined in the instructions? An extended statement may be attached. .... Yes [  ] No [  ]

4.3 If yes, explain:  
 The Miscellaneous taxes unassigned reflected on the Parts II, and III are tax expenses that were incurred in states and provinces where AIC is licensed, but does not write any business. ....

INSURANCE EXPENSE EXHIBIT FOR THE YEAR 2003 OF THE ALLSTATE INSURANCE COMPANY

**PART I - ALLOCATION TO EXPENSE GROUPS**

(000 OMITTED)

Operating Expense Classifications	1 Loss Adjustment Expense	Other Underwriting Expenses			5 Investment Expenses	6 Total Expenses
		2 Acquisition, Field Supervision and Collection Expenses	3 General Expenses	4 Taxes, Licenses and Fees		
1. Claim adjustment services:						
1.1 Direct .....	.611,883					.611,883
1.2 Reinsurance assumed .....	.309,915					.309,915
1.3 Reinsurance ceded .....	.207,476					.207,476
1.4 Net claim adjustment services (Lines 1.1 + 1.2 - 1.3) .....	.714,323					.714,323
2. Commission and brokerage:						
2.1 Direct excluding contingent .....		1,429,431				1,429,431
2.2 Reinsurance assumed excluding contingent .....		.974,705				.974,705
2.3 Reinsurance ceded excluding contingent .....		.421				.421
2.4 Contingent - direct .....		.223,861				.223,861
2.5 Contingent - reinsurance assumed .....		.176,422				.176,422
2.6 Contingent - reinsurance ceded .....						
2.7 Policy and membership fees .....						
2.8 Net commission and brokerage (Lines 2.1 + 2.2 - 2.3 + 2.4 + 2.5 - 2.6 + 2.7) .....		2,803,998				2,803,998
3. Allowances to managers and agents .....						
4. Advertising .....		.251,694				.251,694
5. Boards, bureaus and associations .....	.666	.195	13,682			14,543
6. Surveys and underwriting reports .....	.57	.1	92,958			93,015
7. Audit of assureds' records .....						
8. Salary related items:						
8.1 Salaries .....	.949,852	.307,524	462,334		23,239	1,742,948
8.2 Payroll taxes .....	.84,216	.19,348	27,623		1,270	132,456
9. Employee relations and welfare .....	.194,392	.99,198	66,590		3,531	363,711
10. Insurance .....	.3,707	.3,118	4,932		121	11,879
11. Directors' fees .....						
12. Travel and travel items .....	.74,194	.29,962	21,268		658	126,083
13. Rent and rent items .....	.166,340	.34,029	60,912		847	262,129
14. Equipment .....	.20,512	.12,472	19,729		1,741	54,454
15. Cost or depreciation of EDP equipment and software .....	.87,147	.102,422	130,531		6,429	326,529
16. Printing and stationery .....	.16,802	.16,395	17,216		1,393	51,805
17. Postage, telephone and telegraph, exchange and express .....	.85,129	.145,455	67,624		445	298,653
18. Legal and auditing .....	.2,597	.6,689	36,595		1,236	47,117
19. Totals (Lines 3 to 18) .....	1,685,611	1,028,502	1,021,993		40,911	3,777,017
20. Taxes, licenses and fees:						
20.1 State and local insurance taxes deducting guaranty association credits of \$ 7,939 .....				549,725		549,725
20.2 Insurance department licenses and fees .....				7,099		7,099
20.3 Gross guaranty association assessments .....				51,499		51,499
20.4 All other (excluding Federal and foreign income and real estate) .....				15,722		15,722
20.5 Total taxes, licenses and fees (Lines 20.1 + 20.2 + 20.3 + 20.4) .....				624,044		624,044
21. Real estate expenses .....					34,292	34,292
22. Real estate taxes .....					11,150	11,150
23. Reimbursements by uninsured accident and health plans .....	XXX	XXX	XXX	XXX	XXX	XXX
24. Aggregate write-ins for Miscellaneous Operating Expenses .....	275,239	45,810	189,529		4,448	515,026
25. TOTAL EXPENSES INCURRED	2,675,173	3,878,309	1,211,522	624,044	90,802	8,479,850
<b>DETAILS OF WRITE-INS</b>						
2401. Outside clerical/professional services .....	.314,105	.64,372	135,478		3,373	517,327
2402. Donations .....	.9		47,249			47,258
2403. Miscellaneous income and expense .....	.13,354	(6,607)	41,502		1,075	49,324
2498. Summary of remaining write-ins for Line 24 from overflow page .....	(52,229)	(11,955)	(34,700)			(98,883)
2499. TOTALS (Lines 2401 thru 2403 plus 2498) (Line 24 above) .....	275,239	45,810	189,529		4,448	515,026

