

**UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
WASHINGTON, DC 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): April 1, 2014

THE ALLSTATE CORPORATION

(Exact Name of Registrant as Specified in Its Charter)

Delaware
(State or Other Jurisdiction
of Incorporation)

1-11840
(Commission
File Number)

36-3871531
(IRS Employer
Identification No.)

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

60062
(Zip Code)

(847) 402-5000
(Registrant's Telephone Number, Including Area Code)

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 1 – Registrant's Business and Operations

Item 1.01 Entry into a Material Definitive Agreement.

On April 1, 2014 pursuant to the stock purchase agreement, dated July 17, 2013 (as amended, the "Purchase Agreement"), among Allstate Life Insurance Company ("Allstate Life"), an indirect wholly owned subsidiary of The Allstate Corporation (the "Registrant"), Resolution Life Holdings, Inc. ("Resolution Life Holdings") and Resolution Life L.P., under which Resolution Life Holdings agreed to acquire all of the shares of Allstate Life's wholly owned subsidiary, Lincoln Benefit Life Company ("Lincoln"), Allstate Life and Lincoln entered into (i) an Amended and Restated Reinsurance Agreement (the "Reinsurance Agreement"), pursuant to which Allstate Life will continue to reinsure on a 100% coinsurance and modified coinsurance basis, all life insurance policies sold through the Allstate agency channel, all variable annuities previously retroceded by Allstate Life to insurance affiliates of Prudential Financial, Inc., all immediate annuities written by Lincoln and certain other life business, and (ii) a Partial Commutation Agreement (the "Partial Commutation Agreement"), pursuant to which Lincoln and Allstate Life commuted Allstate Life's reinsurance of (a) all of the fixed deferred annuity, value adjusted deferred annuity, and indexed deferred annuity business written by Lincoln, (b) all of the life insurance business written by Lincoln through independent producers, other than certain life business, and (c) all of the net liability of Lincoln with respect to the accident and health and long-term care insurance business written by Lincoln.

The above descriptions of the Reinsurance Agreement and Partial Commutation Agreement do not purport to be complete and are qualified in their entirety by reference to the full text of the Reinsurance Agreement and Partial Commutation Agreement filed herewith as Exhibits 10.1 and 10.2, respectively.

Section 2 – Financial Information

Item 2.01 Completion of Acquisition or Disposition of Assets.

On April 1, 2014, Allstate Life completed the sale of all of the shares of Lincoln to Resolution Life, Inc., a wholly-owned subsidiary of Resolution Life Holdings, in accordance with the Purchase Agreement, for cash equal to \$587 million, subject to post-closing adjustments as specified in the Purchase Agreement.

The following unaudited *pro forma* consolidated financial statements of the Registrant, giving effect to the sale of Lincoln, are attached as Exhibit 99.1 to this report and are incorporated herein by reference:

- (i) unaudited *pro forma* consolidated statement of financial position as of December 31, 2013;
- (ii) unaudited *pro forma* consolidated statements of operations for the year ended December 31, 2013; and
- (iii) notes to unaudited *pro forma* consolidated financial statements.

Section 8 – Other Events

Item 8.01. Other Events.

On April 1, 2014, the Registrant issued a press release in connection with the completion of the sale of Lincoln described in Item 2.01 above. A copy of the press release is attached as Exhibit 99.2 to this report and is incorporated herein by reference.

Section 9 – Financial Statements and Exhibits

Item 9.01 Financial Statements and Exhibits.

- (a) Not applicable.
- (b) The Registrant’s unaudited *pro forma* consolidated financial statements as of and for the year ended December

- 2 -

31, 2013, are attached as Exhibit 99.1 to this report and are incorporated herein by reference.

- (c) Not applicable
- (d) Exhibits

10.1 Amended and Restated Reinsurance Agreement, dated April 1, 2014, between Allstate Life Insurance Company and Lincoln Benefit Life Company.

10.2 Partial Commutation Agreement, dated April 1, 2014, between Allstate Life Insurance Company and Lincoln Benefit Life Company.

99.1 Registrant’s unaudited *pro forma* consolidated financial statements as of and for the year ended December 31, 2013.

99.2 Registrant’s press release dated April 1, 2014.

- 3 -

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: April 7, 2014

- 4 -

EXHIBIT INDEX

<u>EXHIBIT NUMBER</u>	<u>EXHIBIT</u>
10.1	Reinsurance Agreement, dated April 1, 2014, among Allstate Life Insurance Company and Lincoln Benefit Life Company.
10.2	Partial Commutation Agreement, dated April 1, 2014, among Allstate Life Insurance Company and Lincoln Benefit Life Company.
99.1	Registrant’s unaudited <i>pro forma</i> consolidated financial statements as of and for the year ended December 31, 2013.
99.2	Registrant’s press release dated April 1, 2014.

- 5 -



AMENDED AND RESTATED REINSURANCE AGREEMENT

between

LINCOLN BENEFIT LIFE COMPANY

and

ALLSTATE LIFE INSURANCE COMPANY

Dated as of April 1, 2014

TABLE OF CONTENTS

	<u>Page</u>	
Article I	DEFINITIONS	2
Article II	COVERAGE	11
Article III	ADMINISTRATION; GENERAL	12
Article IV	INITIAL REINSURANCE PREMIUM; ADDITIONAL CONSIDERATION; NET SETTLEMENT	16
Article V	DURATION AND TERMINATION	19
Article VI	INSOLVENCY	20
Article VII	LICENSES; SECURITY	20
Article VIII	DAC TAXES	23
Article IX	ARBITRATION	24
Article X	INDEMNIFICATION; DISCLAIMER	25
Article XI	GENERAL PROVISIONS	27

SCHEDULES

SCHEDULE A	-	CEDED REINSURANCE CONTRACTS
SCHEDULE B	-	SEPARATE ACCOUNTS
SCHEDULE C	-	MONTHLY REPORT

EXHIBITS

EXHIBIT A	-	TRUST AGREEMENT
-----------	---	-----------------

AMENDED AND RESTATED REINSURANCE AGREEMENT

This Amended and Restated Reinsurance Agreement, dated as of April 1, 2014 (this "Agreement"), is made and entered into by and between Lincoln Benefit Life Company, a Nebraska domiciled stock life insurance company (the "Company"), and Allstate Life Insurance Company, an Illinois domiciled stock life insurance company (the "Reinsurer", and together with the Company, the "Parties", and each a "Party").

