UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
WASHINGTON, D.C. 20549

FORM 8-K

CURRENT REPORT PURSUANT TO
SECTION 13 OR 15(d) OF THE
SECURITIES EXCHANGE ACT OF 1934

Date of report (Date of earliest event reported): June 1, 2011

THE ALLSTATE CORPORATION
(Exact Name of Registrant as Specified in Its Charter)

Delaware

(State or Other Jurisdiction of Incorporation)

1-11840	**36-3871531**
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(Commission File Number)	**(IRS Employer Identification No.)**

2775 Sanders Road, Northbrook, Illinois 60062
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(Address of Principal Executive Offices) (Zip Code)

Registrant's telephone number, including area code: (847) 402-5000

Check the appropriate box below if the Form 8-K filing is intended to simultaneously satisfy the filing obligation of the registrant under any of the following provisions:

[ ] Written communications pursuant to Rule 425 under the Securities Act (17 CFR 230.425)

[ ] Soliciting material pursuant to Rule 14a-12 under the Exchange Act (17 CFR 240.14a-12)

[ ] Pre-commencement communications pursuant to Rule 14d-2(b) under the Exchange Act (17 CFR 240.14d-2(b))

[ ] Pre-commencement communications pursuant to Rule 13e-4(c) under the Exchange Act (17 CFR 240.13e-4(c))

Section 7 – Regulation FD

Item 7.01. Regulation FD Disclosure.

Attached hereto as Exhibit 99, and incorporated herein by reference is the slide presentation for The Allstate Corporation's Investor Day webcast on June 1, 2011. The slide presentation is furnished and not filed, pursuant to Instruction B.2 of Form 8-K.

Section 9 – Financial Statements and Exhibits

Item 9.01. Financial Statements and Exhibits.

(d) Exhibits

Exhibit No. Description

99	Slide presentation for The Allstate Corporation's Investor Day webcast on June 1, 2011. The slide presentation is furnished and not filed pursuant to Instruction B.2 of Form 8-K.

SIGNATURES

Pursuant to the requirements of the Securities Exchange Act of 1934, the Registrant has duly caused this report to be signed on its behalf by the undersigned hereunto duly authorized.

THE ALLSTATE CORPORATION

By: /s/ Jennifer M. Hager

Name: Jennifer M. Hager
Title: Vice President,
Assistant General Counsel,
and Assistant Secretary

Date: June 1, 2011

Exhibit 99

Allstate
You're in good hands.

Investor Day

Bob Block
Senior Vice President, Investor Relations

Risk Factors and Non-GAAP Measures

This presentation contains forward-looking statements and commitments about our auto policy business combined ratio; homeowners policy business combined ratio excluding the effect of catastrophes; Allstate Financial operating return on shareholders' equity and generation of excess capital; investment income; consolidated returns; and other measures of financial and operating performance. These statements are based on our estimates and assumptions that are subject to uncertainty. These statements are made subject to the safe-harbor provisions of the Private Securities Litigation Reform Act of 1995. Actual results may differ materially from those described in the forward-looking statements and commitments for a variety of reasons, including the following:

- In general the Allstate Protection segment financial and operating performance may be materially and adversely affected by weather; by catastrophes such as earthquakes and hurricanes; by changes in the severity or frequency of claims, which are driven by a variety of factors including inflation in the medical sector of the economy and litigation, inflation in auto repair costs, auto parts, and used cars, and inflation in the construction industry and home furnishings; by our inability to obtain regulatory approval for rate changes that may be required to achieve targeted levels of profitability and returns on equity; by levels of customer retention that are lower than we anticipate; and by unfavorable investment returns.
- In general the Allstate Financial segment financial and operating performance may be materially and adversely affected by mortality, morbidity, and persistency rates that are more adverse than we anticipate, unanticipated levels of operating costs and expenses, and unfavorable investment returns.
- Investment income may be materially and adversely affected by changes in equity prices, interest rates, commodity prices, and foreign currency exchange rates.

We undertake no obligation to publicly correct or update any forward-looking statements or commitments.

Measures used in this presentation that are not based on accounting principles generally accepted in the United States of America ("non-GAAP") are defined and reconciled to the most directly comparable GAAP measure, and operating measures are defined, in the "Definitions of Non-GAAP and Operating Measures" section of this presentation.

Leading Franchise in Consumer Protection and Retirement

Large capitalization insurance company focused on protection and retirement

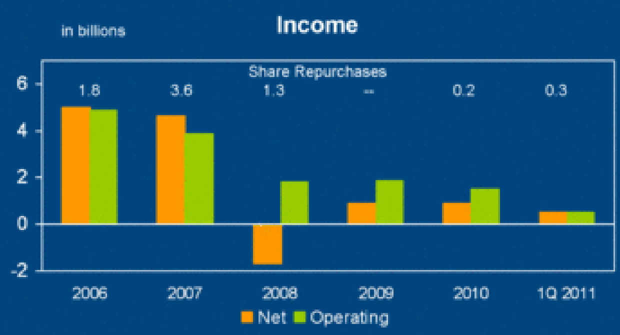
Competitively differentiated strategy focused on unique customer segments

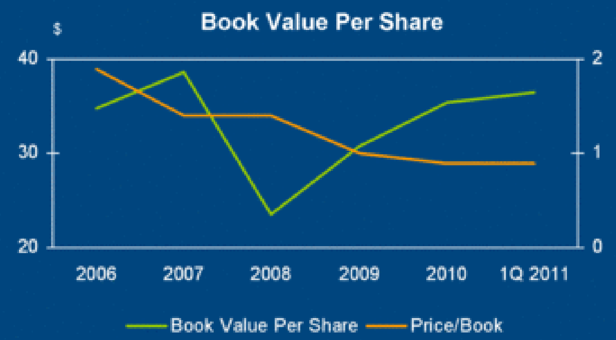
Outstanding brand, pricing and claims capabilities

Recent returns below historical results reflecting higher catastrophe losses and 2008-2009 financial crisis

Consistent record of proactive leadership

Financial Highlight Summary





Allstate Investor Day – Agenda

- Tom Wilson – Overview
- Mark LaNeve – Marketing and Sales
- Joe Lacher – Allstate Protection
- Matt Winter – Allstate Financial
- Judy Greffin – Allstate Investments
- Don Civgin – Shareholder Value
- All – Q&A Panel

Tom Wilson
Chairman, President & CEO

Allstate strategy and focus guided by Our Shared Vision created in 2007

Allstate
You're in good hands.

OUR SHARED VISION

This document expresses our ***shared vision.*** It is who we are, what we expect from each other and the essence of our brand.

Our Purpose

We are the ***Good Hands***. We help people realize their hopes and dreams through products and services designed to protect them from life's uncertainties and to prepare them for the future.

Strategic Vision

To reinvent protection and retirement for the consumer.

Our Values

- Honesty, caring and integrity
- Inclusive diversity
- Engagement
- Accountability
- Superior performance

Corporate Goal

We will grow the value of our company for our customers, our associates, our shareholders, our communities and society.

Our Principles

- Put the customer at the center of all of our work and provide the products and services they need in ways they want them.
- Take an enterprise view of our people and processes and work as a single team to advance Allstate rather than our individual interests.
- Provide superior returns to shareholders by growing and leveraging risk and return trade-offs.
- Focus relentlessly on those few things that will provide the greatest impact.
- Execute well considered decisions with precision and speed.
- Hire carefully, develop and inspire aggressively, manage respectfully, empower, reward and celebrate appropriately.
- Be a learning organization.

Our Operating Priorities

- Consumer focus
- Operational excellence
- Enterprise risk and return
- Capital management

Increasing shareholder value through proactive management

Improving return on equity

- Improve returns from homeowners business
- Maintaining high returns in auto insurance
- Shifting Allstate Financial profits from spread-based to underwritten products
- Proactive investment risk and return optimization
- Aggressive capital management

Increasing shareholder value through proactive management

Growing market share

- Increasing focus of Allstate agencies on personal touch loyalists
- Encompass
- Expansion of Esurance and Answer Financial
- Growth of Allstate Benefits

Proactively managing the business – Allstate Protection

Homeowners Insurance

2007 – Aggressive reduction in hurricane exposure

2008 – Recapture cost of reinsurance through pricing

– 1st year of significant non-hurricane catastrophe losses

2009 to present

– Aggressive pricing actions given continuation of high catastrophe losses

– Additional risk management actions

Proactively managing the business – Allstate Protection

Auto Insurance

2007 – Maintained margins with modest impact on growth

2009 – Profit improvement actions reduce Encompass business

- Impact of homeowner actions on growth less than expected

2010 – Profit improvement actions required in New York and Florida

- Initiate strategy to utilize different customer value propositions for distinct customer segments

2011 – Announce intention to acquire Esurance and Answer Financial

Proactively managing the business – Allstate Financial

2007 – Reduce fixed annuity new business by 42% due to low returns

- Provide customers variable annuities through Prudential

2008 – Expand Allstate Benefits to focus on larger employers

2009 – Initiate "Focus to Win" to reduce costs by 20%

- Further reduce fixed annuity business by 51%

2010 – Complete "Focus to Win"

- Exit fixed annuity business through banks and broker dealers
- Launch GoodForLife product in Allstate agency channel

Proactively managing the business – Allstate Investments

2007 – Initiate Risk Mitigation and Return Optimization

– Reduce holdings of financial institutions and real estate

2008-2009 – Reduce structured securities

– Go "long" corporate credit

2010 – Hedge large interest rate increase

– Stay "long" in corporate credit and structured securities

Proactively managing the business – Capital Management

2008 – Suspended $2b share repurchase when 54% complete

2009 – Reduced dividend by 50%

– Declined opportunity to participate in TARP funding

2010 – Initiated $1b share repurchase program

2011 – Raised dividend by 5%, in line with income increase

Leadership team

2008-2011

– Increased differentiation in performance management and compensation

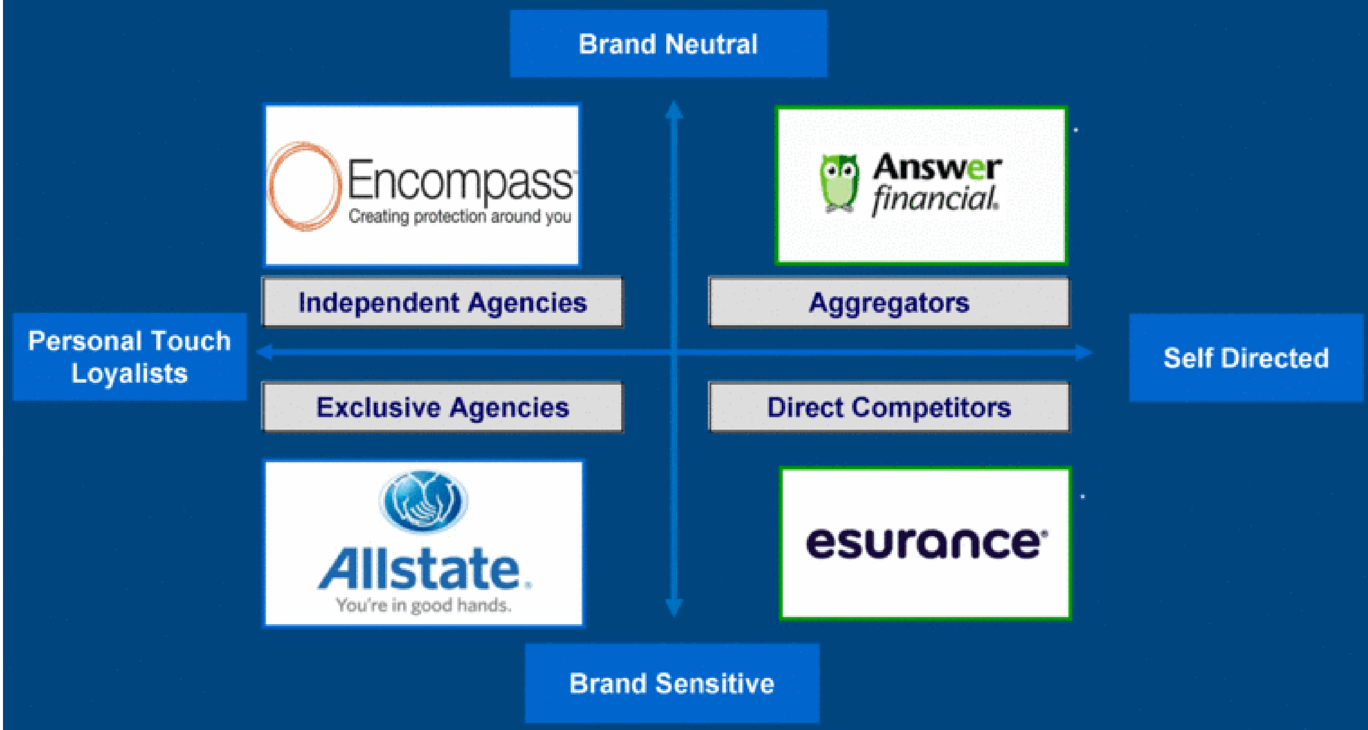
– Blended existing talent with new external hires