INSURANCE EXPENSE EXHIBIT FOR THE YEAR 2003 OF THE ALLSTATE INSURANCE COMPANY

PART II - ALLOCATION TO LINES OF BUSINESS NET OF REINSURANCE

(000 OMITTED)

PREMIUMS, LOSSES, EXPENSES, RESERVES AND PROFITS, AND PERCENTAGES TO PREMIUMS EARNED FOR BUSINESS NET OF REINSURANCE	Premiums Written (Pg. 8, Pt. 1B, Col. 6)		Premiums Earned (Pg. 6, Pt. 1, Col. 4)		Dividends to Policyholders (Pg. 4, Line 17)		Incurred Loss (Pg. 9, Pt. 2, Col. 7)		Defense and Cost Containment Expenses Incurred		Adjusting and Other Expenses Incurred		Unpaid Losses (Pg. 10, Pt. 2A, Col. 8)		Defense and Cost Containment Expenses Unpaid		Adjusting and Other Expenses Unpaid		Unearned Premium Reserves (Pg. 7, Pt. 1A, Col. 5)		Agents' Balances	
	1	2	3	4	5	6	7	8	9	10	11	12	13	14	15	16	17	18	19	20	21	22
	Amount	%	Amount	%	Amount	%	Amount	%	Amount	%	Amount	%	Amount	%	Amount	%	Amount	%	Amount	%	Amount	%
1. Fire	90,792	.XXX	94,018	100.0			49,888	53.1	2,350	2.5	4,556	4.8	21,158	22.5	.77	.01	1,027	1.1	44,399	47.2	14,258	15.2
2.1 Allied Lines	83,107	.XXX	83,200	100.0			29,686	35.7	.933	1.1	8,085	9.7	11,165	13.4	563	0.7	1,792	2.2	43,223	52.0	13,051	15.7
2.2 Multiple Peril Crop		.XXX		100.0																		
2.3 Federal Flood	(500)	.XXX	(500)	100.0							4,499	(899.9)					1,008	(201.6)			(79)	15.7
3. Farmowners Multiple Peril		.XXX		100.0			38						142									
4. Homeowners Multiple Peril	5,335,998	.XXX	5,095,323	100.0	(3)	(0.0)	2,820,059	55.3	114,411	2.2	374,849	7.4	1,494,516	29.3	156,135	3.1	98,429	1.9	2,811,282	55.2	837,943	16.4
5.1 Commercial Multiple Peril (Non-Liability Portion)	361,037	.XXX	325,791	100.0			202,717	62.2	2,111	0.6	26,700	8.2	61,481	18.9	2,705	0.8	5,904	1.8	186,365	57.2	56,696	17.4
5.2 Commercial Multiple Peril (Liability Portion)	149,871	.XXX	137,767	100.0			22,490	16.3	31,260	22.7	4,317	3.1	92,622	67.2	42,090	30.6	6,654	4.8	75,604	54.9	23,535	17.1
6. Mortgage Guaranty		.XXX		100.0																		
8. Ocean Marine	5,730	.XXX	5,853	100.0			1,669	28.5	.79	1.3	.651	11.1	2,118	36.2	.56	1.0	191	3.3	2,494	42.6	900	15.4
9. Inland Marine	204,475	.XXX	202,271	100.0			72,908	36.0	.857	0.4	21,839	10.8	19,358	9.6	696	0.3	4,182	2.1	99,707	49.3	32,110	15.9
10. Financial Guaranty		.XXX		100.0			.2		.1		(1)											
11. Medical Malpractice		.XXX		100.0			(179)		(9)		(12)		2,928		397		44					
12. Earthquake	44,297	.XXX	41,485	100.0			19,139	46.1	4,991	12.0	11,779	28.4	23,238	56.0	6,144	14.8	9,714	23.4	23,097	55.7	6,956	16.8
13. Group A & H (See Interrogatory 1)		.XXX		100.0			.8						.31				.1					
14. Credit A & H	.631	.XXX	2,355	100.0			.609	25.9					.961	40.8			.40	1.7	244	10.3	.99	4.2
15. Other A & H (See Interrogatory 1)		.XXX		100.0			.2						.36				.1					
16. Workers' Compensation	(364)	.XXX	(177)	100.0			(1,681)	948.3	.347	(195.8)	(297)	167.7	129,224	(72,903.9)	2,455	(1,385.1)	4,571	(2,578.8)	(967)	545.4	(57)	32.2
