

January 10, 2017

To: The Allstate Corporation's Board of Directors and Senior Management

More than 2,600 Allstate Exclusive Agents recently signed the following petition in support of eliminating variable compensation:

The signatory Allstate Exclusive Agents would like to voice our concerns regarding variable compensation:

- *The base commission rate of 9/9 percent is inadequate to fund the expense of operating an Allstate agency.*
- *P&C commissions should be simple, and should not be based on the sale of life insurance (IPS) or any other unrelated components.*

Therefore, we request that variable compensation be rescinded; that 10/10 percent be restored as a solid, simple base commission which we can rely on to pay our staff and agency expenses.

This opinion is supported by Allstate's 2016 Agency Relationship Survey, which cites *"the top categories commented on as needing improvement were competitive position, total compensation and underwriting."* In addition, concern over the variable compensation scheme has often been repeated in agent surveys, petitions and letters to Allstate.

Workers who petition their employers are looking for an opportunity to be heard. This petition represents a large percentage of loyal Allstate agents, all of whom seek serious consideration and resolution to this crucial matter.

As most everyone now knows, two years before the recent Wells Fargo scandal became headline news, more than 5,000 of its employees petitioned the company to review its community banking program and called for lower sales targets for team members. They said: "Sales at all costs is no way to build trust with our communities." No one listened. Many Allstate agents believe the pressure to meet IPS sales goals are not unlike those experienced at Wells Fargo.

Please do not simply dismiss this petition without serious consideration. Let agents know you are listening. Without a doubt, a decision to return P&C commissions to 10/10 and move all other factors back to the bonus structure would earn trust and respect, boost morale, and demonstrate the company's true desire to fulfill its commitment of providing fair and equitable compensation.

CC: Field Senior Vice Presidents
Allstate Exclusive Agency Force
