

ALLSTATE CORP  
Form 424B5  
January 10, 2012

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**Filed Pursuant to Rule 424(b)(5)  
Registration No. 333-159071**

**CALCULATION OF REGISTRATION FEE**

| <b>Title of Each Class of Securities Offered</b> | <b>Maximum Aggregate Offering Price</b> | <b>Amount of Registration Fee(1)(2)</b> |
|--|---|---|
| 5.200% Senior Notes Due 2042                     | \$500,000,000                           | \$57,300                                |
| Total  | \$500,000,000                           | \$57,300                                |

(1) Calculated in accordance with Rule 457(r) under the Securities Act of 1933 as amended (the "Securities Act").

(2) A registration fee of \$57,300 has been paid with respect to this offering. This "Calculation of Registration Fee" table shall be deemed to update the "Calculation of Registration Fee" table in Registration Statement No. 333-159071 on Form S-3ASR.

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Prospectus Supplement to Prospectus Dated May 8, 2009

**\$500,000,000**

**The Allstate Corporation**

**5.200% Senior Notes Due 2042**

The Allstate Corporation will pay interest on the notes on January 15 and July 15 of each year. The first payment of interest will be made on July 15, 2012. The notes will be issued only in denominations of \$2,000 and integral multiples of \$1,000 in excess thereof. The Allstate Corporation may redeem some or all of the notes at any time at the redemption prices discussed under the caption "*Description of the Notes Optional redemption.*"

*Investing in the notes involves risks. See a discussion of certain risks in the "Risk Factors" section of The Allstate Corporation's filings with the Securities and Exchange Commission that should be carefully considered before investing in the notes.*

**Neither the Securities and Exchange Commission nor any other regulatory body has approved or disapproved of these securities or passed upon the accuracy or adequacy of this prospectus supplement or the accompanying prospectus. Any representation to the contrary is a criminal offense.**

|  | <b>Per Note</b> | <b>Total</b>   |
|--|-----------------|----------------|
| Public offering price                                  | 99.608%         | \$ 498,040,000 |
| Underwriting discount                                  | 0.875%          | \$ 4,375,000   |
| Proceeds, before expenses, to The Allstate Corporation | 98.733%         | \$ 493,665,000 |

The initial public offering price set forth above does not include accrued interest, if any. Interest on the notes will accrue from January 11, 2012 and must be paid by the purchasers if the notes are delivered after January 11, 2012.

The notes will not be listed on any securities exchange. Currently there is no public trading market for the notes.

The underwriters expect to deliver the notes through the facilities of The Depository Trust Company against payment in New York, New York on January 11, 2012.

*Joint Book-Runners*

**J.P. Morgan**

**Goldman, Sachs & Co.**

**Barclays Capital**

**Wells Fargo Securities  
Morgan Stanley**

**BofA Merrill Lynch**

**Citigroup**

**Deutsche Bank Securities  
UBS Investment Bank**

**BNY Mellon Capital Markets, LLC  
SunTrust Robinson Humphrey**

**Loop Capital Markets**

**PNC Capital Markets LLC  
U.S. Bancorp Investments, Inc.**

Prospectus Supplement dated January 9, 2012

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**THE ALLSTATE CORPORATION**

The Allstate Corporation is a holding company that conducts its business primarily through its subsidiaries Allstate Insurance Company ("AIC") and Allstate Life Insurance Company and their affiliates (collectively, including The Allstate Corporation, "*Allstate*"). Allstate is primarily engaged in the personal property and casualty insurance business and the life insurance, retirement and investment products business. Customers can access Allstate products and services such as auto insurance and homeowners insurance through more than 13,000 exclusive Allstate agencies and financial representatives in the United States and Canada. The Allstate Corporation is the largest publicly held personal lines insurer in the United States and the second largest personal property and casualty insurer in the United States based on 2010 statutory direct premiums earned. In addition, according to A.M. Best, it is the nation's 16<sup>th</sup> largest issuer of life insurance business on the basis of 2010 ordinary life insurance in force and 21<sup>st</sup> largest on the basis of 2010 statutory admitted assets.

Our main business segments include Allstate Protection and Allstate Financial. Allstate Protection principally sells private passenger auto and homeowners insurance, primarily through agencies. These products are marketed under the Allstate, Encompass® and Esurance® brand names. Allstate brand auto and homeowners insurance products are sold primarily through Allstate exclusive agencies and, to a lesser extent, through independent agencies in areas not served by exclusive agencies. Encompass brand auto and homeowners insurance products are sold through independent agencies. Esurance brand auto insurance products are sold direct to consumers online, through a call center and through select agents, including Answer Financial Inc. Allstate Financial provides life insurance, retirement and investment products and voluntary accident and health insurance products. Allstate Financial distributes its products to individuals through multiple distribution channels, including Allstate exclusive agencies and exclusive financial specialists, independent agents, and specialized structured settlement brokers. On an opportunistic basis, Allstate Financial has sold and may continue to sell funding agreements to unaffiliated trusts used to back medium-term notes.

The Allstate Corporation was incorporated in Delaware on November 5, 1992. Our executive offices are located at 2775 Sanders Road, Northbrook, Illinois 60062, and at Corporation Trust Center, 1209 Orange Street, Wilmington, Delaware 19801. Our telephone number is (847) 402-5000.

As a holding company with no significant business operations of our own, we rely on dividends from AIC as the principal source of cash to pay dividends to our stockholders and to meet our obligations, including the payment of principal and any interest on any notes and our other debt obligations. AIC is regulated as an insurance company in Illinois. The payment of dividends by AIC is limited by Illinois insurance law to formula amounts based on statutory net income and statutory surplus, as well as the timing and amount of dividends paid in the preceding twelve months. Based on the greater of 2010 statutory net income or 10% of 2010 statutory surplus as of December 31, 2010, the maximum amount of dividends that AIC was able to pay without prior Illinois Department of Insurance approval at any point in 2011 was \$1.54 billion, less dividends paid during the preceding twelve months measured at that point in time. As of December 31, 2011, dividends paid by AIC during the preceding twelve-month period totaled \$838 million. At any point in time during 2012, the maximum amount of dividends that AIC will be able to pay without prior Illinois Department of Insurance approval will be an amount equal to the greater of 2011 statutory net income or 10% of 2011 statutory surplus as of December 31, 2011, less dividends paid during the preceding twelve months measured at that point in time.

The laws of other jurisdictions that generally govern our insurance subsidiaries contain similar limitations on the payment of dividends; however, in some jurisdictions the laws may be somewhat more restrictive.

References to "*Allstate*," "*we*," "*us*" and "*our*" in this prospectus supplement are references to The Allstate Corporation, and not to any of our subsidiaries, unless we state otherwise or the context otherwise requires.

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We estimate that the net proceeds, after expenses, from the sale of the notes will be approximately \$493 million. We expect to use the net proceeds for general corporate purposes, including to facilitate the repayment of \$350 million aggregate principal amount of our 6.125% Senior Notes due 2012 upon their maturity on February 15, 2012 and the repurchase of our common stock through open market purchases from time to time or through an accelerated repurchase program.

**CAPITALIZATION**

The following table sets forth our consolidated short term debt and capitalization as of September 30, 2011 and as adjusted to give effect to this offering and the repayment at maturity of \$350 million aggregate principal amount of our 6.125% Senior Notes due 2012. The following data should be read in connection with our condensed consolidated financial statements and notes, which are incorporated by reference.

|  | As of<br>September 30, 2011 |               |
|--|-----------------------------|---------------|
|  | Actual                      | As Adjusted   |
|  | (in millions)               |               |
| Short-term debt  | \$                          | \$            |
| 5.200% Senior Notes due 2042                                 |                             | 500           |
| Other long-term debt   | 5,907                       | 5,557         |
| <br>Total debt   | <br>5,907                   | <br>6,057     |
| Common stock and additional capital paid-in                  | 3,186                       | 3,186         |
| Unrealized net capital gains and losses                      | 1,032                       | 1,032         |
| Unrealized foreign currency translation adjustments          | 49                          | 49            |
| Unrecognized pension and other post-retirement benefit costs | (1,135)                     | (1,135)       |
| Retained income  | 31,704                      | 31,704        |
| Deferred ESOP expense  | (43)                        | (43)          |
| Treasury stock, at cost                                      | (16,693)                    | (16,693)      |
| <br>Total shareholders' equity                               | <br>18,100                  | <br>18,100    |
| Noncontrolling interest                                      | 29                          | 29            |
| <br>Total equity   | <br>18,129                  | <br>18,129    |
| <br>Total capitalization                                     | <br>\$ 24,036               | <br>\$ 24,186 |

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The following table sets forth selected consolidated statement of operations and financial position data and other data for the periods indicated. The financial data for each of the five years in the period ended December 31, 2010 are derived from our audited consolidated financial statements. The financial data for the nine-month periods ended September 30, 2011 and 2010 are derived from our unaudited condensed consolidated financial statements. The following amounts should be read in conjunction with the consolidated financial statements and notes thereto contained in our other filings with the Securities and Exchange Commission available as described under "Where You Can Find More Information" in the accompanying prospectus.