17. Other Liability	92,289	.XXX	91,887	100.0			46,439	50.5	41,595	45.3	7,969	8.7	464,801	505.8	83,360	90.7	17,794	19.4	45,492	49.5	14,493	15.8
18. Products Liability	5,356	.XXX	5,416	100.0			426,720	7,879.4	90,561	1,672.2	15,853	292.7	1,031,108	19,039.4	173,752	3,208.3	33,394	616.6	1,401	25.9	841	15.5
19.1,19.2 Private Passenger Auto Liability	9,300,886	.XXX	9,184,704	100.0	(5)	(0.0)	5,790,354	63.0	376,602	4.1	958,866	10.4	7,014,422	76.4	1,500,106	16.3	675,987	7.4	2,543,381	27.7	1,460,572	15.9
19.3,19.4 Commercial Auto Liability	378,260	.XXX	360,700	100.0			244,863	67.9	22,256	6.2	27,301	7.6	404,597	112.2	50,610	14.0	13,627	3.8	185,455	51.4	59,400	16.5
21.1 Private Pass. Auto Physical Damage	6,734,144	.XXX	6,713,844	100.0	(4)	(0.0)	3,480,888	51.8	24,114	0.4	480,317	7.2	212,914	3.2	8,003	0.1	54,679	0.8	1,779,636	26.5	1,057,502	15.8
21.2 Commercial Auto Physical Damage	169,992	.XXX	167,214	100.0			73,045	43.7	476	0.3	12,268	7.3	5,072	3.0	.83	0.0	1,237	0.7	83,633	50.0	26,695	16.0
22. Aircraft (all perils)	54	.XXX	54	100.0			(440)	(807.2)	219	402.6	(6)	(11.8)	16,411	30,126.7	102	187.8	24	44.0	26	46.9	8	15.5
23. Fidelity	396	.XXX	374	100.0			145	38.6	.5	1.4	.61	16.4	125	33.5	.7	1.9	.8	2.0	195	52.0	62	16.6
24. Surety	4	.XXX	336	100.0			2,680	798.0	23	7.0	.9	2.6	(15,017)	(4,470.9)	143	42.7	47	13.9	415	123.6	1	0.2
26. Burglary and Theft	1,184	.XXX	1,202	100.0			.603	50.2	.1	0.1	406	33.8	.104	8.7	.1	0.1	.12	1.0	590	49.1	186	15.5
27. Boiler and Machinery		.XXX		100.0			(106)		.1		204		215		.1		40					
28. Credit		.XXX		100.0																		
29. International		.XXX		100.0																		
30,31,32. Reinsurance - Nonproportional Assumed	2,592	.XXX	2,592	100.0			2,776	107.1	.934	36.0			36,602	1,412.0	1,834	70.8					407	15.7
33. Aggregate write-ins for Other Lines of Business	1,660	.XXX	9,740	100.0			7,212	74.1	205	2.1	.637	6.5	229	2.3					9,625	98.8	261	2.7
34. TOTAL (Lines 1 through 33)	22,961,893	.XXX	22,525,448	100.0	(12)	(0.0)	13,292,537	59.0	714,323	3.2	1,960,850	8.7	11,030,560	49.0	2,029,321	9.0	930,406	4.1	7,935,295	35.2	3,605,839	16.0
<b>DETAILS OF WRITE-INS</b>																						
3301. Mechanical breakdown	1,660	.XXX	9,740	100.0			7,212	74.1	205	2.1	.637	6.5	229	2.3					9,625	98.8	261	2.7
3302. Miscellaneous taxes unassigned		.XXX		100.0																		
3303. Summary of remaining write-ins for Line 33 from overflow page		.XXX		100.0																		
3398. Summary of remaining write-ins for Line 33 from overflow page		.XXX		100.0																		
3399. TOTALS (Lines 3301 thru 3303 plus 3398) (Line 33 above)	1,660	.XXX	9,740	100.0			7,212	74.1	205	2.1	.637	6.5	229	2.3					9,625	98.8	261	2.7

270-4

INSURANCE EXPENSE EXHIBIT FOR THE YEAR 2003 OF THE ALLSTATE INSURANCE COMPANY

**PART II - ALLOCATION TO LINES OF BUSINESS NET OF REINSURANCE (continued)**

(000 OMITTED)