WHEREAS, the Reinsurer owns 100% of the issued and outstanding capital stock of the Company;

WHEREAS, the Reinsurer, Resolution Life Holdings, Inc., a corporation organized under the laws of the State of Delaware (the "Buyer"), and Resolution Life L.P., solely for purposes of Section 5.25 and Article X thereto, a Bermuda limited partnership, have entered into a Stock Purchase Agreement, dated as of July 17, 2013, as amended (the "Stock Purchase Agreement"), pursuant to which the Reinsurer proposes to sell, and the Buyer proposes to purchase, 100% of the issued and outstanding capital stock of the Company;

WHEREAS, the Stock Purchase Agreement provides, among other things, for the Company and the Reinsurer to enter into this Agreement;

WHEREAS, the Reinsurer provides reinsurance coverage to the Company in accordance with the terms of the following reinsurance agreements: (i) a coinsurance agreement between the Parties effective as of December 31, 2001 covering the Company's general account liabilities for all policies and market value adjustment annuities (the "General Account Reinsurance Agreement"), (ii) a modified coinsurance agreement between the Parties effective as of December 31, 2001 covering the Company's separate account liabilities for variable life insurance policies (the "Variable Life Reinsurance Agreement", and together with the General Account Reinsurance Agreement, the "Subject Reinsurance Agreements") and (iii) a modified coinsurance agreement between the Parties effective as of December 31, 2001 covering the Company's separate account liabilities for variable annuity policies (the "Variable Annuity Reinsurance Agreement");

WHEREAS, the Company is also a party to a Reinsurance Agreement, effective September 30, 2012 (the "Vermont Captive Reinsurance Agreement"), pursuant to which the Company cedes to the Vermont Captive one hundred percent (100%) of the policy benefits under specified universal life insurance policies written by the Company with issue dates within the range set forth in the Vermont Captive Reinsurance Agreement;

WHEREAS, prior to the closing of the transactions contemplated in the Stock Purchase Agreement, the Company and the Reinsurer entered into a Partial Commutation Agreement (the "Partial Commutation Agreement") pursuant to which the Company commuted from the Reinsurer certain of the business that was previously ceded or retroceded to the Reinsurer under the Subject Reinsurance Agreements;

WHEREAS, in connection with the Closing of the transactions contemplated in the Stock Purchase Agreement, the Company and the Reinsurer desire to amend and restate, in its entirety,

the Variable Life Reinsurance Agreement with respect to the business of the Company that was reinsured under the Variable Life Reinsurance Agreement and was not commuted by the Company pursuant to the Partial Commutation Agreement;

WHEREAS, in connection with the Closing of the transactions contemplated in the Stock Purchase Agreement, the Company and the Reinsurer desire to amend and restate the General Account Reinsurance Agreement with respect to the portion of the business of the Company that was reinsured under the General Account Reinsurance Agreement and was not commuted by the Company pursuant to the Partial Commutation Agreement, except for the Company's variable annuity policies reinsured pursuant to the General Account Reinsurance Agreement (which variable annuity policies will continue to be reinsured by the Reinsurer pursuant to the General Account Reinsurance Agreement with respect to all general account liabilities associated with such variable annuity policies);

WHEREAS, the Variable Annuity Reinsurance Agreement shall remain in full force and effect without amendment; and

WHEREAS, the Company wishes to appoint the Reinsurer to provide administrative and other services with respect to the Reinsured Risks (as defined below), and the Reinsurer, as Administrator, desires to provide such administrative services and other services.

NOW, THEREFORE, the Company and the Reinsurer agree as follows:

ARTICLE I DEFINITIONS

Section 1.1 Definitions. Any capitalized term used but not defined herein, unless otherwise indicated, shall have the meaning set forth in the Stock Purchase Agreement. As used in this Agreement, the following terms shall have the following meanings:

“Administrative Services Agreement” means the Administrative Services Agreement entered into between the Company and the Reinsurer as of the date hereof.

“Administrator” means the Reinsurer in its capacity as administrator under the Administrative Services Agreement.

“Agreement” shall have the meaning set forth in the Preamble.

“ALIC Outward Reinsurance Contracts” means all reinsurance or coinsurance treaties and agreements to which the Reinsurer is or becomes a party, as retrocedent, and that relate to the retrocession by the Reinsurer of risks assumed under this Agreement, including (a) all reinsurance or coinsurance treaties and agreements in force as of the date of this Agreement to which the Reinsurer is a ceding party to and that relate to the LBL Contracts, (b) any such treaty or agreement that is terminated or expired but under which the Reinsurer may continue to receive benefits with respect to the LBL Contracts, (c) any other new or replacement reinsurance or coinsurance treaties or agreements covering the LBL Contracts that are entered into by the Reinsurer and (d) any Alternative Reinsurance Arrangement.

2

“Alternative Reinsurance Arrangement” shall have the meaning set forth in Section 3.10(b).

“ARIAS” shall have the meaning set forth in Section 9.1.

“Bank Accounts” shall have the meaning set forth in Section 4.4.

“Captive” means ALIC Reinsurance Company, a South Carolina domiciled captive insurance company.

