

Securities and Exchange Commission

Washington, D.C. 20549

FORM S-8

REGISTRATION STATEMENT UNDER THE
SECURITIES ACT OF 1933

THE ALLSTATE CORPORATION

(Exact Name of Registrant as Specified in its Charter)

DELAWARE
(State of Incorporation)

36-3871531
(I.R.S. Employer Identification No.)

2775 Sanders Road, Suite A2, Northbrook, Illinois 60062-6127
(Address and Zip Code of principal executive office)

THE ALLSTATE CORPORATION DEFERRED COMPENSATION PLAN

(Full title of the Plan)

Michael J. McCabe, Vice President and General Counsel, The Allstate Corporation
2775 Sanders Road, Suite F7, Northbrook, Illinois 60062-6127
(847) 402-5000

(Name, address, and telephone number of agent for service)

CALCULATION OF REGISTRATION FEE

Title of Securities To Be Registered	Amount to be Registered	Proposed Maximum Offering Price Per Obligation	Proposed Maximum Aggregate Offering Price	Amount of Registration Fee
Deferred Compensation Obligations ¹	\$20,000,000	100%	\$20,000,000	\$1,840.00 ²

¹ The Obligations are unsecured obligations of the Registrant to pay deferred compensation in the future in accordance with the terms of The Allstate Corporation Deferred Compensation Plan. The Registrant may issue an indeterminate number of Obligations under the Plan from time to time, based upon the level of employee participation.

² Calculated pursuant to Rule 457(h).

PART II
INFORMATION REQUIRED IN THE REGISTRATION STATEMENT

Item 3: Incorporation Of Documents By Reference

The following documents filed by The Allstate Corporation ("Allstate") with the Securities and Exchange Commission (the "Commission") are incorporated in and made a part of this Registration Statement by reference, as of their respective dates:

- Allstate's Annual Report on Form 10-K for the year ended December 31, 2001 (file no. 1-11840)
- Allstate's Quarterly Reports on Form 10-Q for the quarters ended March 31 and June 30, 2002 (file no. 1-11840)
- Allstate's Current Report on Form 8-K filed September 23, 2002 (file no. 1-11840)
- From the date of filing of such documents, all documents filed by Allstate with the Commission pursuant to Section 13(a), 13(c), 14 or 15(d) of the Securities Exchange Act of 1934, as amended (the "Exchange Act"), subsequent to the date of this Registration Statement and prior to the filing of a post-effective amendment to this Registration Statement which indicates that all securities offered hereby have been sold or which deregisters all securities then remaining unsold.

Any statement contained in a document incorporated or deemed to be incorporated by reference herein shall be deemed to be modified or superseded for purposes of this Registration Statement to the extent that a statement contained herein or in any subsequently filed document which also is or is deemed to be incorporated by reference herein modifies or replaces such statement. Except as so modified or superseded, such statement shall not be deemed to constitute a part of this Registration Statement.

Item 4: Description Of Securities

The following description of the Deferred Compensation Obligations (the "Obligations") is qualified by reference to the text of The Allstate Corporation Deferred Compensation Plan (the "Plan").

Under the Plan, Allstate provides eligible employees the opportunity to defer a specified percentage of their base salary and annual cash bonus. Eligibility is limited to employees, except insurance agents, whose salary and bonus exceeds the annual compensation limit under Section 401(a)(17) of the Internal Revenue Code of 1986, as amended. The amount eligible for deferral is limited to the actual amount of such excess. Amounts deferred pursuant to the Plan will be unsecured general obligations of Allstate to pay the deferred compensation in the future in accordance with the terms of the Plan, and will rank equally with Allstate's other unsecured and

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unsubordinated indebtedness from time to time outstanding. Allstate's principal sources of funds to pay its obligations are dividends from its subsidiary Allstate Insurance Company, intercompany borrowings, funds from the settlement of its benefit plans, and funds that periodically may be raised from the issuance of additional debt or stock. Dividends from Allstate Insurance Company are restricted by Illinois insurance laws and regulations. Because Allstate is a holding company, its right, and hence the right of its creditors (including participants in the Plan), to participate in any distribution of the assets of any subsidiary upon its liquidation or reorganization or otherwise is necessarily subject to the prior claims of creditors of the subsidiary, except to the extent that claims of Allstate itself as a creditor of the subsidiary may be recognized.

The Plan is unfunded. Consequently, any deferred compensation is part of Allstate's general funds, subject to all of the risks of Allstate's business, and may be deposited, invested or expended in any manner whatsoever by Allstate.

The amount of compensation to be deferred by each participant will be determined in accordance with the Plan based on election by the participant. Compensation deferred pursuant to the Plan is credited by book entry to the participant's account. Each participant's deferred compensation will be indexed to one or more investment indices chosen by each participant as provided in the Plan for purposes of accounting, as if the deferred compensation had been so invested, and not for actual investment. The account will be adjusted to reflect the investment experience of the selected indices during the deferral period. The Obligations will be denominated and payable in United States dollars.

The Plan is administered by a committee appointed by the board of directors of Allstate, and the committee has delegated administration duties to a plan administrator. The committee has the authority to determine the investment options available for selection by participants. Currently, the investment indices mirror certain indices available under The Savings and Profit Sharing Fund of Allstate Employees. Participants may reallocate existing account balances among the investment options available under the Plan on a daily basis.

Benefits under the Plan are not subject to assignment, transfer, pledge or other encumbrance. A participant may designate persons or entities to receive any amounts payable under the Plan in the event of the death of the participant.

The Obligations owed to any participant are not subject to distribution, in whole or in part, prior to the participant's separation from service or the subsequent individual payment dates specified by the participant in accordance with terms of the Plan, except (1) for demonstrated hardship, (2) in connection with an in-service withdrawal with the imposition of substantial penalties or (3) in connection with the termination of the Plan. Allstate reserves the right to amend or terminate the Plan at any time, except that no such amendment or termination shall

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reduce the amount of compensation deferred or any accruals thereon up to and including the end of the month in which such action is taken.