PREMIUMS, LOSSES, EXPENSES, RESERVES AND PROFITS, AND PERCENTAGES TO PREMIUMS EARNED FOR BUSINESS NET OF REINSURANCE	Commission and Brokerage Expenses Incurred (IEE Pt. 1, Line 2.8, Col. 2)		Taxes, Licenses & Fees Incurred (IEE Pt. 1, Line 20.5, Col. 4)		Other Acquisitions, Field Supervision, and Collection Expenses Incurred (IEE Pt. 1, Line 25 minus 2.8, Col. 2)		General Expenses Incurred (IEE Pt. 1, Line 25, Col. 3)		Other Income Less Other Expenses (Pg. 4, Line 15 minus Line 5)		Pre-Tax Profit or Loss Excluding All Investment Gain		Investment Gain On Funds Attributable to Insurance Transactions		Profit or Loss Excluding Investment Gain Attributable to Capital and Surplus		Investment Gain Attributable to Capital and Surplus		Total Profit or Loss	
	23 Amount	24 %	25 Amount	26 %	27 Amount	28 %	29 Amount	30 %	31 Amount	32 %	33 Amount	34 %	35 Amount	36 %	37 Amount	38 %	39 Amount	40 %	41 Amount	42 %
1. Fire	8,976	9.5	4,005	4.3	3,637	3.9	4,917	5.2	1,191	1.3	16,881	18.0	2,736	2.9	19,616	20.9	4,306	4.6	23,922	25.4
2.1 Allied Lines	9,323	11.2	7,877	9.5	3,737	4.5	4,185	5.0	953	1.1	20,328	24.4	649	0.8	20,977	25.2	2,913	3.5	23,890	28.7
2.2 Multiple Peril Crop																				
2.3 Federal Flood	(270)	54.0	976	(195.2)	(6,507)	1,301.4	(3,332)	666.4	462	(92.5)	4,596	(919.1)	(1,333)	266.6	3,263	(652.6)	0	(0.0)	3,263	(652.6)
3. Farmowners Multiple Peril											(38)	8			(30)	3			(27)	
4. Homeowners Multiple Peril	680,029	13.3	140,391	2.8	258,848	5.1	208,054	4.1	40,830	0.8	539,516	10.6	186,983	3.7	726,499	14.3	252,317	5.0	978,817	19.2
5.1 Commercial Multiple Peril (Non-Liability Portion)	46,817	14.4	9,835	3.0	15,500	4.8	25,359	7.8	3,337	1.0	89	0.0	2,726	0.8	2,816	0.9	11,696	3.6	14,512	4.5
5.2 Commercial Multiple Peril (Liability Portion)	19,090	13.9	3,630	2.6	6,100	4.4	9,730	7.1	12	0.0	41,163	29.9	4,625	3.4	45,788	33.2	6,125	4.4	51,913	37.7
6. Mortgage Guaranty																				
8. Ocean Marine	732	12.5	142	2.4	274	4.7	496	8.5			1,810	30.9	213	3.6	2,022	34.6	288	4.9	2,311	39.5
9. Inland Marine	38,758	19.2	4,486	2.2	11,108	5.5	11,978	5.9	118	0.1	40,457	20.0	3,717	1.8	44,174	21.8	9,229	4.6	53,402	26.4
10. Financial Guaranty											1,958		1		1,956		0		1,956	
11. Medical Malpractice											200		236		436		83		519	
12. Earthquake	9,012	21.7	864	2.1	2,233	5.4	2,216	5.3	282	0.7	(8,467)	(20.4)	2,952	7.1	(5,515)	(13.3)	2,708	6.5	(2,807)	(6.8)
13. Group A & H (See Interrogatory 1)											(8)		3		(6)		1		(5)	
14. Credit A & H	1,117	47.4	(5)	(0.2)			591	25.1			42	1.8	(195)	(8.3)	(153)	(6.5)	270	11.5	117	5.0
15. Other A & H (See Interrogatory 1)											(2)		2		0		1		1	