– Current Senior Leadership Team …15 members

- 60% are new to the company

- 40% have substantial cross-functional experience at Allstate

Strategy of unique value propositions for distinct customer segments



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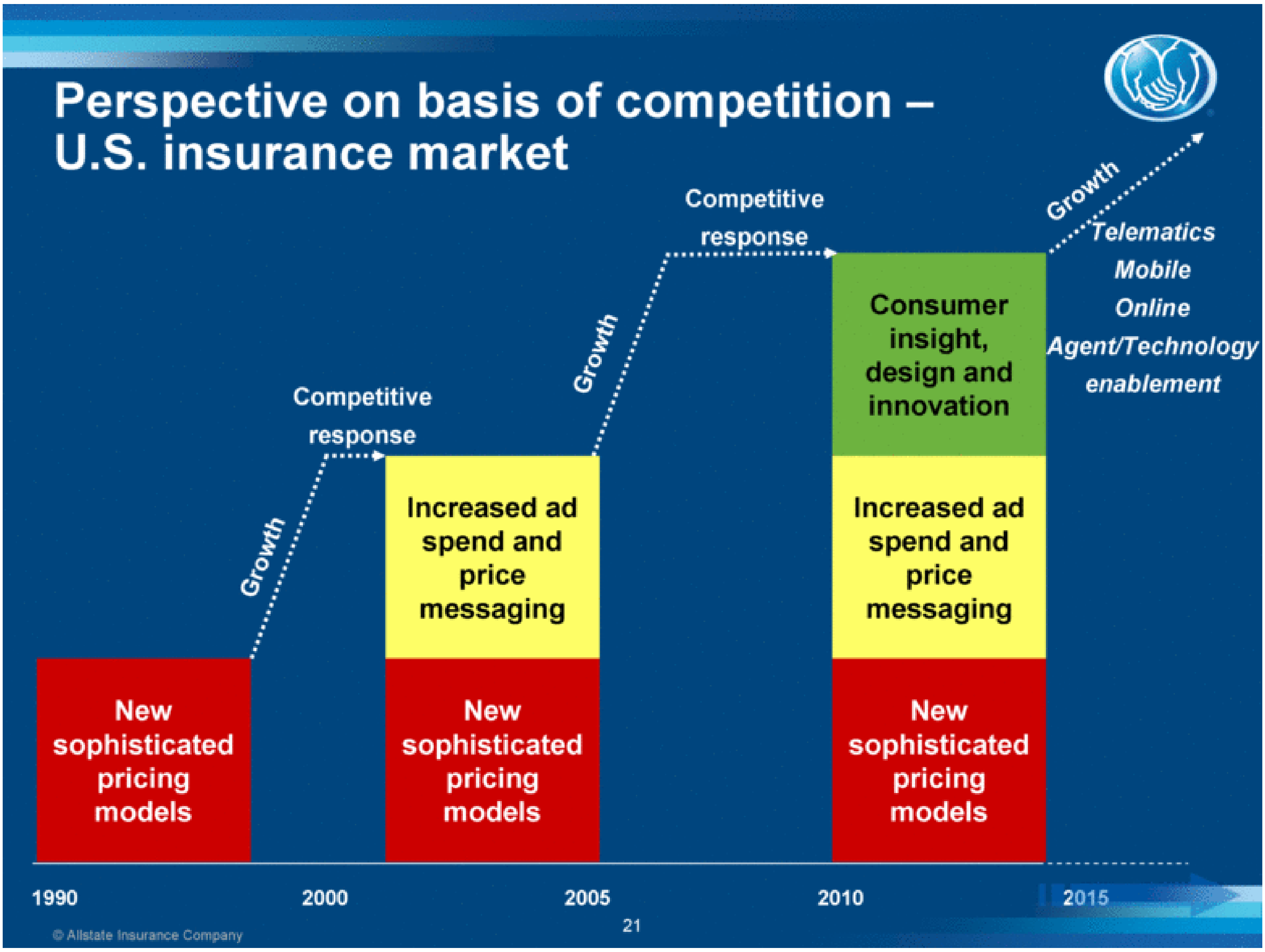
Mark LaNeve
Executive Vice President, Marketing and Agency Sales

Overview

- Basis of competition evolving to consumer insight, design and innovation
- Four distinct consumer segments based on interaction preference (personal touch vs. self-directed) and brand preference (brand neutral vs. brand sensitive)
- Allstate has a strategy for four consumer segments
- Building insight and innovation capability for all business units, including Protection and Allstate Financial
- Allstate master brand a strength across all segments
- Allstate advertising effective at connecting with target Personal Touch Loyalist segment



Perspective on basis of competition –
U.S. insurance market
New sophisticated pricing models
Growth
Competitive response
Increased ad spend and price messaging
New sophisticated pricing models
Growth
Competitive response
Consumer insight, design and innovation
Increased ad spend and price messaging
New sophisticated pricing models
Growth
Telematics
Mobile
Online
Agent/Technology enablement
1990
2000
2005
2010
2015
© Allstate Insurance Company
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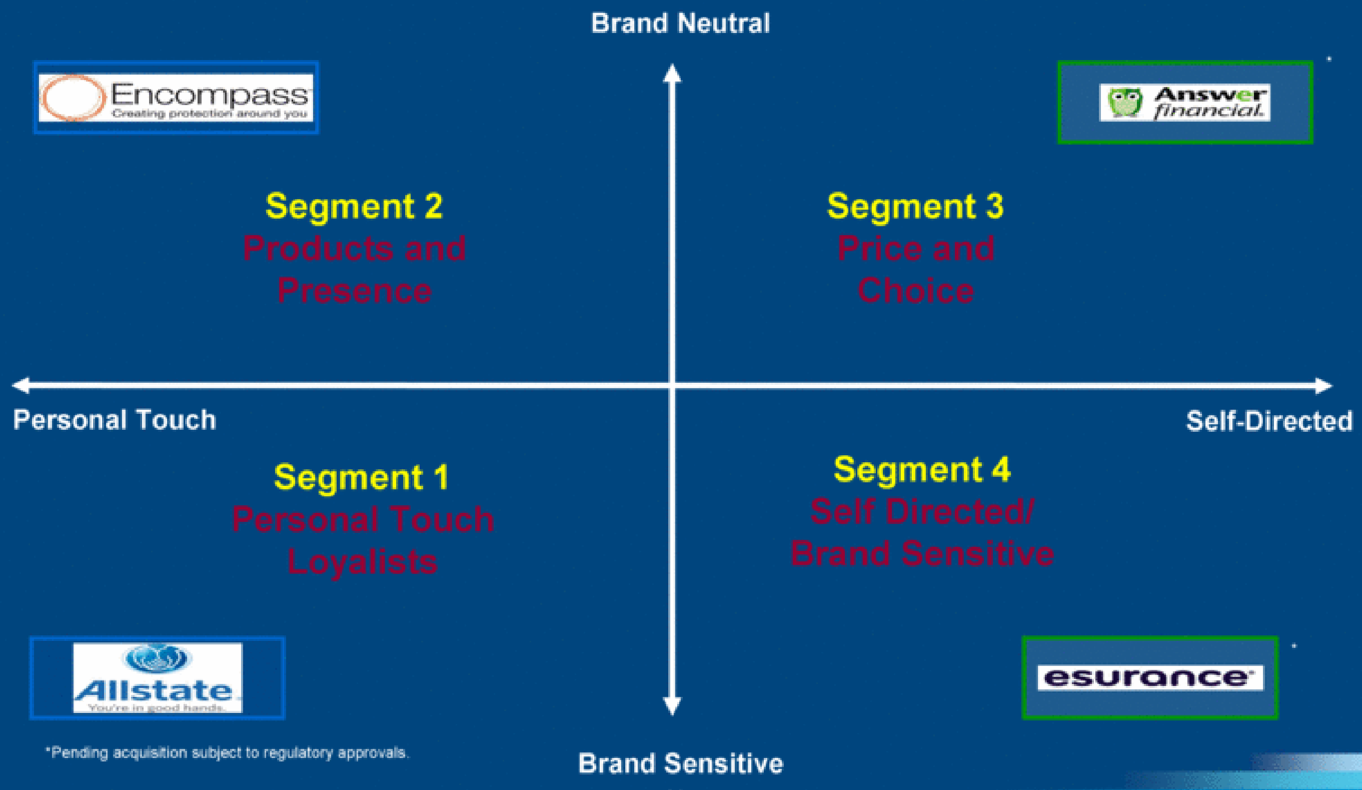
Key background data

- 90% of consumers want a company that offers multiple lines of insurance
- Retention increases as the number of products are added to a household
- Personal Touch Loyalists have 11% higher lifetime value due to propensity to bundle and higher loyalty
- 96% of Life products are sold through an agent vs. direct
- 52% of consumers who start shopping online bind with an agent
- 70% of consumers have a smartphone and seek mobile connectivity and solutions, irrespective of consumer segment

Source: 2010 Allstate Strategic Growth Segmentation Study

Consumer segments logically populate the four quadrants



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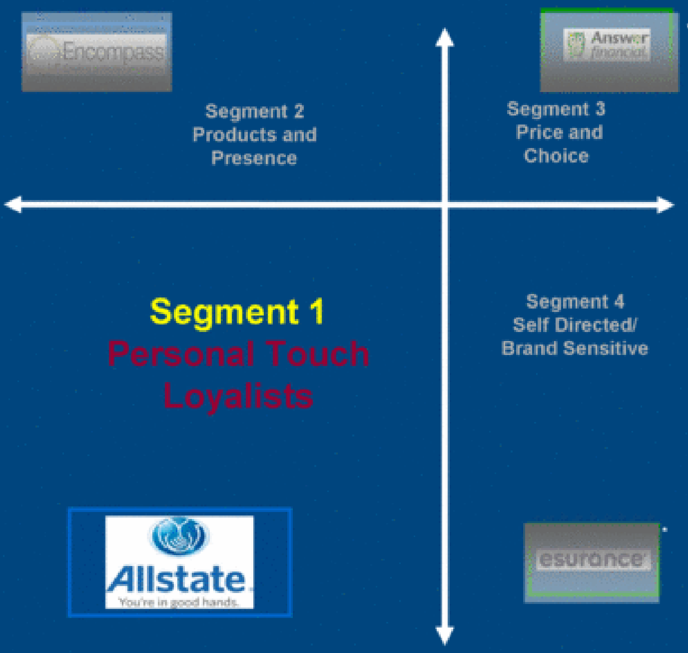
Research has revealed four distinct consumer segments

Allstate	Encompass	Answer Financial	Esurance
Segment 1 Personal Touch Loyalists	Segment 2 Products & Presence	Segment 3 Price & Choice	Segment 4 Self-Directed Brand-Sensitive
Core Deliverables: competitive price, claim service, 24/7 access			
Local Advisor - agent		Online or call center	
Personal service and support from a local advisor (primarily Exclusive Agent)	Personal shopping, service and support from an advisor (primarily independent agent)	Access to choice and simple self-service interactions	Fast and easy self-service interactions, especially for quoting and claims
Variety of products and service	Wide variety of brands, products, and services	Wide variety of products, services and brands	Single or multiple products

Consumer response behavior and delivery economics are necessary to strategically and operationally ascertain the "right" number of value propositions

Allstate well positioned with Personal Touch Loyalists



- ✓ Strong trusted brand with 80 year history
- ✓ Allstate has consistently over-indexed with Personal Touch Loyalists
- ✓ 10,000+ local agents and 20,000+ licensed service providers deliver strong local footprint
- ✓ 24/7 integrated call center and web support
- ✓ Personal Touch Loyalists prefer to bundle Protection needs with Life and Retirement

*Pending acquisition subject to regulatory approvals.

Key value drivers for Personal Touch Loyalists

The best protection from a trusted local advisor at a great price

"Dollar for dollar, nobody protects you like Allstate"

Individualized, Local Advice	Tailored Protection	Convenient Access (in-person)	Guided Service and Claim Support	Competitive Price

- ✓ **Increasing agency scale and service levels a top priority**
  - Fewer new appointments, merger strategy, Good Hands certification
- ✓ **Broad product portfolio**
  - Enables bundling
- ✓ **Customer connectivity**
  - Agents
  - Call centers and web
  - Mobile applications
  - New CRM platform

Product and service innovation is the next frontier of differentiation

- Consumer insight, design and innovation
- Increased ad spend and price messaging
- New sophisticated pricing models

✓ Your Choice Auto – Accident Forgiveness, Deductible Rewards, Safe Driving Bonus Check

✓ **Drive Wise** – offering a comprehensive consumer telematics program that enables price transparency and value added services

✓ **Claim Satisfaction Guarantee** – only company offering premium refund if you aren't satisfied with your claim

✓ **Good for Life** – combines life insurance with critical illness and severe accident benefits to deliver worry-free protection to Middle America

✓ **Good Hands Roadside** – changing the paradigm from pre-paid roadside assistance to free access

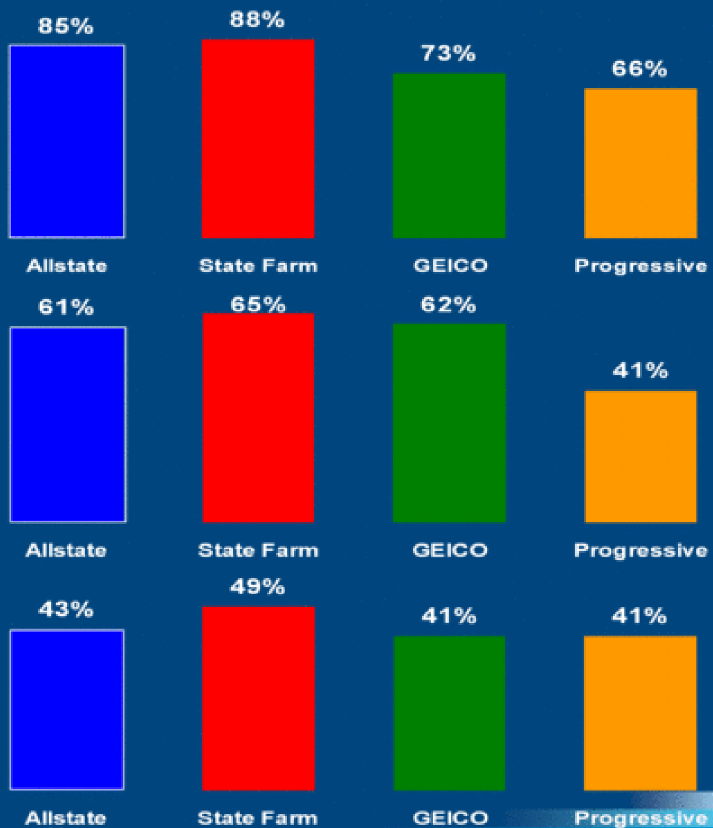
✓ **Mobile solutions** – developing new capabilities and enhanced functionality of mobile apps

Allstate brand is a strength with all consumer segments

✓ Strong brand stature

✓ High brand awareness (unaided)

✓ Strong consideration



Sources: BrandAsset® Consulting, Millward Brown

Current advertising is a two-pronged approach

"Truth in Advertising" effective at connecting with Personal Touch Loyalists

- ✓ Haysbert in 8th year effective at conveying *Trust-worthiness*, *Stability*, *Leader*, *Honesty*, and *Good Value for the Money*

Mayhem campaign has added vitality to the brand and connected with younger Personal Touch Loyalists

- ✓ Leveraging social media, with 9.6M video views on YouTube
- ✓ Depositions competition on price

	Next Day Recall	Brand Linkage	Brand Recall	Message Linkage	Likability Linkage
Mayhem	57%	62%	36%	81%	64%
Competitor Average	50%	69%	35%	72%	52%

Sources: IAG Tracker 3/21/11 – 4/4/11

Customer focus is the centerpiece of our growth strategy

- ✓ Allstate has broad market coverage and a strategy for all four consumer segments
- ✓ Allstate master brand a strength across all segments
- ✓ Allstate well positioned with Personal Touch Loyalists due to brand strength, agent footprint, broad P&C portfolio and Life and Retirement capability
- ✓ Advertising has been effective in maintaining key purchase funnel strengths despite increased spending by competition
- ✓ Building consumer insight capability, product and service design, and innovation as a competitive advantage

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Allstate
You're in good hands.