The Obligations are not convertible into another security of Allstate. The Obligations will not have the benefit of a negative pledge or any other affirmative or negative covenant on Allstate's part. No trustee has been appointed having the authority to take action with respect to the Obligations and each participant will be responsible for acting independently with respect to, among other things, the giving of notices, responding to any requests for consents, waivers or amendments pertaining to the Obligations, enforcing covenants and taking action upon a default.

Item 5: Interests Of Named Experts And Counsel

Emma M. Kalaidjian, Allstate's Assistant Secretary, has passed upon the validity of the Obligations being registered. Ms. Kalaidjian is eligible to participate in the Plan. As of September 30, 2002, Ms. Kalaidjian beneficially owns 2,349 shares of Allstate's common stock, and she holds both vested and unvested options to acquire 23,877 additional shares of Allstate's common stock. These shares and options include awards under Allstate's employee benefit plans, subject to forfeiture under certain circumstances.

Item 6: Indemnification Of Directors And Officers

Article IV of the by-laws of Allstate provides that Allstate will indemnify all of its directors, former directors, officers and former officers, to the fullest extent permitted under law, who were or are a party or are threatened to be made a party to any proceeding by reason of the fact that such persons were or are directors or officers of Allstate, against liabilities, expenses, judgments, fines and amounts paid in settlement actually and reasonably incurred by them. The indemnity shall not be deemed exclusive of any other rights to which directors or officers may be entitled by law or under any articles of incorporation, by-law, agreement, vote of stockholders or disinterested directors or otherwise. In addition, the indemnity shall inure to the benefit of the legal representatives of directors and officers or of their estates, whether such representatives are court appointed or otherwise designated, and to the benefit of the heirs of such directors and officers. The indemnity shall extend to and include claims for such payments arising out of any proceeding commenced or based on actions of such directors and officers taken prior to the effectiveness of this indemnity; provided that payment of such claims had not been agreed to or denied by Allstate before such date.

Article Eighth of the Restated Certificate of Incorporation of Allstate provides that a director of Allstate shall not be personally liable to the corporation or its stockholders for monetary damages for a breach of fiduciary duty as a director, to the fullest extent of the Delaware General Corporation Law.

Under Section 145 of the Delaware General Corporation Law, a corporation may indemnify a person who was made a party to a proceeding or threatened to be made a party to a proceeding by reason of the fact that the person is or was a director or officer of the corporation against liability actually and reasonably incurred in connection with such proceeding if the

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person acted in good faith and in a manner the person reasonably believed to be in or not opposed to the best interests of the corporation, and, with respect to any criminal proceeding, had no reasonable cause to believe the person's conduct was unlawful. A corporation may not indemnify a director or officer in connection with a proceeding where he is adjudged liable to the corporation, unless the court in which the proceeding is brought determines that such director or officer is fairly and reasonably entitled to indemnity.

Allstate has provided liability insurance for each director and officer for certain losses arising from claims or charges made against them while acting in their capacities as directors or officers of Allstate.

Item 8: Exhibits

The Exhibits to this Registration Statement are listed in the Exhibit Index of this Registration Statement, which index is incorporated herein by reference.

Item 9: Undertakings

Allstate hereby undertakes:

- (1) To file, during any period in which offers or sales are being made, a post-effective amendment to this Registration Statement:
 - (i) To include any prospectus required by Section 10(a)(3) of the Securities Act of 1933 (the "Securities Act");
 - (ii) To reflect in the prospectus any facts or events arising after the effective date of the Registration Statement (or the most recent post-effective amendment thereof) which, individually or in the aggregate, represent a fundamental change in the information set forth in the Registration Statement. Notwithstanding the foregoing, any increase or decrease in the volume of securities offered (if the total dollar value of securities offered would not exceed that which was registered) and any deviation from the low or high end of the estimated maximum offering range may be reflected in the form of prospectus filed with the Commission pursuant to Rule 424(b) if, in the aggregate, the changes in volume and price represent no more than a 20 percent change in the maximum aggregate offering price set forth in the "Calculation of Registration Fee" table in the effective registration statement;
 - (iii) To include any material information with respect to the plan of distribution not previously disclosed in the Registration Statement or any material change to such information in the Registration Statement;

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provided, however, that paragraphs (1)(i) and (1)(ii) do not apply if the registration statement is on Form S-3, Form S-8 or Form F-3, and the information required to be included in a post-effective amendment by those paragraphs is contained in periodic reports filed with or furnished to the Commission by Allstate pursuant to Section 13 or Section 15(d) of the Exchange Act that are incorporated by reference in this Registration Statement.

(2) That, for the purpose of determining any liability under the Securities Act, each such post-effective amendment shall be deemed to be a new registration statement relating to the securities offered therein, and the offering of such securities at that time shall be deemed to be the initial *bona fide* offering thereof.

(3) To remove from registration by means of a post-effective amendment any of the securities being registered which remain unsold at the termination of the offering.

Allstate hereby undertakes that, for purposes of determining any liability under the Securities Act, each filing of Allstate's annual report pursuant to Section 13(a) or Section 15(d) of the Exchange Act that is incorporated by reference in the Registration Statement shall be deemed to be a new registration statement relating to the securities offered therein, and the offering of such securities at that time shall be deemed to be the initial *bona fide* offering thereof.

Insofar as indemnification for liabilities arising under the Securities Act may be permitted to directors, officers and controlling persons of Allstate pursuant to the foregoing provisions, or otherwise, Allstate has been advised that in the opinion of the Commission such indemnification is against public policy as expressed in the Securities Act and is, therefore, unenforceable. In the event that a claim for indemnification against such liabilities (other than the payment by Allstate of expenses incurred or paid by a director, officer or controlling person of Allstate in the successful defense of any action, suit or proceeding) is asserted by such director, officer or controlling person in connection with the securities being registered, Allstate will, unless in the opinion of its counsel the matter has been settled by controlling precedent, submit to a court of appropriate jurisdiction the question whether such indemnification by it is against public policy as expressed in the Act and will be governed by the final adjudication of such issue.

