ATTACHMENT B

[Item for Judicial Notice]

SHORT TITLE:	Appellee’s Official Position Statement
DATE:	9/8/2017
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TRIBUNAL:	Florida Commission on Human Relations
CASE NO:	2017-01432
CASE CAPTION:	*Makere v Allstate*
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Allstate
You're in good hands.

Charmaine Neal
Lead Consultant
Workforce Relations Team
Human Resources

September 8, 2017

Alicia Maxwell
Employment Investigator
Florida Commission on Human Relations
4075 Esplanade Way, Room 110
Tallahassee, FL 32399

Re: Charge No.: FCHR 201701432
Complainant: Elias Makere
Respondent: Allstate Insurance Company

Investigator Maxwell,

This letter sets forth the position of Respondent, Allstate Insurance Company ("Allstate"), regarding the above-referenced charge of discrimination. I am serving as the contact person; therefore, please address all communications to my attention.

The facts set forth in this letter are based upon a preliminary investigation of the circumstances of the allegations against Allstate.[1] It is Allstate's policy not to discriminate with regard to race, sex, age, national origin, sexual orientation, gender identity/gender expression, citizenship, disability, and status as a veteran with a disability or veteran of the Vietnam Era (Exhibit 1-Policy Guide). As outlined below, the allegations of discrimination based upon race and sex discrimination from Elias Makere (hereinafter "Ms. Makere" or "Complainant") are without merit.

FACTS

Allstate Insurance Company is the nation's largest publicly held personal lines insurer and is licensed to sell and service personal lines insurance and financial products. Mr. Makere began his career with Allstate Benefits, a subsidiary of Allstate Insurance Company on November 18, 2013. He was an Actuary Associate from the time he was hired until he was involuntary termination on September 13, 2016. As an Actuary Associate, Mr. Makere

[1] This position statement, including all attachments, is submitted solely in the interests of cooperating with the EEOC in an effort to achieve informal administrative resolution of this charge. In submitting this position statement, Allstate does not intend to waive any defenses it may have to the charge, or in any way prejudice itself with respect to any issue, whether of a procedural or substantive nature. In addition, the information contained herein is submitted on the basis of the undersigned's current understanding of the facts, which may change as more information is gathered.

supported actuarial management in the development of procedures and developed mathematical skills in handling data as a foundation for advance actuarial knowledge.

Events Leading to Termination

When the Respondent hired Mr. Makere in 2013, to be an Actuary Associate, he became a member of the Allstate Financial Actuarial Career Program (ACP). The Respondent designed the program in order provide actuaries and management with support in ensuring critical actuarial talent is attracted, developed, and retained. Actuaries are critical to the Respondent's business because they handle the measurement and management of risk and uncertainty. The program included qualified actuaries as well as, high potential graduates like Mr. Makere, who were pursuing actuarial certification. Employees could obtain actuarial certification through either the Society of Actuaries (SOA) or Casualty Actuary Society (CAS).). The Respondent supported employees pursing actuarial certification by paying for exam fees, preparation courses, and travel expenses for traveling to exam sites. The Respondent also provided paid study time as part of the program (Exhibit 2—Allstate Financial Actuarial Career Program).

Mr. Makere received the ACP Guidelines at the time of hire, which stated that a member must pass one exam in the past qualifying session in order to remain in his position and in the ACP. In January 2016, Mr. Makere's manager, Senior Actuary Manager Lisa Henry, reminded Mr. Makere that he needed to pass an exam in May 2016 in order to stay in the ACP. She reminded him that upon loss of eligibility, an employee could post for another position with the Respondent, but ongoing employment with the Respondent was not guaranteed.

In July 2016, Ms. Henry learned that Mr. Makere did not pass the exam that he took in May 2016. She then e-mailed Human Resources looking for support to transition Mr. Makere out of the ACP.

The matter was assigned to Centralized Employee Relations Team (CERT) Consultant Kelly Bermudez. She consulted with Human Resources Lead Consultant Marina Graff and Human Resource Staff Manager Ellis Manucy who supported Allstate Benefits and Allstate Financial. Ms. Graff and Mr. Manucy advised Ms. Bermudez that typically an employee who lost eligibility for the ACP remained on the payroll for month in order to have time to find a non-actuarial position with the Respondent. If the employee was unable to procure a new position, his employment was terminated at the end of the month. Ms. Bermudez wrote up the request for termination and CERT Associate Manager Steve McIntosh and Allstate Benefits President Greg Guidos signed the request. On August 13, 2016, Ms. Henry notified Mr. Makere that if he was no longer eligible for the ACP and if he did not obtain a non-actuarial position within the next month, the Respondent would terminate his employment. Mr. Makere was unable to secure a new position and his employment was terminated effective September 13, 2016.