“Captive Change of Control” means the occurrence of one or more of the following events: any Person other than TAC, one or more Affiliates of TAC or the Reinsurer (whether or not then an Affiliate of TAC) acquires or assumes (x) Control of the Captive, whether by merger, consolidation, stock acquisition or otherwise (including the acquisition or assumption of the power to direct the Captive’s management and policies by means of a management or services agreement or other contractual arrangement) or (y) all or substantially all of the assets or Liabilities of the Captive by reinsurance (whether indemnity or assumption) or otherwise; provided, however, that the acquisition of Control of TAC by any Person shall not constitute a Change in Control. Notwithstanding the foregoing, no Captive Change in Control shall be deemed to occur if TAC provides a guarantee for the benefit of the Company, on terms reasonably satisfactory to the Company, of all obligations of the Captive to the Reinsurer that are assigned to the Company in accordance with the terms of the definition of Required Balance.

“Ceded Reinsurance Contracts” means (a) all reinsurance or coinsurance treaties and agreements in force as of the date of this Agreement to which the Company is a ceding party and that relate to the LBL Contracts, (b) any such treaty or agreement that is terminated or expired but under which the Company may continue to receive benefits with respect to the LBL Contracts, and (c) any other new or replacement reinsurance or coinsurance treaties or agreements covering the LBL Contracts that are entered into by the Reinsurer on behalf of the Company as Administrator under the Administrative Services Agreement, including with respect to subclauses (a), (b) and (c) above, the Vermont Captive Reinsurance Agreement and those treaties and agreements set forth on Schedule A.

“Change in Control” means the occurrence of one or more of the following events: any Person other than TAC or one or more Affiliates of TAC acquires or assumes (x) Control of the Reinsurer, whether by merger, consolidation, stock acquisition or otherwise (including the acquisition or assumption of the power to direct the Reinsurer’s management and policies by means of a management or services agreement or other contractual arrangement) or (y) all or substantially all of the assets or Liabilities of the Reinsurer by reinsurance (whether indemnity or assumption) or otherwise; provided, however, that the acquisition of Control of TAC by any Person shall not constitute a Change in Control. Notwithstanding the foregoing, no Change in Control shall be deemed to occur if TAC provides a guarantee for the benefit of the Company of all Reinsured Risks and all obligations of the Reinsurer hereunder on terms reasonably satisfactory to the Company.

3

“Commuted Business” means the business written by the Company that was reinsured by the Reinsurer pursuant to the Subject Reinsurance Agreement and was commuted by the Company pursuant to the Partial Commutation Agreement.

“Company” shall have the meaning set forth in the Preamble.

“Company Extra Contractual Obligations” means all Extra Contractual Obligations to the extent arising out of, resulting from or relating to any alleged or actual act, error or omission after the Inception Date (including the failure of the Company to perform any Retained Services for such term as defined in the Administrative Services Agreement to the extent required thereunder), whether intentional, in bad faith, reckless, grossly negligent, negligent or otherwise, by the Company or any of its Affiliates, or any service providers engaged or compensated by the Company or its Affiliates (other than the Reinsurer, any of its Affiliates or any designee or subcontractor appointed by Administrator under the Administrative Services Agreement), in each case unless such action was directed by the Reinsurer in writing.

“Company Indemnified Persons” shall have the meaning set forth in Section 10.1.

“Contractholder” means the holder of any LBL Contract.

“Control” means the possession, directly or indirectly, of the power to direct or cause the direction of the management or policies of a Person, whether through the ownership of voting securities, by contract or otherwise.

“Designated Company Conversion Policies” shall have the meaning set forth in the Administrative Services Agreement.

“Eligible Assets” shall have the meaning set forth in Section 7.4.

“Exclusive Producer” means any Producer that markets, sells or administers business of the type written by the Reinsurer or any of its Affiliates exclusively for or on behalf of the Reinsurer and its Affiliates, notwithstanding whether such Producer also sells products of the type not written by the Reinsurer or any of its Affiliates on behalf of third parties.

“Extra Contractual Obligation” means all Liabilities in respect of the LBL Contracts (for the avoidance of doubt, other than Liabilities arising under the express terms and conditions of the LBL Contracts), including Liabilities for fines, penalties, Taxes, fees, forfeitures, compensatory, punitive, exemplary, special, treble, bad faith, tort or any other form of damages, and legal fees and expenses relating thereto, arising out of, resulting from or relating to any alleged or actual act, error or omission, whether intentional, in bad faith, reckless, grossly negligent, negligent or otherwise, in connection with (i) the form, sale, marketing, underwriting, production, issuance, cancellation or administration of the LBL Contracts, (ii) the investigation, defense, trial, settlement or handling of claims, benefits, dividends or payments under or relating to the LBL Contracts, or (iii) the failure to pay or the delay in payment or errors in calculating or administering the payment of benefits, claims, dividends or any other amounts due or alleged to be due under or in connection with the LBL Contracts.

4

“Fair Market Value” means (i) as to cash, the amount thereof; and (ii) as to an asset other than cash, the amount at which such asset could be bought or sold in a current transaction between willing parties other than in a forced or liquidation sale.

“Fund” means any registered investment company in which a Separate Account invests.