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POWER OF ATTORNEY

Each director and/or officer of the registrant whose signature appears below hereby appoints Emma M. Kalaidjian, Edward M. Liddy, Michael J. McCabe, Barry S. Paul, Robert W. Pike, Samuel H. Pilch and James P. Zils and each of them severally, as his or her attorney-in-fact in his or her name, place and stead, in

any and all capacities stated below, to sign any and all amendments to this registration statement, and to file the same, with all exhibits thereto, and other documents in connection therewith, with the Commission. The registrant also appoints Emma M. Kalaidjian, Edward M. Liddy, Michael J. McCabe, Barry S. Paul, Robert W. Pike, Samuel H. Pilch and James P. Zils and each of them severally, as its attorney-in-fact in its name, place and stead to sign any and all amendments to this registration statement, and to file the same, with all exhibits thereto, and other documents in connection therewith, with the Commission.

SIGNATURES

The Registrant. Pursuant to the requirements of the Securities Act, Allstate certifies that it has reasonable grounds to believe that it meets all of the requirements for filing this Registration Statement on Form S-8 and has duly caused this Registration Statement to be signed on its behalf by the undersigned, thereunto duly authorized, in Township of Northfield, County of Cook, State of Illinois, on October 7, 2002.

THE ALLSTATE CORPORATION

By: /s/ MICHAEL J. MCCABE

Name: Michael J. McCabe
 Title: Vice President and
 General Counsel

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Pursuant to the requirements of the Securities Act, this Registration Statement has been signed by the following persons in the capacities and on the dates indicated.

Signature	Title	Date
/s/ EDWARD M. LIDDY Edward M. Liddy	Director, Chairman of the Board of Directors, President and Chief Executive Officer (Principal Executive Officer)	October 7, 2002
/s/ SAMUEL H. PILCH Samuel H. Pilch	Controller (Principal Accounting Officer) and Acting Vice President and Chief Financial Officer	October 7, 2002
/s/ F. DUANE ACKERMAN F. Duane Ackerman	Director	October 7, 2002
/s/ JAMES G. ANDRESS James G. Andress	Director	October 7, 2002
Edward A. Brennan	Director	October 7, 2002
/s/ W. JAMES FARRELL W. James Farrell	Director	October 7, 2002
/s/ JACK M. GREENBERG Jack M. Greenberg	Director	October 7, 2002
/s/ RONALD T. LEMAY Ronald T. LeMay	Director	October 7, 2002
/s/ MICHAEL A. MILES Michael A. Miles	Director	October 7, 2002
/s/ J. CHRISTOPHER REYES J. Christopher Reyes	Director	October 7, 2002

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/s/ H. JOHN RILEY, JR.

Director

October 7, 2002

H. John Riley, Jr.

/s/ JOSHUA I. SMITH

Joshua I. Smith

Director

October 7, 2002

Judith A. Sprieser

Director

October 7, 2002

Mary Alice Taylor

Director

October 7, 2002

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EXHIBIT INDEX

**Exhibit
Number**

Description of Exhibit

4	The Allstate Corporation Deferred Compensation Plan
5	Opinion of Emma M. Kalaidjian
15	Acknowledgment of Deloitte & Touche LLP regarding unaudited interim financial information
23(a)	Consent of Emma M. Kalaidjian (included in Exhibit 5)
23(b)	Consent of Deloitte & Touche LLP
24	Powers of attorney (included on signature pages)

THE ALLSTATE CORPORATION
DEFERRED COMPENSATION PLAN
AMENDED AND RESTATED AS OF OCTOBER 7, 2002

ARTICLE I

DESIGNATION OF PLAN AND DEFINITIONS

1.1 TITLE

This Plan shall be known as "The Allstate Corporation Deferred Compensation Plan." The Plan was adopted by Allstate Insurance Company effective January 1, 1995. The Plan was amended and restated by the Company, effective January 1, 1996, November 11, 1997, September 1, 1999, November 1, 2000, November 1, 2001, June 1, 2002, and October 7, 2002.

1.2 DEFINITIONS

The following definitions will apply:

- (a) "Account" shall mean the bookkeeping entries made to state the balance of Compensation deferred by a Participant under the Plan, as adjusted pursuant to Article IV of the Plan. A Participant's Account shall also include any cash amounts automatically directed to this Plan by action of the Board of Directors of The Allstate Corporation or a committee thereof. For purposes of this Plan, "Account" shall include any amounts deferred by a Participant, as adjusted for earnings and debits, under The Allstate Corporation Deferred Compensation Plan for Employee Agents and The Allstate Corporation Deferred Compensation Plan for Independent Contractor Exclusive Agents.
- (b) "Beneficiary" or "Contingent Beneficiary" shall mean the person or persons last designated in writing by the Participant to the Committee, in accordance with Section 8.5 of this Plan.
- (c) "Board" shall mean the Board of Directors of the Company.
- (d) "Code" shall mean the Internal Revenue Code of 1986, as amended from time to time.
- (e) "Committee" shall mean the Committee appointed by the Board of Directors pursuant to Article VI of this Plan, and shall mean those persons to whom the

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Committee has delegated administrative duties pursuant to Section 6.1(g).

- (f) "Company" shall mean The Allstate Corporation.
- (g) "Compensation" shall mean all of the items included in the term "Annual Compensation" as that term is defined in the Allstate Retirement Plan without regard to the annual compensation limit imposed by Section 401(a)(17) of the Code.
- (h) "Compensation Floor" shall be the compensation limit in effect pursuant to Section 401(a)(17) of the Code for a Plan Year.
- (i) "Controlled Group" shall mean any corporation or other business entity which is included in a controlled group of corporations, within the meaning of section 1563(a)(i) of the Code, within which the Company is also included.
- (j) "Eligible Compensation" shall mean the greater of (i) an Employee's current year Compensation annualized in such manner as the Committee shall determine; or (ii) an Employee's Compensation for the calendar year two years before a Plan Year.
- (k) "Eligible Employee" shall mean any Employee who is eligible to participate under Article II of this Plan.
- (l) "Eligible Salary" shall mean an Employee's monthly base salary during the calendar year immediately preceding a Plan Year annualized in such manner as the Committee shall determine.
- (m) "Employee" shall mean any regular, full-time employee of the Company, of Allstate Insurance Company, of Allstate New Jersey Insurance Company, of Allstate Bank or of any other affiliate in the Controlled Group which adopts the Plan, but shall in no event include persons classified as agents. If a person is not considered to be an "Employee" for purposes of Plan eligibility, a later change in the person's status, even if the change in status is applicable to prior years, will not have a retroactive effect for Plan purposes.