2017 i-Report

On February 13, 2017, the Respondent received an anonymous i-report from a former employee. The i-report alleged that Ms. Henry, Actuarial Associate Phil Kite, and Actuarial Associate Kaz Nagai engaged in racial harassment with racial epithets and dolls. The i-report also alleged that they engaged in "constant mocking and humiliation," "generalized bullying and suspected defamation," and" professional discrimination." The i-report provided no further details about the alleged harassment or discrimination. The i-report was assigned to CERT Consultant Jim Baca who e-mailed the anonymous reporter via the e-mail function in the i-report system and asked for more details regarding the allegations. Mr. Baca e-mailed the anonymous reporter on multiple occasions to obtain additional details, but the reporter ultimately declined to speak with him. Mr. Baca also spoke to Ms. Henry, Mr. Kite, Mr. Nagai, Mr. Guidos, and Assistant Vice President Actuary Louis Posick about the allegations in the i-report. Everyone Mr. Baca interviewed was unaware of any racial harassment or discrimination involving any former employees. However, during his interviews, Baca learned that Mr. Makere had dancing hula girl dolls on his desk. When the sun stroke the device, it charged and the hula girl dolls would dance.

Finally, complainant has alleged that between 2014 and 2016, Respondent fired six persons that worked in his department and five of them were African-American. However, a review of Respondent's records indicated that from 2014 through 2016, Respondent involuntarily terminated one person and that was Mr. Makere.

DISCUSSION

Complainant alleges in this Charge that Respondent engaged in foul play by surreptitiously grading his actuarial exam in order to fail him and compromise his employee because of his race. This allegation is false, the exam was taken offsite and the grading of the exam is completely anonymous. The Associate of the Society of Actuaries (ASA) exam, was administered and graded by The Society of Actuaries. Makere's managers did not have a role in determining the Complainant's results.

Complainant alleged that in October 2015, Mr. Kite told him he looked like a chimpanzee. He also alleged that in July 2015, Mr. Nagai placed a swinging monkey doll on his desk in efforts to demean him based on his race. These claims are without merit and the allegations are unfounded. Respondent conducted an investigation of the anonymous i-report that described these same allegations and found that not a single person could substantiate these claims.

Complainant alleges in this Charge that management threatened his employment when he reported Racial Discrimination. Again, Respondent found no evidence to support any of Mr. Makere's claims during its investigation. In addition, Complainant did not report any acts of racial discrimination while employed at Allstate.

In January 2016, Complainant filed an anonymous i-report against ATSV Sr. Manager David Dickson. Complainant alleged in his complaint that Mr. Dickson made false statements and unnecessarily delayed projects. He also requested that Mr. Dickson be prohibited from interacting with employees in the actuary department until he established credibility. Respondent conducted an investigation of the anonymous i-report and found no evidence to support his claims.

Complainant alleges Lisa Henry retaliated against him because he filed an i-Report against Mr. Dickson. He alleged Ms. Henry told him "Someone like you cannot make an allegation against someone like him." Complainant alleged that the comment made by Ms. Henry was code for a "monkey who we can't let grow into a gorilla." Therefore, he subsequently filed a report against her as well. On March 30, 2016, Complainant contacted the HR CERT team to report concerns regarding his Ms. Henry. He complained that Ms. Henry's assessment of his performance was unethical and inaccurate and he alleged it stemmed from an ethics complaint he filed against Mr. Dickson. Complainant never reported that Ms. Henry made any inappropriate and/or discriminatory comments. Respondent conducted an investigation of the allegations and found no evidence to support his claims of retaliation.

Complainant alleges in this Charge that he was harassed and discriminated against based on his race. This claim is without merit, these allegations are unfounded. Again, Respondent found no evidence to support any of Mr. Makere's claims during its investigation. Again, Complainant did not report any of these allegations while he was employed with Allstate.

Complainant was terminated solely because he failed to pass his ASA exam and as a result, he became ineligible to maintain his status in the Allstate Financial Actuarial Career Program (ACP).

Lastly, Complainant's allegation that more African-American actuarial employees were involuntarily terminated is without merit. Complainant was the only employee that Respondent terminated in his department between 2014 and 2016.

CONCLUSION

Complainant's charge of discrimination based upon race without merit. Accordingly, Respondent requests that this Charge be dismissed in its entirety. Should you have any additional questions, please do not hesitate to contact me at (847) 402-7367.

Sincerely,

Charmaine Neal

Charmaine Neal
Human Resources Lead Consultant

Attachments

Exhibit 1

Human Resource Policy Guide Chapter 12 –Employee Relations

Civil Rights Violations

It is the Company's policy to maintain a working environment free from discrimination and harassment. Therefore, any conduct that is discriminatory in nature; motivated by race, color, religion, sex, age, national origin, sexual orientation, gender identity/gender expression, disability, citizenship, or status as a veteran; and adversely affects an employee's terms or conditions of employment is prohibited. This applies to all areas of employment including: hiring, training, salary administration, promotion, job assignment, benefits, discipline, and termination.