“General Account Liabilities” means the following Liabilities of the Company, whether incurred before, at or after the Inception Date: (a) all claims, benefits, claim expenses, interest on claims or unearned premiums, interest on policy funds, withdrawals, amounts payable for returns or refunds of premium surrender amounts and other amounts payable under the terms of the LBL Contracts; (b) all Liabilities arising out of changes to the terms and conditions of the LBL Contracts mandated by Applicable Law or initiated by a Contractholder pursuant to the terms of the applicable LBL Contracts; (c) all expense allowances payable under the LBL Contracts and all experience refunds that relate to the LBL Contracts (including under the Transamerica Reinsurance Agreement); (d) all premium taxes due or accrued in respect of premiums paid, deposits made or annuitizations occurring with respect to the LBL Contracts net of premium tax credits to the extent arising out of assessments or charges described in clause (e); (e) all assessments and similar charges with respect to the LBL Contracts in connection with participation by the Company or the Reinsurer, whether voluntary or involuntary, in any guaranty association established or governed by any state or other jurisdiction, arising on account of insolvencies, rehabilitations or similar proceedings occurring before, on or after the Inception Date; (f) all commissions (including both fronted and trail commissions), expense allowances, benefit credits, other compensation and other servicing and administration fees payable with respect to the LBL Contracts to or for the benefit of Producers; (g) all escheat and unclaimed property Liabilities arising under the LBL Contracts; (h) all premiums and other amounts payable under the Ceded Reinsurance Contracts in respect of the LBL Contracts; and without duplication, (i) all expense reimbursement amounts payable to Allstate Distributors, LLC by the Company under the Principal Underwriting Agreement with respect to the LBL Contracts; in each of the cases of subclauses (a) through (i) above, net of amounts actually collected under the Ceded Reinsurance Contracts by or on behalf of the Company in respect of the LBL Contracts. For the avoidance of doubt, General Account Liabilities (A) exclude the Separate Account Liabilities and the Company Extra Contractual Obligations, and (B) include any general account fixed options under LBL Contracts.

“General Account Reinsurance Agreement” shall have the meaning set forth in the Recitals.

“General Account Reserves” means the aggregate amount of general account reserves of the Company with respect to the General Account Liabilities (without regard to the reinsurance provided hereunder), determined in accordance with Nebraska

SAP; provided, the term “General Account Reserves” does not include the Separate Account Reserves. For the avoidance of doubt, such General Account Reserves shall include the amounts for General Account Liabilities that would be reflected in lines 1 through 4 inclusive, column 1, in the “Liabilities, Surplus and Other Funds” section of the NAIC statement blank used to prepare the Company’s statutory balance sheet as of December 31, 2012, or if the line numbers are changed pursuant to relevant guidance from the NAIC, the successor to such line numbers.

“Illinois SAP” means the statutory accounting principles prescribed or permitted by the Commissioner of Insurance of the State of Illinois but disregarding any permitted practices applicable to the Reinsurer, other than those of general applicability to life insurers.

“Inception Date” shall have the meaning set forth in Section 2.1.

“LBL Contracts” means all Pre-Closing Policies and Post-Closing Policies, excluding policies issued or coverages otherwise provided as a result of the exercise by a Contractholder of any conversion right in a Pre-Closing Policy or a Post-Closing Policy, other than all Designated Company Conversion Policies.

“LIBOR Determination Date” means the date as of which One-Month LIBOR is to be determined, or if such date is not a London Banking Day, the next immediately succeeding London Banking Day.

“London Banking Day” means any business day on which dealings in deposits in U.S. dollars are transacted in the London interbank market.

“Minimum Balance” shall have the meaning set forth in Section 7.7.

“Monthly Accounting Period” means each calendar month during the term of this Agreement or any fraction thereof ending on the date this Agreement is terminated in accordance with Section 5.2.

“Monthly Report” shall have the meaning set forth in Section 4.5(a)(ii).

“Monthly Settlement” shall have the meaning set forth in Section 4.5(a)(i).

“Nebraska Commissioner” means the Commissioner of Insurance of the State of Nebraska.

“Nebraska SAP” means the statutory accounting principles prescribed or permitted by the Commissioner of Insurance of the State of Nebraska but disregarding any permitted practices applicable to the Company, other than those of general applicability to life insurers.

“New Conversion Policy Form” shall have the meaning set forth in the Administrative Services Agreement.

“New York Court” shall have the meaning set forth in Section 11.5.

“Non-Guaranteed Elements” means cost of insurance charges, loads and expense charges, credited interest rates, mortality and expense charges, administrative expense risk charges, variable premium rates, variable paid-up amounts, policyholder dividends and other policy features that are subject to change.

“One-Month LIBOR” means for each interest period, the London interbank offered rate for deposits in U.S. dollars having a maturity of one month which appears on

Bloomberg: verb “BBAM”, 1) “Official BBA Libor Fixings” as of 11:00 a.m., London time, on the related LIBOR Determination Date. If this rate does not appear on Bloomberg: verb “BBAM”, 1) “Official BBA Libor Fixings” on that date, the rate for such interest period will be determined on the basis of the rates at which deposits in U.S. dollars, having a maturity of one month and in a principal amount of not less than U.S. \$1,000,000, are offered at approximately 11:00 a.m., London time, on the LIBOR Determination Date with respect to that interest period, to prime banks in the London interbank market.

“Partial Commutation Agreement” shall have the meaning set forth in the Recitals.

“Parties” shall have the meaning set forth in the Preamble.

“Policy Loan Balance” means, with respect to any date of determination, the amount of contract loans in respect of the LBL Contracts, as of such date, as would be reflected in line 6, column 3 in the “Assets” section of the NAIC statement blank

used to prepare the Company's statutory balance sheet as of December 31, 2012 or if the line number is changed pursuant to relevant guidance from the NAIC, the successor line number to such line number, net of any unearned policy loan interest on such loans but including any due and accrued interest thereon, determined in accordance with Nebraska SAP.

“Post-Closing Policies” means all of the life insurance and annuity contracts issued by the Administrator in the name of the Company pursuant to the Administrative Services Agreement.

“Post-Underwriting Period Conversion Policies” shall have the meaning set forth in the Administrative Services Agreement.

“Pre-Closing Policies” means all of the life insurance and annuity contracts written or reinsured by the Company prior to the Inception Date and reinsured pursuant to the Subject Reinsurance Agreements, other than (i) the Commuted Business and (ii) all variable annuity policies written by the Company to the extent reinsured by the Reinsurer under the Variable Annuity Reinsurance Agreement or the General Account Reinsurance Agreement. For the avoidance of doubt, the Pre-Closing Policies shall be comprised of (i) all life insurance business written by the Company through Exclusive Producers prior to the Inception Date, (ii) all immediate annuities written by the Company prior to the Inception Date, (iii) all Specified Life Business and (iv) the Reinsured Policies.