16. Workers' Compensation	1	(0.6)	21	(11.9)					(2)	1.1	1,430	(806.7)	8,975	(5,063.2)	10,404	(5,869.9)	3,145	(1,774.0)	13,549	(7,643.9)
17. Other Liability	14,629	15.9	2,439	2.7	5,376	5.9	15,196	16.5	(381)	(0.4)	(42,138)	(45.9)	38,445	41.8	(3,693)	(4.0)	17,233	18.8	13,541	14.7
18. Products Liability	397	7.3	74	1.4	94	1.7	185	3.4	(6)	(0.1)	(528,473)	(9,758.3)	65,596	1,211.2	(462,877)	(8,547.0)	23,139	427.3	(439,738)	(8,119.8)
19.1,19.2 Private Passenger Auto Liability	1,107,624	12.1	253,476	2.8	439,673	4.8	501,392	5.5	96,819	1.1	(146,458)	(1.6)	627,043	6.8	480,585	5.2	507,931	5.5	988,516	10.8
19.3,19.4 Commercial Auto Liability	42,647	11.8	10,894	3.0	10,302	2.9	32,016	8.9	2,376	0.7	(27,205)	(7.5)	34,556	9.6	7,351	2.0	24,689	6.8	32,040	8.9
21.1 Private Pass. Auto Physical Damage	805,205	12.0	180,639	2.7	318,966	4.8	380,663	5.7	79,292	1.2	1,122,348	16.7	(14,508)	(0.2)	1,107,840	16.5	188,067	2.8	1,295,906	19.3
21.2 Commercial Auto Physical Damage	19,373	11.6	4,109	2.5	4,890	2.9	16,384	9.8	1,231	0.7	37,900	22.7	785	0.5	38,685	23.1	5,387	3.2	44,072	26.4
22. Aircraft (all perils)	7	12.0	1	2.3	3	5.6	4	7.0	1	1.7	268	491.3	1,127	2,069.5	1,395	2,560.8	397	728.8	1,792	3,289.6
23. Fidelity	49	13.0	9	2.5	12	3.2	25	6.6	4	1.0	72	19.2	12	3.1	83	22.3	18	4.7	101	27.0
24. Surety							(10)	(3.1)	(3)	(0.8)	(2,369)	(705.3)	(908)	(270.4)	(3,277)	(975.7)	(376)	(111.9)	(3,653)	(1,087.6)
26. Burglary and Theft	107	8.9	229	19.0	12	1.0	23	1.9	4	0.3	(175)	(14.5)	17	1.4	(158)	(13.1)	55	4.5	(103)	(8.6)
27. Boiler and Machinery	47		37		52		119		5		(350)		6		(343)		6		(337)	
28. Credit			(344)				5				339				339				339	
29. International																				
30,31,32. Reinsurance - Nonproportional Assumed											(1,118)	(43.1)	2,532	97.7	1,413	54.5	950	36.7	2,363	91.2
33. Aggregate write-ins for Other Lines of Business	330	3.4	259	2.7			1,327	13.6	(7)	(0.1)	(238)	(2.4)	329	3.4	91	0.9	1,082	11.1	1,173	12.0
34. TOTAL (Lines 1 through 33)	2,803,998	12.4	624,044	2.8	1,074,312	4.8	1,211,522	5.4	228,478	1.0	1,072,353	4.8	967,329	4.3	2,039,682	9.1	1,061,664	4.7	3,101,346	13.8
<b>DETAILS OF WRITE-INS</b>																				
3301. Mechanical breakdown	330	3.4	33	0.3			1,327	13.6	(7)	(0.1)	(12)	(0.1)	329	3.4	317	3.3	1,082	11.1	1,400	14.4
3302. Miscellaneous taxes unassigned			226								(226)				(226)				(226)	
3303. ....																				
3398. Summary of remaining write-ins for Line 33 from overflow page																				
3399. TOTALS (Lines 3301 thru 3303 plus 3398) (Line 33 above)	330	3.4	259	2.7			1,327	13.6	(7)	(0.1)	(238)	(2.4)	329	3.4	91	0.9	1,082	11.1	1,173	12.0