Exhibit 2

ALLSTATE FINANCIAL ACTUARIAL CAREER PROGRAM

May 27, 2014

INTRODUCTION

This document provides a summary description of Allstate Financial's Actuarial Career Program (ACP). The program is designed to provide actuaries and management with support in ensuring critical actuarial talent is attracted, developed and retained at Allstate Financial:

> *Actuaries are vital to the ongoing success of Allstate Financial. The company will recruit, develop, reward and retain high performing actuarial professionals to meet its current and future business needs. This includes qualified actuaries (generally FSA or ASA, as well as, high potential graduates pursuing actuarial certification. This will be accomplished through a combination of selective hiring, support for members taking actuarial exams, challenging work assignments, and continuing education and training.*

The ACP is designed to be flexible by providing guidance while allowing management discretion and judgment in best balancing employee and company needs. The program will be updated or amended as needed to remain competitive and effective.

ORGANIZATION AND SCOPE

All areas of responsibility (AORs) within Allstate Financial are eligible to participate. The Finance, Product Management and Asset Liability Management AORs, which employ large numbers of actuaries, are the primary sponsors of the ACP and, together with Human Resources (HR), will administer the program through an Actuarial Leadership Team (ALT) comprised of company officers from key areas with actuarial positions together with the head of HR. Attachment 1 lists the current ALT by area of responsibility.

In large part, the ACP is directed toward newer hires who are actively pursuing actuarial exams by providing them actuarial work experience, exam support and salary advancement commensurate with success towards their FSA designation. We refer to these as ACP "members." The ACP supports overall actuarial career development and is applicable to many of Allstate Financial's newer actuaries beyond the time they achieve their FSA or other actuarial certification including ASA or Fellow Canadian Institute of Actuaries (FCIA). CERA is an alternate to ASA for some members and "ASA" in this document includes CERA as applicable (CERA benefits apply in place of and not in addition to those for ASA). We refer to these as ACP "credentialed members."

Generally, at time of hire an employee will be identified as an ACP member hired into an ACP position. The rules and benefits of the ACP do not apply to employees who have not been designated as ACP members or who occupy a non-ACP position, even if they are independently pursuing actuarial exams. The manager is responsible for recommending an existing non-ACP employee as an ACP member or a position as an ACP position, subject to eligibility of the position as "actuarial" and the employee's qualifications for participation in the ACP. ALT approval is needed for designating a current employee as an ACP member or a position as actuarial. The ALT will approve any associated transitional issues such as compensation, exam eligibility, etc.

MEMBER INVOLVMENT

Work Teams: The ALT will establish teams as needed to help implement the program and will include ACP member volunteers as appropriate. The current ACP teams are as follows:

Team	Duties
Compensation	Market comparability; new hire salaries, updated salary bands, target exam raises and bonuses, ASA/FSA and annual salary reviews
Recruiting	Partner with HR and IBM recruiting team; sourcing of candidates including college campuses; hiring of experienced actuaries, new graduates and interns; prioritize openings and place new hires (with Career Development team)
Mentoring	Program whereby an ACP member may be assigned an FSA mentor to guide him or her through education and development
Career Development	Establish learning objectives of ACP positions; assess member skills and training needs; oversee process for work assignments and job rotations
Continuing Education	Facilitate compliance with AAA and SOA continuing professional development (CPD); provide avenues for gaining needed CPD
Program Rules	Maintain ACP document; monitor SOA education and exam changes and adjust ACP rules; competitor comparability; guidance on interpreting the rules and special considerations

Communication: The ALT and team leaders will communicate items of interest to ACP members and their managers via e-mail distribution lists, and in-person at ACP meetings and events. An intranet website is maintained where information on the ACP program and its activities are posted at http://sp3/sites/AF-ACP-Program/default.aspx.

Administration: Administration of ACP includes items such as maintenance of an ACP database (e.g. exams taken/passed, rotation assignments, and career progress), ACP website, exam raises, bonuses and salary processing. Study expense reimbursement is handled by local management and/or their support staff as applicable.

ELIGIBILITY

Eligibility of Actuarial Positions: A range of positions requiring analytical, quantitative or business skills can be considered "actuarial". These may include traditional positions within Finance, Product Management and Asset Liability Management, as well as positions in Investments, Underwriting and Allstate Financial Technology (AFT) that intersect with actuarial practice. Positions must be approved as "actuarial" by the ALT.

Initial Eligibility of Members: Employees hired as ACP members must have a strong quantitative and analytical background. They generally would hold at least a four-year bachelor's degree and have typically passed one or more exams administered by the SOA, CAS or equivalent organization in another country. The employee would demonstrate strong potential for success within the ACP in technical ability and leadership skills. An employee must be accepted into the ACP by the ALT or its management delegates.

Current non-ACP employees may be considered for entry into the ACP under the same conditions as above for a new hire and with ALT approval.

Duration of Eligibility: The program covers members for their first six years of relevant actuarial work experience. After six years, it is expected members would have gained seasoned actuarial experience and have attained their FSA. If the FSA designation has not been attained at the end of the later of six years of actuarial experience or three years from date of hire, annual extensions may be recommended by the member's manager. Extensions must be approved by the ALT and will be based on the strength of the business case surrounding the delay. Attachment 6 must be completed and submitted by the member's manager.