“Premiums” means premiums, considerations, deposits, payments, loan interest and principal repayments and other amounts received by or on behalf of the Company in respect of the LBL Contracts.

“Principal Underwriting Agreement” means the Amended and Restated Principal Underwriting Agreement entered into between the Company and Allstate Distributors, LLC as of the date hereof.

“Producer” means any producer, broker, agent, general agent, managing general agent, master broker agency, broker general agency, financial specialist or other Person

responsible for marketing or producing insurance policies, annuity contracts, protection and retirement products on behalf of the Company.

“Recoveries” shall have the meaning set forth in Section 4.2(a).

“Recoveries Collateral” shall have the meaning set forth in Section 4.3(a).

“Reinsurance Receivables” means, as of any date of determination, the sum of (x) the amounts recoverable from reinsurers under the Ceded Reinsurance Agreements or the ALIC Outward Reinsurance Contracts, as of such date, as would be reflected in line 16.1, column 3 in the “Assets” section of the NAIC statement blank used to prepare the statutory balance sheet of the Company or the Reinsurer, as applicable, as of December 31, 2012 or if the line number is changed pursuant to relevant guidance from the NAIC, the successor line number to such line number, plus (y) the funds held by or deposited with reinsured companies under the Ceded Reinsurance Agreements or the ALIC Outward Reinsurance Contracts, as of such date, as would be reflected in line 16.2, column 3 in the “Assets” section of the NAIC statement blank used to prepare the statutory balance sheet of the Company or the Reinsurer, as applicable, as of December 31, 2012 or if the line number is changed pursuant to relevant guidance from the NAIC, the successor line number to such line number, plus (z) other amounts receivable under reinsurance contracts from reinsurers under the Ceded Reinsurance Agreements or the ALIC Outward Reinsurance Contracts, as of such date, as would be reflected in line 16.3, column 3 in the “Assets” section of the NAIC statement blank used to prepare the statutory balance sheet of the Company or the Reinsurer, as applicable, as of December 31, 2012 or if the line number is changed pursuant to relevant guidance from the NAIC, the successor line number to such line number, in each case determined in accordance with SAP or Applicable Law of the Company Domiciliary State.

“Reinsured Policies” means those term life insurance policies reinsured by the Company pursuant to the Transamerica Reinsurance Agreement.

“Reinsured Risks” shall have the meaning set forth in Section 2.1.

“Reinsurer” shall have the meaning set forth in the Preamble.

“Reinsurer Extra Contractual Obligations” means all Extra Contractual Obligations to the extent arising out of, resulting from or relating to any alleged or actual act, error or omission, whether intentional, in bad faith, reckless, grossly negligent, negligent or otherwise, by the Reinsurer or any of its Affiliates, or any service providers engaged or compensated by the Reinsurer or its Affiliates (other than any Company Extra Contractual Obligations).

“Reinsurer Indemnified Persons” shall have the meaning set forth in Section 10.2.

“Reinsurer Statutory Book Value” means, with respect to any Eligible Asset, the amount carried in respect of such asset by the Reinsurer as an admitted asset determined in accordance with Illinois SAP.

“Required Balance” means, as of any date of determination, an amount equal to (i) the General Account Reserves as of such date, minus (ii) the Policy Loan Balance as of such date, minus (iii) the Reinsurance Receivables as of such date, minus (iv) the amount of Uncollected/Deferred Premiums as of such date, minus (v) reserve credits on the Reinsurer’s books and records as of such date with respect to the ALIC Outward Reinsurance Contracts whereby the Reinsurer cedes liabilities to an Affiliate of the Reinsurer, provided, however, that with respect to clause (v), the Required Balance shall only be reduced, (A) in an amount that in the aggregate does not exceed 40% of the General Account Reserves as of such date, (B) to the extent of the Value of any assets held as collateral for the reinsurance under the applicable ALIC Outward Reinsurance Contract and (C) to the extent the Reinsurer has assigned to the Company all its rights with respect to such collateral on terms reasonably satisfactory to the Company. Notwithstanding the foregoing, from and after the occurrence of both a Change in Control and a Captive Change of Control, the Required Balance shall be, as of any date of determination, an amount equal to (i) the General Account Reserves less (ii) the Policy Loan Balance as of such date.

“Reserve Credit” means full reserve credit for the reinsurance ceded to the Reinsurer under this Agreement in the Statutory Financial Statements required to be filed by the Company with the Commissioner of Insurance of the State of Nebraska.

“Separate Account Charges” shall have the meaning set forth in Section 4.2(a)(iii).

“Separate Account Liabilities” means those liabilities that are payable from the assets of the Separate Accounts in respect of the LBL Contracts.

“Separate Accounts” means the portion of the variable life separate account(s) of the Company described on Schedule B that relate to the LBL Contracts.

“Shared Reinsurance Agreement” shall have the meaning set forth in Section 3.10(b).

“Specified Life Business” means, collectively, (i) the term life insurance policies written by the Company prior to the Inception Date that have been reinsured to the Reinsurer and retroceded by the Reinsurer to ALIC Reinsurance Company, (ii) the term life insurance policies of the type identified on Section 1.1(d) of the Seller Disclosure Schedule to the Stock Purchase Agreement that were written by the Company and are reinsured by third party reinsurers and (iii) the life insurance policies (x) written by the Company through Producers that, at the time of sale of such policies, marketed, sold or administered on a non-exclusive basis business of the type written by the Reinsurer or its Affiliates and (y) coded by the Company in its books and records with a distribution channel code of 601.

“Statutory Financial Statements” means, with respect to any Party, the annual and quarterly statutory financial statements of such Party.

“Stock Purchase Agreement” shall have the meaning set forth in the Recitals.

“Subject Reinsurance Agreements” shall have the meaning set forth in the Recitals.

“TAC” means The Allstate Corporation, a Delaware corporation.

“Transaction Agreements” shall have the meaning set forth in the Stock Purchase Agreement.