|  | As of or for the<br>nine months<br>ended September 30, |                     | As of or for the year<br>ended December 31, |           |            |           |           |
|--|--|---------------------|---|-----------|------------|-----------|-----------|
|  | 2011<br>(Unaudited)                                    | 2010<br>(Unaudited) | 2010  | 2009      | 2008       | 2007      | 2006      |
| (Dollars in millions, except per share data)       |  |                     |   |           |            |           |           |
| <b>Consolidated statements of operations data:</b> |  |                     |   |           |            |           |           |
| Insurance premiums and contract charges            | \$ 21,005  | \$ 21,152           | \$ 28,125                                   | \$ 28,152 | \$ 28,862  | \$ 29,099 | \$ 29,333 |
| Net investment income                              | 2,996  | 3,104               | 4,102                                       | 4,444     | 5,622      | 6,435     | 6,177     |
| Realized capital gains and losses                  | 417  | (943)               | (827)                                       | (583)     | (5,090)    | 1,235     | 286       |
| Total revenues                                     | 24,418   | 23,313              | 31,400                                      | 32,013    | 29,394     | 36,769    | 35,796    |
| Benefits, claims, expenses and other               | 24,493   | 22,562              | 30,285                                      | 30,772    | 32,413     | 30,106    | 28,525    |
| (Loss) gain on disposition of operations           | (17)   | 12                  | 11  | 7         | (6)        | (10)      | (93)      |
| Income tax (benefit) expense                       | (156)  | 131                 | 198   | 394       | (1,346)    | 2,017     | 2,185     |
| Net income (loss)                                  | \$ 64  | \$ 632              | \$ 928                                      | \$ 854    | \$ (1,679) | \$ 4,636  | \$ 4,993  |
| <b>Per common share data:</b>                      |  |                     |   |           |            |           |           |
| Net income (loss) per share basic                  | \$ 0.12  | \$ 1.17             | \$ 1.72                                     | \$ 1.58   | \$ (3.06)  | \$ 7.80   | \$ 7.88   |
| Net income (loss) per share diluted                | \$ 0.12  | \$ 1.16             | \$ 1.71                                     | \$ 1.58   | \$ (3.06)  | \$ 7.76   | \$ 7.83   |
| Cash dividends declared per common share           | \$ 0.63  | \$ 0.60             | \$ 0.80                                     | \$ 0.80   | \$ 1.64    | \$ 1.52   | \$ 1.40   |
| <b>Consolidated financial position data:</b>       |  |                     |   |           |            |           |           |

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|  |         |         |         |         |         |         |         |
|--|---------|---------|---------|---------|---------|---------|---------|
| Investments  | 97,525  | 102,214 | 100,483 | 99,833  | 95,998  | 118,980 | 119,757 |
| Total assets   | 126,959 | 132,534 | 130,874 | 132,652 | 134,798 | 156,408 | 157,554 |
| Reserve for claims and claims expenses, life-contingent contract benefits and contractholder funds | 78,479  | 82,185  | 81,145  | 84,659  | 90,750  | 94,052  | 93,683  |
| Short-term debt  |         |         |         |         |         |         | 12      |
| Long-term debt   | 5,907   | 5,909   | 5,908   | 5,910   | 5,659   | 5,640   | 4,650   |
| Shareholders' equity   | 18,100  | 19,274  | 19,016  | 16,692  | 12,641  | 21,851  | 21,846  |
| Equity   | 18,129  | 19,302  | 19,044  | 16,721  | 12,673  | 21,902  | 21,937  |
| <b>Other data:</b>   |         |         |         |         |         |         |         |
| Ratio of earnings to fixed charges(1)(2)   |         | 1.5     | 1.5     | 1.5     |         | 3.2     | 3.4     |

- (1) For purposes of this computation, earnings consist of income from continuing operations before income tax expense and dividends on preferred securities. Fixed charges consist of interest expense, including interest credited to contractholder funds, amortization of financing costs, that portion of rental expense that is representative of the interest factor and dividends on redeemable preferred securities.
- (2) Earnings for the nine months ended September 30, 2011 were insufficient to cover fixed charges by \$92 million. Earnings for the year ended December 31, 2008 were insufficient to cover fixed charges by \$3.03 billion.

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**DESCRIPTION OF THE NOTES**

*We have summarized provisions of the notes below. This summary supplements and replaces (if inconsistent with) the description of debt securities and the general terms and provisions of debt securities under the caption "Description of Debt Securities" in the accompanying prospectus. This summary does not purport to be complete and is qualified in its entirety by reference to the indenture referred to below.*

**General**

The notes will be issued under an indenture, dated as of December 16, 1997, as amended by a third supplemental indenture, dated as of July 23, 1999, as amended by a sixth supplemental indenture, dated as of June 12, 2000, and as supplemented by a supplemental indenture to be dated as of January 11, 2012, with respect to the issuance of the notes, between us and U.S. Bank National Association, as trustee (successor in interest to State Street Bank and Trust Company).

The notes will initially be limited to a total principal amount of \$500,000,000. We may, without the consent of the holders of the notes, issue additional notes having the same interest rate, maturity date and other terms as described in this prospectus supplement and in the accompanying prospectus, except for the public offering price and issue date. Any additional notes, together with the notes offered by this prospectus supplement, will constitute a single series of notes under the indenture. No additional notes may be issued if an event of default under the indenture has occurred and is continuing with respect to the notes.

The notes will mature on January 15, 2042 and will bear interest at 5.200% per year. Interest on the notes will accrue from January 11, 2012. The notes provide that we will:

pay interest semi-annually on January 15 and July 15 of each year, commencing July 15, 2012;

pay interest to the person in whose name a note is registered at the close of business on January 1 or July 1 preceding the interest payment date;

compute interest on the basis of a 360-day year consisting of twelve 30-day months;

make payments on the notes at the offices of the trustee; and

either make payments by wire transfer for notes held in book-entry form or by check mailed to the address of the person entitled to the payment as it appears on the register of the notes.

In the event that any date on which interest is payable is not a business day, then payment of interest payable on that date will be made on the next business day (and without any interest or other payment in respect of any delay).

"*Business day*" means any day, other than a Saturday or Sunday, on which banks in The City of New York and Boston, Massachusetts are not required by law to close.

We will issue the notes only in fully registered form, without coupons, in denominations of \$2,000 and integral multiples of \$1,000 in excess thereof. The notes will not be subject to any sinking fund.

**Ranking**

The notes will be our senior unsecured obligations and will rank equally in right of payment with all of our other existing and future senior unsecured and unsubordinated indebtedness. The notes will rank senior to any subordinated indebtedness.

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All existing and future liabilities of our subsidiaries will be effectively senior to the notes. Since all of our operations are conducted through subsidiaries, our cash flow and subsequent ability to service debt, including the notes, are dependent on the earnings of our subsidiaries and the distribution of those earnings, or upon loans or other payments of funds by the subsidiaries, to us. The subsidiaries

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are separate and distinct legal entities and have no obligation to pay any amount pursuant to the notes or otherwise, whether by dividends, loans or other payments. In addition, since our subsidiaries are insurance companies, their ability to pay dividends to us is subject to regulatory limitations. See "*Business Regulation*" in our Annual Report on Form 10-K for the year ended December 31, 2010, which is incorporated in this prospectus supplement by reference.

**Optional redemption**

The notes are redeemable, in whole or in part, at any time at a redemption price equal to the greater of:

100% of the principal amount of the notes to be redeemed; and

as determined by an Independent Investment Banker, the sum of the present values of the remaining scheduled payments of principal and interest on the notes to be redeemed (not including any portion of such payments of interest accrued to the date of redemption) discounted to the redemption date on a semi-annual basis (assuming a 360-day year consisting of twelve 30-day months) at the Adjusted Treasury Rate, plus 35 basis points.

plus, in either of the above cases, accrued and unpaid interest thereon to the redemption date.

"*Adjusted Treasury Rate*" means, with respect to any redemption date:

the yield, under the heading which represents the average for the immediately preceding week, appearing in the most recently published statistical release designated "H.15(519)" published by the Board of Governors of the Federal Reserve System (or any successor publication which is published weekly by the Board of Governors of the Federal Reserve System and which establishes yields on actively traded United States Treasury securities adjusted to constant maturity) under the caption "*Treasury Constant Maturities*," for the maturity corresponding to the Comparable Treasury Issue. If no maturity is within three months before or after the Remaining Life, yields for the two published maturities most closely corresponding to the Comparable Treasury Issue shall be determined and the Adjusted Treasury Rate shall be interpolated or extrapolated from such yields on a straight line basis, rounding to the nearest month; or

if such release (or any successor release) is not published during the week preceding the calculation date or does not contain such yields, the rate per year equal to the semi-annual equivalent yield to maturity of the Comparable Treasury Issue, calculated using a price for the Comparable Treasury Issue (expressed as a percentage of its principal amount) equal to the Comparable Treasury Price for such redemption date.

The Adjusted Treasury Rate shall be calculated on the third business day preceding the redemption date.

"*Comparable Treasury Issue*" means the United States Treasury security selected by an Independent Investment Banker as having a maturity comparable to the remaining term of the securities to be redeemed that would be used, at the time of selection and in accordance with customary financial practice, in pricing new issues of corporate debt securities of comparable maturity to the remaining term of such securities ("*Remaining Life*").

"*Comparable Treasury Price*" means (1) the average of five Reference Treasury Dealer Quotations for such redemption date, after excluding the highest and lowest Reference Treasury Dealer Quotations, or (2) if the Independent Investment Banker obtains fewer than five such Reference Treasury Dealer Quotations, the average of all such quotations.

"*Independent Investment Banker*" means one of the Reference Treasury Dealers appointed by us.

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"Reference Treasury Dealer" means:

each of J.P. Morgan Securities LLC, Goldman, Sachs & Co. and Barclays Capital Inc. and their respective successors; provided, however, that if any of the foregoing shall cease to be a primary U.S. Government securities dealer in the United States (a "Primary Treasury Dealer"), we shall substitute therefore another Primary Treasury Dealer; and

any two other Primary Treasury Dealers selected by us.

"Reference Treasury Dealer Quotations" means, with respect to each Reference Treasury Dealer and any redemption date, the average, as determined by the Independent Investment Banker, of the bid and asked prices for the Comparable Treasury Issue (expressed in each case as a percentage of its principal amount) quoted in writing to the Independent Investment Banker at 5:00 p.m., New York City Time, on the third business day preceding such redemption date.

We will mail a notice of redemption at least 30 days but not more than 60 days before the redemption date to each holder of the notes to be redeemed. If less than all of the notes are to be redeemed, the trustee will select, by such method as it will deem fair and appropriate, including pro rata or by lot, the securities to be redeemed in whole or in part.