For new members with prior work experience, a determination will be made by the ALT of length of prior actuarial experience, if any, to count towards application of the six year limit. This will be determined at hire and a record will be maintained in the ACP database.

Continued Eligibility of Members: This is based on active study towards FSA, exam progress and job performance. All criteria need to be satisfied for eligibility to continue.

1. Active Study towards FSA: An ACP member who is not already an FSA is expected to sit for at least one exam every half-year period (January to June or July to December). Currently, there are seven required exams comprised of the ASA-level exams P, FM, MFE, MLC and C, and the FSA-level exams DP and CSP. A member who believes he/she has suitable cause for not sitting for an exam within a half-year period must inform his/her manager in a timely manner. If the manager agrees with the member, the manager must request approval for an exam sitting deferral from the ALT. Attachment 7 must be completed and submitted by the member's manager. Deferrals due to FMLA approved or FMLA eligible absences will be automatically approved.

Following are situations where an exam taking deferral may be granted subject to both manager and ALT approvals:

- No exam is offered within that period which is appropriate for the member

- A medical event arises for the member or a family member. A medical deferral of ACP exam requirements will be automatically granted when the medical condition is either FMLA approved or FMLA eligible

- A work event arises where the member is requested by management to forgo material study time because of more pressing company needs. Note that this does not include normal heavy work loads that may arise at times in the course of the member's job

- The member spends that half-year period working towards completion of a module. Currently, there are three module sets FAP (1-5), FAP (6-8) and FSA Module (1-3). Each can be used once only for purposes of an exam waiver (i.e. maximum of three waivers in total). This is regardless of whether or not the module is completed within that half-year.

A member who is currently eligible and completes all the exams but has one or more modules left to attain FSA automatically has waiver to complete the modules within the next two half-year sessions (or three half-year sessions if no module sessions were previously taken).

2. <u>Exam Progress:</u> A member must have passed at least one exam in the last three qualifying half-years as well as two exams within the last five qualifying half-years, i.e. "1-in-3 and 2-in-5" rule. Qualifying half-years exclude those in which a member has with ALT approval been granted exam deferral under the section above. Exams do not include the module sets. A member failing the 1-in-3 or 2-in-5 rule may be granted an exemption by the ALT (technically, waiver of the last qualifying half-year). Exceptions to the 1-in-3 and 2-in-5 rule should not be considered automatic and generally would be restricted to high-performing/high-potential employees and unusual circumstances. Attachment 7 must be completed and submitted by the member's manager.

3. <u>Job Performance:</u> ACP members are assigned to "T" salary bands which are unique to actuarial positions, and members are expected to progress up the T bands based on exams, years of experience, development of competency model skills, and work performance. ACP members who are unable to progress as expected because their managers determine they would not meet the work performance or competency skill requirements of the next level will lose their ACP eligibility. ALT approval is needed to remove a member from the program.

4. <u>Loss of Eligibility</u>: Upon loss of eligibility, an employee may post for another position at Allstate but ongoing employment with Allstate is not guaranteed. A reasonable

amount of time as determined by the employee's manager will be allowed for the employee to endeavor to secure a suitable opportunity within Allstate. Per company policy, employment will not be terminated for unacceptable job performance unless the employee has been advised that his/her performance is unacceptable.

MEMBER BENEFITS

Exam Support: Paid study time and other exam assistance are provided as follow.

1. Exam fees are paid in advance for the first and second tries of the same exam and in arrears upon passing thereafter.

2. Books and notes are paid in advance on the first try, in advance for updates on the second try and in arrears for updates upon passing thereafter.

3. SOA required seminar expenses of travel, room and board and registration are paid. Payment is one-time per required seminar. ACP members should adhere to Allstate expense guidelines and efforts to minimize company expenditures, and seminars should be attended locally if feasible.

4. Subject to manager's approval, the member may attend an appropriate preparation seminar for an exam with expenses of travel, room and board and registration paid. Payment is one-time per exam. As for SOA required seminars, preparation seminars should be attended locally if feasible.

5. Actuarial courses require significant study time. Allstate provides a number of hours of paid study time with the understanding the member will supplement this with at least twice as much hours of personal study time. Exams are tested with rigor and allowance is then made for study hours for up to three tries of an exam for re-review of course material. Current paid study hours are set out in Attachment 2.

   If a member takes more than one exam or module per sitting, study time for each exam should be added together based on the above table. However, the total study time within any half-year cannot exceed 140 hours. In addition to the above, paid time is given for the exam sitting for the first three tries. Study time or PTO must be applied for module work including any assessment tests. Study time or PTO must be applied for attendance at a seminar. The study time schedule should be prepared prior to taking any study time and approved by the ACP member's manager.

6. If a member participates in ACP activity "on-your-own":
   a. Member pays for all exam fees him/herself, study hours are not granted, member is not eligible for a seminar for that sitting of the exam, results of exam do not count towards eligibility even if passed.
   b. Member is required to inform his/her manger about such activity ahead of time. Member is eligible to get paid time off* on the day of the exam to take the exam, exam

fees will be reimbursed upon successful pass, member is eligible for an exam raise and a first-try bonus if applicable.
c. If a member retakes the exam, the "on-your-own" attempt is ignored regarding study hours and seminar eligibility. Member will not be eligible for first-try pass bonus in this case.