“Transamerica” means Transamerica International Reinsurance Company.

“Transamerica Reinsurance Agreement” means that certain retrocessional agreement, dated as of August 15, 2003 by and between the Company and Transamerica.

“Transfer Instruments” shall have the meaning set forth in Section 7.5.

“Trust Account” means the trust account established by the Reinsurer for the benefit of the Company under the Trust Agreement.

“Trust Agreement” means that certain Trust Agreement dated as of the date hereof by and among the Reinsurer, the Company and the Trustee, as trustee, substantially in the form of Exhibit A hereof.

“Trustee” shall have the meaning set forth in Section 7.2.

“UCC” shall have the meaning set forth in Section 4.3(b)(i).

“Uncollected/Deferred Premiums” means, as of any date of determination, the sum of (i) uncollected premiums in the course of collection in respect of the LBL Contracts, as of such date, as would be reflected in line 15.1, column 3 in the “Assets” section of the NAIC statement blank used to prepare the Reinsurer’s balance sheet in its most recent Statutory Financial Statement or if the line number is changed pursuant to relevant guidance from the NAIC, the successor line number to such line number, plus (ii) deferred premiums and installments booked but deferred and not yet due in respect of the LBL Contracts, as of such date, as would be reflected in line 15.2, column 3 in the “Assets” section of the NAIC statement blank used to prepare the Reinsurer’s balance sheet in its most recent Statutory Financial Statement or if the line number is changed pursuant to relevant guidance from the NAIC, the successor line number to such line number, in each case determined in accordance with Nebraska SAP.

“Value” means, with respect to the assets in the Trust Account, their Reinsurer Statutory Book Value prior to a Change in Control and following the occurrence of a Change in Control, their Fair Market Value.

“Variable Annuity Reinsurance Agreement” shall have the meaning set forth in the Recitals.

“Variable Life Reinsurance Agreement” shall have the meaning set forth in the Recitals.

10

“Vermont Captive” means Lincoln Benefit Reinsurance Company, a Vermont domiciled captive insurance company.

“Vermont Captive Reinsurance Agreement” shall have the meaning set forth in the Recitals.

ARTICLE II COVERAGE

Section 2.1 Coverage. Upon the terms and subject to the conditions and other provisions of this Agreement, as of 12:01 a.m. Central Time on the 1st day of the month in which the Closing occurs (the “Inception Date”), the Company hereby cedes to the Reinsurer, and the Reinsurer hereby agrees to indemnify the Company (i) on a coinsurance basis, for one hundred percent (100%) of the General Account Liabilities of the Company; (ii) on a modified coinsurance basis, for one hundred percent (100%) of the Separate Account Liabilities of the Company and (iii) for one hundred percent (100%) of the Reinsurer Extra Contractual Obligations, in each case, payable by the Company on or after the Inception Date (the “Reinsured Risks”).

Section 2.2 Conditions.

(a) The Company, on its own initiative, shall not change the terms and conditions of any LBL Contract, other than for any changes that are required due to (i) changes in Applicable Law, (ii) the terms of the LBL Contracts or (iii) the requirements of any Governmental Entity. If the Company’s liability under any of the LBL Contracts is changed because of changes made on or after the Inception Date in the terms and conditions of the LBL Contracts (including to any contract riders or endorsements thereto) that are required due to the reasons identified in clauses (i), (ii) or (iii) above, the Reinsurer will share in the change proportionately to the coinsurance share hereunder and the Company and the Reinsurer will make all appropriate adjustments to amounts due each other under this Agreement. With respect to any change required due to the reasons identified in clauses (i) or (iii) above, the Company shall, to the extent practicable, prior to the effectiveness of any such change, promptly notify the Reinsurer of such proposed change and afford the Reinsurer the opportunity, to the extent practicable, to object to such change under applicable administrative procedures (both formal and informal).

(b) Except as otherwise set forth or contemplated herein, including in paragraph (a) above, no changes, amendments or modifications made on or after the Inception Date of the terms and conditions of the LBL Contracts (including to any contract riders or endorsements thereto) shall be covered hereunder unless made by the Reinsurer pursuant to the Administrative Services Agreement or made or consented to by the Company with the prior written approval of the Reinsurer. In the event that any such changes, amendments or modifications are made or consented to in any LBL Contract by the Company without the prior written approval of the Reinsurer, this Agreement will cover Reinsured Risks incurred by the Company under such LBL Contract as if the non-approved changes, amendments or modifications had not been made.

11

Section 2.3 Indemnity Reinsurance. This Agreement is an indemnity coinsurance and modified coinsurance agreement solely between the Company and the Reinsurer, and the performance of the obligations of each Party under this Agreement shall be rendered solely to the other Party. The Company shall be and shall remain the only party hereunder that is liable to any insured, cedent, Contractholder, claimant or beneficiary under any annuity contract or insurance policy reinsured hereunder.

Section 2.4 Territory. The territorial limits of this Agreement shall be identical with those of the LBL Contracts.

ARTICLE III
ADMINISTRATION; GENERAL

Section 3.1 Contract Administration. The Reinsurer shall administer the LBL Contracts (other than the Post-Underwriting Period Conversion Policies), the Ceded Reinsurance Contracts with respect to the LBL Contracts (other than with respect to the Post-Underwriting Period Conversion Policies) and the Separate Accounts (to the extent provided in the Administrative Services Agreement) directly on behalf of the Company, in each instance in accordance with the terms of the Administrative Services Agreement. The Post-Underwriting Period Conversion Policies shall be administered by the Company. The Company agrees to administer the Post-Underwriting Period Conversion Policies in accordance with Applicable Law, the terms of such policies and, subject to the foregoing, using a degree of skill and attention no less than that which the Company exercises with respect to the Company Business. As part of the development of the New Conversion Policy Form in accordance with the provisions of the Administrative Services Agreement, the Parties will agree on an appropriate expense allowance to compensate the Company for providing such administration, which expense allowance shall comply with 210 Nebraska Administrative Code Chapter 57, Section 004.01(a).