Unless we default in payment of the redemption price, on and after the redemption date, interest will cease to accrue on the notes or portions thereof called for redemption.

**Defeasance**

The defeasance and covenant defeasance provisions of the indenture described under the caption "*Description of Debt Securities Defeasance and Covenant Defeasance*" in the accompanying prospectus will apply to the notes.

**Notices**

We will mail notices and communications to the holder's address shown on the register of the notes.

**The trustee; paying agents and transfer agents**

U.S. Bank National Association (successor in interest to State Street Bank and Trust Company) is the trustee under the indenture. The trustee and its affiliates also perform certain commercial banking services for us for which they receive customary fees. The trustee will be the paying agent and transfer agent for the notes.

**Book-Entry System**

The Depository Trust Company, or DTC, which we refer to along with its successors in this capacity as the depository, will act as securities depository for the notes. The notes will be issued only as fully registered securities registered in the name of Cede & Co., the depository's nominee. One or more fully registered global notes, representing the total aggregate principal amount of the notes, will be issued and will be deposited with the depository or its custodian and will bear a legend regarding the restrictions on exchanges and registration of transfer referred to below.

The laws of some jurisdictions may require that some purchasers of securities take physical delivery of securities in definitive form. These laws may impair the ability to transfer beneficial interests in the notes so long as the notes are represented by global notes.

Investors may elect to hold interests in the notes in global form through either DTC in the United States or Clearstream Banking, societe anonyme ("*Clearstream, Luxembourg*") or Euroclear

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Bank S.A./N.V. ("*Euroclear*"), if they are participants in those systems, or indirectly through organizations which are participants in those systems. Clearstream, Luxembourg and Euroclear will hold interests on behalf of their participants through customers' securities accounts in Clearstream, Luxembourg's and Euroclear's names on the books of their respective depositaries, which in turn will hold such interests in customers' securities accounts in the depositaries' names on the books of DTC. Citibank, N.A. will act as depositary for Clearstream, Luxembourg and JPMorgan Chase Bank, N.A. will act as depositary for Euroclear (in such capacities, the "*U.S. Depositaries*").

DTC advises that it is a limited-purpose trust company organized under the New York Banking Law, a "banking organization" within the meaning of the New York Banking Law, a member of the Federal Reserve System, a "clearing corporation" within the meaning of the New York Uniform Commercial Code and a "clearing agency" registered pursuant to the provisions of Section 17A of the Securities Exchange Act of 1934, as amended (the "*Exchange Act*"). The depositary holds securities that its participants (the "*DTC Participants*") deposit with the depositary. The depositary also facilitates the settlement among participants of securities transactions, including transfers and pledges, in deposited securities through electronic computerized book-entry changes in participants' accounts, thereby eliminating the need for physical movement of securities certificates. Direct participants include securities brokers and dealers, banks, trust companies, clearing corporations and certain other organizations. The depositary is owned by a number of its direct participants and by the New York Stock Exchange, the American Stock Exchange, Inc., and the Financial Industry Regulatory Authority, Inc. Access to the depositary's system is also available to others, including securities brokers and dealers, banks and trust companies that clear transactions through or maintain a direct or indirect custodial relationship with a direct participant either directly, or indirectly. The rules applicable to the depositary and its participants are on file with the SEC.

Clearstream, Luxembourg advises that it is incorporated under the laws of Luxembourg as a professional depositary. Clearstream, Luxembourg holds securities for its participating organizations ("*Clearstream Participants*") and facilitates the clearance and settlement of securities transactions between Clearstream Participants through electronic book-entry changes in accounts of Clearstream Participants, thereby eliminating the need for physical movement of certificates. Clearstream, Luxembourg provides to Clearstream Participants, among other things, services for safekeeping, administration, clearance and settlement of internationally traded securities and securities lending and borrowing. Clearstream, Luxembourg interfaces with domestic markets in several countries. As a professional depositary, Clearstream, Luxembourg is subject to regulation by the Luxembourg Commission for the Supervision of the Financial Sector (Commission de Surveillance du Secteur Financier). Clearstream Participants are recognized financial institutions around the world, including underwriters, securities brokers and dealers, banks, trust companies, clearing corporations and certain other organizations and may include the underwriters. Indirect access to Clearstream, Luxembourg is also available to others, such as banks, brokers, dealers and trust companies that clear through or maintain a custodial relationship with a Clearstream Participant, either directly or indirectly.

Distributions with respect to the notes held beneficially through Clearstream, Luxembourg will be credited to cash accounts of Clearstream Participants in accordance with its rules and procedures, to the extent received by the U.S. Depositary for Clearstream, Luxembourg.

Euroclear advises that it was created in 1968 to hold securities for participants of Euroclear ("*Euroclear Participants*") and to clear and settle transactions between Euroclear Participants through simultaneous electronic book-entry delivery against payment, thereby eliminating the need for physical movement of certificates and any risk from lack of simultaneous transfers of securities and cash. Euroclear includes various other services, including securities lending and borrowing and interfaces with domestic markets in several countries. Euroclear is operated by Euroclear Bank S.A./N.V. (the "*Euroclear Operator*"). All operations are conducted by the Euroclear Operator, and all Euroclear securities clearance accounts and Euroclear cash accounts are accounts with the Euroclear Operator.

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Euroclear Participants include banks (including central banks), securities brokers and dealers and other professional financial intermediaries and may include the underwriters. Indirect access to Euroclear is also available to other firms that clear through or maintain a custodial relationship with a Euroclear Participant, either directly or indirectly.

Securities clearance accounts and cash accounts with the Euroclear Operator are governed by the Terms and Conditions Governing Use of Euroclear and the related Operating Procedures of the Euroclear System, and applicable Belgian law (collectively, the "*Terms and Conditions*"). The Terms and Conditions govern transfers of securities and cash within the Euroclear System, withdrawals of securities and cash from the Euroclear System, and receipts of payments with respect to securities in the Euroclear System. All securities in the Euroclear System are held on a fungible basis without attribution of specific certificates to specific securities clearance accounts. The Euroclear Operator acts under the Terms and Conditions only on behalf of Euroclear Participants, and has no records of or relationship with persons holding through Euroclear Participants.

Distributions with respect to the notes held beneficially through the Euroclear System will be credited to the cash accounts of Euroclear Participants in accordance with the Terms and Conditions, to the extent received by the U.S. Depository for the Euroclear System.

We will issue the notes in definitive certificated form if the depository notifies us that it is unwilling or unable to continue as depository or the depository ceases to be a clearing agency registered under the Exchange Act, and a successor depository is not appointed by us within 90 days. In addition, beneficial interests in a global note may be exchanged for definitive certificated notes upon request by or on behalf of the depository in accordance with customary procedures following the request of a beneficial owner seeking to exercise or enforce its rights under such notes. If we determine at any time that the notes shall no longer be represented by global notes, we will inform the depository of such determination who will, in turn, notify participants of their right to withdraw their beneficial interest from the global notes, and if such participants elect to withdraw their beneficial interests, we will issue certificates in definitive form in exchange for such beneficial interests in the global notes. Any global note, or portion thereof, that is exchangeable pursuant to this paragraph will be exchangeable for note certificates, as the case may be, registered in the names directed by the depository. We expect that these instructions will be based upon directions received by the depository from its participants with respect to ownership of beneficial interests in the global notes.

As long as the depository or its nominee is the registered owner of the global notes, the depository or its nominee, as the case may be, will be considered the sole owner and holder of the global notes and all notes represented by these global notes for all purposes under the notes and the indenture governing the notes. Except in the limited circumstances referred to above, owners of beneficial interests in global notes:

will not be entitled to have the notes represented by these global notes registered in their names, and

will not be considered to be owners or holders of the global notes or any notes represented by these global notes for any purpose under the notes or the indenture governing the notes.

All payments on the notes represented by the global notes and all transfers and deliveries of related notes will be made to the depository or its nominee, as the case may be, as the holder of the securities.

Ownership of beneficial interests in the global notes will be limited to participants or persons that may hold beneficial interests through institutions that have accounts with the depository or its nominee. Ownership of beneficial interests in global notes will be shown only on, and the transfer of those ownership interests will be effected only through, records maintained by the depository or its nominee, with respect to participants' interests, or any participant, with respect to interests of persons held by the

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participant on their behalf. Payments, transfers, deliveries, exchanges and other matters relating to beneficial interests in global notes may be subject to various policies and procedures adopted by the depositary from time to time. Neither we nor the trustee will have any responsibility or liability for any aspect of the depositary's or any participant's records relating to, or for payments made on account of, beneficial interests in global notes, or for maintaining, supervising or reviewing any of the depositary's records or any participant's records relating to these beneficial ownership interests.

Although the depositary has agreed to the foregoing procedures in order to facilitate transfers of interests in the global notes among participants, the depositary is under no obligation to perform or continue to perform these procedures, and these procedures may be discontinued at any time. We will not have any responsibility for the performance by the depositary or its direct participants or indirect participants under the rules and procedures governing the depositary.

The information in this section concerning the depositary, its book-entry system, Clearstream, Luxembourg and the Euroclear System has been obtained from sources that we believe to be reliable, but we have not attempted to verify the accuracy of this information.

**Global Clearance and Settlement Procedures**

Initial settlement for the notes will be made in immediately available funds. Secondary market trading between DTC Participants will occur in the ordinary way in accordance with DTC rules and will be settled in immediately available funds using DTC's Same-Day Funds Settlement System. Secondary market trading between Clearstream Participants and/or Euroclear Participants will occur in the ordinary way in accordance with the applicable rules and operating procedures of Clearstream, Luxembourg and the Euroclear System, as applicable.