* (not from your personal PTO bank)

Career Development: An important goal of the ACP is to facilitate a breadth of training which can be achieved primarily by a variety of job experiences. Professional and work experience and opportunities are provided as follows.

1. Rotation: ACP members will be evaluated by their managers for professional progress every six months. It is the manager's responsibility to determine if the member has met the training objectives of the current position and is eligible for rotation. At least once each year, the ALT will review the career progress of all ACP members with an emphasis on job performance and tenure in the current position.

   Eligibility for rotation does not guarantee rotation. A member's tenure in a given position can vary, based on his or her speed of learning and aptitude. It is expected that high-performing, high-potential members will rotate more frequently. The ALT will determine rotation assignments, taking into account the member's career goals and preferences, skill set gaps and business needs.

2. Project Experience: An ACP member might be assigned to assist counterparts in a different area of responsibility (AOR) to work on a specified duration project (e.g. an actuary in Modeling assigned to a 3-month pricing project in Product). This promotes inter-disciplinary synergies and provides networking opportunities.

3. Mentoring Program: An ACP member may be assigned an FSA mentor for professional information and guidance. Mentors will not be automatically assigned. If an ACP member desires a mentor, a discussion should occur with his/her manager. Mentees are expected to meet with their mentors several times a year and engage in informal confidential consultation at other times.

4. Skill Sets Template: A template and worksheet of the various actuarial competencies and career paths will be made available for ACP members and their managers to identify the range of skills applicable to various paths/specialties within the actuarial profession and to track a member's progress with respect to these skills. This will help identify skill gaps and plan a development program. The template will contain detailed technical skills as well as leadership skills.

Compensation and Monetary Awards:

1. Exam Raises: ACP members will get raises upon each exam passed or meeting course requirements. This ensures salaries remain competitive with the market where a combination of exams passed and work experience weigh heavily on actuarial salary levels. The amount of raise per exam or course will be evaluated periodically and set by the ALT. Current exam raises are set out in Attachment 3.

   Exam raises are contingent upon satisfactory skills and work performance and, subject to the manager's recommendation and ALT officer approval, partial or no raise may be given.

2. "Pass on First Try" Bonus: Cash bonuses will be awarded a member each time he or she passes an exam on the first try while with the company as set out in Attachment 3.

3. ASA or FSA Cash Bonus: Members receive a cash award for attaining professional ASA and FSA designations which is currently $1,000 net of taxes.

4. ASA or FSA Salary Increase: Salary increases may be awarded upon attainment of the ASA or FSA to ensure salaries remain competitive and members are paid for the value they bring to the company. The Compensation Team will recommend salary increases based on the member's performance and skills evaluations. The current range of salary increases that may be awarded is set out in Attachment 3. Ratings are provided by the manager using the forms set out in Attachments 4 (FSA) and 5 (ASA). Raises must be approved by the ALT.

5. Promotions: The table below sets out actuarial titles for salary bands T1 through T5. Promotions will be considered based upon the employee's exam progress, job performance, competency skills assessment, and demonstrated ability to meet all requirements of the salary band level. Promotional increases are set by the ALT and are periodically reviewed for market competitiveness by the ACP Compensation Team and Human Resources. Promotions to T3 through T5 must be approved by the ALT.

Salary Band	Actuarial Job Title
T1	Actuarial Technician
T2	Actuarial Associate
T3	Sr. Actuarial Associate
T4	Assistant Actuary
T5a	Associate Actuary
T5	Actuary

6. <u>Annual compensation review:</u> ACP members will be annually evaluated and considered for merit raise increases under the company's standard merit review process each March. Prior to the company's annual merit review, the Compensation Team will evaluate all ACP members and determine if, in conjunction with any anticipated merit raise, exam raise and promotional raise, a further raise is warranted for a member based on market comparability data and the member's performance and skills rating. Any merit or market adjustment raise must be approved by the ALT.

TRANSITIONAL RULES FOR NEWLY HIRED OR EXITING MEMBERS

1. <u>Members Starting within 90 Days of an Eligible Exam:</u> Members whose start date is less than 90 days before their next eligible exam sitting will receive pro-rata paid study hours, e.g. a member starting 60 days before his/her exam will receive 2/3rd (60/90) of the regular study hours. In this case only (does not apply to members who start 90 or more days from the exam), new members may "opt out" as follows:

    - Members must timely inform their manager when hired that they are opting out of program sponsorship for the upcoming exam sitting. They receive automatic deferral of that exam sitting. Opting out members get the same rights and benefits when next taking an exam as for first try candidates.

    - Opting out members may nevertheless take an exam at that sitting on their own accord in which case they receive paid time off for the day of their exam but do not receive any of the Exam Support items listed under Member Benefits. If successful in that exam, members receive reimbursement in arrears for any eligible out of pocket expenses for exam fees, books and notes, and are eligible for all Compensation and Monetary Awards. Note that the sitting does not count for the 1-in-3 or 2-in-5 rule regardless of whether or not the member was successful in that exam.