NOTE: THE ALLOCATION OF INVESTMENT INCOME FROM CAPITAL AND SURPLUS BY LINE OF BUSINESS MAY NOT ACCURATELY REFLECT THE PROFITABILITY OF A PARTICULAR LINE FOR USE IN THE RATE MAKING PROCESS.

270-5

**INSURANCE EXPENSE EXHIBIT FOR THE YEAR 2003 OF THE ALLSTATE INSURANCE COMPANY**

**PART III - ALLOCATION TO LINES OF DIRECT BUSINESS WRITTEN**

(000 OMITTED)

PREMIUMS, LOSSES, EXPENSES, RESERVES AND PROFITS, AND PERCENTAGES TO PREMIUMS EARNED FOR DIRECT BUSINESS WRITTEN	Premiums Written (Pg. 8, Pt. 1B, Col. 1)		Premiums Earned (Sch. T, Line 58, Col. 3)		Dividends to Policyholders		Incurred Loss (Sch. T, Line 58, Col. 6)		Defense and Cost Containment Expenses Incurred		Adjusting and Other Expenses Incurred		Unpaid Losses (Sch. T, Line 58, Col. 7)		Defense and Cost Containment Expenses Unpaid		Adjusting and Other Expenses Unpaid		Unearned Premium Reserves		Agents' Balances	
	1 Amount	2 %	3 Amount	4 %	5 Amount	6 %	7 Amount	8 %	9 Amount	10 %	11 Amount	12 %	13 Amount	14 %	15 Amount	16 %	17 Amount	18 %	19 Amount	20 %	21 Amount	22 %
1. Fire	58,174	XXX	65,426	100.0			33,655	51.4	1,289	2.0	3,824	5.8	12,522	19.1	363	0.6	901	1.4	28,576	43.7	8,987	13.7
2.1 Allied Lines	35,502	XXX	40,293	100.0			16,785	41.7	120	0.3	5,748	14.3	5,929	14.7	173	0.4	1,365	3.4	17,396	43.2	5,485	13.6
2.2 Multiple Peril Crop		XXX		100.0																		
2.3 Federal Flood	169,436	XXX	164,770	100.0			61,068	37.1	2,949	1.8	4,499	2.7	16,648	10.1			1,008	0.6	85,251	51.7	26,176	15.9
3. Farmowners Multiple Peril		XXX		100.0																		
4. Homeowners Multiple Peril	3,401,797	XXX	3,370,648	100.0			1,922,464	57.0	74,597	2.2	254,637	7.6	1,128,141	33.5	112,108	3.3	74,922	2.2	1,771,106	52.5	525,530	15.6
5.1 Commercial Multiple Peril (Non-Liability Portion)	340,535	XXX	303,730	100.0			188,496	62.1	2,997	1.0	26,577	8.8	57,230	18.8	2,163	0.7	5,888	1.9	175,423	57.8	52,608	17.3
5.2 Commercial Multiple Peril (Liability Portion)	149,845	XXX	137,741	100.0			25,549	18.5	28,445	20.7	4,936	3.6	87,841	63.8	41,221	29.9	6,634	4.8	75,591	54.9	23,149	16.8
6. Mortgage Guaranty		XXX		100.0																		
8. Ocean Marine	5,366	XXX	5,470	100.0			1,517	27.7	47	0.9	650	11.9	327	6.0	12	0.2	156	2.9	2,332	42.6	829	15.2
9. Inland Marine	145,864	XXX	146,994	100.0			56,825	38.7	21	0.0	18,850	12.8	12,613	8.6	491	0.3	3,736	2.5	69,850	47.5	22,534	15.3
10. Financial Guaranty		XXX		100.0																		
11. Medical Malpractice		XXX		100.0					1		(2)		375		50		7					
12. Earthquake	32,421	XXX	31,251	100.0			18,871	60.4	4,946	15.8	11,777	37.7	22,658	72.5	6,067	19.4	9,712	31.1	16,835	53.9	5,009	16.0
13. Group A & H (See Interrogatory 1)		XXX		100.0																		