Cross-market transfers between persons holding directly or indirectly through DTC on the one hand, and directly or indirectly through Clearstream Participants or Euroclear Participants, on the other, will be effected through DTC in accordance with DTC rules on behalf of the relevant European international clearing system by its U.S. Depositary; however, such cross-market transactions will require delivery of instructions to the relevant European international clearing system by the counterparty in such system in accordance with its rules and procedures and within its established deadlines (European time). The relevant European international clearing system will, if the transaction meets its settlement requirements, deliver instructions to its U.S. Depositary to take action to effect final settlement on its behalf by delivering or receiving securities in DTC, and making or receiving payment in accordance with normal procedures for same-day funds settlement applicable to DTC. Clearstream Participants and Euroclear Participants may not deliver instructions directly to their respective U.S. Depositaries.

Because of time-zone differences, credits of notes received in Clearstream, Luxembourg or the Euroclear System as a result of a transaction with a DTC Participant will be made during subsequent securities settlement processing and dated the business day following the DTC settlement date. Such credits or any transactions in such notes settled during such processing will be reported to the relevant Euroclear Participant or Clearstream Participant on such business day. Cash received in Clearstream, Luxembourg or the Euroclear System as a result of sales of the notes by or through a Clearstream Participant or a Euroclear Participant to a DTC Participant will be received with value on the DTC settlement date but will be available in the relevant Clearstream, Luxembourg or the Euroclear System cash account only as of the business day following settlement in DTC.

Although DTC, Clearstream, Luxembourg and the Euroclear System have agreed to the foregoing procedures in order to facilitate transfers of notes among participants of DTC, Clearstream, Luxembourg and the Euroclear System, they are under no obligation to perform or continue to perform such procedures and such procedures may be discontinued or changed at any time.

Table of Contents**UNDERWRITING**

We have entered into an underwriting agreement with the underwriters for the offering with respect to the notes. Subject to certain conditions, each underwriter has severally agreed to purchase the principal amount of notes indicated in the following table:

| <b>Underwriter</b>                                    | <b>Principal Amount<br/>of Notes</b> |
|---|--------------------------------------|
| J.P. Morgan Securities LLC                            | \$ 150,000,000                       |
| Goldman, Sachs & Co.                                  | \$ 150,000,000                       |
| Barclays Capital Inc.                                 | \$ 50,000,000                        |
| Wells Fargo Securities, LLC                           | \$ 35,000,000                        |
| Merrill Lynch, Pierce, Fenner & Smith<br>Incorporated | \$ 25,000,000                        |
| Citigroup Global Markets Inc.                         | \$ 17,500,000                        |
| Loop Capital Markets LLC                              | \$ 17,500,000                        |
| Deutsche Bank Securities Inc.                         | \$ 15,000,000                        |
| Morgan Stanley & Co. LLC                              | \$ 10,000,000                        |
| UBS Securities LLC                                    | \$ 10,000,000                        |
| BNY Mellon Capital Markets, LLC                       | \$ 5,000,000                         |
| PNC Capital Markets LLC                               | \$ 5,000,000                         |
| SunTrust Robinson Humphrey, Inc.                      | \$ 5,000,000                         |
| U.S. Bancorp Investments, Inc.                        | \$ 5,000,000                         |
| <b>Total</b>  | <b>\$ 500,000,000</b>                |

The underwriters are committed to take and pay for all of the notes being offered, if any are taken.

Notes sold by the underwriters to the public will initially be offered at the initial public offering price set forth on the cover of this prospectus supplement. Any notes sold by the underwriters to securities dealers may be sold at a discount from the initial public offering price of up to 0.50% of the principal amount of notes. Any such securities dealers may resell any notes purchased from the underwriters to certain other brokers or dealers at a discount from the initial public offering price of up to 0.25% of the principal amount of notes. If all the notes are not sold at the initial offering price, the underwriters may change the offering price and the other selling terms.

The following table shows the per note and total underwriting discounts and commissions to be paid to the underwriters.

|                       | <b>Per Note</b> | <b>Total</b> |
|-----------------------|-----------------|--------------|
| Underwriting discount | 0.875% \$       | 4,375,000    |

We estimate that our total expenses of the offering, excluding underwriting discounts and commissions, will be approximately \$0.7 million.

We have agreed to indemnify the underwriters against certain liabilities, including liabilities under the Securities Act of 1933, as amended (the "*Securities Act*"), or to contribute to payments the underwriters may be required to make because of any of those liabilities.

The notes are a new issue of securities with no established trading market. We have been advised by the underwriters that the underwriters intend to make a market in the notes but are not obligated to do so and may discontinue market making at any time without notice. No assurance can be given as to the liquidity of the trading market for the notes.

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In connection with the offering the underwriters may purchase and sell notes in the open market. These transactions may include short sales, stabilizing transactions and purchases to cover positions created by short sales. Short sales involve the sale by the underwriters of a greater number of notes than they are required to purchase in the offering. Stabilizing transactions consist of certain bids or purchases made for the purpose of preventing or retarding a decline in the market price of the notes while the offering is in progress.

The underwriters also may impose a penalty bid. This occurs when one of the representatives repays to the underwriters a portion of the underwriting discount received by it, because the representatives have repurchased notes sold by or for the account of such underwriter in stabilizing or short covering transactions.

These activities by the underwriters, as well as other purchases by the underwriters for their own accounts, may stabilize, maintain or otherwise affect the market price of the notes. As a result, the price of the notes may be higher than the price that otherwise might exist in the open market. If these activities are commenced, they may be discontinued by the underwriters at any time. These transactions may be effected in the over-the-counter market or otherwise.

**Sales Outside the United States**

Each of the underwriters has agreed that it will not offer, sell or deliver any of the notes in any jurisdiction outside the United States except under circumstances that are reasonably designed to result in compliance with the applicable laws thereof.

*European Economic Area*

In relation to each Member State of the European Economic Area which has implemented the Prospectus Directive (each, a "*Relevant Member State*"), each underwriter has represented and agreed that with effect from and including the date on which the Prospectus Directive is implemented in that Relevant Member State (the "*Relevant Implementation Date*") it has not made and will not make an offer of notes which are the subject of the offering contemplated by this prospectus supplement to the public in that Relevant Member State other than:

- (a) to any legal entity which is a qualified investor as defined in the Prospectus Directive;
- (b) to fewer than 100 or, if the Relevant Member State has implemented the relevant provision of the 2010 PD Amending Directive, 150 natural or legal persons (other than qualified investors as defined in the Prospectus Directive), as permitted under the Prospectus Directive; or
- (c) in any other circumstances falling within Article 3(2) of the Prospectus Directive,

provided that no such offer of notes shall require us or any underwriter to publish a prospectus pursuant to Article 3 of the Prospectus Directive or supplement a prospectus pursuant to Article 16 of the Prospectus Directive.

For the purposes of the above, (i) the expression an "*offer of notes to the public*" in relation to any notes in any Relevant Member State means the communication in any form and by any means of sufficient information on the terms of the offer and the notes to be offered so as to enable an investor to decide to purchase or subscribe the notes, as the same may be varied in that Member State by any measure implementing the Prospectus Directive in that Member State, (ii) the expression "*Prospectus Directive*" means Directive 2003/71/EC (and amendments thereto, including the 2010 PD Amending Directive, to the extent implemented in the Relevant Member State), and includes any relevant implementing measure in the Relevant Member State, and (iii) the expression "*2010 PD Amending Directive*" means Directive 2010/73/EU.

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*United Kingdom*

Each underwriter has represented and agreed that it has only communicated or caused to be communicated and will only communicate or cause to be communicated an invitation or inducement to engage in investment activity (within the meaning of Section 21 of the Financial Services and Markets Act 2000) in connection with the issue or sale of the notes in circumstances in which Section 21(1) of such Act does not apply to The Allstate Corporation, and that it has complied and will comply with all applicable provisions of such Act with respect to anything done by it in relation to any notes in, from or otherwise involving the United Kingdom.

*Hong Kong*

The notes may not be offered or sold by means of any document other than (i) in circumstances which do not constitute an offer to the public within the meaning of the Companies Ordinance (Cap. 32, Laws of Hong Kong), or (ii) to "professional investors" within the meaning of the Securities and Futures Ordinance (Cap. 571, Laws of Hong Kong) and any rules made thereunder, or (iii) in other circumstances which do not result in the document being a "prospectus" within the meaning of the Companies Ordinance (Cap. 32, Laws of Hong Kong), and no advertisement, invitation or document relating to the notes may be issued or may be in the possession of any person for the purpose of issue (in each case whether in Hong Kong or elsewhere), which is directed at, or the contents of which are likely to be accessed or read by, the public in Hong Kong (except if permitted to do so under the laws of Hong Kong) other than with respect to notes which are or are intended to be disposed of only to persons outside Hong Kong or only to "professional investors" within the meaning of the Securities and Futures Ordinance (Cap. 571, Laws of Hong Kong) and any rules made thereunder.

*Japan*

The notes have not been and will not be registered under the Financial Instruments and Exchange Law of Japan (the "*Financial Instruments and Exchange Law*") and each underwriter has agreed that it will not offer or sell any notes, directly or indirectly, in Japan or to, or for the benefit of, any resident of Japan (which term as used herein means any person resident in Japan, including any corporation or other entity organized under the laws of Japan), or to others for re-offering or resale, directly or indirectly, in Japan or to a resident of Japan, except pursuant to an exemption from the registration requirements of, and otherwise in compliance with, the Financial Instruments and Exchange Law and any other applicable laws, regulations and ministerial guidelines of Japan.

*Singapore*

This prospectus supplement and the accompanying prospectus have not been registered as a prospectus with the Monetary Authority of Singapore. Accordingly, this prospectus supplement, the accompanying prospectus, any free writing prospectus and any other document or material in connection with the offer or sale, or invitation for subscription or purchase, of the notes may not be circulated or distributed, nor may the notes be offered or sold, or be made the subject of an invitation for subscription or purchase, whether directly or indirectly, to persons in Singapore other than (i) to an institutional investor under Section 274 of the Securities and Futures Act, Chapter 289 of Singapore (the "*SFA*"), (ii) to a relevant person, or any person pursuant to Section 275(1A), and in accordance with the conditions, specified in Section 275 of the SFA or (iii) otherwise pursuant to, and in accordance with the conditions of, any other applicable provision of the SFA.