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"Hardship" shall mean severe financial hardship to the Participant resulting from a sudden and unexpected illness or accident of the Participant or of a dependent (as defined in section 152(a) of the Code) of the Participant, or loss of the Participant's property due to casualty, or similar extraordinary and unforeseeable circumstances arising as a result of events beyond the control of the Participant, as determined by the Committee.

- (o) "Incentive" shall mean the amount actually payable to a Participant under an annual cash incentive program sponsored by the Company, Allstate Insurance Company, Allstate New Jersey Insurance Company, Allstate Bank or any other member of the Controlled Group which adopts the Plan. An Incentive award earned during a Plan Year becomes payable in the calendar year next following the Plan Year.
- (p) "Investment" shall mean the elections made by Participants to make allocations and reallocations of deferrals and Account balances among the subaccounts described in Section 4.3(b), together with accruals and adjustments reflecting the hypothetical experience of the subaccounts.
- (q) "Participant" shall mean an Eligible Employee who has an account balance in the Plan.
- (r) "Plan" shall mean The Allstate Corporation Deferred Compensation Plan as set forth herein, and as amended from time to time in accordance with Article VII hereof.
- (s) "Plan Year" shall mean the fiscal year of the Company, which is a calendar year.
- (t) "Separation from Service" means the termination of a Participant's employment with any company in the Controlled Group for any reason whatsoever, including retirement, resignation, dismissal or death, but does not include a transfer of status to an employee agent or to an Exclusive Agent Independent Contractor or Exclusive Financial Specialist Independent Contractor for Allstate Insurance Company, Allstate New Jersey Insurance

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Company, Allstate Life Insurance Company or for any other member of the Controlled Group. "Separation from Service" shall also mean the subsequent termination of any Exclusive Agent Independent Contractor or Exclusive Financial Specialist Independent Contractor agreement, unless such termination results from acceptance of employment with any member of the Controlled Group.

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ARTICLE II

PARTICIPATION

2.1 ELIGIBILITY

An Employee shall be an Eligible Employee if his Eligible Compensation or his Eligible Salary is equal to or in excess of the Compensation Floor for the Plan Year.

2.2 NOTICE OF ELIGIBILITY

The Committee or its appointed representative shall notify each Eligible Employee no later than a) with respect to base salary deferrals, 30 days prior to the first business day of any Plan Year and b) with respect to Incentive deferrals, June 1, or, in either case, as soon thereafter as practicable, that he/she is entitled to become a Participant in the Plan for such Plan Year.

2.3 PARTICIPATION ELECTION

- (a) Each Eligible Employee may elect, in accordance with procedures and during the time frames established by the Committee or its representative, to defer base salary and Incentive into the Plan. The salary deferral election must be received by the Committee or its designated representative no later than the last business day of the preceding calendar year or such earlier date as determined by the Committee. The Incentive deferral election must be received by the Committee or its designated representative no later than June 30 of the Plan Year or such earlier date as determined by the Committee. These elections shall specify the percentage of base salary and/or Incentive to be deferred during the Plan Year. A Participant may not change his/her salary deferral election for the Plan Year after the Plan Year has commenced, and may not change his/her Incentive deferral election after June 30 of the Plan Year. However, a Participant may at any time irrevocably elect to suspend deferrals in the Plan for the remainder of a Plan Year, but

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only as to future deferrals of base salary. If during a Plan Year a Participant receives a hardship withdrawal distribution from The Savings and Profit Sharing Fund of Allstate Employees or any other qualified or nonqualified plan of deferred compensation maintained by the Company or any member of the Controlled Group, the Participant shall be subject to the suspension of deferrals into this Plan for the remainder of the Plan Year and for the next succeeding Plan Year.

- (b) Any person who the Committee determines to be an Eligible Employee in the Plan Year in which he/she first becomes an Employee shall be provided an opportunity within 30 days of employment to participate in the Plan for that Plan Year.

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ARTICLE III

DEFERRALS

3.1 AMOUNT OF DEFERRAL

- (a) Each Participant may elect to defer, in whole number percentages, up to 80% of base salary for the Plan Year. No deferrals of base salary will be recognized until Compensation in the Plan Year reaches the Compensation Floor for the Plan Year.
- (b) Each Participant may elect to defer, in whole number percentages, up to 100% of the Incentive earned in the Plan Year and paid in the calendar year following the Plan Year (the "next Plan Year"). The amount of a Participant's Incentive deferral will be reduced to the portion which, when added to the Participant's base salary for the next Plan Year, exceeds the Compensation Floor for the next Plan Year.
- (c) Deferrals shall be recognized only after all other deductions required by federal or state law or elected by the Participant have been withheld. Deferrals may be reduced by the Committee to the extent necessary to permit required or elected withholdings.
- (d) Except as provided in Section 3.1(e), if a Participant has elected to defer Compensation for a Plan Year which would otherwise be includible in the calculation of the Participant's pension benefit under the Allstate Retirement Plan or the Agents Pension Plan for such Plan Year the Company shall, prior to the end of such Plan Year, refund such excess deferral to the Participant.
- (e) To the extent a Participant is on leave of absence for all or part of the Plan Year, and the Participant's Compensation less any amounts deferred is less than the Compensation Floor for such year, the Company shall, prior to the end of such Plan Year, pay the Participant the lesser of:
 - (1) The amount deferred during the year; or
 - (2) The difference between (i) the Compensation Floor and (ii) the

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amount of the Participant's Compensation less the amount the Participant deferred.