2. <u>Members Exiting the Program:</u> Members who exit the ACP, whether voluntarily or by losing eligibility, will receive reimbursement for those exam and study expenses incurred while still on the program. This includes the "pass on first try" bonuses for exams passed while on the program.

3. <u>Members Exiting the Company:</u> Benefits and expense reimbursements will be paid where these have been incurred or qualified for while employed with the Company, e.g. for an exam pass where SOA releases results on or before the member's last day of service. However, for members who have announced their intention to voluntarily leave the company, benefits and expense reimbursements will be paid only where incurred or qualified for prior to the earlier of when the member handed in notice of termination or was actively seeking a position outside of the company.

CONTINUING PROFESSIONAL DEVELOPMENT

The company assists members in meeting required continuing professional development (CPD). Essentially, credentialed members who are ASA or FSA are required to have 30 units of CPD per year (a CPD unit equals 50 minutes, so, 30 CPD units equate to 25 hours of learning). Some specific rules are as follows:

- Those who are members of the American Academy of Actuaries (MAAA) are required to meet the Academy's rules for what counts towards the 30 CPDs

- Those who are not members of the MAAA but practice as actuaries in the US are subject to the Actuarial Board for Counseling and Discipline (ABCD) and must likewise meet the AAA requirements

- Those who are neither members of the MAAA nor practicing in the US are required to meet the requirements of their home country, or as default the SOA rules for CPDs (e.g. SOA allows 60 CPDs over a rolling 2-year period rather than 30 CPDs each year)

Taking SOA exams and other actuarial courses generally count towards CPD. The company arranges on site webcasts, provides for attending professional meetings with manager's approval, and at times may provide company sponsored on site training.

SUMMARY

The ACP offers flexibility with respect to raises and rotation while maintaining business consideration standards for initial and ongoing eligibility. It provides the structure for maintaining competitive study support and a salary progression process designed to retain actuarial staff. Furthermore, the program enhances career planning through the mentoring program and the use of skill set templates. In addition, the six-month review process allows for effective tracking of professional development and member progress.

ATTACHMENT 1

Actuarial Career Program (ACP)

Key Leadership Members

The Actuarial Leadership Team (ALT) is currently comprised of the following company officers:

Area of Responsibility	ALT Officer
Actuarial	Errol Cramer (chair) Mario Imbarrato Theresa Resnick Becky Kennedy Steve Rueschhoff
Human Resources	Jeanette Wellsandt

Actuarial Teams are currently comprised of the following employees:

Team	Owners
Compensation	Kal Patel
Recruiting	Jeff Moeller
Mentoring	
Career Development	Dawn Velasquez
Program Rules	Mario Imbarrato, Monika Wirtz as administrator

ATTACHMENT 2

Actuarial Career Program (ACP)

Paid Study Hours

Paid study hours are currently as follows:

Exam/Module	First Try Hours	Second Try Hours	Third Try Hours
Exam P (3 hrs)	90	72	45
Exam FM (3 hrs)	90	72	45
Exam MFE (3 hrs, from 2)	90	72	45
Exam MLC (3 hrs)	90	72	45
Exam C (3.5 hrs, from 4)	105	84	52
FAP (1-5)	80	32	0
FAP (6-8)	80	32	0
FSA Exam 1 (5hr)	140	112	70
FSA Exam 2 (5hr)	140	112	70
FSA3 – Track Exam (2 hr)	60	48	30
FSA3 – ERM Exam (4 hr)	120	96	60
Adv Fin – Transition (2hr)	60	48	30
FSA Modules (1-3)	50	20	0
DMAC	20	0	0

There is a maximum of 140 hours per half-year period. See ACP program for complete rules and conditions.

ATTACHMENT 3
Actuarial Career Program (ACP)

Exam Pass Benefits

Current annual raises and bonuses for passing exams that may be awarded are as follows:

Exam / Course	Revised Exam Raise	Pass on First Try Bonus
P	$2,500	$1,500
FM	$2,500	$1,250
MFE	$1,750	$1,000
MLC	$2,000	$1,500
C	$2,250	$2,000
VEEs	$0	$0
FAP 1	$0	$0
FAP 2	$2,000	$0
ASA	$0 to $4,000	N/A
FSA Exam 1 (5 Hr)	$2,250	$2,250
FSA Exam 2 (5 Hr)	$2,250	$2,250
FSA Exam 3 (2 or 4 Hr)	$1,500	$1,250/$2,250 for 2hr/4hr
FSA Mod.	$0	$0
DMAC	$500	$0
FSA	$0 to $8,000	N/A

*ASA and FSA raises will be awarded based on the individual merits of the ACP member. The raises are determined by the ALT based on the manager's input and recommendations.

See ACP program for complete rules and conditions.

* Certain exam raises may be modified for transitional impacts of changes to Exam Pass Benefits schedule.