Where the notes are subscribed or purchased under Section 275 by a relevant person which is: (a) a corporation (which is not an accredited investor) the sole business of which is to hold investments and the entire share capital of which is owned by one or more individuals, each of whom is an

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accredited investor; or (b) a trust (where the trustee is not an accredited investor) whose sole purpose is to hold investments and each beneficiary is an accredited investor, shares, debentures and units of shares and debentures of that corporation or the beneficiaries' rights and interest in that trust shall not be transferable for 6 months after that corporation or that trust has acquired the notes under Section 275 except: (1) to an institutional investor under Section 274 of the SFA or to a relevant person, or any person pursuant to Section 275(1A), and in accordance with the conditions, specified in Section 275 of the SFA; (2) where no consideration is given for the transfer; or (3) by operation of law.

**Other Relationships**

The underwriters and their respective affiliates are full service financial institutions engaged in various activities, which may include securities trading, commercial and investment banking, financial advisory, investment management, investment research, principal investment, hedging, financing and brokerage activities.

Certain of the underwriters and their respective affiliates may have performed various financial advisory and investment banking services for us from time to time for which they received or will receive customary fees and expenses. The underwriters may, from time to time, engage in transactions with and perform services for us in the ordinary course of their business.

In the ordinary course of their various business activities, the underwriters and their respective affiliates may make or hold a broad array of investments and actively trade debt and equity securities (or related derivative securities) and financial instruments (including bank loans) for their own account and for the accounts of their customers, and such investment and securities activities may involve securities and/or instruments of the issuer. The underwriters and their respective affiliates may also make investment recommendations and/or publish or express independent research views in respect of such securities or instruments and may at any time hold, or recommend to clients that they acquire, long and/or short positions in such securities and instruments.

**Settlement Cycle**

It is expected that delivery of the notes will be made against payment therefor on January 11, 2012, which will be the second business day following the date of pricing of the notes (this settlement cycle being referred to as "T+2"). Under Rule 15c6-1 of the Exchange Act, trades in the secondary market generally are required to settle in three business days, unless the parties to a trade expressly agree otherwise. Purchasers of notes should be aware that the ability to settle secondary market trades of the notes effected on the date of pricing may be affected by the T+2 settlement and should consult their advisor.

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**LEGAL MATTERS**

Certain matters in connection with this offering of the notes will be passed upon for The Allstate Corporation by Mary J. McGinn, Deputy General Counsel of The Allstate Corporation, and Dewey & LeBoeuf LLP, New York, New York. Certain matters will be passed upon for the underwriters by Willkie Farr & Gallagher LLP, New York, New York. Dewey & LeBoeuf LLP has from time to time represented, and continues to represent, certain of the underwriters on other legal matters. Ms. McGinn is a full-time employee of Allstate Insurance Company and an officer of The Allstate Corporation. As of November 30, 2011, Ms. McGinn beneficially owned 180,842 Allstate common shares, of which 155,777 were subject to options. These shares and options include awards under Allstate's employee benefit plans, subject to forfeiture under certain circumstances.

**EXPERTS**

The consolidated financial statements and the related financial statement schedules, incorporated in this prospectus supplement by reference from The Allstate Corporation's Annual Report on Form 10-K, and the effectiveness of The Allstate Corporation's internal control over financial reporting have been audited by Deloitte & Touche LLP, an independent registered public accounting firm, as stated in their reports which are incorporated herein by reference (which reports express an unqualified opinion on the financial statements and financial statement schedules and includes an explanatory paragraph relating to a change in the recognition and presentation for other-than-temporary impairments of debt securities in 2009). Such consolidated financial statements and financial statement schedules have been so incorporated in reliance upon the reports of such firm given upon their authority as experts in accounting and auditing.

With respect to the unaudited interim financial information which is incorporated herein by reference, Deloitte & Touche LLP, an independent registered public accounting firm, have applied limited procedures in accordance with the standards of the Public Company Accounting Oversight Board (United States) for a review of such information. However, as stated in their reports included in the quarterly reports on Form 10-Q of The Allstate Corporation and incorporated by reference herein, they did not audit and they do not express an opinion on that interim financial information. Accordingly, the degree of reliance on their reports on such information should be restricted in light of the limited nature of the review procedures applied. Deloitte & Touche LLP are not subject to the liability provisions of Section 11 of the Securities Act for their reports on the unaudited interim financial information because those reports are not "reports" or a "part" of the Registration Statement prepared or certified by an accountant within the meaning of Sections 7 and 11 of the Securities Act.

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PROSPECTUS

## THE ALLSTATE CORPORATION

Debt Securities  
Common Stock  
Preferred Stock  
Depository Shares  
Warrants  
Stock Purchase Contracts  
Stock Purchase Units

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ALLSTATE FINANCING III                      ALLSTATE FINANCING  
V  
ALLSTATE FINANCING IV                      ALLSTATE  
FINANCING VI

Trust Preferred Securities  
Fully and Unconditionally Guaranteed  
as described in this Prospectus and the  
accompanying prospectus supplement  
by The Allstate Corporation

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By this prospectus, we, in conjunction with our trusts, may offer from time to time any combination of the securities described in this prospectus.

We will provide the specific terms of these securities in supplements to this prospectus. We can only use this prospectus to offer and sell any specific security by also including a prospectus supplement for that security. You should read this prospectus and the prospectus supplements carefully before you invest.

Unless stated otherwise in this prospectus or the applicable prospectus supplement, these securities will not be listed on any securities exchange.

**Investing in our securities or the securities of our trusts involves risks. See "Risk Factors" on page 3 of this prospectus.**

Neither the Securities and Exchange Commission nor any state securities commission has approved or disapproved of these securities or passed upon the accuracy or adequacy of this prospectus. Any representation to the contrary is a criminal offense.

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The date of this prospectus is May 8, 2009

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**ABOUT THIS PROSPECTUS**

This prospectus is part of a registration statement that we and Allstate Financing III, Allstate Financing IV, Allstate Financing V and Allstate Financing VI, which we refer to as the trusts, have filed with the Securities and Exchange Commission using a "shelf" registration process. Under this shelf process, we and the trusts may sell the securities described in the prospectus from time to time. This prospectus provides you with a general description of the securities we and the trusts may offer. We and the trusts may also add, update or change information contained in this prospectus through one or more supplements to this prospectus. You should read both this prospectus and any prospectus supplement together with additional information described under the heading "Where You Can Find More Information."

No person has been authorized to give any information or to make any representations, other than those contained or incorporated by reference in this prospectus and, if given or made, such information or representation must not be relied upon as having been authorized by The Allstate Corporation or the trusts, or any underwriter, agent, dealer or remarketing firm. Neither the delivery of this prospectus nor any sale made hereunder shall under any circumstances create any implication that there has been no change in the affairs of The Allstate Corporation since the date hereof or that the information contained or incorporated by reference herein is correct as of any time subsequent to the date of such information. This prospectus does not constitute an offer to sell or a solicitation of an offer to buy any securities by anyone in any jurisdiction in which such offer or solicitation is not authorized or in which the person making such offer or solicitation is not qualified to do so or to any person to whom it is unlawful to make such offer or solicitation.

References to "Allstate," "we," "us" and "our" in this prospectus are references to The Allstate Corporation, and not to any of our subsidiaries, unless we state otherwise or the context otherwise requires.

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**THE ALLSTATE CORPORATION**

We are a holding company that conducts most of our business through our subsidiaries Allstate Insurance Company, or AIC, and Allstate Life Insurance Company. We are the largest publicly held personal lines insurer in the United States and the second largest personal property and casualty insurer in the United States based on 2007 statutory direct premiums earned. Our main business segments include Allstate Protection and Allstate Financial. Allstate Protection has more than 14,000 exclusive agencies and exclusive financial professionals in the United States and Canada. It also includes our Encompass® and Deerbrook® brands property and casualty products sold exclusively through approximately 8,800 independent agencies across the country. Allstate Financial provides life and supplemental accident and health insurance, annuity, banking and retirement products designed for individual, institutional and worksite customers that are distributed through Allstate agencies, independent agencies, financial institutions and broker-dealers. According to A.M. Best, as of December 31, 2007, the Allstate Financial segment is the nation's 16th largest issuer of life insurance business based on 2007 ordinary life insurance in force and the 17<sup>th</sup> largest based on 2007 statutory admitted assets.

We were incorporated in Delaware on November 5, 1992. Our executive offices are located at 2775 Sanders Road, Northbrook, Illinois 60062, and at Corporation Trust Center, 1209 Orange Street, Wilmington, Delaware 19801. Our telephone number is (847) 402-5000.

As a holding company with no significant business operations of our own, we rely on dividends from AIC as the principal source of cash to pay dividends to our stockholders and to meet our obligations, including the payment of principal of and any interest on our debt obligations. AIC is regulated as an insurance company in Illinois. Under Illinois law, AIC may not pay a dividend without notifying the Illinois Division of Insurance and providing specified financial information. Furthermore, Illinois law requires AIC to notify and receive approval from the Director of the Illinois Division of Insurance for the declaration or payment of any dividend which, together with other dividends or distributions made within the preceding twelve months, exceeds the greater of:

10% of AIC's statutory surplus as of December 31 of the prior year; or

AIC's statutory net income for the twelve-month period ending December 31 of the prior year.

The laws of other jurisdictions that generally govern our insurance subsidiaries contain similar limitations on the payment of dividends; however, in some jurisdictions the laws may be somewhat more restrictive.

**THE TRUSTS**

The four trusts, Allstate Financing III, IV, V and VI, are Delaware statutory trusts formed to raise capital for us by issuing common securities to us and preferred securities issued under this prospectus and a prospectus supplement, and investing the proceeds in subordinated debt securities issued by us.