3.2 EFFECTIVE DATE OF DEFERRAL

Compensation deferred shall be credited to a Participant's Account by bookkeeping entry as set forth in Section 4.2.

3.3 USE OF AMOUNTS DEFERRED

Amounts credited to Accounts shall be a part of the general funds of the Company, shall be subject to all the risks of the Company's business, and may be deposited, invested or expended in any manner whatsoever by the Company.

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ARTICLE IV

ACCOUNTS AND VESTING

4.1 ESTABLISHMENT OF ACCOUNT

The Committee shall establish, by bookkeeping entry on the books of the Company, an Account for each Participant. Accounts shall not be funded in any manner.

4.2 CONTRIBUTIONS TO ACCOUNT

The Committee shall cause deferred Compensation to be credited by bookkeeping entry to each Participant's Account as of the last day of the month in which the Compensation or any cash amounts automatically directed to this Plan otherwise would have been payable to the Participant, or as soon thereafter as is administratively practicable.

4.3 MAINTENANCE OF ACCOUNT BALANCES—SUBACCOUNT ELECTIONS

- (a) Investment of deferrals shall be made among one or more of the Subaccounts described in Section 4.3(b). Each Investment shall be made in accordance with procedures established by the Committee and shall specify that portion of the Participant's deferrals on the date of such election to be invested in each Subaccount. In its sole discretion, the Committee may withhold one or more of the Subaccounts from Investment by Participants for a Plan Year or Years. Investments of deferrals must be made in whole percentage increments.

Each Account shall be adjusted, as applicable, to apply credits for contributions, interest, dividend equivalents and other earnings and to apply debits for Plan administration and investment expenses, for losses and for distributions. All such adjustments shall be bookkeeping entries reflecting hypothetical experience for the Subaccounts in which Investments are made.

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(b)

The Subaccounts in which Investments may be made are:

- (1) Subaccount #1—*SSgA Short Term Investment Fund*—a diversified portfolio of short term fixed-income securities managed by State Street Global Advisors (SSgA). The fund's objective is to maximize current income while preserving capital and liquidity. The fund's yield reflects short-term interest rates.
- (2) Subaccount #2—*SSgA Passive Bond Market Index Securities Lending Fund Series A*—a collective fund of fixed-income securities managed by State Street Global Advisors (SSgA). The fund invests in U.S. Treasury, agency, corporate, mortgage-backed, and asset-backed debt securities. The fund's objective is to match the total rate of return of the Lehman Aggregate Bond Index, a broad-based domestic bond index composed of more than 5,000 debt securities with all securities having an average life of at least one year. The rate of return on the Bond Fund is influenced by, among other things, changes in interest rates, the market price of bonds and the financial stability of the issuers.
- (3) Subaccount #3—*SSgA S&P 500 Flagship Fund Series A*—a collective fund managed by State Street Global Advisors (SSgA), which invests in a diversified portfolio of stocks in a broad array of large, established companies. The fund's objective is to match the total rate of return of the Standard & Poor's (S&P) 500 Index¹, which consists of 500 stocks chosen for market size, liquidity and industry group representation. SSgA replicates the index by purchasing all 500 component equities in the appropriate market-value weighted proportions. The rate of return on the S&P 500 Fund is influenced by the market price and dividends of the stocks held in the fund.
- 6 Subaccount #4—*SSgA Daily EAFE Securities Lending Fund Series A*—a fund, managed by State Street Global Advisors (SSgA), which invests in a diversified portfolio of stocks outside of North and South America. The fund's objective is to match the total rate of returns and characteristics of the Morgan Stanley Capital International (MSCI) Europe, Australia, Far East (EAFE) Index. The index consists of more than 1,100 stocks in over 20 countries outside of North and South America and represents approximately 60% of the total market capitalization in those countries. SSgA employs an index replication approach to construct a fund whose return tracks the MSCI EAFE Index. The rate of return on the International Equity Fund is influenced by the market price of the stocks held in the fund, dividends and other income and foreign currency exchange rates.

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- 7 Subaccount #5—*SSgA Russell 2000 Index Securities Lending Fund Series A*—a collective fund managed by State Street Global Advisors (SSgA), which invests in a diversified portfolio of small capitalized U.S. stocks. The fund's objective is to match the total rate of returns and characteristics of the Russell 2000 Index, which consists of the smallest 2000 U.S. securities in the Russell 3000 Index. SSgA employs an index replication approach to construct a fund whose return tracks the Russell 2000 index. The rate of return on the Russell 2000 Fund is influenced by the market price and dividends of the stocks held in the fund.

- (c) A Participant may, in accordance with procedures established by the Committee, change his Subaccount investment elections daily regarding existing Account balances and future contributions. Any reallocations of existing Account balances must be made in whole percentage increments. A reallocation election will become effective as set forth in Plan procedures. Any reallocations of existing Account balances made under this Plan will simultaneously apply to any amounts the Participant may have deferred under either The Allstate Corporation Deferred Compensation Plan for Employee Agents or The Allstate Corporation Deferred Compensation Plan for Independent Contractor Exclusive Agents.

4.4 VESTING

A Participant shall be fully vested in his/her Account at all times, subject to Sections 3.3 and 8.2.

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ARTICLE V

PAYMENTS

5.1 EVENTS CAUSING ACCOUNTS TO BECOME DISTRIBUTABLE

- (a) A Participant's Account shall become distributable upon notification to the Plan of the Participant's Separation from Service or, at the election of the Participant pursuant to Section 5.4, in one of the first through fifth years after Separation from Service. In either event, the Participant may elect to receive payment in a lump sum or in annual installments as provided in Section 5.3.
- (b) That portion of a Participant's Account determined to be necessary to alleviate a demonstrated Hardship shall become distributable upon the date of such determination, subject to Section 5.2, and such determination shall be subject to the suspension of deferrals in the Plan by the Participant for the remainder of the Plan Year and for the next succeeding Plan Year.
- (c) A Participant may make an irrevocable election prior to September 1, 1999, to receive a distribution as of the first day of any Plan Year prior to Separation from Service, provided such date occurs subsequent to the Plan Year in which the Participant first participates in this Plan and at least three years after the date the Participant makes an election pursuant to this Section 5.1(d). In such case, that portion of the Participant's Account attributable to Compensation deferred, and accruals thereon, after the Committee receives such election shall become distributable on the date elected. Any balance in the Participant's Account remaining after any payment under this paragraph and any balance in the Account attributable to participation in the Plan in any year subsequent to the year in which a payout on such date certain occurs, shall become distributable to the

Participant as provided in paragraphs (a), (b) or (d) of this Section.