ATTACHMENT 4

Actuarial Career Program (ACP)

FSA Designation Salary Increase Manager Assessment

Employee: Salary Band: Current Ann. Salary

Years of Actuarial exper. (Excl. internships) Month/Yr of Recent Promotion

Most Recent PDS Rating (F, S, O, E) Recent OSF Score (e.g. 3.2)

Prior PDS Rating (F, S, O, E) Prior OSF Score:

3rd Most Recent Rating (F, S, O, E) 3rd Prior OSF Score

List the exams taken/passed and the number of sittings (approximate for FAP/VEE). Designate sittings while fully eligible for Allstate Study Time:

	Fall 12	Spg 12	Fall 11	Spg 11	Fall 10	Spg 10	Fall 09	Spg 09	Fall 08	Spg 08	Prior
Taken											
Passed											
Allstate (y/n)											

Does this employee better fit into the technical career path or the management path?
____ Management ___ Technical

Assess the employee's Versatility and Criticality to Allstate –

Definitions: *Versatility – An employee who has demonstrated the ability to "step-up" and perform above expectations when faced with changing work conditions. This employee has an ability to perform at a high level in a variety of actuarial roles and is capable of expanding his/her career beyond traditional actuarial roles. The employee displays a broad set of insight and knowledge and is intellectually curious about the meaning of their work and issues outside of their specific work group. The employee performs at a high level with a variety of actuarial and non-actuarial employees at different levels of the organization.*

Critical to Organization – An individual who consistently demonstrates a high level of job performance but also brings a unique set of special functional, technical or managerial skill to the organization that would be difficult to replace. This measure relates to underlying skills and the overall body of knowledge the employee possesses about specific Allstate processes or industry expertise.

Rating:

Versatility	Criticality
___Very High	___Very High
___Solid	___Solid
___Not a distinguishing characteristic	___Not a distinguishing characteristic
___Not a strength	___Not a strength

ATTACHMENT 5

Actuarial Career Program (ACP)

ASA Designation Salary Increase Manager Assessment

Employee:	Salary Band:	Current Ann. Salary:

Years of Actuarial Exper. (Excl. internships) Month/Yr of Recent Promotion

Most Recent PDS Rating (F, S, O, E) Recent OSF Score (e.g. 3.2)

Prior PDS Rating (F, S, O, E) Prior OSF Score:

3rd Most Recent Rating (F, S, O, E) 3rd Prior OSF Score

List the exams taken/passed and the number of sittings (approximate for FAP/VEE). Designate sittings while fully eligible for Allstate Study Time:

	Fall 12	Spg 12	Fall 11	Spg 11	Fall 10	Spg 10	Fall 09	Spg 09	Fall 08	Spg 08	Prior
Taken											
Passed											
Allstate (y/n)											

Does this employee better fit into the technical career path or the management path?
___ Management ___ Technical

Assess the employee's skill in the following areas:

- Rate the employee's actuarial technical skills including logical and analytical reasoning, mastery of Excel, Access, and programming ability.

___Very High ___Solid ___Not a distinguishing characteristic ___Not a strength

- Rate the employee's technical communication skills. Can the employee explain technical issues in a comprehensive, accurate, and understandable manner? Does employee constructively contribute to technical discussions?

___Very High ___Solid ___Not a distinguishing characteristic ___Not a strength

- Rate the thoroughness of the employee's work product. Does employee strive to validate his/her work product and conclusions?

___Very High ___Solid ___Not a distinguishing characteristic ___Not a strength

- Does employee seek a deeper understanding of company issues, processes, and implications beyond their specific unit? Does employee recognize and act upon additional analysis needed beyond the specifically assigned task and identify key drivers? (big picture thinking)

___Very Often ___Somewhat Often ___Occasionally ___Rarely

ATTACHMENT 6

Actuarial Career Program (ACP)

Application for Extension beyond Six Years of Actuarial Experience
(This request only required from members with three or more years on ACP)
Note: Years of Actuarial experience or on ACP excludes periods where deferral was granted due to FMLA approved or FMLA eligible absence.

Employee: Salary Band: ASA(Y/N):

Years of Actuarial Exper. (Excl. internships) Month/Yr Entered ACP

Most Recent PDS Rating (F, S, O, E) Recent OSF Score (e.g. 3.2)

Prior PDS Rating (F, S, O, E) Prior OSF Score:

3rd Most Recent Rating (F, S, O, E) 3rd Prior OSF Score

List the exams taken/passed and the number of sittings (approximate for FAP/VEE). Designate sittings while fully eligible for Allstate Study Time:

	Fall 12	Spg 12	Fall 11	Spg 11	Fall 10	Spg 10	Fall 09	Spg 09	Fall 08	Spg 08	Prior
Taken											
Passed											
Allstate (y/n)											

Manager recommendation and comments:

Manager Name Date

ATTACHMENT 7

Actuarial Career Program (ACP)

7(a) Application for Deferral of Taking an Exam

(For a member requesting approval to not take an exam within a half-year period because of hardship or to substitute a module in lieu of an exam)