We will directly or indirectly own all of the common securities of each of our trust subsidiaries. The common securities will rank equally with, and each trust will make payments on the common securities in proportion to, the trust preferred securities, except that if an event of default occurs under the declaration of one of the trusts, our rights, as holder of the common securities, to payments will be subordinated to your rights as holder of the trust preferred securities.

Each of our trusts has a term of approximately 55 years, but may terminate earlier as provided in its declaration, each declaration being governed by Delaware law. As holder of the common securities of the trusts, we are entitled to appoint, remove or replace any of, or increase or decrease the number of, the trustees of each of our trusts. Each of our trusts' business and affairs will be conducted by the trustees we appoint. The trustees' duties and obligations are governed by the trusts' declarations and

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applicable law. Prior to the issuance of any trust preferred securities, we will ensure that a majority of the trustees of the applicable trust are persons who are our employees or officers or affiliates and that one trustee of each trust is a financial institution that will not be an affiliate of ours and that will act as property trustee, guarantee trustee and indenture trustee for purposes of the Trust Indenture Act of 1939. In addition, unless the property trustee maintains a principal place of business in the State of Delaware and meets the other requirements of applicable law, one other trustee of each of our trusts will have its principal place of business or reside in the State of Delaware.

We will pay all of our trusts' fees and expenses, including those relating to any offering of trust preferred securities. In addition, we will guarantee payments on the trust preferred securities to the extent our trusts can themselves make payments on the trust preferred securities.

The name and office of the Delaware trustee for each trust in the State of Delaware is Wachovia Bank of Delaware National Association (as successor in interest to Delaware Trust Capital Management, Inc.), 1 Rodney Square, 920 King Street, Suite 100, Wilmington, Delaware 19801. The principal place of business of each trust is 2775 Sanders Road, Northbrook, Illinois 60062. The telephone number of each trust in Northbrook, Illinois is (847) 402-5000.

**RATIO OF EARNINGS TO FIXED CHARGES AND RATIO OF EARNINGS TO FIXED CHARGES AND PREFERRED STOCK DIVIDENDS**

The following table shows the ratio of earnings to fixed charges and the ratio of earnings to fixed charges and preferred stock dividends for Allstate and its subsidiaries for the periods indicated:

|   | For the<br>three months<br>ended March 31, |      | For the year ended<br>December 31, |      |      |      |      |
|---|--|------|------------------------------------|------|------|------|------|
|   | 2009                                       | 2008 | 2008                               | 2007 | 2006 | 2005 | 2004 |
| Ratio of earnings to fixed charges(1)(2)(3) |  | 1.6X |                                    | 3.2X | 3.4X | 1.8X | 3.0X |

- (1) We have authority to issue up to 25,000,000 shares of preferred stock, par value \$1.00 per share; however, there are currently no shares of preferred stock outstanding and we do not have a preferred stock dividend obligation. Therefore, the ratio of earnings to fixed charges and preferred stock dividends is equal to the ratio of earnings to fixed charges and is not disclosed separately.
- (2) For purposes of this computation, earnings consist of income from continuing operations before income tax expense and dividends on preferred securities. Fixed charges consist of interest expense, including interest credited to contractholder funds, amortization of financing costs, that portion of rental expense that is representative of the interest factor and dividends on redeemable preferred securities.
- (3) Earnings for the three months ended March 31, 2009 were insufficient to cover fixed charges by \$131 million. Earnings for the year ended December 31, 2008 were insufficient to cover fixed charges by \$3.03 billion.

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**RISK FACTORS**

Investing in our securities or the securities of our trusts involves risks. You should carefully consider the risks described in our filings with the Securities and Exchange Commission referred to below in "Where You Can Find More Information" as well as those included in any prospectus supplement hereto. For example, our Annual Report on Form 10-K for the year ended December 31, 2008 contains a discussion of significant risks under the caption "Risk Factors" which could be relevant to your investment in the securities. Our subsequent filings with the Securities and Exchange Commission may contain amended and updated discussions of significant risks.

**USE OF PROCEEDS**

Unless we specify otherwise in the applicable prospectus supplement accompanying this prospectus, we will use the net proceeds from the sale of the securities for general corporate purposes. Each trust will invest all proceeds received from the sale of its trust preferred securities in a particular series of subordinated debt securities to be issued by us.

**DESCRIPTION OF DEBT SECURITIES**

The following description of the debt securities and terms of the indentures is a summary. It summarizes only those aspects of the debt securities and those portions of the indentures which we believe will be most important to your decision to invest in our debt securities. You should keep in mind, however, that it is the indentures, and not this summary, which define your rights as a debtholder. There may be other provisions in the indentures which are also important to you. You should read the indentures for a full description of the terms of the debt. The senior indenture and the subordinated indenture are filed as exhibits to the Registration Statement that includes this prospectus. See "Where You Can Find More Information" for information on how to obtain copies of the senior indenture and the subordinated indenture.

The debt securities may be issued from time to time in one or more series. The particular terms of the debt securities offered by any prospectus supplement and the extent to which the general provisions described below may apply to such debt securities will be outlined in the applicable prospectus supplement.

We will issue the senior debt securities under a Senior Indenture, entered into between Allstate and U.S. Bank National Association (as successor in interest to State Street Bank and Trust Company), as trustee, dated December 16, 1997, as amended by a third supplemental indenture dated as of July 23, 1999 and as amended by a sixth supplemental indenture dated as of June 12, 2000 and as may be supplemented by one or more additional supplemental indentures. We will issue the subordinated debt securities under a separate Subordinated Indenture, entered into between Allstate and U.S. Bank National Association (as successor in interest to State Street Bank and Trust Company), as trustee, dated November 25, 1996, as amended by a third supplemental indenture dated as of July 23, 1999 and as amended by a fourth supplemental indenture dated as of June 12, 2000 and as may be supplemented by one or more additional supplemental indentures. The Senior Indenture and the Subordinated Indenture are sometimes referred to collectively as the "indentures." The trustees under the Senior Indenture and under the Subordinated Indenture are referred to herein as the "indenture trustees."

In addition, as described under "Description of Depositary Shares," we may, at our option, offer depositary shares evidenced by depositary receipts, each representing a fractional interest in debt securities and deposited with a depositary. The fractional interest in the debt securities which each depositary share represents will be stated in the prospectus supplement relating to any debt securities offered through depositary shares.

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Numerical references in parentheses below are to sections in the applicable indenture. Wherever we refer to particular sections or defined terms of an indenture, those sections or defined terms are incorporated by reference in this description as part of the statement made, and the statement is qualified in its entirety by such reference.

**General**

The indentures provide that we may issue debt securities in separate series from time to time in an unlimited amount. We may specify a maximum aggregate principal amount for the debt securities of any series. (Section 301) The debt securities will have terms and provisions that are not inconsistent with the applicable indenture, including our determination as to maturity, principal and interest. Unless otherwise indicated in a prospectus supplement, the senior debt securities will be our unsecured obligations and will rank on a parity with all other unsecured and unsubordinated indebtedness. The subordinated debt securities will be our unsecured obligations, subordinated in right of payment to the prior payment in full of all our senior debt as described in the applicable prospectus supplement.

Our assets consist primarily of the common stock of AIC and other subsidiaries, and we conduct no substantial business or operations of our own. We derive substantially all of our income from our operating subsidiaries. Accordingly, our cash flows and consequent ability to service our obligations, including our debt securities, are dependent upon the earnings of our subsidiaries, and distributions of those earnings to us, and other payments or distributions of funds by our subsidiaries to us.

Except to the extent we or our creditors have a priority or equal claim as a creditor directly against our subsidiaries, payments due on the debt securities and any distribution of assets of any of our subsidiaries upon liquidation or reorganization effectively will be subordinated to the debt and preferred stock of the subsidiaries because, as the common stockholder of those subsidiaries, we will be subject to the prior claims of their creditors. Our debt securities effectively will also be subordinated to any of our secured indebtedness to the extent of any such security.

If subordinated debt securities are issued to a trust in connection with the issuance of trust preferred securities, such subordinated debt securities may thereafter be distributed pro rata to the holders of such trust securities in connection with the dissolution of such trust upon the occurrence of certain events described in the applicable prospectus supplement.

We will prepare a prospectus supplement for each series of debt securities that we issue. Each prospectus supplement will set forth the applicable terms of the debt securities to which it relates. These terms will include some or all of the following:

the title of the debt securities;

any limit on the aggregate principal amount of the debt securities or the series of which they are a part;

the person to whom any interest on any of the debt securities will be payable, if other than the person in whose name that debt security is registered at the close of business on the record date for such interest payment;

the dates on which the principal of any of the debt securities will be payable;

the rates at which the debt securities will bear interest, the dates from which any interest will accrue, the interest payment dates on which any interest will be payable and the record date for any such interest payable;

the places where the principal, interest and premium on any of such debt securities will be payable;

the definition of business day;

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the periods within which, the prices at which and the terms on which any debt securities may be redeemed at our option and, if other than by a resolution by our Board of Directors, the manner in which any election by us to redeem the debt securities will be evidenced;

any obligation we have to redeem or purchase any of the debt securities out of any sinking fund or, at the option of the holder, the periods within which, the prices and terms on which any of such debt securities will be redeemed or purchased;

the denominations in which any of the debt securities will be issuable, if other than denominations of \$1,000 and any integral multiple thereof;

if the amount of principal, interest or premium on any of the debt securities may be determined with reference to an index or by a formula, the manner in which such amounts will be determined;

if other than the currency of the United States, the currency, currencies or currency units in which the principal, interest or premium on any of the debt securities will be payable;

if the principal, interest or premium on any of the debt securities is to be payable, at our election or the election of the holder, in one or more currencies other than those in which the debt securities are stated to be payable, the currencies in which payment of the principal, interest and premium on the debt securities as to which such election is made will be payable, the periods within which and the terms upon which such election is to be made and the amount so payable;

if other than the entire principal amount, the portion of the principal amount of debt securities which will be payable upon declaration of acceleration of the maturity thereof;

if the principal amount payable at the stated maturity of any of the debt securities is not determinable upon original issuance, the amount which will be deemed to be the principal amount of the debt securities for any other purpose thereunder or under the applicable indenture including the principal amount thereof which will be due and payable upon any maturity other than the stated maturity or which will be deemed to be outstanding as of any date (or, in any such case, any manner in which such principal amount is to be determined);

any trustee (other than U.S. Bank National Association), depository, authenticating or paying agent, transfer agent, registrar or other agent with respect to the debt securities;

if applicable, the extent to which the debt securities are defeasible, that is, capable of being made void;

whether any of the debt securities will be issuable in the form of global securities;

the terms and conditions of any obligation or right we would have or any option you would have to convert or exchange the debt securities into other securities or cash;

any addition to or change in the events of default applicable to any of the debt securities and any change in the right of an indenture trustee or the holders to declare the principal amount of any debt securities due and payable;

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any addition to or change in the covenants described under "Certain Covenants with Respect to Senior Debt Securities" and "Certain Covenants with Respect to Subordinated Debt Securities" applicable to any of such debt securities; and

any other terms of the debt securities not inconsistent with the provisions of the applicable indenture but which may modify or delete any provision of the indenture insofar as it applies to such series; provided that no term of any indenture may be modified or deleted if imposed under the Trust Indenture Act of 1939, as amended, and that any modification or deletion of the

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rights, duties or immunities of the applicable indenture trustee shall have been consented to in writing by the indenture trustee.