- (d) Effective September 1, 1999, a Participant may at any time irrevocably elect to receive distribution of his/her entire Account balance, subject to the forfeiture to the Company of 10% of such Account balance and subject to

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suspension of deferrals in the Plan by the Participant for the remainder of the Plan Year and for the next succeeding Plan Year ("Suspension Period"). Such election will cause any pending election of Incentive deferrals payable during the Suspension Period to be voided. The Participant's Account balance shall become distributable subject to Section 5.2 following the date of such election.

- (e) In the event of a Participant's death prior to distribution of his/her entire Account balance, the remaining Account balance shall become distributable following the date on which all events have occurred which entitle the Beneficiary or Beneficiaries to payment.

5.2 NOTICE OF ACCOUNT PAYMENT AND COMMENCEMENT OF DISTRIBUTION

The Committee or its appointed representative shall notify a Participant or Beneficiary, as the case may be, as soon as practicable after the first day of the month next following the date on which the Account becomes distributable, that he/she is entitled to receive payment from an Account, the balance of which shall be computed as of the close of business on the last day of the month in which the Account becomes distributable. Distribution of Account balances shall commence as soon as practicable after the first day of the month next following the date on which the Account becomes distributable.

5.3 FORM OF PAYMENT

- (a) Except as provided in paragraphs (c) and (d) of this Section 5.3 and Article VIII hereof, payments of Account balances to a Participant shall be in the form of one lump sum payment or annual cash installment payments over a period of from 2 to 10 years, at the election of the Participant.
- (b) The amount of each annual installment payable to a Participant who has elected to receive installment payments shall be as follows: The first annual installment payment shall, for a Participant who has elected to receive

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installment payments commencing upon his/her Separation from Service, be computed as of the close of business on the last day of the month in which the Account becomes distributable, and the amount of such payment shall equal his/her Account balance as of such date, divided by the number of installments including the one being paid. The first annual installment payment shall, for a Participant who has elected to receive installment payments commencing in one of the first through fifth years after Separation from Service, be computed as of the close of the first business day of the year preceding the year in which the Account balance becomes distributable, and the amount of such payment shall equal his/her Account balance as of such date, divided by the number of installments including the one being paid. Each subsequent installment payment shall be computed as of the close of the last business day of the year thereafter, and the amount of each subsequent payment shall equal his/her remaining Account balance, divided by the number of remaining installments including the one being paid. Interest accruals and other adjustments shall continue with respect to the entire unpaid Account balance, as provided in Section 4.3.

- (c) In the event of a Participant's death prior to distribution of his/her entire Account balance, the remaining Account balance shall be paid in a lump-sum to the Participant's Beneficiary or Beneficiaries, as soon as practicable after the date on which the Account balance shall become distributable pursuant to Section 5.1(e).
- (d) Notwithstanding the provisions of paragraph (b) above, if the remaining unpaid Account balance is \$5,000 or less on any date a payment is to be made to a Participant, the payment shall be the remaining unpaid Account balance.

5.4 DISTRIBUTION ELECTION

- (a) Each Participant shall elect his/her desired form of payment, in accordance with procedures established by the Committee, at the time of his/her initial participation election set forth in Section 2.3.

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- (b) Except for distribution elections under Section 5.1(c) and (d), each Participant may from time to time revise the terms of distribution of the Participants Accounts, in accordance with the procedures established by the Committee, provided that (i) the revised notice of the desired form of payment shall be made by the Participant no less than twelve months prior to the date on which payment is to commence, but in any event no later than the day before the date of the Participant's Separation from Service and (ii) in any event, distribution of the Participant's Account shall not commence earlier than twelve months after the Participant's revised notice of the desired form of payment is made.

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6.1 GENERAL ADMINISTRATION; RIGHTS AND DUTIES

The Board shall appoint the Committee, which, subject to the express limitations of the Plan, shall be charged with the general administration of the Plan on behalf of the Participants. The Committee shall also be responsible for carrying out its provisions, and shall have all powers necessary to accomplish those purposes, including, but not by way of limitation, the following:

- (a) To construe and interpret the Plan;
- (b) To compute the amount of benefits payable to Participants;
- (c) To authorize all disbursements by the Company of Account balances pursuant to the Plan;
- (d) To maintain all the necessary records for the administration of the Plan;
- (e) To make and publish rules for administration and interpretation of the Plan and the transaction of its business;
- (f) To make available to each Participant the current value of their Account;
- (g) To delegate the administration of the Plan in accordance with its terms to officers or employees of the Company, of Allstate Insurance Company or of an independent consultant retained by the Committee who the Committee believes to be reliable and competent. The Committee may authorize officers or employees of the Company or of Allstate Insurance Company to whom it has delegated duties under the Plan to appoint other persons to assist the delegate in administering the Plan; and
- (h) To refuse to accept the deferral of amounts the Committee or its delegate considers too small to be administratively feasible.

The determination of the Committee as to any disputed question or controversy shall be conclusive.