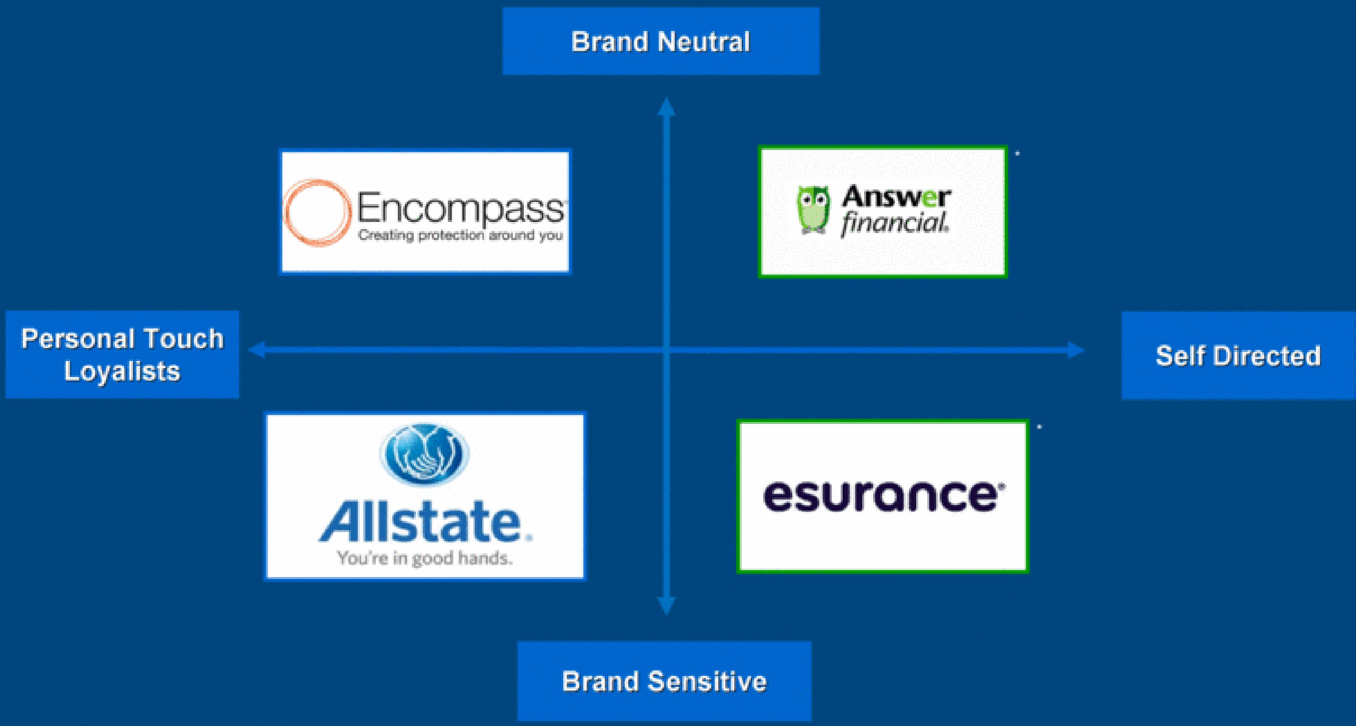
Joe Lacher
President, Allstate Protection

Allstate Protection
Positioning for Profitable Growth

- Strategy for growth: Execute distinct customer value propositions
  - Allstate
  - Encompass
  - Esurance*
- Improve returns on capital
  - Increase Homeowner returns
  - Maintaining Auto profitability

*Pending acquisition subject to regulatory approvals.

Creating Distinct Customer Value Propositions



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Allstate Protection
Positioning for Profitable Growth

- **Strategy for growth: Execute distinct customer value propositions**
  - **Allstate**

*Pending acquisition subject to regulatory approvals.

Position Exclusive Agency Business for Growth

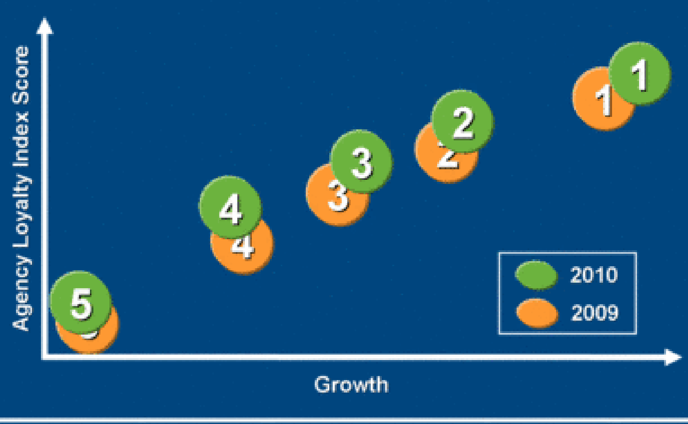
- **Strengthen delivery of customer value proposition**
  - Cross-sales
  - Personal touch
- **Execute agency deployment plan**
- **Align agency economics to drive performance**

Powerful Operating Capabilities Support Personal Touch Loyalist Value Proposition

Improving Distribution Effectiveness

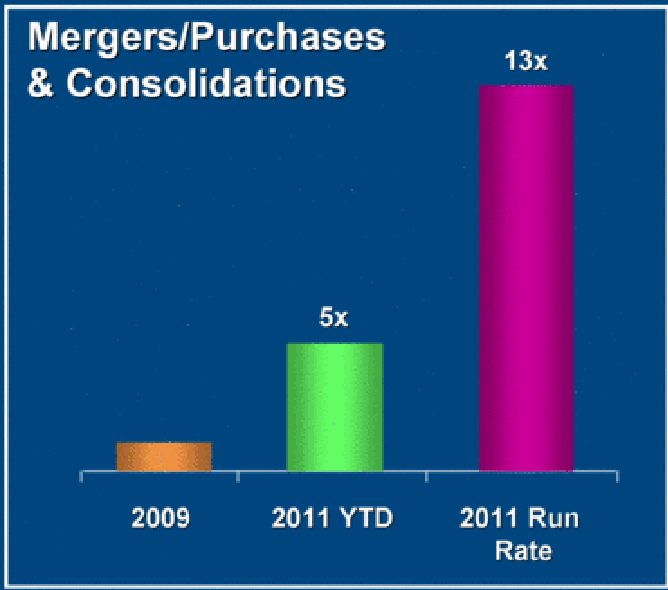
- Highest groups have excellent results
  - Growth
  - Retention
  - Cross-sales
- Increasing average agency size for better execution
- Working to move lower groups upward
  - Agency deployment
  - Compensation

Agency Performance by Agency Loyalty Index Quintile



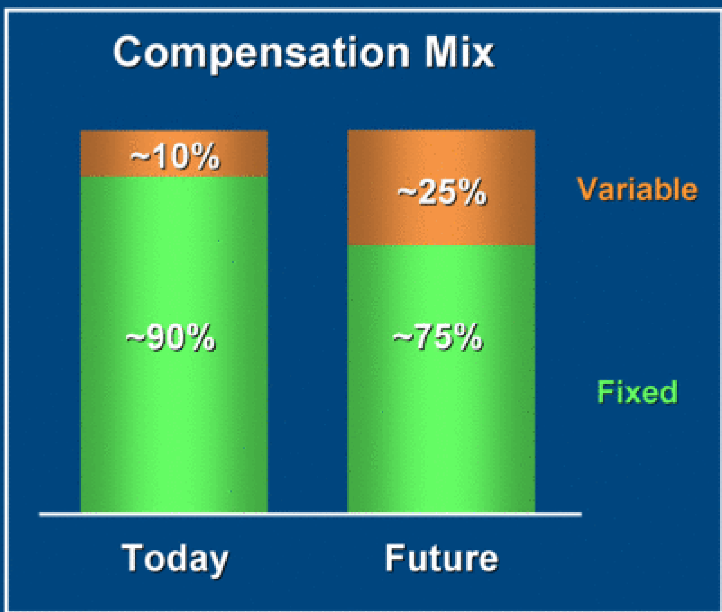
Agency Deployment
Increase Scale and Execution Effectiveness

- Bigger more effective agencies drive performance
- Target maintaining number of licensed sales professionals; grow over time
- Potential for short term disruption



Agency Compensation
Further Differentiating Performance

- Increasing variable compensation drives scale and performance
- Changes neutral to total compensation



Allstate Protection
Positioning for Profitable Growth

- Strategy for growth: Execute distinct customer value propositions
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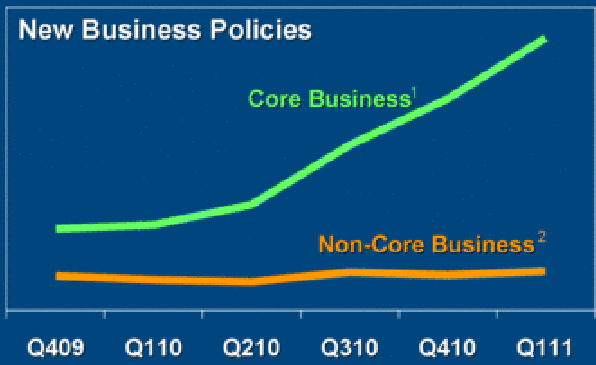
Encompass Continues on Path to Restore Profitability and Reinitiate Growth

- Core business – preferred auto / homeowners product set distributed through independent agents
- Significant 5-year volume decay driven by multiple factors
- Taking action
  - Managing as an independent agency business
  - Reducing and rehabilitating underperforming auto program
  - Focusing on core business and rebuilding agency relationships



- Top-line deterioration slows in 2011; begin to grow in 2012

1 Core includes package policies and preferred segment auto
2 Non-preferred segment auto

Delivering the Self Directed Customer Value Proposition

- Esurance has established brand and self directed consumer capabilities
  - Third largest provider of online auto insurance quotes
  - Invested over $450 million in advertising over last five years
- Esurance expands capabilities by leveraging Allstate
  - Brand association and marketing
  - Pricing and claims
  - Cross-sell opportunities
- Transaction expected to close in fall 2011

Allstate Protection
Positioning for Profitable Growth

- Strategy for growth: Execute distinct customer value propositions
  - Allstate
  - Encompass
  - Esurance*
- Improve returns on capital
  - Increase Homeowner returns
  - Maintaining Auto profitability

*Pending acquisition subject to regulatory approvals.

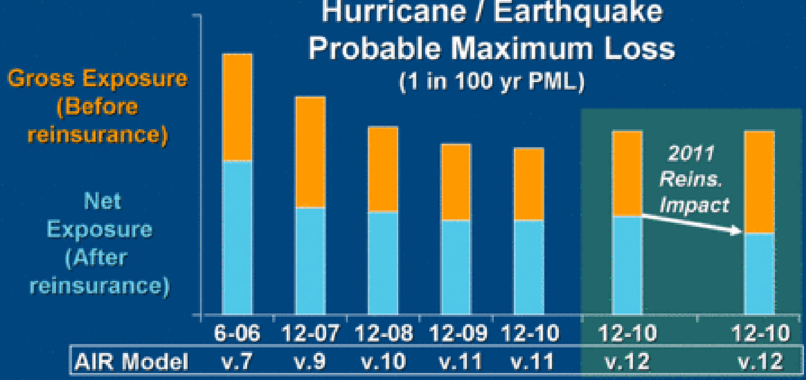
Homeowners
Volatile Business Currently Generating Inadequate Returns

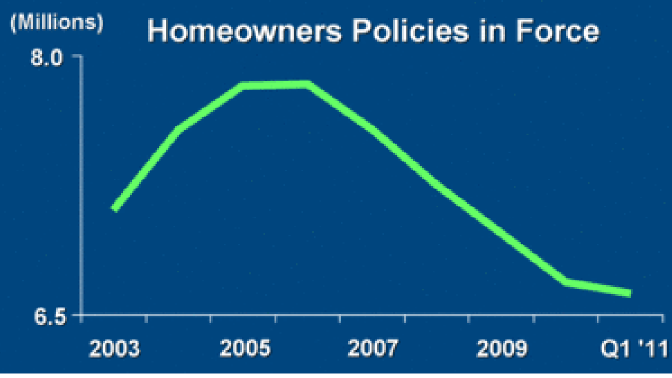
- Overall returns have been inadequate
- Results are inherently volatile (catastrophe driven); business requires significant capital
- Adequate returns require recorded combined ratios in the low to mid-80s over time

Allstate Brand Homeowners Combined Ratio

Homeowners
Hurricane / Earthquake Exposure Significantly Reduced

- Reduced gross exposure in high concentration areas
- Further reduced net exposure through reinsurance program
- Ongoing active risk-return management

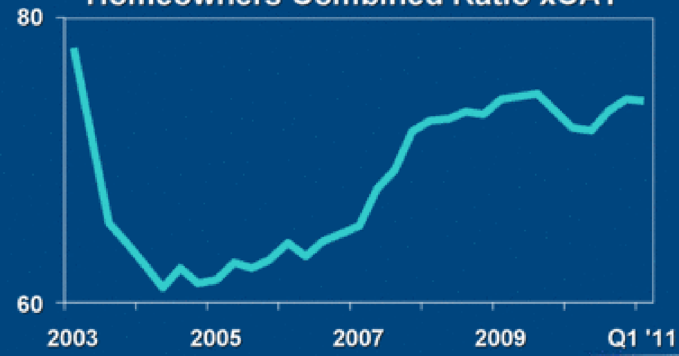




HO chart is Allstate Brand Homeowners

Homeowners
Improving Profitability

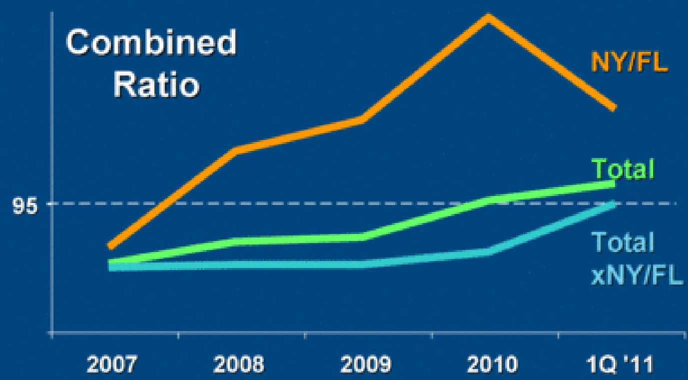
- Increasing rates faster than underlying loss inflation
- Executing the basics
  - Underwriting
  - Coverage forms and deductibles
- Targeting low 60s combined ratio excluding catastrophes (xCAT) by the end of 2013