(Section 301)

Debt securities, including original issue discount securities, may be sold at a substantial discount below their principal amount. Special United States federal income tax considerations applicable to debt securities sold at an original issue discount or which are denominated in a currency or currency unit other than United States dollars will be described in the applicable prospectus supplement.

**Form, Exchange And Transfer**

The debt securities of a series shall be issued as registered securities, unless a supplemental indenture, as described in the applicable prospectus supplement, provides that debt securities of a series may be issued as bearer securities (with or without coupons attached) or as both registered securities and bearer securities. Debt securities may be issuable in the form of global debt securities, as described below under "Global Securities."

Registered securities of any series will be exchangeable for other registered securities of the same series of any authorized denominations and of a like aggregate principal amount and tenor. If the supplemental indenture permits debt securities of any series to be issuable as both registered securities and as bearer securities, then at the option of the holder and subject to the terms of the applicable indenture, bearer securities of such series will be exchangeable for registered securities of the same series of any authorized denominations and of a like aggregate principal amount and tenor. Unless otherwise indicated in the applicable prospectus supplement, any bearer security surrendered in exchange for a registered security between a record date or a special record date for defaulted interest and the relevant date for payment of interest will be surrendered without the coupon relating to such date for payment of interest and interest represented by that coupon will not be payable in respect of the registered security issued in exchange for such bearer security, but will be payable only to the holder of such coupon when due in accordance with the terms of the applicable indenture. Bearer securities will not be issued in exchange for registered securities.

No service charge will be made for any registration of transfer or exchange of debt securities, but we may require payment of a sum sufficient to cover any tax or other governmental charge payable in connection therewith. Such transfer or exchange will be effected upon the security registrar or such transfer agent, as the case may be, being satisfied with the documents of title and identity of the person making the request. We have appointed the applicable indenture trustee as security registrar. Any transfer agent (in addition to the security registrar) initially designated by us for any debt securities will be named in the applicable prospectus supplement. (Section 305)

At any time, we may designate additional transfer agents or rescind the designation of any transfer agent or approve a change in the office through which any transfer agent acts, except that we will be required to maintain a transfer agent in each place of payment for the debt securities of each series. (Section 1002)

In the event that we redeem in part debt securities of any series, we will not be required to:

issue, register the transfer of or exchange any debt security of that series, or of that series and specified terms, as the case may be, during a period beginning at the opening of business 15 business days before the day of mailing of a notice of redemption of any such debt security selected for redemption and ending at the close of business on the day of such mailing;  
or

register the transfer of or exchange any debt security so selected for redemption, in whole or in part, except the unredeemed portion of any such debt security being redeemed in part.

(Section 305)

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**Global Securities**

The debt securities of any series may be represented by global securities which will have an aggregate principal amount equal to that of the debt securities they represent. We will deposit the debt securities with, or on behalf of, a depositary identified in the prospectus supplement relating to such series. Each global security will bear a legend regarding the restrictions on exchanges and registration of transfer as may be provided by the indentures. The depositary shall at all times be a clearing agency registered under the Securities Exchange Act of 1934, as amended. (Section 101)

No global security may be exchanged for debt securities registered, and no transfer of a global security may be registered, in the name of any person other than the depositary for such global security unless:

the depositary has notified us that it is unwilling or unable to continue as depositary for such global security or has ceased to be qualified to act as such as required by the applicable indenture;

there shall have occurred and be continuing an event of default with respect to the debt securities represented by such global security; or

there shall exist such circumstances as may be described in the applicable prospectus supplement.

All debt securities issued in exchange for a global security or any portion thereof will be registered in such names as the depositary may direct. (Section 305) The laws of some jurisdictions require that certain purchasers of debt securities take physical delivery of such debt securities in definitive form. Such laws may impair the ability to transfer beneficial interests in a global security.

As long as the depositary, or its nominee, is the registered holder of a global security, the depositary or such nominee, will be considered the sole owner and holder of such global security and the debt securities represented by it. Except in the limited circumstances referred to above, owners of beneficial interests in a global security will not be entitled to have such global security or any debt securities represented thereby registered in their names, will not receive or be entitled to receive physical delivery of certificated debt securities in exchange therefor and will not be considered to be the owners or holders of such global security or any debt securities represented thereby for any purpose under the debt securities or the applicable indenture. All payments of principal, interest and premium on a global security will be made to the depositary or its nominee, as its holder.

Ownership of beneficial interests in a global security will be limited to participants or to persons that may hold beneficial interests through institutions that have accounts with the depositary or its nominee. Ownership of beneficial interests in a global security will be shown only on, and the transfer of those ownership interests will be effected only through, records maintained by the depositary or any such participant. Payments, transfers, exchanges and other matters relating to beneficial interests in a global security may be subject to various policies and procedures adopted by the depositary from time to time. Neither Allstate, any indenture trustee or any agent of Allstate or of any indenture trustee will have any responsibility or liability for any aspect of the depositary or any participant's records relating to, or for payments made on account of, beneficial interests in a global security, or for maintaining, supervising or reviewing any of the depositary's records or any participant's records relating to such beneficial ownership interests.

**Payment And Paying Agents**

Unless otherwise indicated in the applicable prospectus supplement, payment of interest on a debt security on any interest payment date will be made to the person in whose name such debt security is

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registered at the close of business on the record date for such interest, except in the case of defaulted interest. (Section 307)

Unless otherwise indicated in the applicable prospectus supplement, principal, interest and premium on the debt securities of a particular series will be payable at the office of such paying agent or paying agents as we may designate for such purpose from time to time. Notwithstanding, at our option, payment of any interest may be made by check mailed to the address of the person entitled thereto as such address appears in the security register.

Unless otherwise indicated in the applicable prospectus supplement, a paying agent designated by us and located in the Borough of Manhattan, The City of New York will act as paying agent for payments with respect to debt securities of each series. All paying agents initially designated by us for the debt securities of a particular series will be named in the applicable prospectus supplement. We may at any time designate additional paying agents or rescind the designation of any paying agent or approve a change in the office through which any paying agent acts, except that we will be required to maintain a paying agent in each place of payment for the debt securities of a particular series. (Section 1002)

All moneys paid by us to a paying agent for the payment of the principal, interest or premium on any debt security which remain unclaimed at the end of two years after such principal, premium or interest has become due and payable will be repaid to us upon request, and the holder of such debt security thereafter may look only to us for payment thereof. (Section 1003)

**Conversion or Exchange**

We may convert or exchange the debt securities into our common stock or other securities. If so, we will describe the specific terms on which the debt securities may be converted or exchanged in the applicable prospectus supplement. The conversion or exchange may be mandatory, at your option, or at our option. The applicable prospectus supplement will describe the manner in which the shares of our common stock or other securities you would receive would be converted or exchanged.

**Subordination of Subordinated Debt Securities**

Unless otherwise indicated in the prospectus supplement, the following provisions will apply to the subordinated debt securities.

To the extent set forth in the Subordinated Indenture, the subordinated debt securities will be subordinate in right of payment to the prior payment in full of all senior indebtedness. (Section 1401 of the Subordinated Indenture) In the event of an insolvency, the holders of senior indebtedness shall be entitled to receive payment in full of all amounts due or to become due in respect of all senior indebtedness (or provisions shall be made for such payment in cash) before the holders of subordinated debt securities are entitled to receive any distribution on account of principal, interest or premium on subordinated debt securities. Consequently, the holders of senior indebtedness shall be entitled to receive all distributions of any kind which may be deliverable in respect of the subordinated debt securities in any insolvency, including any distribution which may be deliverable by reason of the payment of any of our other indebtedness being subordinated to the payment of subordinated debt securities. The holders of senior indebtedness shall apply such distributions to the payment of the senior indebtedness.

"Insolvency" means any of the following events:

any insolvency or bankruptcy case or proceeding, or any receivership, liquidation, reorganization or other similar case or proceeding, relative to us or to our creditors, or to our assets; or

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any liquidation, dissolution or other winding-up of Allstate, whether or not involving insolvency or bankruptcy; or

any assignment for the benefit of creditors or any other marshaling of our assets and liabilities. (Section 1403 of the Subordinated Indenture)

By reason of such subordination, in the event of liquidation or insolvency, our creditors may recover less, ratably, than holders of senior debt securities and may recover more, ratably, than the holders of the subordinated debt securities.