6.2 CLAIMS PROCEDURES

Each Participant or Beneficiary (for purposes of this Section 6.2 referred to as a "Claimant") may submit a claim for benefits to the Committee (or other person designated by the Committee) in writing in such form as is permitted by the Committee. A Claimant shall have no right to seek review of a denial of benefits, or to bring any action in any court to enforce a claim for benefits, prior to his filing a claim for benefits and exhausting his rights to review in accordance with this Section 6.2

A properly filed claim for benefits shall be evaluated and the Claimant shall be notified in writing of the approval or the denial within ninety (90) days after the receipt of such claim unless special circumstances require an extension of time for processing the claim. If such an extension of time is required, written notice of the extension shall be furnished to the Claimant prior to the termination of the initial ninety (90) day period, and such notice shall specify the special circumstances requiring an extension and the date by which a final decision will be reached (which date shall not be later than one hundred and eighty (180) days after the date on which the claim was filed). Written notice to a Claimant shall advise whether the claim is granted or denied, in whole or in part, and if denied, shall contain (1) the specific reasons for the denial, (2) references to pertinent Plan provisions on which the denial is based, (3) a description of any additional material or information necessary to perfect the claim and an explanation of why such material or information is necessary, and (4) the Claimant's rights to seek a review of the denial.

If a claim is denied, in whole or in part, the Claimant shall have the right to request that the Committee (or person designated by the Committee) review the denial, provided that he files a written request for review with the Committee within sixty (60) days after the date on which he received written notice of the

denial. A Claimant (or his duly authorized representative) may review pertinent documents and submit issues and comments in writing to the Committee. Within sixty (60) days after a request for review is received, the review shall be made and the Claimant shall be advised in writing of the decision on review, unless special circumstances require an extension of time for processing the review, in which case the Claimant shall, within such initial sixty (60) day period, be given a written notice specifying the reasons for the extension and when such review shall be completed (provided that such review shall be completed within one hundred and twenty (120) days after the date on which the request for review was filed). The decision on review shall be forwarded to the Claimant in writing and shall include specific reasons for the decision and references to Plan provisions upon which the decision is based. A decision on review shall be final and binding on all persons for all purposes.

ARTICLE VII

PLAN AMENDMENTS AND TERMINATION

7.1 AMENDMENTS

The Company shall have the right to amend this Plan from time to time by resolutions of the Board or by the Committee, and to amend or rescind any such amendments; provided, however, that no action under this Section 7.1 shall in any way reduce the amount of Compensation deferred or any accruals or other adjustments provided in section 4.3 up to and including the end of the month in which such action is taken. Interest will continue to accrue as provided in Section 4.3. All amendments shall be in writing and shall be effective as provided subject to the limitations in this Section 7.1.

7.2 TERMINATION OF PLAN

Although the Company expects that this Plan will continue indefinitely, continuance of this Plan is not a contractual or other obligation of the Company, and the Company expressly reserves its right to discontinue this plan at any time by resolutions of the Board, effective as provided by the Board in such resolutions. However, no such action shall in any way reduce the amount of Compensation deferred or any accruals thereon, up to and including the end of the month in which such action is taken. Accruals to Accounts shall continue until distribution as provided in Section 4.3.

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ARTICLE VIII

MISCELLANEOUS

8.1 NOTIFICATION TO COMMITTEE

Any election made or notification given by a Participant pursuant to this Plan shall be made in accordance with procedures established by the Committee or its designated representative, and shall be deemed to have been made or given on the date received by the Committee or such representative.

8.2 PARTICIPANT'S EMPLOYMENT

Participation in this Plan shall not give any Participant the right to be retained in the employ of the Company, Allstate Insurance Company of any member of the Controlled Group, or any right or interest other than as herein provided. No Participant or Employee shall have any right to any payment or benefit hereunder except to the extent provided in this Plan. The members of the Controlled Group expressly reserve the right to dismiss any Participant without any liability for any claim against them, except to the extent expressly provided herein.

8.3 STATUS OF PARTICIPANTS

This Plan shall create only a contractual obligation on the part of the Company and shall not be construed as creating a trust or other fiduciary relationship with Participants. Participants will have only the rights of general unsecured creditors of the Company with respect to Compensation deferred and interest credited to their Accounts.

8.4 OTHER PLANS

This Plan shall not affect the right of any Employee or Participant to participate in and receive benefits under and in accordance with the provisions of any other Company plans which are now or may hereafter be in existence.

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8.5 BENEFICIARIES AND CONTINGENT BENEFICIARIES

- (a) Each Participant shall, in accordance with procedures established by the Committee, designate one or more persons or entities (including a trust or trusts or his/her estate) to receive any balance in his/her Account, including accruals thereon, payable to him/her under this Plan in the event of his/her death prior to full payment thereof. The Participant may also designate a person or persons as a Contingent Beneficiary who shall succeed to the rights of the person or persons originally designated as Beneficiary, in case the latter should die. He/she may from time to time change any designation of Beneficiary or Contingent Beneficiary so made, by submitting a new designation in accordance with procedures established by the Committee. For purposes of this Plan, any valid Beneficiary or Contingent Beneficiary designation (or any change to such designation) made under this Plan, The Allstate Corporation Deferred Compensation Plan for Employee Agents or The Allstate Corporation Deferred Compensation Plan for Independent Contractor Exclusive Agents (collectively, the "Allstate Plans") shall be considered valid and applicable to amounts deferred under the Allstate Plans in the aggregate. The last valid designation made by a Participant under any of the Allstate Plans, in accordance with procedures established by the Committee, shall be controlling.

In the event a Participant designates a person other than his/her spouse as Beneficiary of any interests under this Plan, the Participant's spouse shall sign a notarized statement specifically approving such designation and authorizing the Committee to make payment of such interests in the manner provided in such designation.

- (b) In the absence of such designation by the Participant, or in the absence of spousal approval and authorization as herein above provided, or in the event of the death, prior to or simultaneous with the death of the Participant, of all Beneficiaries or Contingent Beneficiaries, as the case may

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be, to whom payments were to be made pursuant to a designation by the Participant, such payments or any balance thereof shall be paid to the Participant's spouse or, if there is no surviving spouse, to the Participant's descendants, including adopted children (distributed in equal shares) or, if there are no surviving descendants, to the Participant's parents (distributed in equal shares) or, if there are no surviving parents, to the Participant's sisters and brothers (distributed in equal shares) or, if there are none, to the estate of the Participant.