14. Credit A & H	2,891	XXX	4,615	100.0			1,491	32.3					3,799	82.3			40	0.9	244	5.3	447	9.7
15. Other A & H (See Interrogatory 1)		XXX		100.0																		
16. Workers' Compensation	(38)	XXX	(110)	100.0			(156)	142.4	194	(177.3)	270	(246.1)	55,654	(50,777.8)	1,346	(1,227.6)	3,498	(3,191.6)	(355)	324.1	(6)	5.3
17. Other Liability	78,329	XXX	79,011	100.0			63,649	80.6	35,918	45.5	7,886	10.0	303,258	383.8	66,956	84.7	12,990	16.4	38,304	48.5	12,101	15.3
18. Products Liability	2,904	XXX	2,964	100.0			403,575	13,617.4	125,484	4,234.1	12,232	412.7	762,030	25,712.4	204,450	6,898.5	17,317	584.3	1,401	47.3	449	15.1
19.1,19.2 Private Passenger Auto Liability	5,499,124	XXX	5,467,522	100.0			3,347,722	61.2	311,868	5.7	567,594	10.4	5,003,353	91.5	1,132,271	20.7	494,042	9.0	1,410,364	25.8	849,538	15.5
19.3,19.4 Commercial Auto Liability	198,406	XXX	181,372	100.0			121,519	67.0	11,823	6.5	12,924	7.1	195,201	107.6	25,060	13.8	7,585	4.2	96,846	53.4	30,651	16.9
21.1 Private Pass. Auto Physical Damage	3,846,506	XXX	3,885,524	100.0			1,938,014	49.9	10,645	0.3	291,820	7.5	92,251	2.4	2,940	0.1	39,562	1.0	931,060	24.0	594,232	15.3
21.2 Commercial Auto Physical Damage	87,692	XXX	83,600	100.0			34,792	41.6	307	0.4	6,085	7.3	2,836	3.4	41	0.0	728	0.9	43,050	51.5	13,547	16.2
22. Aircraft (all perils)	52	XXX	52	100.0			(51)	(96.5)	47	89.0	(5)	(9.8)	42	79.9	42	80.1			26	48.7	8	15.2
23. Fidelity	396	XXX	374	100.0			105	28.0	1	0.1	61	16.4	8	2.1	1	0.1	6	1.6	195	52.0	61	16.4
24. Surety	4	XXX	336	100.0			37	11.0	(1)	(0.4)	6	1.7	283	84.3	81	24.2	34	10.2	415	123.7	1	0.2
26. Burglary and Theft	1,126	XXX	1,150	100.0			593	51.6			406	35.3	99	8.6			12	1.0	557	48.5	174	15.1
27. Boiler and Machinery	1,576	XXX	1,504	100.0			177	11.8	1	0.1	205	13.6	221	14.7	1	0.0	39	2.6	789	52.4	243	16.2
28. Credit		XXX		100.0																		
29. International		XXX		100.0																		
33. Aggregate write-ins for Other Lines of Business	1,596	XXX	8,625	100.0			6,744	78.2	184	2.1	594	6.9	218	2.5					8,738	101.3	247	2.9
34. TOTAL (Lines 1 through 33)	14,059,507	XXX	13,982,864	100.0			8,243,442	59.0	611,883	4.4	1,231,573	8.8	7,763,536	55.5	1,595,836	11.4	680,181	4.9	4,773,994	34.1	2,171,998	15.5
<b>DETAILS OF WRITE-INS</b>																						
3301. Mechanical breakdown	1,596	XXX	8,625	100.0			6,744	78.2	184	2.1	594	6.9	218	2.5					8,738	101.3	247	2.9
3302.		XXX		100.0																		
3303. Miscellaneous taxes unassigned		XXX		100.0																		
3398. Summary of remaining write-ins for Line 33 from overflow page		XXX		100.0																		
3399. TOTALS (Lines 3301 thru 3303 plus 3398) (Line 33 above)	1,596	XXX	8,625	100.0			6,744	78.2	184	2.1	594	6.9	218	2.5					8,738	101.3	247	2.9