Section 3.2 Non-Guaranteed Elements. The Reinsurer may, from time to time, make recommendations to the Company with respect to Non-Guaranteed Elements so long as the recommendations comply with the written terms of the LBL Contracts, Applicable Law and Actuarial Standards of Practice promulgated by the Actuarial Standard Board governing redetermination of non-guaranteed charges. The Company shall fully consider any such recommendations and act reasonably and in good faith in determining whether any such recommendations should be accepted and shall not unreasonably delay implementation of any accepted recommendations after such recommendations are provided in writing, except to the extent that an applicable Governmental Entity finally determines that Applicable Law would require the implementation of such recommendations to apply to any policy or contract that constitutes Company Business. Notwithstanding anything to the contrary contained herein, in the event that an applicable Governmental Entity finally determines that Applicable Law would require the implementation of the Reinsurer's recommendations with respect to one or more LBL Contracts to apply to any policy or contract that constitutes Company Business (a) the Parties shall cooperate in good faith to develop a mutually agreeable plan to set Non-Guaranteed Elements with respect to such LBL Contracts and such Company Business, and the Parties shall implement any such plan so agreed and (b) the Company shall not be liable for any Indemnified Losses incurred by the Reinsurer as a result of the Company's failure to implement the Reinsurer's recommendations. In the event that the Company is notified by an applicable

Governmental Entity that it proposes making a determination that Applicable Law would require the implementation of such recommendations to apply to any policy or contract that constitute Company Business, the Company shall promptly (but in any event within two (2) Business Days) notify the Reinsurer of such notification. The parties will thereafter cooperate in good faith and use their reasonable best efforts to reach agreements with such Governmental Entity that will avoid a final determination to such effect.

Section 3.3 Policy Exchanges, Replacements or Surrenders. Unless otherwise agreed in writing by the Parties to this Agreement, (i) the Company will not institute, promote, or encourage any exchange, replacement or surrender program with respect to the LBL Contracts; and (ii) the Company shall not use any information regarding the LBL Contracts, including information regarding the Contractholders, other than for purposes of complying with its obligations under the Administrative Services Agreement and this Agreement or as otherwise required by Applicable Law.

Section 3.4 Errors and Omissions. If any delay, omission, error or failure to pay amounts due or to perform any other act required by this Agreement is unintentional and caused by misunderstanding or oversight, the Company and the Reinsurer will adjust the situation to what it would have been had the misunderstanding or oversight not occurred. The Party first discovering such misunderstanding or oversight, or an act resulting from such misunderstanding or oversight, will notify the other Party in writing promptly upon discovery thereof, and the Parties shall act to correct such misunderstanding or oversight within twenty (20) Business Days of such other Party's receipt of such notice. However, this Section 3.4 shall not be construed as a waiver by either Party of its right to enforce strictly the terms of this Agreement.

Section 3.5 Age, Sex and Other Adjustments. If the Company's liability under any of the LBL Contracts is changed because of a misstatement of age or sex or any other material fact, the Reinsurer will share in the change proportionately to the reinsurance share hereunder and the Company and the Reinsurer will make all appropriate adjustments to amounts due each other under this Agreement.

Section 3.6 Set-off. Any debts or credits, matured or unmatured, in favor of or against either the Company or the Reinsurer with respect to this Agreement are deemed mutual debts or credits, as the case may be, and shall be set off from any amounts due to the Company or the Reinsurer hereunder, as the case may be, and only the net balance shall be allowed or paid. For the avoidance of doubt, no such set-off shall affect the obligations of the Parties or their respective Affiliates under the terms of the Stock Purchase Agreement or any other Transaction Agreement. In the event of any insolvency, rehabilitation, conservatorship or

comparable proceeding by or against the Ceding Company or the Reinsurer, the rights of offset and recoupment set forth in this Section 3.6 shall apply to the fullest extent permitted by Applicable Law.

Section 3.7 Defenses. The Reinsurer accepts, reinsures and assumes the Reinsured Risks subject to any and all defenses, set-offs and counterclaims to which the Company would be entitled with respect to the Reinsured Risks, it being expressly understood and agreed to by the Parties hereto that no such defenses, set-offs, or counterclaims are or shall be waived by the execution and delivery of this Agreement or the consummation of the transactions contemplated

13

hereby and that the Reinsurer is and shall be fully subrogated in and to all such defenses, set-offs and counterclaims.

Section 3.8 Guaranty Fund Assessments and Premium Taxes. The Company and the Reinsurer shall settle amounts due with regard to guaranty fund assessments, premium taxes and premium tax credits included in the General Account Liabilities in accordance with the terms of the Administrative Services Agreement.

Section 3.9 Conversion. From and after the Inception Date, the Company shall make policies available for issuance upon the exercise by a Contractholder of any conversion right in an LBL Contract in accordance with the terms of the Administrative Services Agreement.

Section 3.10 Ceded Reinsurance Contracts.

(a) From and after the Inception Date, pursuant to the terms of the Administrative Services Agreement, the Reinsurer shall have the exclusive right to terminate, amend or replace with a new reinsurance agreement between the Reinsurer and the applicable reinsurer, in whole or in part, any of the Ceded Reinsurance Contracts to the extent such termination, amendment or replacement relates to the LBL Contracts; provided such termination, amendment or replacement does not affect the reinsurance coverage or other reinsurance terms provided thereunder with respect to the Company Business. The Company agrees to not terminate, amend or replace any of the Ceded Reinsurance Contracts to the extent such termination, amendment or replacement relates to or affects the reinsurance coverage provided thereunder with respect to the LBL Contracts. The Company shall, upon the Reinsurer's request, cooperate with the Reinsurer and take all actions reasonably requested by the Reinsurer to cause such terminations, amendments or replacements of Ceded Reinsurance Contracts or to cause such replacement Ceded Reinsurance Contracts to be entered into. The Reinsurer shall reimburse the Company for all reasonable and documented out-of-pocket costs and expenses incurred by the Company or its Affiliates in connection with such terminations, amendments or replacements of Ceded Reinsurance Contracts or the entering into of such new Ceded Reinsurance Contracts.