- (c) In the event of the death, subsequent to the death of the Participant, of a Beneficiary or Contingent Beneficiary, as the case may be, to whom such payments were to be made or were being made pursuant to a designation under this section, such payments or any balance thereof shall be paid to the estate of such Beneficiary or Contingent Beneficiary.

8.6 TAXES AND OTHER CHARGES

To the extent permitted by law, if the whole or any part of a Participant's Account shall become the subject of any estate, inheritance, income or other tax or other charge which the Company shall legally be required to withhold and/or pay, the Company shall have full power and authority to pay such tax or other charge out of any monies or other property in its hands and charge such amounts paid against the Account of the Participant whose interest hereunder is subject to such tax or other charge. Prior to making any such payment, the Company may require such releases or other documents from any lawful authority as the Company shall deem necessary.

8.7 BENEFITS NOT ASSIGNABLE; OBLIGATIONS BINDING UPON SUCCESSORS

Benefits under this Plan and rights to receive the amounts credited to the Account of a Participant shall not be assignable or transferable and any purported transfer, assignment, pledge or other encumbrance or attachment of

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any payments or benefits under this Plan shall not be permitted or recognized. Obligations of the Company under this Plan shall be binding upon successors of the Company.

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8.8 ILLINOIS LAW GOVERNS; SAVING CLAUSE

The validity of this Plan or any of its provisions shall be construed and governed in all respects under and by the laws of the State of Illinois. If any provisions of this Plan shall be held by a court of competent jurisdiction to be invalid or unenforceable, the remaining provisions hereof shall continue to be fully effective.

8.9 HEADINGS NOT PART OF PLAN

Headings and subheadings in this Plan are inserted for reference only, and are not to be considered in the construction of the provisions hereof.

¹ *Standard & Poor's®*, *S&P®*, *S&P 500 Index* and *Standard & Poor's 500 Index* are trademarks of Standard & Poor's Corporation (S&P) and have been licensed for use by State Street Bank and Trust Company. The product is not sponsored, endorsed, listed, sold or promoted by S&P, and S&P makes no representation regarding the advisability of investing in this product.

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THE ALLSTATE CORPORATION

2775 Sanders Road
Northbrook, Illinois 60062-6127

Emma M. Kalaidjian
Assistant Secretary

October 7, 2002

The Allstate Corporation
2775 Sanders Road
Northbrook, IL 60062-6127

Ladies and Gentlemen:

A Registration Statement on Form S-8 ("Registration Statement") is being filed on or about the date of this letter with the Securities and Exchange Commission to register an additional \$20,000,000 of Deferred Compensation Obligations of The Allstate Corporation ("Allstate") for issuance to participants in The Allstate Corporation Deferred Compensation Plan (the "Plan"). The \$20,000,000 of Obligations being registered under this Registration Statement are in addition to the \$10,000,000 of Obligations registered on November 8, 1995 pursuant to Registration Statement No. 33-99136 and the \$20,000,000 of Obligations registered on November 14, 1997 pursuant to Registration Statement No. 333-40285.

This opinion is delivered in accordance with the requirements of Item 601(b)(5) of Regulation S-K under the Securities Act of 1933, as amended.

In connection with this opinion, I, or attorneys working under my direction, have examined originals or copies, certified or otherwise identified to my satisfaction, of (i) the Registration Statement, (ii) the Plan, (iii) the Restated Certificate of Incorporation of Allstate as currently in effect, (iv) the By-laws of Allstate as currently in effect, and (v) resolutions of the Board of Directors of Allstate relating to the filing of the Registration Statement and related matters. In addition, I, or attorneys working under my direction, have examined originals or copies, certified or otherwise identified to my satisfaction, of such records of Allstate and such other agreements, instruments, and documents of Allstate, and have made such other investigations, as I have deemed necessary or appropriate as a basis for the opinions set forth herein.

Based upon the foregoing, it is my opinion that, when issued in accordance with the provisions of the Plan, the Obligations will be valid and binding obligations of Allstate, enforceable in accordance with their terms, except as enforcement thereof may be limited by bankruptcy, insolvency or other laws of general application relating to or affecting the enforcement of creditors' rights or by general principles of equity.

I am licensed to practice law in Illinois. This opinion is limited to the Delaware General Corporation Law, the applicable provisions of the Delaware Constitution and reported judicial decisions interpreting those laws.

I consent to the filing of this opinion as an exhibit to the Registration Statement and to the use of my name wherever appearing in the Registration Statement and any amendment thereto. In giving this consent I do not admit that I am within the category of persons whose consent is required by Section 7 of the Securities Act of 1933 or the rules and regulations promulgated thereunder.

Very truly yours,

/s/ EMMA M. KALAJDZIAN

Emma M. Kalaidjian

The Allstate Corporation
2775 Sanders Road
Northbrook, IL 60062-6127

We have reviewed, in accordance with standards established by the American Institute of Certified Public Accountants, the unaudited interim financial information of The Allstate Corporation and subsidiaries for the periods ended March 31, 2002 and 2001 and June 30, 2002 and 2001, as indicated in our reports dated May 9, 2002 and August 9, 2002, respectively; because we did not perform an audit, we expressed no opinion on that information.

We are aware that our reports referred to above, which were included in your Quarterly Reports on Form 10-Q for the quarters ended March 31, 2002 and June 30, 2002, are being used in this Registration Statement.

We also are aware that the aforementioned reports, pursuant to Rule 436(c) under the Securities Act of 1933, are not considered a part of the Registration Statement prepared or certified by an accountant or a report prepared or certified by an accountant within the meaning of Sections 7 and 11 of that Act.

/s/ DELOITTE & TOUCHE LLP

Deloitte & Touche LLP

Chicago, Illinois
October 7, 2002

INDEPENDENT AUDITORS' CONSENT

We consent to the incorporation by reference in this Registration Statement of The Allstate Corporation on Form S-8 of our report dated February 20, 2002, appearing in and incorporated by reference in the Annual Report on Form 10-K of The Allstate Corporation for the year ended December 31, 2001.

/s/ DELOITTE & TOUCHE LLP

Deloitte & Touche LLP

Chicago, Illinois
October 7, 2002