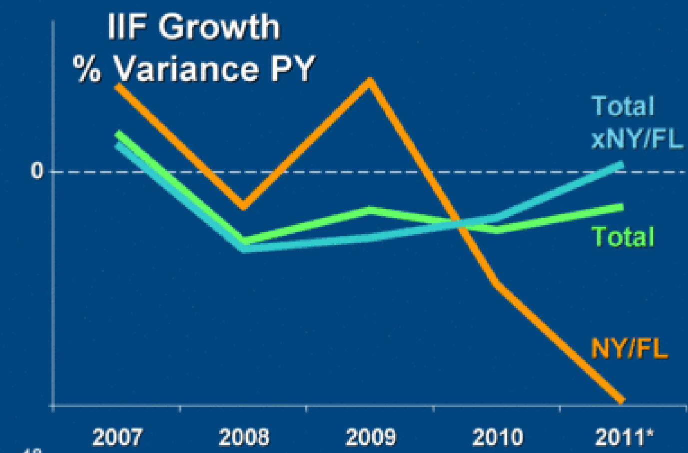


Charts are Allstate Brand Homeowners
*Q1 2011 trailing 4Q

Maintain Auto Profitability
Positioning for Growth

- Aggressively addressing NY/FL profitability
- Underlying profitability strong
- Improving growth momentum xNY/FL





Charts are for Allstate Brand Standard Auto
*Annualized based on Q1 2011

Allstate Protection
Positioning for Profitable Growth

- **Strategy for growth: Execute distinct customer value propositions**
  - Repositioning of Allstate and Encompass agency businesses underway
  - Anticipate continued decline in Auto policies in 2011; moving to low single-digit growth in 2013
  - Esurance – expect continued growth
- **Improve returns on capital**
  - Targeting xCAT Homeowners combined ratio in low 60s by YE 2013
  - Maintain Auto profitability – continue to manage NY and FL

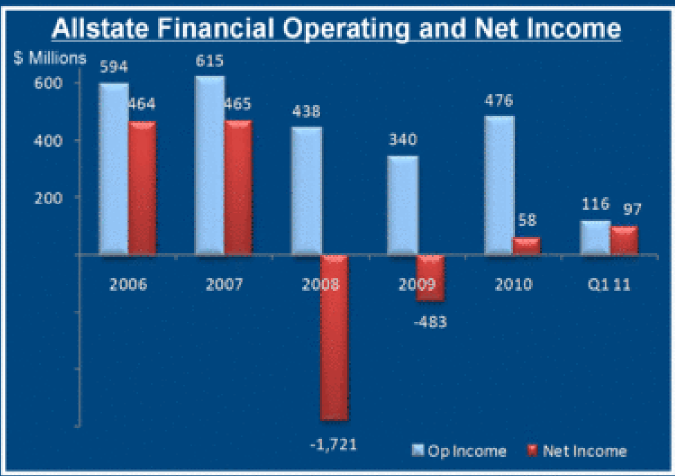
Allstate
You're in good hands.

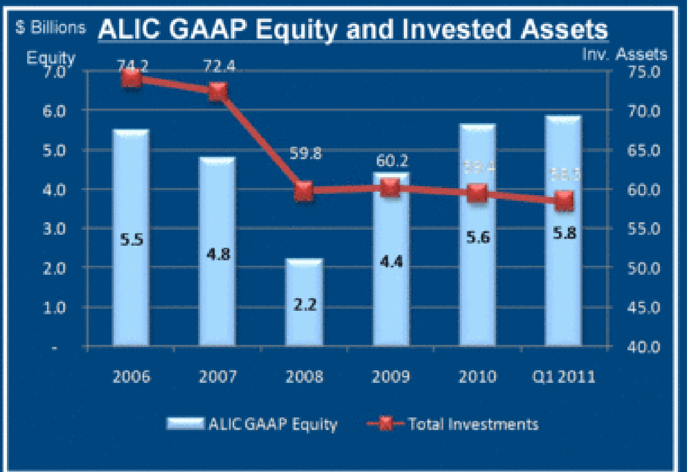
Matt Winter
President & CEO, Allstate Financial

Allstate Financial will add significantly to shareholder value

- Allstate Financial's product offering is an important part of the Customer Value Proposition for Personal Touch Loyalist segment
- Recent actions have stabilized the business and positioned Allstate Financial for strong and consistent earnings and top line growth
  - Spread business is underperforming; aggressively managed down exposure and continue to focus on improving results
  - Allstate Benefits has attractive returns and has grown faster than the industry in the growing voluntary benefit marketplace
  - Core life insurance business is positioned to outpace industry revenue and earnings growth by focusing on Allstate agency channel and existing P&C customer base
- Operating return on shareholders equity is improving and is estimated to reach 9-10% range in 2014, excluding excess capital
- Expecting approximately $1.0 billion of excess capital generated over the next 4 years beginning in 2011

Improved earnings, investment values and capital position



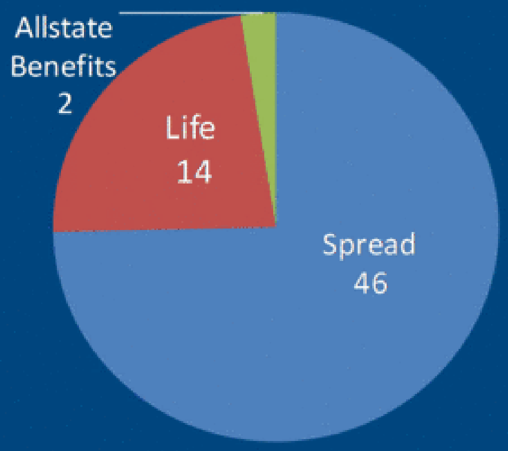


- Net income in 2010 and in first quarter of 2011 reflects reduced volatility; Q1 2011 was third consecutive quarter of post-crisis profit, generating $258M of cumulative net income since Q3 2010
- $3.6B increase in ALIC GAAP shareholder's equity since 2008 due to higher investment values
- Invested assets have declined since 2008 due to declines in contractholder funds partially offset by higher investment valuations

Reserves / Premiums and Contract Charges by line of business

Reserves and Contractholder Funds

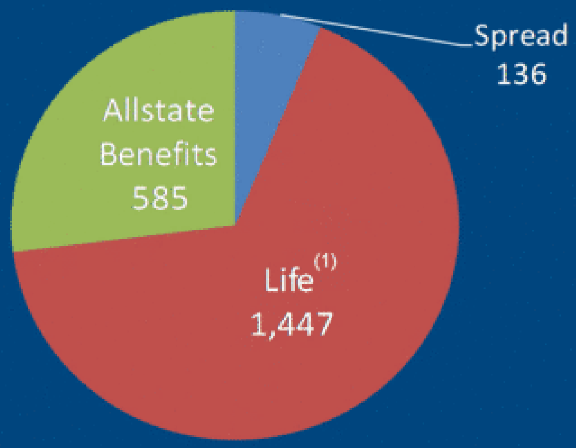
$ Billions



12/31/2010 - $62 Billion

Premiums and Contract Charges

$ Millions



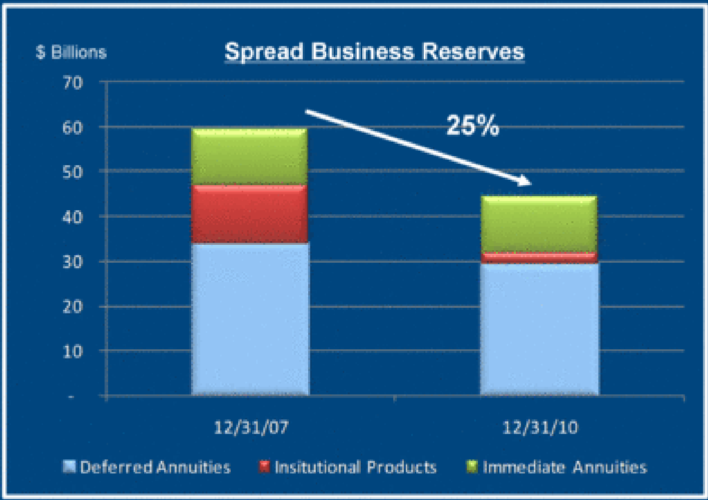
2010 - $2,168 Million

- **Spread business represents 74% of Reserves and Contractholder funds**
- **Life and Allstate Benefits make up 94% of insurance revenue**

(1) Includes $96M of other underwritten products premium

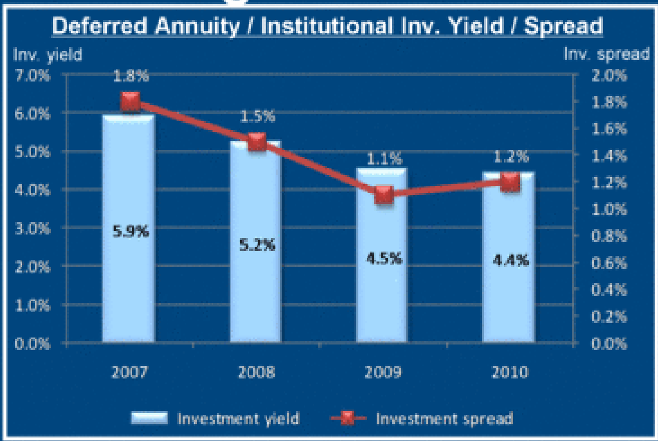
Annuity

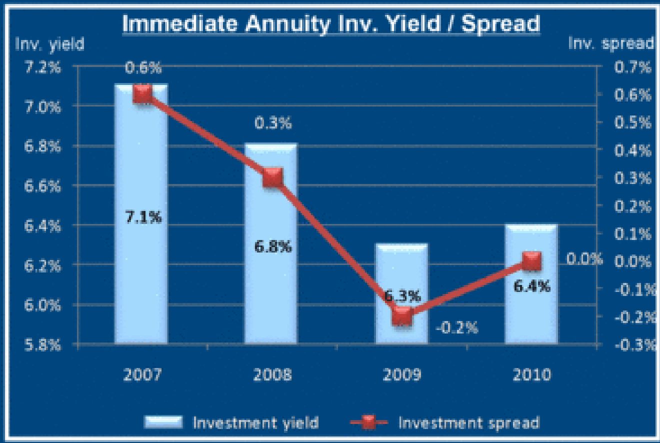
Actions have resulted in decreased exposure to spread business



- Significantly scaled down opportunistic institutional products business
- Aggressively running off deferred annuity business
- Exited the bank and broker-dealer channels and refocused resources to Allstate Agencies
- Discontinued manufacturing structured settlements on impaired lives and deferred fixed annuities without market value adjustments

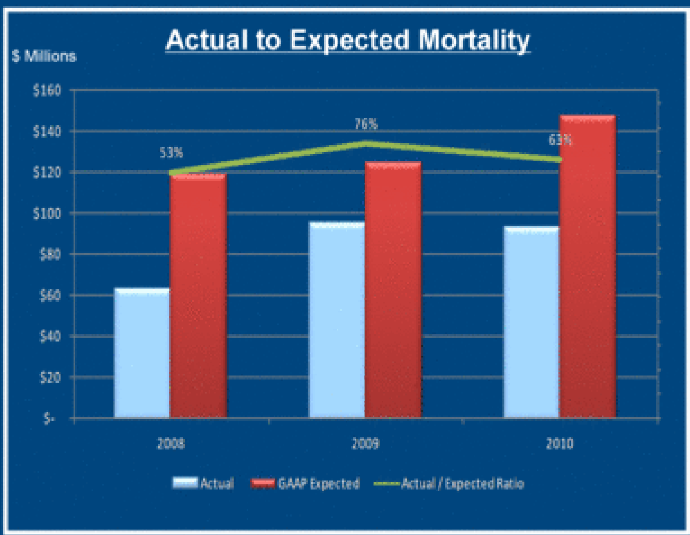
Annuity spreads have rebounded, partially offsetting decline in balances

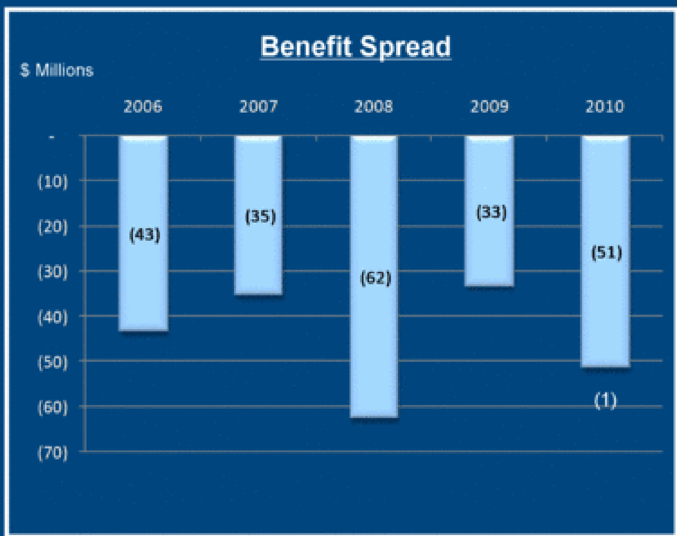




- Portfolio repositioning and crediting rate actions improving results - investment spread reached "bottom" in 2009
- ALM deliberately positioned "short" to benefit from rising rates
- Increased allocations to alternative asset strategies for immediate annuities to enhance returns
- Pricing new business to achieve attractive risk-adjusted returns

Immediate annuity mortality below historic pricing expectations, however has stabilized within range