270-6

INSURANCE EXPENSE EXHIBIT FOR THE YEAR 2003 OF THE ALLSTATE INSURANCE COMPANY

PART III - ALLOCATION TO LINES OF DIRECT BUSINESS WRITTEN (continued)

(000 OMITTED)

PREMIUMS, LOSSES, EXPENSES, RESERVES AND PROFITS, AND PERCENTAGES TO PREMIUMS EARNED FOR DIRECT BUSINESS WRITTEN	Commission and Brokerage Expenses Incurred		Taxes, Licenses & Fees Incurred		Other Acquisitions, Field Supervision, and Collection Expenses Incurred		General Expenses Incurred		Other Income Less Expenses		Pre-Tax Profit or Loss Excluding All Investment Gain	
	23 Amount	24 %	25 Amount	26 %	27 Amount	28 %	29 Amount	30 %	31 Amount	32 %	33 Amount	34 %
1. Fire .....	7,355	11.2	1,488	2.3	3,170	4.8	4,504	6.9	809	1.2	10,951	16.7
2.1 Allied Lines .....	4,548	11.3	910	2.3	1,887	4.7	2,821	7.0	451	1.1	7,926	19.7
2.2 Multiple Peril Crop .....												
2.3 Federal Flood .....	(137)	(0.1)	976	0.6	(6,507)	(3.9)	(3,332)	(2.0)	(35)	(0.0)	105,220	63.9
3. Farmowners Multiple Peril .....												
4. Homeowners Multiple Peril .....	402,894	12.0	90,437	2.7	176,721	5.2	128,565	3.8	34,052	1.0	354,384	10.5
5.1 Commercial Multiple Peril (Non-Liability Portion) .....	42,906	14.1	8,955	2.9	14,743	4.9	21,269	7.0	2,496	0.8	282	0.1
5.2 Commercial Multiple Peril (Liability Portion) .....	19,086	13.9	3,630	2.6	6,098	4.4	9,898	7.2	687	0.5	40,786	29.6
6. Mortgage Guaranty .....												
8. Ocean Marine .....	651	11.9	133	2.4	264	4.8	461	8.4	121	2.2	1,868	34.2
9. Inland Marine .....	17,765	12.1	3,893	2.6	7,559	5.1	8,037	5.5	1,626	1.1	35,670	24.3
10. Financial Guaranty .....												
11. Medical Malpractice .....											2	
12. Earthquake .....	3,956	12.7	784	2.5	1,751	5.6	1,465	4.7	240	0.8	(12,058)	(38.6)
13. Group A & H (See Interrogatory 1) .....												
14. Credit A & H .....	1,117	24.2	(5)	(0.1)			591	12.8			1,421	30.8
15. Other A & H (See Interrogatory 1) .....												
16. Workers' Compensation .....	.1	(0.9)	.1	(1.0)			.1	(0.8)			(421)	383.8
17. Other Liability .....	9,565	12.1	2,025	2.6	3,533	4.5	4,859	6.1	327	0.4	(48,097)	(60.9)
18. Products Liability .....	397	13.4	74	2.5	94	3.2	205	6.9			(539,096)	(18,190.2)
19.1,19.2 Private Passenger Auto Liability .....	652,534	11.9	154,184	2.8	292,459	5.3	296,712	5.4	59,212	1.1	(96,338)	(1.8)
19.3,19.4 Commercial Auto Liability .....	22,492	12.4	4,974	2.7	5,553	3.1	15,134	8.3	287	0.2	(12,761)	(7.0)
21.1 Private Pass. Auto Physical Damage .....	457,509	11.8	107,445	2.8	211,134	5.4	227,478	5.9	46,561	1.2	688,040	17.7
21.2 Commercial Auto Physical Damage .....	9,978	11.9	2,132	2.5	2,614	3.1	7,650	9.2	212	0.3	20,254	24.2
22. Aircraft (all perils) .....	7	12.5	1	2.4	3	5.8	4	7.2	1	1.4	48	90.9
23. Fidelity .....	49	13.0	9	2.4	12	3.2	25	6.6			113	30.1
24. Surety .....									(1)	(0.2)	294	87.5
26. Burglary and Theft .....	107	9.3	22	2.0	12	1.1	23	2.0			(14)	(1.2)
27. Boiler and Machinery .....	199	13.2	37	2.5	52	3.5	119	7.9	1	0.1	715	47.6
28. Credit .....												
29. International .....												
33. Aggregate write-ins for Other Lines of Business .....	314	3.6	48	0.6			1,162	13.5	110	1.3	(312)	(3.6)
34. TOTAL (Lines 1 through 33) .....	1,653,292	11.8	382,154	2.7	721,154	5.2	727,649	5.2	147,157	1.1	558,875	4.0
<b>DETAILS OF WRITE-INS</b>												
3301. Mechanical breakdown .....	314	3.6	32	0.4			1,162	13.5	110	1.3	(295)	(3.4)
3302. .....												
3303. Miscellaneous taxes unassigned .....			17								(17)	
3398. Summary of remaining write-ins for Line 33 from overflow page .....												
3399. TOTALS (Lines 3301 thru 3303 plus 3398) (Line 33 above) .....	314	3.6	48	0.6			1,162	13.5	110	1.3	(312)	(3.6)

270-7

**INSURANCE EXPENSE EXHIBIT FOR THE YEAR 2003 OF THE ALLSTATE INSURANCE COMPANY**

**OVERFLOW PAGE FOR WRITE-INS**

P270 Additional Aggregate Lines for Page IEE Part 1 Line 24.

\*IEEPTI

2404. Change in unallocated expense reserves.....	(38,604)					(38,604)
2405. Servicing fees.....	(13,625)	(11,955)	(34,700)			(60,280)
2497. Summary of remaining write-ins for Line 24 from page IEE Part 1	(52,229)	(11,955)	(34,700)			(98,883)

270 Additional Aggregate Lines for Page IEE Part 2 Line 33.

\*IEEPTII

3304. ....	.XXX		100.0																	
3305. ....	.XXX		100.0																	
3306. ....	.XXX		100.0																	
3397. Summary of remaining write-ins for Line 33 from IEE Part 2	.XXX		100.0																	

P270 Additional Aggregate Lines for Page IEE Part 3 Line 33.

\*IEEPTIII

3304. ....	.XXX		100.0																	
3305. ....	.XXX		100.0																	
3397. Summary of remaining write-ins for Line 33 from page IEE 6	.XXX		100.0																	

270-8