7(b) Application for Exemption from 1-in-3 or 2-in-5 Eligibility Rule

(For a member who has failed to satisfy the 1-in-3 or 2-in-5 exam pass eligibility rule and is requesting approval for waiver of this requirement)

Employee: Salary Band: ASA(Y/N):

Years of Actuarial Exper. (Excl. internships) | Month/Yr Entered ACP

Most Recent PDS Rating (F, S, O, E) | Recent OSF Score (e.g. 3.2)

Prior PDS Rating (F, S, O, E) | Prior OSF Score:

3rd Most Recent Rating (F, S, O, E) | 3rd Prior OSF Score

List the exams taken/passed and the number of sittings (approximate for FAP/VEE). Designate sittings while fully eligible for Allstate Study Time:

	Fall 12	Spg 12	Fall 11	Spg 11	Fall 10	Spg 10	Fall 09	Spg 09	Fall 08	Spg 08	Prior
Taken											
Passed											
Allstate (y/n)											

Requesting 7(a) Yes ☐ (do not check 7(b) if you choose this

Requesting 7(b) Yes ☐ (do not check 7(a) if you choose this

Is the deferral or exemption due to a FMLA approved or FMLA eligible absence?

Yes ☐ No ☐

Manager recommendation and comments:

Manager Name Date

Exhibit 3

Termination Request

Submitted by: Kelly Bermudez
Region: Centralized Employee Relations Team
Date: August 10, 2016
Case Management Tool Case Number: 2016-001304

Employee Name: Elias Makere
Employee SAP Number: 142234
Job Title: Actuary Consultant II
Service Date: 11/18/2013
Organizational Unit: 52142953 AB Product Workplace Products FL

Applicable Standard/Policy Violation:
Allstate Financial Actuarial Career Program

Case Summary
Elias Makere was provided the Allstate Financial Actuarial Program Guidelines at the time of hire, which state that a member must pass one exam in the past three qualifying sessions in order to remain as a qualified Allstate Actuarial. Makere has not met the minimum requirements and is no longer eligible to remain in the Actuarial program.

Attachments

- ☐ UN Document
- ☐ Peer Comparison
- ☐ Other Related Performance Improvement Documents
- ☒ Allstate Financial Actuarial Career Program – Section 4: Loss of Eligibility

Recommendations
Based on the information provided the leadership team recommends termination.

Approvals are found on next page

Employee Name: Elias Makere
Employee SAP Number: 142234
Case Management Tool Case Number: 2016-001304

8/10/2016

Steven McIntosh, Human Resources Associate Manager — Date

Richard Schaefer, Actuarial Product Director — Date

NEAL, CHARMAINE

From: Schaefer, Richard
Sent: Wednesday, August 10, 2016 5:19 PM
To: Henry, Lisa (AB)
Cc: Manucy, Ellis; Bermudez, Kelly (HR); DeWitt, Pam
Subject: Re: ACTION REQUIRED: Request for termination for approval

I agree with the action. Is this good enough?

On Aug 10, 2016, at 9:16 PM, Henry, Lisa (AB) <LHenry@allstate.com> wrote:

> Or we could push it out to next Friday when Rich is back.
>
> ---
>
> **From:** Manucy, Ellis
> **Sent:** Wednesday, August 10, 2016 4:52 PM
> **To:** Henry, Lisa (AB); Bermudez, Kelly (HR); Schaefer, Richard
> **Cc:** DeWitt, Pam
> **Subject:** RE: ACTION REQUIRED: Request for termination for approval
>
> I would suggest that we have Rich's boss, Greg Guidos sign on his behalf. If you are okay with this Kelly, I'll handle it.
>
> Thanks,
> -Ellis
>
> ---
>
> **From:** Henry, Lisa (AB)
> **Sent:** Wednesday, August 10, 2016 4:01 PM
> **To:** Bermudez, Kelly (HR) <kbove@allstate.com>; Schaefer, Richard <RSchaefer@allstate.com>
> **Cc:** Manucy, Ellis <EManucy@allstate.com>
> **Subject:** RE: ACTION REQUIRED: Request for termination for approval
> **Importance:** High
>
> Rich is in Iceland until the 17th.
> Does this require him specifically? Elias reports to me.
>
> ---
>
> **From:** Bermudez, Kelly (HR)
> **Sent:** Wednesday, August 10, 2016 2:25 PM
> **To:** Schaefer, Richard
> **Cc:** Henry, Lisa (AB); Manucy, Ellis
> **Subject:** ACTION REQUIRED: Request for termination for approval
> **Importance:** High
>
> Hi Richard,
>
> Please see the attached termination documentation that has been approved by CERT. As discussed the conversation with Elias is scheduled for Friday, allowing him a month to remain on Allstate payroll while he looks for employment.
>
> Please sign and return the attached documentation.

Thank you,

Kelly Bermudez, SHRM-CP
HR Consultant
Centralized Employee Relations Team

Allstate Insurance Company
8333 Bryan Dairy Road Suite 300
Largo, FL 33777
ph: (727) 573-3119