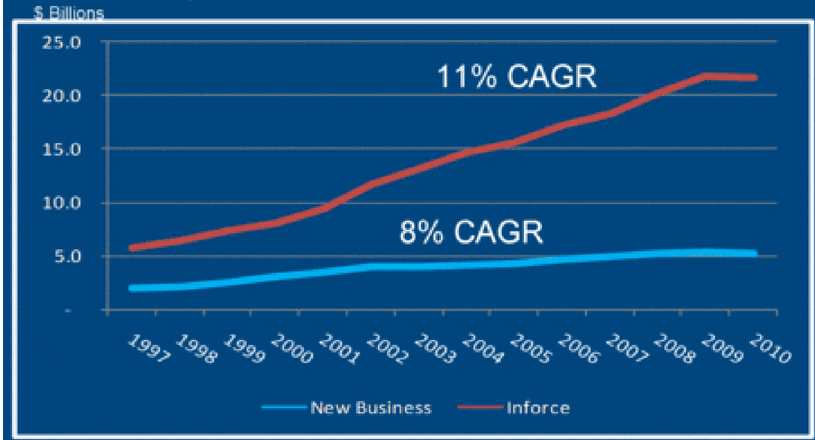
- General mortality improvement resulted in annuitants living longer than anticipated when many of these contracts were priced
- Life expectancies for impaired lives have significantly exceeded underwriting expectations and have resulted in negative margins and returns

(1) excludes $26 million favorable re-estimation of reserves on immediate annuities recorded in Q2 2010

Allstate Benefits

Allstate Benefits is well positioned in the attractive voluntary benefits market

Industry New Business and Inforce Premium[1]



Industry Rankings[2] & Premium Growth

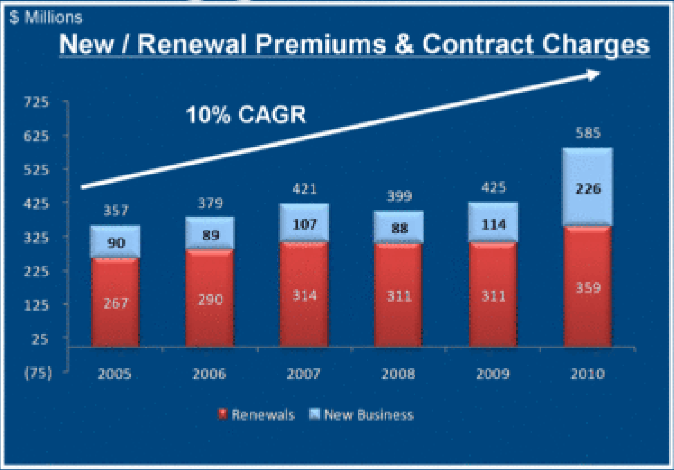
	2010 Ranking	CAGR 2005-2010
Allstate Benefits		
New premium	3	17.7%
Inforce premium	6	12.1%
Industry		
New premium		3.7%
Inforce premium		6.8%

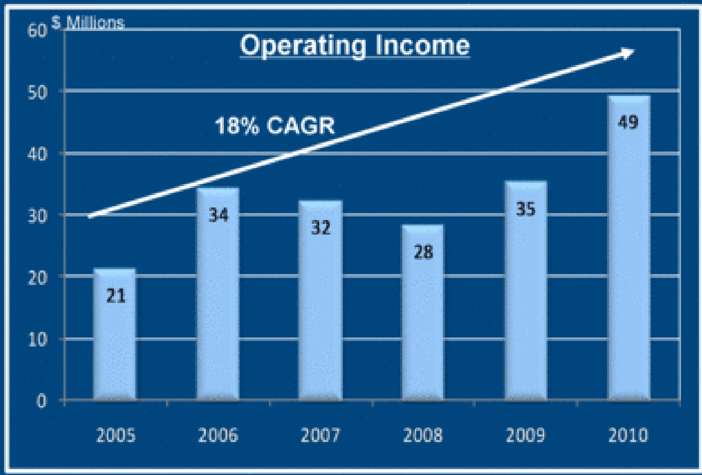
Allstate Benefits has grown at 18% and 12% CAGR for new business and in-force premium, respectively - significantly above industry growth rates

(1) Source: April 2011 Eastbridge Consulting Group, Inc. U.S. Worksite Sales Report

(2) 2010 voluntary new business annualized premium and inforce rankings, April 2011 Eastbridge Consulting Group, Inc. U.S. Worksite Sales Report

Allstate Benefits' financial results reflect strong growth





- Allstate Benefits has achieved 10% and 18% CAGRs in premium and operating income, respectively over the past 5 years
- Success with "mega" employers (>500 employees) resulted in a 22% CAGR for that segment

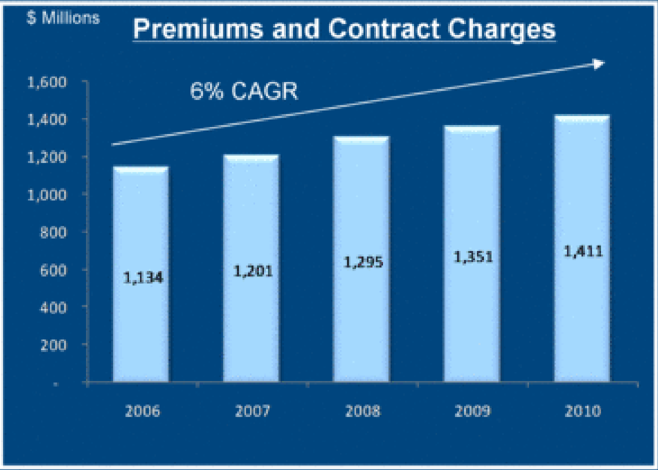
Strategic Alliance with Aetna will further accelerate growth

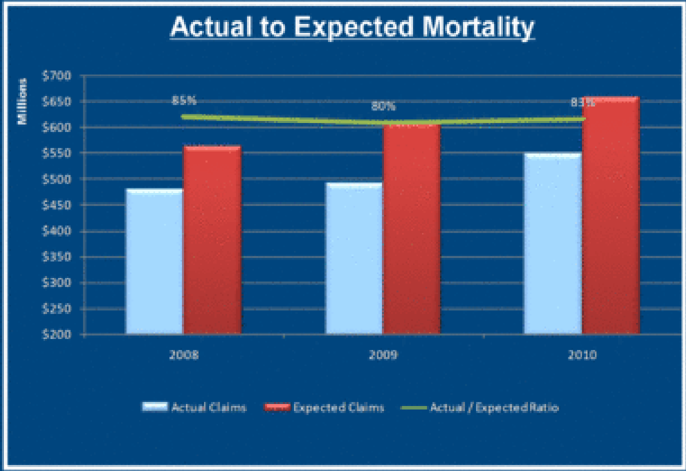
- **Aetna's Facts:**
  - National leader in health care and related products to customers including individuals and employer groups
  - Over 17 million medical members
  - Serves over 33 million people with information and resources to help them make better informed decisions about their health care
- **Alliance structure:**
  - Exclusive 5-year term with option of 2-year extension
  - Policies will be issued and administered by Allstate Benefits
  - Products will be "co-branded" with Aetna name

Strategic partnership allows Allstate Benefits to take advantage of opportunities presented by national healthcare reform

Life

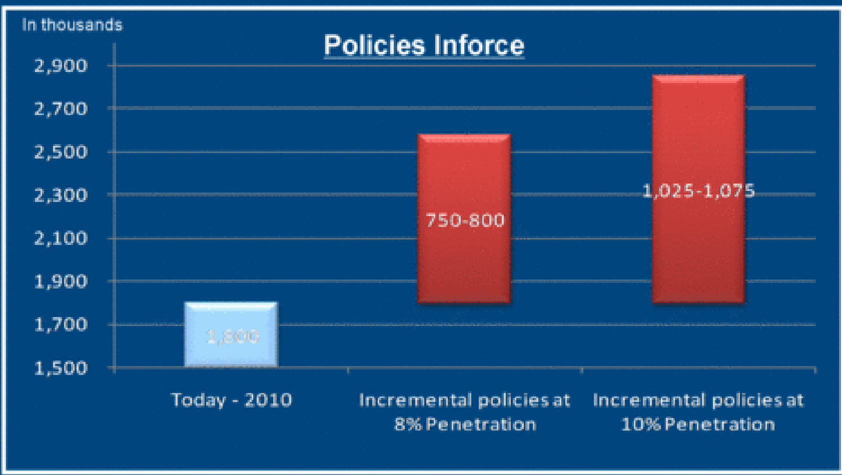
Solid premium growth and favorable mortality trends on life insurance





- Growth in life premiums and contract charges reflects increased focus on underwritten products
- Life insurance has consistently generated attractive returns and stable earnings

Significant upside potential by focusing on cross-sell penetration through Allstate Agencies



- Increasing AF household penetration would have a significant impact on AF's scale, earnings and ROE
- Auto retention improves significantly with the addition of an Allstate Financial policy

Tactics to increase Allstate Agency engagement

Life integrated in P&C quote system

Auto/Life multi-line discount

Brand extension to life insurance

New Basic Term Life

De-mystified Product literature

EA and LSP(1) training & certification

GoodForLife Product Suite

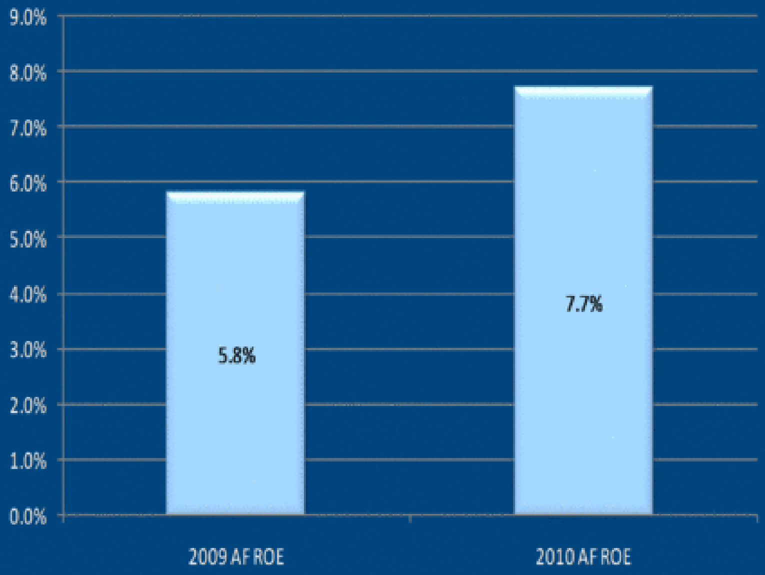
Enhanced Financial Specialist model

Enhanced Wholesaling

Gaining momentum in Allstate Agencies as a result of actions; life insurance issued applications through April are up 31% to prior year

(1) Allstate Exclusive Agents and Licensed Sales Professionals.

Operating return on shareholders equity is improving and is estimated to reach 9-10% in 2014



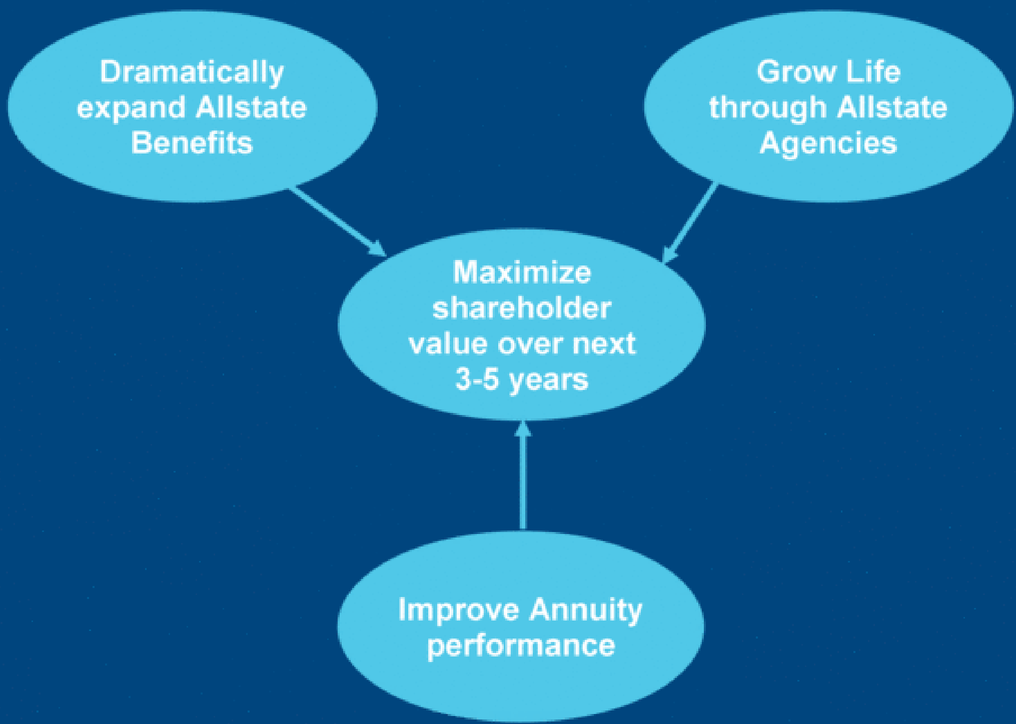
Drivers of ROE improvement:

- Run-off of low return deferred annuity business
- Expense efficiencies
- Improvement in investment spreads
- Increase in P&C cross-sell penetration rate

Returns do not reflect benefits to auto retention or benefit from corporate leverage

- Expecting approximately $1.0 billion of excess capital generated over the next 4 years beginning in 2011
- ROE estimate excludes capital in excess of management requirements

Allstate Financial will add significantly to shareholder value



Allstate Investor Day – Agenda

- Tom Wilson – Overview
- Mark LaNeve – Marketing and Sales
- Joe Lacher – Allstate Protection
- Matt Winter – Allstate Financial
- Judy Greffin – Allstate Investments
- Don Civgin – Shareholder Value
- All – Q&A Panel

Allstate
You're in good hands.