In the event of the acceleration of the maturity of any subordinated debt securities, the holders of all senior debt securities outstanding at the time of such acceleration will first be entitled to receive payment in full of all amounts due on the senior debt securities before the holders of the subordinated debt securities will be entitled to receive any payment of principal, interest or premium on the subordinated debt securities. (Section 1404 of the Subordinated Indenture)

No payment of principal, interest or premium on the subordinated debt securities is permitted if any of our senior indebtedness is not paid when due and any applicable grace period with respect to such default has ended and such default has not been cured or waived or ceased to exist, or if the maturity of any of our senior indebtedness has been accelerated because of a default. (Section 1402 of the Subordinated Indenture)

The Subordinated Indenture does not limit or prohibit the issuance of additional senior debt securities, which may include indebtedness that is senior to the subordinated debt securities, but subordinate to our other obligations.

The term "Senior Indebtedness" means, with respect to Allstate:

the principal, interest and premium in respect of our indebtedness for borrowed money and indebtedness evidenced by securities, debentures, bonds or other similar instruments issued by us;

all of our capital lease obligations;

all of our obligations issued or assumed as the deferred purchase price of property, all of our conditional sale obligations and all of our obligations under any title retention agreement (but excluding trade accounts payable arising in the ordinary course of business);

all of our obligations for the reimbursement on any letter of credit, banker's acceptance, security purchase facility or similar credit transaction;

all obligations of the types referred to above of other persons for the payment of which we are responsible or liable as obligor, guarantor or otherwise; and

all obligations of the types referred to above of other persons secured by any lien on any of our property or assets whether or not such obligation is assumed by us, except for:

any such indebtedness that is by its terms subordinated to or ranks equal with the subordinated debt securities; and

any indebtedness between or among us or our affiliates (including all other debt securities and guarantees in respect of those debt securities) issued to any of our wholly owned trust subsidiaries or any trust, partnership or other entity affiliated with us that is our financing vehicle in connection with the issuance by such financing entity of preferred securities unless otherwise expressly provided in the terms of such debt securities.



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Such senior indebtedness shall continue to be senior indebtedness and be entitled to the benefits of the subordination provisions irrespective of any amendment, modification or waiver of any term of such senior indebtedness. (Sections 101 and 1408 of the Subordinated Indenture)

The prospectus supplement may further describe the provisions applicable to the subordination of the subordinated debt securities of a particular series.

**Certain Covenants With Respect To Senior Debt Securities**

*Limitation on Liens of Stock of AIC.* The Senior Indenture prohibits us and our subsidiaries from directly or indirectly creating, assuming, incurring or permitting to exist any indebtedness secured by any lien on the capital stock of AIC unless the senior debt securities shall be secured equally and ratably with such indebtedness for at least the time period such indebtedness is so secured. (Section 1008 of the Senior Indenture)

"Indebtedness" is defined in the Senior Indenture as the principal, premium and interest due on indebtedness of a person, whether outstanding on the date of such indenture or thereafter created, incurred or assumed, which is indebtedness for borrowed money, and any amendments, renewals, extensions, modifications and refundings of any such indebtedness. For purposes of this definition, "indebtedness for borrowed money" means:

any obligation of, or any obligation guaranteed by, such person for the repayment of borrowed money, whether or not evidenced by bonds, debentures, notes or other written instruments;

any obligation of, or any such obligation guaranteed by, such person evidenced by bonds, debentures, notes or similar written instruments, including obligations assumed or incurred in connection with the acquisition of property, assets or businesses, provided, however, that the deferred purchase price of any property, assets or business shall not be considered indebtedness if the purchase price thereof is payable in full within 90 days from the date on which such indebtedness was created; and

any obligations of such person as lessee under leases required to be capitalized on the balance sheet of the lessee under generally accepted accounting principles and leases of property or assets made as part of any sale and lease-back transaction to which such person is a party.

For purposes of this covenant only, indebtedness also includes any obligation of, or any obligation guaranteed by, any person for the payment of amounts due under a swap agreement or similar instrument or agreement, or under a foreign currency hedge exchange or similar instrument or agreement. (Sections 101 and 1008 of the Senior Indenture)

*Limitations on Disposition of Stock of AIC.* Subject to limited exceptions, the Senior Indenture provides that as long as any senior debt securities are outstanding, we will not issue, sell, transfer or otherwise dispose of any shares of, securities convertible into, or warrants, rights or options to subscribe for or purchase shares of, capital stock of AIC, other than preferred stock having no voting rights of any kind, and that we will not permit AIC to issue any shares of, or securities convertible into, or warrants, rights or options to subscribe for or purchase shares of, capital stock of AIC, other than preferred stock having no voting rights of any kind if, after giving effect to any such transaction and the issuances of the maximum number of shares issuable upon the conversion or exercise of all such convertible securities, warrants, rights or options, we would own, directly or indirectly, less than 80% of the shares of AIC, other than preferred stock having no voting rights of any kind. The Senior Indenture also requires that any such issuance, sale, transfer or other disposition by AIC must be made for at least a fair market value consideration, as determined by our Board of Directors in good faith, and that the foregoing shall not prohibit any such issuance or disposition of securities if required by any law or any regulation or order of any governmental or insurance regulatory authority

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Notwithstanding the foregoing, we may merge or consolidate AIC into or with another direct wholly owned subsidiary and we may, subject to the provisions set forth in "Consolidation, Merger and Sale of Assets" below, sell, transfer or otherwise dispose of the entire capital stock of AIC at one time for at least a fair market value consideration as determined by our Board of Directors in good faith. (Section 1009 of the Senior Indenture)

**Certain Covenants with Respect to Subordinated Debt Securities**

If subordinated debt securities are issued to a trust in connection with the issuance of trust securities and there has occurred an event of default under the applicable declaration of trust, we are in default with respect to our payment of any obligations under the related preferred securities guarantee or common securities guarantee or we have given notice of our election to defer payments of interest on subordinated debt securities by extending the interest payment period as provided in the Subordinated Indenture, then we shall not:

declare or pay any dividend on, make any distributions with respect to, or redeem, purchase or make a liquidation payment with respect to any of our capital stock;

make any guarantee payments with respect to our capital stock; or

make any payment of principal, interest, or premium on or repay, repurchase or redeem any debt securities (including guarantees) that rank equal with or junior to such subordinated debt securities.

However, in such circumstances, we may:

declare and pay dividends on, or make distributions with respect to, our capital stock payable in our common stock;

redeem or repurchase any rights, declare a dividend of any rights or issue any security under any rights plan then in effect;

purchase or acquire shares of our common stock in order to satisfy our obligations under any employee benefit plan;

carry out any reclassification of our capital stock or the exchange or conversion of one class or series of our capital stock for another class or series of our capital stock; and

purchase fractional interests in shares of our capital stock pursuant to the conversion or exchange provisions of such capital stock or the security being converted or exchanged.

(Section 1008 of the Subordinated Indenture)

If subordinated debt securities are issued to a trust in connection with the issuance of trust securities, for so long as such securities remain outstanding, we covenant to:

directly or indirectly maintain 100% ownership of the common securities of such trust; provided, however, that any permitted successor under the applicable indenture may succeed to our ownership of such common securities;

use our reasonable efforts to cause such trust to remain a statutory business trust, except in connection with the distribution of subordinated debt securities to the holders of trust preferred securities in liquidation of such trust, the redemption of all of the trust securities of such trust, or certain mergers, consolidations or amalgamations, each as permitted by the declaration of such trust, and to continue to be classified as a grantor trust for United States federal income tax purposes; and



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use our reasonable efforts to cause each holder of trust preferred securities to be treated as owning an undivided beneficial interest in the subordinated debt securities.

(Section 1009 of the Subordinated Indenture)

**Consolidation, Merger and Sale of Assets**

Without the consent of the holders of any of the outstanding debt securities under the indentures, we may consolidate with or merge into, or convey, transfer or lease our properties and assets to any person and may permit any person to consolidate with or merge into us. However, in such event, any successor person must be a corporation, partnership, or trust organized and validly existing under the laws of any domestic jurisdiction and must assume our obligations on the debt securities and under the applicable indenture. We agree that after giving effect to the transaction, no event of default, and no event which, after notice or lapse of time or both, would become an event of default shall have occurred and be continuing and that certain other conditions are met; provided such provisions will not be applicable to the direct or indirect transfer of the stock, assets or liabilities of any of our subsidiaries to another of our direct or indirect subsidiaries. (Section 801)

Except as provided in this prospectus or as may otherwise be provided in the accompanying prospectus supplement, there are no "event risks" or similar provisions of the indentures or the debt securities that are intended to afford protection to holders in the event of a merger or other significant corporate event involving us or our subsidiaries.

**Outstanding Debt Securities**

"Outstanding," when used with respect to debt securities, means, as of the date of determination, all debt securities authenticated and delivered under the applicable indenture, except:

debt securities canceled by the indenture trustee or delivered to the indenture trustee for cancellation;

debt securities for whose payment or redemption money in the necessary amount has been deposited with the indenture trustee or any paying agent (other than us) in trust or set aside and segregated in trust by us (if we shall act as its own paying agent) for the holders of such debt securities and, if such debt securities are to be redeemed, notice of such redemption has been given according to the applicable indenture or provisions satisfactory to the indenture trustee have been made;

debt securities as to which defeasance has been effected pursuant to Section 1302 of the applicable indenture; and

debt securities which have been paid pursuant to the applicable indenture or in exchange for or in lieu of which other debt securities have been authenticated and delivered pursuant to the applicable indenture, other than any debt securities in respect of which there shall have been presented to the indenture trustee proof satisfactory to it that such debt securities are held by a *bona fide* purchaser in whose hands such debt securities are our valid obligations.

Each indenture provides that in determining whether the holders of the requisite principal amount of the outstanding debt securities have given, made or taken any request, demand, authorization, direction, notice, consent, waiver or other action under the applicable indenture:

the principal amount of an original issue discount security that shall be deemed to be outstanding shall be the amount of the principal that would be due and payable as of the date of such determination upon acceleration of the maturity to such date;