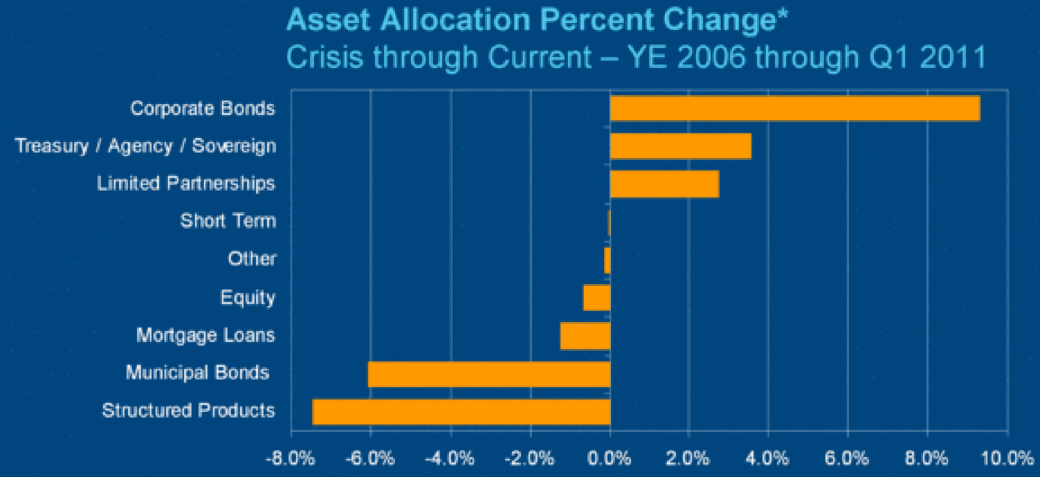
Judy Greffin
Chief Investment Officer

Allstate Investments

Focused on <u>creating shareholder value</u> and <u>enabling Allstate to compete</u> successfully in the marketplace

- **Proactive risk mitigation and return optimization is paying off**
  - Timely reduction of financial sector, structured assets, real estate, and municipal portfolios created risk capacity
  - Opportunistic credit/high yield investments to capture incremental return
  - Managing run-off of structured securities to optimize economics
- **Focusing in 2011 on maintaining portfolio yield and optimizing rate risk**
  - Maintaining portfolio yields reinforced by moves to increase credit assets
  - Optimizing rate risk by adjusting maturity profiles to better reflect business needs
  - Reducing derivative hedges to mitigate volatility and enhance focus on core
  - Moves align with economic and market outlook
- **Positioning to capitalize on intermediate term outlook for global growth and eventual inflationary environment**
  - Increasing assets that perform well during periods of higher inflation – real assets
  - Building portfolios that benefit from growth in developing economies – infrastructure, agriculture, global
  - Allows for diversification out of relatively rich fixed income assets over intermediate term

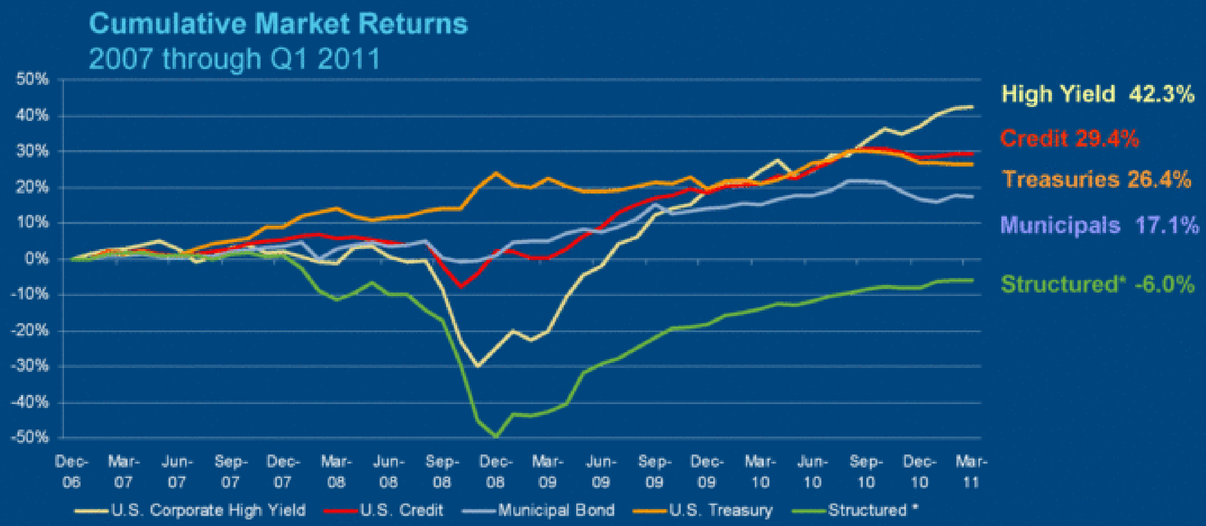
Allstate Investments
Proactive Risk Mitigation and Return Optimization



* % Change based on Carrying Value

- Created risk capacity by reducing asset classes with weakest prospects
  - Municipal bonds down by $10.4 billion – fueled by assessment of changing risk
  - Structured products down by $10.8 billion – focused on maximizing economics
  - Commercial real estate mortgage loans reduced by $2.9 billion
- Increased allocation to corporate debt by over $14.8 billion since 2008

Allstate Investments
Proactive Risk Mitigation and Return Optimization Paying Off

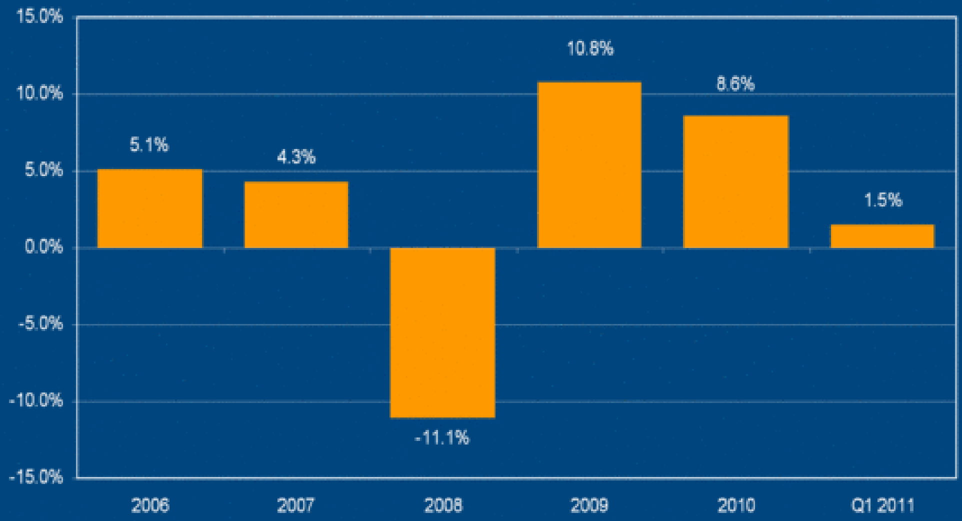


- Market performance reinforces benefit of Allstate portfolio moves
  - High yield and credit have performed as market strength remains
  - Treasury returns have been fueled by lower rates
  - Municipals have underperformed as credit prospects dimmed
  - Despite recent strength, structured product returns remain negative

* Structured represents subordinated positions (50% Non-AAA ABS and 50% CMBS A)

Allstate Investments
Portfolio Returns – Rebound Sharply

Allcorp Portfolio Returns*
2006 through Q1 2011



Portfolio $	119.8 B	119.0 B	96.0 B	99.8 B	100.5 B	99.6 B

* Returns drive improvement in book value and raise GAAP capital
* Unrealized position improves by $11.0 billion from market lows to $1.6 billion at 3/31/11

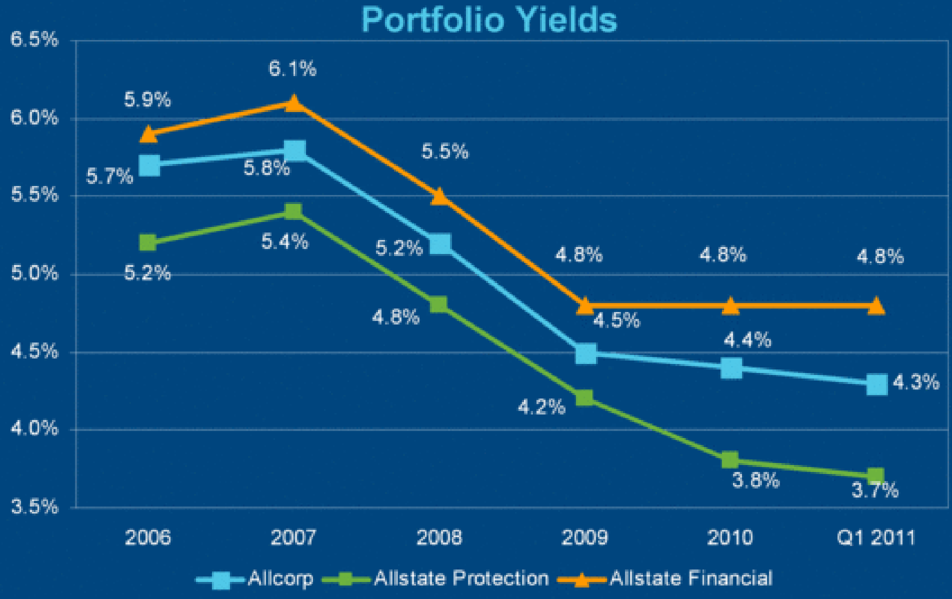
* GAAP Pre-Tax Total Return = (Net Investment Income, Realized Capital Gain/Loss and Change in Unrealized Gain/Loss) / Average Market Value of Invested Assets

Allstate Investments
2011 Strategy

Focus for 2011

* Maintain investment yield
* Further increase credit exposure
* Optimize interest rate risk
* Continue to manage run-off of structured holdings

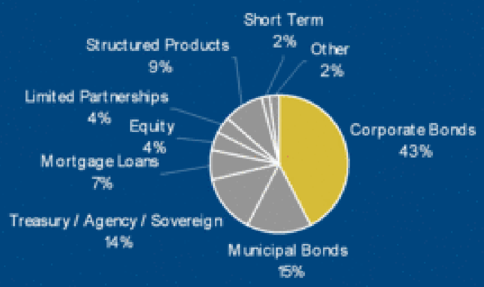
Allstate Investments
Strategy – Maintaining Portfolio Yields



- Portfolio yields stabilizing with yields in Allstate Financial holding steady since 2009
- Actions to maintain portfolio yields align with economic and market outlook
- Investment income decreasing slightly consistent with decline in Allstate Financial size

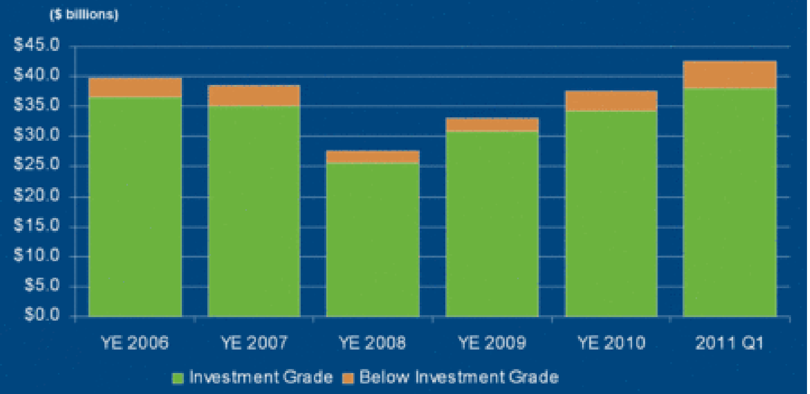
Allstate Investments
Strategy – Increasing Exposure to Corporate Credit

Holdings Summary*
Q1 2011



* % Based on Carrying Value

Corporate Bond Holdings*
Investment Grade and Below Investment Grade



Corp. Credit % of Total Portfolio	33.2%	32.3%	28.8%	33.2%	37.5%	42.6%

- Aligns with **both** yield maintenance strategy and with our market outlook
- Strong returns through first quarter especially in high yield – $2.6 B added since YE 2008
- Credit outlook remains constructive

Allstate Investments
Strategy – Optimizing Rate Risk in Allstate Protection ($35 B)

Movement Favors Intermediate Portion of the Curve

Allstate Protection Fixed Income by Scheduled Maturity Date
(% GAAP Book Value excluding RMBS/ABS)

- Actions taken to modify maturity profile reflect rate outlook and Protection business
- Reinforces yield maintenance strategy as short maturities move out on a steep curve
- Strong capital position and modification of maturity profile mitigate need for macro derivative hedges, lowering earnings volatility
- Combination of moves resulted in moderate increase in duration – current duration in Allstate Protection of 4.6 years

Allstate Investments
Strategy – Optimizing Interest Rate Risk in Allstate Financial ($60 B)

Managing Interest Rate Risk Through Robust ALM Framework

Asset Strategy ⟷ **Liability Profile**

Closely Linked

Liquidity

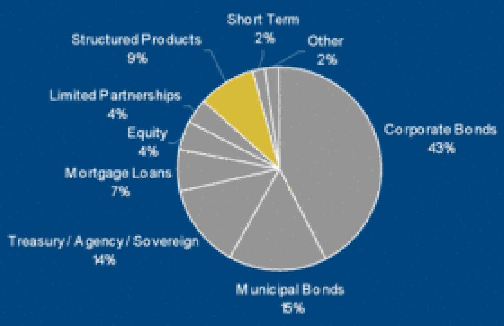
Cash Flows

Policy Holder Behavior

- Managed by aligning cash flow profile of the assets with liabilities – for reporting purposes, assets are marked-to-market while liabilities are not
- Liabilities segmented by key attributes – cash flow variability, policyholder behavior, duration
- With rates at cyclical lows, Allstate Financial is positioned to benefit from rising interest rates

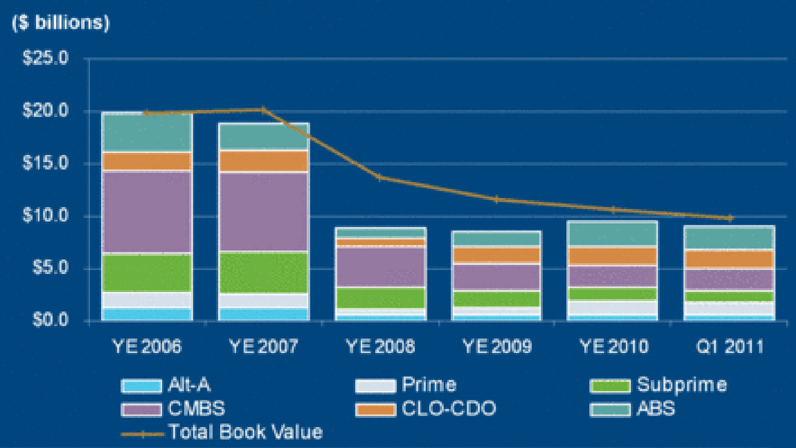
Allstate Investments
Strategy – Managing Run-off of Structured Assets

Holdings Summary*
Q1 2011



* % Based on Carrying Value

Structured Asset Holdings*
Product Level Breakdown



- Allstate remains focused on maximizing the economic return of its structured assets
  - Proactive selling during early phase of crisis
  - Patient as market extremes didn't justify continued sales
  - Recent rally brings economics and market closer together
- Unrealized losses have declined from a peak of $4.9 billion in 2008 to $780 million at Q1 2011

Allstate Investments
Strategy – 2011 and Beyond

Building Our Intermediate Term View – 3 to 5 years

1 –Strategic Economic Forecast

Fed fights deflation and wins but domestic economic growth faces headwinds

2 – Dynamic Risk Allocation Model

Favors alternatives and inflation protected assets to expensive fixed income

4 – Allocation Decision

Favor a secular shift from domestic fixed income

Allocation Increases
- Real Assets
- Infrastructure
- Global
- Real Estate

3 – Key Global Themes

Emergence of developing economies will create secular demand for real assets, commodities, and infrastructure

Allstate Investments Summary

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  - Timely reduction of financial sector, structured assets, real estate, and municipals
  - Opportunistic credit/high yield investments to capture incremental return
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Allstate
You're in good hands.

Don Civgin
Chief Financial Officer

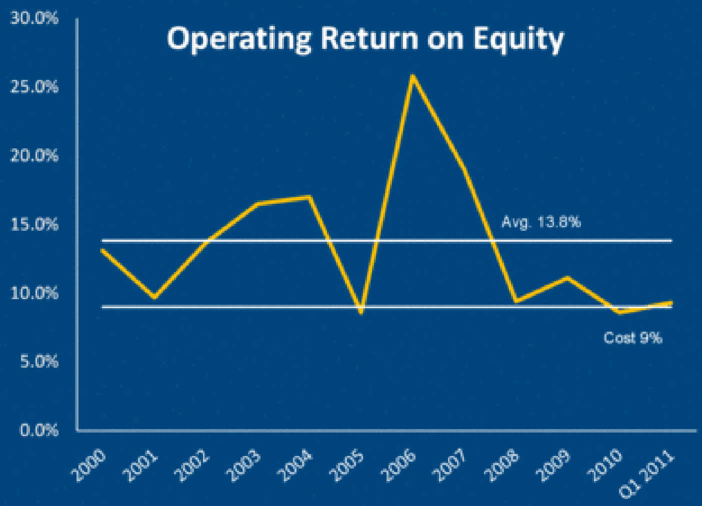
Increasing shareholder value through proactive management

Improving return on equity

Increasing market share

Aggressive capital management

Return on equity commitments



- Homeowners combined ratio excluding catastrophes improves to low 60s
- Auto combined ratio maintained at historic level
- Allstate Financial operating return on shareholder equity reaches 9-10% (excludes $1 billion of capital in excess of management requirements)
- Maintain portfolio yields
- Consolidated target return of 13% by 2014

Strategy of unique value propositions for distinct customer segments

Brand Neutral

Encompass
Creating protection around you

Answer financial*

Independent Agencies

Aggregators

Personal Touch Loyalists

Self Directed

Exclusive Agencies

Direct Competitors

Allstate.
You're in good hands.

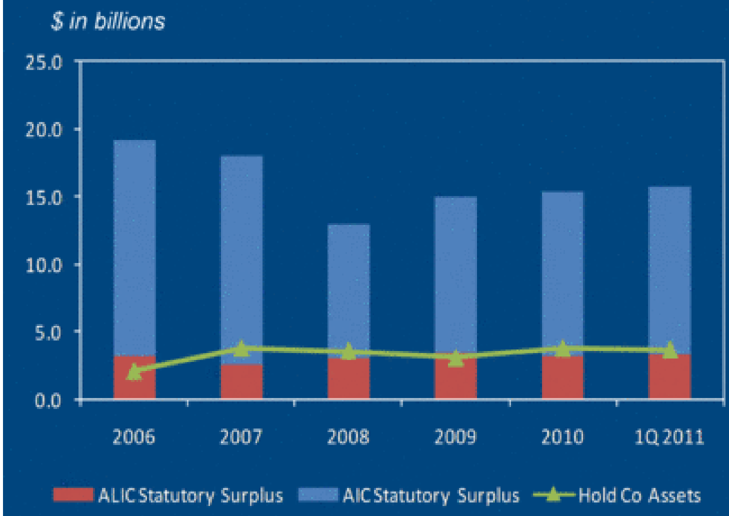
esurance*

Brand Sensitive

*Pending acquisition subject to regulatory approvals.

87

Continued aggressive capital management



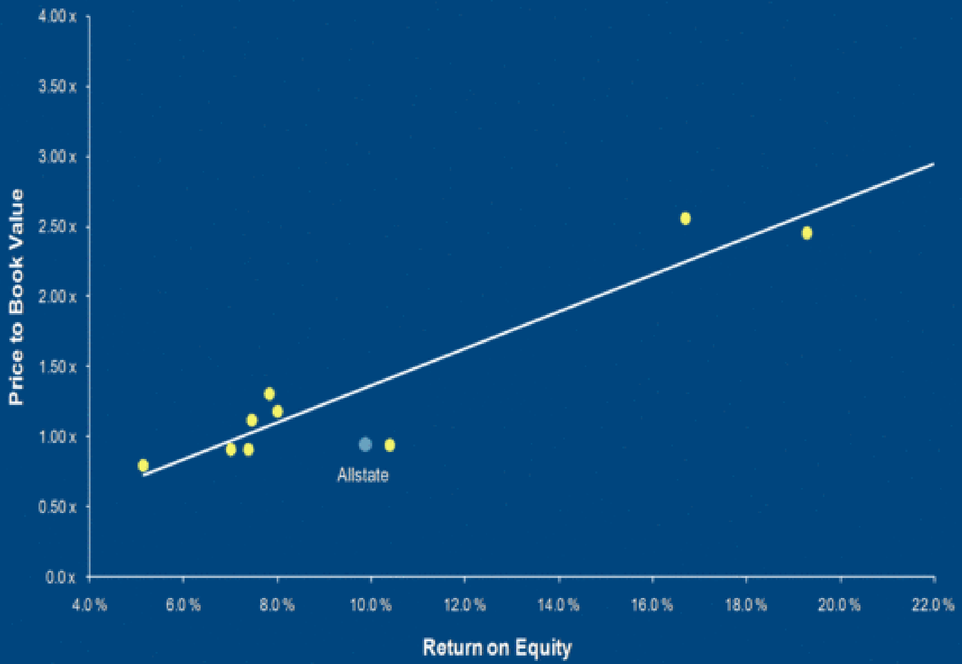
$ in billions

Holding Company Deployable Assets @ 3/31/11	$3.7
-Esurance acquisition*	(1.0)
-Share Repurchases (remaining capacity)	(0.5)

Returned $29 billion, 73% of net income, between 1993-2010

*Pending acquisition subject to regulatory approvals.

Personal Lines Companies' Value Map



Allstate History

	ROE	Price/Book
2006	25.8	1.9
2007	19.0	1.4
2008	9.4	1.4
2009	11.1	1.0
2010	8.6	0.9
1Q 2011	9.3	0.9

Leading Franchise in Consumer Protection and Retirement

Large capitalization insurance company focused on protection and retirement

Competitively differentiated strategy focused on unique customer segments

Outstanding brand, pricing and claims capabilities

Recent returns below historical results reflecting higher catastrophe losses and 2008-2009 financial crisis

Consistent record of proactive leadership

Non-GAAP Measures

Operating income (loss) is net income (loss), excluding:

- realized capital gains and losses, after-tax, except for periodic settlements and accruals on non-hedge derivative instruments, which are reported with realized capital gains and losses but included in operating income (loss),
- valuation changes on embedded derivatives that are not hedged, after-tax,
- amortization of deferred policy acquisition costs ("DAC") and deferred sales inducements ("DSI"), to the extent they resulted from the recognition of certain realized capital gains and losses or valuation changes on embedded derivatives that are not hedged,
- gain (loss) on disposition of operations, after-tax, and
- adjustments for other significant non-recurring, infrequent or unusual items, when (a) the nature of the charge or gain is such that it is reasonably unlikely to recur within two years, or (b) there has been no similar charge or gain within the prior two years.

Net income (loss) is the GAAP measure that is most directly comparable to operating income (loss).

We use operating income (loss) as an important measure to evaluate our results of operations. We believe that the measure provides investors with a valuable measure of the company's ongoing performance because it reveals trends in our insurance and financial services business that may be obscured by the net effect of realized capital gains and losses, valuation changes on embedded derivatives that are not hedged, gain (loss) on disposition of operations and adjustments for other significant non-recurring, infrequent or unusual items. Realized capital gains and losses, valuation changes on embedded derivatives that are not hedged and gain (loss) on disposition of operations may vary significantly between periods and are generally driven by business decisions and external economic developments such as capital market conditions, the timing of which is unrelated to the insurance underwriting process. Consistent with our intent to protect results or earn additional income, operating income (loss) includes periodic settlements and accruals on certain derivative instruments that are reported in realized capital gains and losses because they do not qualify for hedge accounting or are not designated as hedges for accounting purposes. These instruments are used for economic hedges and to replicate fixed income securities, and by including them in operating income (loss), we are appropriately reflecting their trends in our performance and in a manner consistent with the economically hedged investments, product attributes (e.g., net investment income and interest credited to contractholder funds) or replicated investments. Non-recurring items are excluded because, by their nature, they are not indicative of our business or economic trends. Accordingly, operating income (loss) excludes the effect of items that tend to be highly variable from period to period and highlights the results from ongoing operations and the underlying profitability of our business. A byproduct of excluding these items to determine operating income is the transparency and understanding of their significance to net income variability and profitability while recognizing these or similar items may recur in subsequent periods. Operating income (loss) is used by management along with the other components of net income (loss) to assess our performance. We use adjusted measures of operating income (loss) and operating income (loss) per diluted share in incentive compensation. Therefore, we believe it is useful for investors to evaluate net income (loss), operating income (loss) and their components separately and in the aggregate when reviewing and evaluating our performance. We note that investors, financial analysts, financial and business media organizations and rating agencies utilize operating income results in their evaluation of our and our industry's financial performance and in their investment decisions, recommendations and communications as it represents a reliable, representative and consistent measurement of the industry and the company and management's performance. We note that the price to earnings multiple commonly used by insurance investors as a forward-looking valuation technique uses operating income (loss) as the denominator. Operating income (loss) should not be considered as a substitute for net income (loss) and does not reflect the overall profitability of our business.

Non-GAAP Measures *(continued)*

The following table reconciles operating income and net income for the twelve months ended December 31, 2000 through 2010 and the three months ended March 31, 2011.

	For the twelve months ended December 31,					
($ in millions)	**2000**	**2001**	**2002**	**2003**	**2004**	**2005**
Operating income	$ 2,004	$ 1,492	$ 2,075	$ 2,662	$ 3,091	$ 1,582
Realized capital gains and losses	425	(358)	(924)	196	591	549
Income tax (expense) benefit	(177)	118	326	(62)	(199)	(189)
Realized capital gains and losses, after-tax	248	(240)	(598)	134	392	360
DAC and DSI amortization relating to realized capital gains and losses and valuation changes on embedded derivatives that are not hedged, after-tax	--	--	(1)	(30)	(89)	(103)
Non-recurring items, after-tax	--	--	--	--	--	(22)
Reclassification of periodic settlements and accruals on non-hedge derivative instruments, after-tax	--	--	(3)	(15)	(32)	(40)
(Loss) gain on disposition of operations, after-tax	--	(40)	2	(26)	(6)	(12)
Dividends on preferred securities of subsidiary trust	(41)	(45)	(10)	(5)	--	--
Cumulative effect of change in accounting principle, after-tax	--	(9)	(331)	(15)	(175)	--
Net income	$ 2,211	$ 1,158	$ 1,134	$ 2,705	$ 3,181	$ 1,765

Non-GAAP Measures *(continued)*

($ in millions)	For the twelve months ended December 31, 2006	2007	2008	2009	2010	For the three months ended March 31, 2011
Operating income	$ 4,888	$ 3,863	$ 1,758	$ 1,881	$ 1,539	$ 497
Realized capital gains and losses	286	1,235	(5,090)	(583)	(827)	96
Income tax (expense) benefit	(100)	(437)	1,779	(45)	290	(33)
Realized capital gains and losses, after-tax	186	798	(3,311)	(628)	(537)	63
Valuation changes on embedded derivatives that are not hedged, after-tax	--	--	--	--	--	8
DAC and DSI amortization relating to realized capital gains and losses and valuation changes on embedded derivatives that are not hedged, after-tax	36	12	385	(177)	(34)	(26)
Non-recurring items, after-tax	(18)	--	(219)	--	--	--
DAC and DSI unlocking relating to realized capital gains and losses, after-tax	--	--	(274)	(224)	(18)	1
Reclassification of periodic settlements and accruals on non-hedge derivative instruments, after-tax	(36)	(29)	(14)	(2)	(29)	(9)
(Loss) gain on disposition of operations, after-tax	(63)	(8)	(4)	4	7	(15)
Net income (loss)	$ 4,993	$ 4,636	$ (1,679)	$ 854	$ 928	$ 519

Non-GAAP Measures *(continued)*

The following tables reconcile the Allstate Financial segment's operating income and net income for the twelve months ended December 31, 2005 through 2010 and the three months ended March 31, 2011.

	For the twelve months ended December 31, 2005				2006			
($ in millions)	ALIC	Allstate Benefits	Other	Allstate Financial	ALIC	Allstate Benefits	Other	Allstate Financial
Operating income	$ 551	$ 21	$ 9	$ 581	$ 539	$ 34	$ 21	$ 594
Realized capital gains and losses, after-tax	12	--	--	12	(51)	1	--	(50)
DAC and DSI amortization relating to realized capital gains and losses and valuation changes on embedded derivatives that are not hedged, after-tax	(103)	--	--	(103)	36	--	--	36
Non-recurring items, after-tax	--	(22)	--	(22)	--	(18)	--	(18)
Reclassification of periodic settlements and accruals on non-hedge derivative instruments, after-tax	(40)	--	--	(40)	(36)	--	--	(36)
Loss on disposition of operations, after-tax	(3)	(9)	--	(12)	(60)	(2)	--	(62)
Net income (loss)	$ 417	$ (10)	$ 9	$ 416	$ 428	$ 15	$ 21	$ 464

Non-GAAP Measures *(continued)*

($ in millions)	For the twelve months ended December 31, 2007 ALIC	2007 Allstate Benefits	2007 Other	2007 Allstate Financial	2008 ALIC	2008 Allstate Benefits	2008 Other	2008 Allstate Financial
Operating income (loss)	$ 565	$ 32	$ 18	$ 615	$ 419	$ 28	$ (9)	$ 436
Realized capital gains and losses, after-tax	(128)	3	--	(125)	(1,985)	(7)	(42)	(2,034)
DAC and DSI amortization relating to realized capital gains and losses and valuation changes on embedded derivatives that are not hedged, after-tax	12	--	--	12	385	--	--	385
Non-recurring items, after-tax	--	--	--	--	(219)	--	--	(219)
DAC and DSI unlocking relating to realized capital gains and losses, after-tax	--	--	--	--	(274)	--	--	(274)
Reclassification of periodic settlements and accruals on non-hedge derivative instruments, after-tax	(29)	--	--	(29)	(13)	--	--	(13)
Loss on disposition of operations, after-tax	(8)	--	--	(8)	(3)	(1)	--	(4)
Net income (loss)	$ 412	$ 35	$ 18	$ 465	$ (1,690)	$ 20	$ (51)	$ (1,721)

Non-GAAP Measures *(continued)*

($ in millions)	For the twelve months ended December 31, 2009 ALIC	2009 Allstate Benefits	2009 Other	2009 Allstate Financial	2010 ALIC	2010 Allstate Benefits	2010 Other	2010 Allstate Financial
Operating income	$ 268	$ 35	$ 37	$ 340	$ 387	$ 49	$ 40	$ 476
Realized capital gains and losses, after-tax	(409)	(1)	(7)	(417)	(334)	1	(4)	(337)
DAC and DSI amortization relating to realized capital gains and losses and valuation changes on embedded derivatives that are not hedged, after-tax	(177)	--	--	(177)	(34)	--	--	(34)
DAC and DSI unlocking relating to realized capital gains and losses, after-tax	(224)	--	--	(224)	(18)	--	--	(18)
Reclassification of periodic settlements and accruals on non-hedge derivative instruments, after-tax	(9)	--	--	(9)	(33)	--	--	(33)
Gain on disposition of operations, after-tax	4	--	--	4	4	--	--	4
Net (loss) income	$ (547)	$ 34	$ 30	$ (483)	$ (28)	$ 50	$ 36	$ 58

Non-GAAP Measures *(continued)*

($ in millions)	For the three months ended March 31, 2011 ALIC	Allstate Benefits	Other	Allstate Financial
Operating income	$ 85	$ 21	$ 10	$ 116
Realized capital gains and losses, after-tax	30	(2)	(3)	25
Valuation changes on embedded derivatives that are not hedged, after-tax	8	--	--	8
DAC and DSI amortization relating to realized capital gains and losses and valuation changes on embedded derivatives that are not hedged, after-tax	(26)	--	--	(26)
DAC and DSI unlocking relating to realized capital gains and losses, after-tax	1	--	--	1
Reclassification of periodic settlements and accruals on non-hedge derivative instruments, after-tax	(12)	--	--	(12)
Gain (loss) on disposition of operations, after-tax	1	--	(16)	(15)
Net income (loss)	$ 87	$ 19	$ (9)	$ 97

Non-GAAP Measures *(continued)*

Operating income (loss) return on shareholders' equity is a ratio that uses a non-GAAP measure. It is calculated by dividing the rolling 12-month operating income (loss) by the average of shareholders' equity at the beginning and at the end of the 12-months, after excluding the effect of unrealized net capital gains and losses. Return on shareholders' equity is the most directly comparable GAAP measure. We use operating income (loss) as the numerator for the same reasons we use operating income (loss), as discussed above. We use average shareholders' equity excluding the effect of unrealized net capital gains and losses for the denominator as a representation of shareholders' equity primarily attributable to the company's earned and realized business operations because it eliminates the effect of items that are unrealized and vary significantly between periods due to external economic developments such as capital market conditions like changes in equity prices and interest rates, the amount and timing of which are unrelated to the insurance underwriting process. We use it to supplement our evaluation of net income (loss) and return on shareholders' equity because it excludes the effect of items that tend to be highly variable from period to period. We believe that this measure is useful to investors and that it provides a valuable tool for investors when considered along with net income (loss) return on shareholders' equity because it eliminates the after-tax effects of realized and unrealized net capital gains and losses that can fluctuate significantly from period to period and that are driven by economic developments, the magnitude and timing of which are generally not influenced by management. In addition, it eliminates non-recurring items that are not indicative of our ongoing business or economic trends. A byproduct of excluding the items noted above to determine operating income (loss) return on shareholders' equity from return on shareholders' equity is the transparency and understanding of their significance to return on shareholders' equity variability and profitability while recognizing these or similar items may recur in subsequent periods. Therefore, we believe it is useful for investors to have operating income (loss) return on shareholders' equity and return on shareholders' equity when evaluating our performance. We note that investors, financial analysts, financial and business media organizations and rating agencies utilize operating income (loss) return on shareholders' equity results in their evaluation of our and our industry's financial performance and in their investment decisions, recommendations and communications as it represents a reliable, representative and consistent measurement of the industry and the company and management's utilization of capital. Operating income (loss) return on shareholders' equity should not be considered as a substitute for return on shareholders' equity and does not reflect the overall profitability of our business.

Non-GAAP Measures *(continued)*

The following table reconciles return on shareholders' equity and operating income return on shareholders' equity for the periods presented.

($ in millions)	For the twelve months ended December 31,					
	2000	2001	2002	2003	2004	2005
Return on shareholders' equity						
Numerator:						
Net income	$ 2,211	$ 1,158	$ 1,134	$ 2,705	$ 3,181	$ 1,765
Denominator:						
Beginning shareholders' equity	$ 16,601	$ 17,451	$ 17,196	$ 17,438	$ 20,565	$ 21,823
Ending shareholders' equity	17,451	17,196	17,438	20,565	21,823	20,186
Average shareholders' equity	$ 17,026	$ 17,324	$ 17,317	$ 19,002	$ 21,194	$ 21,005
Return on shareholders' equity	13.0%	6.7%	6.5%	14.2%	15.0%	8.4%

Non-GAAP Measures *(continued)*

	For the twelve months ended December 31,					
	2000	2001	2002	2003	2004	2005
Operating income return on shareholders' equity						
Numerator:						
Operating income	$ 2,004	$ 1,492	$ 2,075	$ 2,662	$ 3,091	$ 1,582
Denominator:						
Beginning shareholders' equity	$ 16,601	$ 17,451	$ 17,196	$ 17,438	$ 20,565	$ 21,823
Unrealized net capital gains and losses	1,369	1,980	1,789	2,602	3,125	2,988
Adjusted beginning shareholders' equity	15,232	15,471	15,407	14,836	17,440	18,835
Ending shareholders' equity	17,451	17,196	17,438	20,565	21,823	20,186
Unrealized net capital gains and losses	1,980	1,789	2,602	3,125	2,988	2,090
Adjusted ending shareholders' equity	15,471	15,407	14,836	17,440	18,835	18,096
Average adjusted shareholders' equity	$ 15,352	$ 15,439	$ 15,122	$ 16,138	$ 18,138	$ 18,466
Operating income return on shareholders' equity	13.1%	9.7%	13.7%	16.5%	17.0%	8.6%

Non-GAAP Measures *(continued)*

($ in millions)	For the twelve months ended					
	December 31,					March 31,
	2006	2007	2008	2009	2010	2011
Return on shareholders' equity						
Numerator:						
Net income (loss)	$ 4,993	$ 4,636	$ (1,679)	$ 854	$ 928	$ 1,327
Denominator:						
Beginning shareholders' equity	$ 20,186	$ 21,846	$ 21,851	$ 12,641	$ 16,692	$ 17,560
Ending shareholders' equity	21,846	21,851	12,641	16,692	19,016	19,312
Average shareholders' equity	$ 21,016	$ 21,849	$ 17,246	$ 14,667	$ 17,854	$ 18,436
Return on shareholders' equity	23.8%	21.2%	(9.7)%	5.8%	5.2%	7.2%

Non-GAAP Measures *(continued)*

	For the twelve months ended					
	December 31,					March 31,
	2006	2007	2008	2009	2010	2011
Operating income return on shareholders' equity						
Numerator:						
Operating income	$ 4,888	$ 3,863	$ 1,758	$ 1,881	$ 1,539	$ 1,661
Denominator:						
Beginning shareholders' equity	$ 20,186	$ 21,846	$ 21,851	$ 12,641	$ 16,692	$ 17,560
Unrealized net capital gains and losses	2,090	2,074	888	(3,738)	(870)	(84)
Adjusted beginning shareholders' equity	18,096	19,772	20,963	16,379	17,562	17,644
Ending shareholders' equity	21,846	21,851	12,641	16,692	19,016	19,312
Unrealized net capital gains and losses	2,074	888	(3,738)	(870)	935	1,079
Adjusted ending shareholders' equity	19,772	20,963	16,379	17,562	18,081	18,233
Average adjusted shareholders' equity	$ 18,934	$ 20,368	$ 18,671	$ 16,971	$ 17,822	$ 17,939
Operating income return on shareholders' equity	25.8%	19.0%	9.4%	11.1%	8.6%	9.3%

Non-GAAP Measures *(continued)*

The following table reconciles the Allstate Financial segment's return on shareholder's equity and operating income return on shareholder's equity for the periods presented.

	For the twelve months ended December 31, 2010		
	ALIC	Allstate Benefits and Other	Allstate Financial Segment
Return on Shareholder's Equity			
Numerator:			
Net (loss) income	$ (28)	$ 86	$ 58
Denominator:			
Beginning shareholder's equity	$ 4,386	$ 1,027	$ 5,413
Ending shareholder's equity	5,632	1,116	6,748
Average shareholder's equity	$ 5,009	$ 1,072	$ 6,081
Return on shareholder's equity	(0.6)%	8.0%	1.0%

Non-GAAP Measures *(continued)*

	For the twelve months ended December 31, 2010		
	ALIC	Allstate Benefits and Other	Allstate Financial Segment
Operating Income Return on Shareholder's Equity			
Numerator:			
Operating income	$ 387	$ 89	$ 476
Denominator:			
Beginning shareholder's equity	$ 4,386	$ 1,027	$ 5,413
Unrealized net capital gains and losses	(777)	(17)	(794)
Adjusted beginning shareholder's equity	5,163	1,044	6,207
Ending shareholder's equity	5,632	1,116	6,748
Unrealized net capital gains and losses	525	11	536
Adjusted ending shareholder's equity	5,107	1,105	6,212
Average adjusted shareholder's equity	$ 5,135	$ 1,075	$ 6,210
Operating income return on shareholder's equity	7.5%	8.3%	7.7%

Non-GAAP Measures *(continued)*

	For the twelve months ended December 31, 2009		
	ALIC	Allstate Benefits and Other	Allstate Financial Segment
Return on Shareholder's Equity			
Numerator:			
Net (loss) income	$ (547)	$ 64	$ (483)
Denominator:			
Beginning shareholder's equity	$ 2,209	$ 899	$ 3,108
Ending shareholder's equity	4,386	1,027	5,413
Average shareholder's equity	$ 3,298	$ 963	$ 4,261
Return on shareholder's equity	(16.6)%	6.6%	(11.3)%

Non-GAAP Measures *(continued)*

	For the twelve months ended December 31, 2009		
	ALIC	Allstate Benefits and Other	Allstate Financial Segment
Operating Income Return on Shareholder's Equity			
Numerator:			
Operating income	$ 268	$ 72	$ 340
Denominator:			
Beginning shareholder's equity	$ 2,209	$ 899	$ 3,108
Unrealized net capital gains and losses	(2,337)	(62)	(2,399)
Adjusted beginning shareholder's equity	4,546	961	5,507
Ending shareholder's equity	4,386	1,027	5,413
Unrealized net capital gains and losses	(777)	(17)	(794)
Adjusted ending shareholder's equity	5,163	1,044	6,207
Average adjusted shareholder's equity	$ 4,855	$ 1,003	$ 5,857
Operating income return on shareholder's equity	5.5%	7.2%	5.8%

Non-GAAP Measures *(continued)*

Combined ratio excluding the effect of catastrophes is a non-GAAP ratio, which is computed as the difference between two GAAP operating ratios: the combined ratio and the effect of catastrophes on the combined ratio. The most directly comparable GAAP measure is the combined ratio. We believe that this ratio is useful to investors and it is used by management to reveal the trends in our Property-Liability business that may be obscured by catastrophe losses. These catastrophe losses cause our loss trends to vary significantly between periods as a result of their incidence of occurrence and magnitude and can have a significant impact on the combined ratio. We believe it is useful for investors to evaluate these components separately and in the aggregate when reviewing our underwriting performance. The combined ratio excluding the effect of catastrophes should not be considered a substitute for the combined ratio and does not reflect the overall underwriting profitability of our business. The following tables reconcile the Property-Liability and Allstate Brand homeowners combined ratio excluding the effect of catastrophes to the Property-Liability and Allstate Brand homeowners combined ratio.

Non-GAAP Measures *(continued)*

($ in millions)

Property Liability	For the twelve months ended December 31,								For the three months ended March 31,
	2003	2004	2005	2006	2007	2008	2009	2010	2011
Combined ratio excluding the effect of catastrophes	88.6	83.5	81.4	80.6	84.6	87.0	88.3	89.6	89.7
Effect of catastrophe losses	6.0	9.5	21.0	3.0	5.2	12.4	7.9	8.5	5.2
Combined ratio	94.6	93.0	102.4	83.6	89.8	99.4	96.2	98.1	94.9

Non-GAAP Measures *(continued)*

($ in millions)

Homeowners – Allstate Brand	For the twelve months ended December 31,								For the three months ended March 31,
	2003	2004	2005	2006	2007	2008	2009	2010	2011
Combined ratio excluding the effect of catastrophes	64.2	61.2	63.0	64.8	72.0	73.2	73.6	74.3	73.7
Effect of catastrophe losses	21.8	29.2	70.5	10.9	19.5	46.5	29.0	31.3	17.7
Combined ratio	86.0	90.4	133.5	75.7	91.5	119.7	102.6	105.6	91.4