(b) From and after the Inception Date, to the extent not completed prior to the Inception Date pursuant to Section 5.4 of the Stock Purchase Agreement, the Reinsurer and the Company shall each use its reasonable best efforts, and shall cooperate fully with each other, to cause the reinsurer under each Ceded Reinsurance Contract pursuant to which such reinsurer reinsures both risk included in the Company Business and risk that is not included in the Company Business (each, a "Shared Reinsurance Agreement") to (i) enter into (A) a novation to the Reinsurer or one or more of its Affiliates of the portion of such Shared Reinsurance Agreement comprising risk that is not included in the Company Business or (B) an amendment of such Shared Reinsurance Agreement to exclude the risk that is not included in the Company Business together with a new reinsurance arrangement with the Reinsurer or one or more of its Affiliates pursuant to which such risk will be reinsured by such reinsurer on the same terms as those applicable under the Shared Reinsurance Agreement (each of (A) and (B), an "Alternative Reinsurance Arrangement") and (ii) waive any right to terminate such Shared Reinsurance Agreement pursuant to its terms as a result of the consummation of the transactions contemplated by this Agreement; provided, that neither Party shall be required to compromise any right, asset

14

or benefit or expend any amount, incur any liability or provide any other consideration in connection with obtaining the consent of any reinsurer to any Alternative Reinsurance Arrangement. For the avoidance of doubt, if the Parties are unable to effect an Alternative Reinsurance Arrangement with respect to any Shared Reinsurance Agreement and such Shared Reinsurance Agreement remains in effect after the Inception Date, all rights to the reinsurance recoveries under such Shared Reinsurance Agreement that relate to the LBL Contracts shall be included in the Recoveries, the Company shall have no obligation to seek collection for any such Recoveries (other than with respect to the Post-Underwriting Period Conversion Policies or as may be provided in the Administrative Services Agreement), and the Reinsurer will administer such Shared Reinsurance Agreement with respect to the LBL Contracts (other than with respect to the Post-Underwriting Period Conversion Policies) under the Administrative Services Agreement.

(c) From and after the Inception Date, to the extent not completed prior to the Inception Date pursuant to Section 5.4 of the Stock Purchase Agreement, the Reinsurer shall have the right but not the obligation to continue to use efforts to cause the reinsurer under each Ceded Reinsurance Contract other than the Shared Reinsurance Agreements to enter into either (i) a novation of such Ceded Reinsurance Contract from the Company to the Reinsurer or one of its Affiliates or (ii) a termination of

such Ceded Reinsurance Contract together with the concurrent entry into a new reinsurance contract with the Reinsurer; provided, that neither Party shall be required to compromise any right, asset or benefit or expend any amount, incur any liability or provide any other consideration in connection with obtaining the consent of any reinsurer to any such alternative arrangement. For the avoidance of doubt, if the Parties are unable to effect an alternative arrangement with respect to any such Ceded Reinsurance Contract and such Ceded Reinsurance Contract remains in effect after the Inception Date, all rights to the reinsurance recoveries under such Ceded Reinsurance Contract shall be included in Recoveries, the Company shall have no obligation to seek collection for any such Recoveries (other than with respect to the Post-Underwriting Period Conversion Policies or as may be provided in the Administrative Services Agreement), and the Reinsurer will administer such Ceded Reinsurance Contract (other than with respect to the Post-Underwriting Period Conversion Policies) under the Administrative Services Agreement.

(d) Subject to the provisions of Section 3.10(a), Liabilities with respect to the LBL Contracts under any Ceded Reinsurance Contract that is terminated or recaptured by the Reinsurer shall be ceded hereunder automatically to the Reinsurer without further action, subject to receipt by the Reinsurer of any reserve transfer or similar transfers or settlement amount, if any, received by the Company from the applicable reinsurer and, in such event, the Reinsurer shall pay any special transfer or recapture fee or any other amount payable by the Company in respect of the LBL Contracts in connection therewith as may be required under such Ceded Reinsurance Contract.

(e) From and after the Inception Date, the Reinsurer shall have the right but not the obligation to seek Transamerica's consent to (and upon receipt of such consent to effectuate on behalf of the Company) either (i) a novation of the Transamerica Reinsurance Agreement (together with any related servicing agreement) from the Company to the Reinsurer or one of its Affiliates or (ii) a termination of the Transamerica Reinsurance Agreement (together with any related servicing agreement) together with the concurrent entry into a new reinsurance

contract and any related servicing agreement with the Reinsurer; provided, that neither Party shall be required to compromise any right, asset or benefit or expend any amount, incur any liability or provide any other consideration in connection with obtaining the consent of Transamerica to any such alternative arrangement.

Section 3.11 Follow the Fortunes. The Reinsurer's Liability under this Agreement shall attach simultaneously with that of the Company under the LBL Contracts, and the Reinsurer's Liability under this Agreement shall be subject in all respects to the same risks, terms, rates, conditions, interpretations, assessments, waivers, proportion of Premiums paid to the Company.

ARTICLE IV

INITIAL REINSURANCE PREMIUM; ADDITIONAL CONSIDERATION; NET SETTLEMENT

Section 4.1 Initial Reinsurance Premium. The Parties agree and acknowledge that the initial reserve transfer occurred under the Subject Reinsurance Agreements (or predecessor reinsurance agreements), and there will be no additional initial reinsurance premium or ceding commission due between the Parties as a result of entering into this Agreement except as provided in Section 4.2.

Section 4.2 Additional Consideration.

(a) As additional consideration for the Reinsurer entering into this Agreement, as of the Inception Date, the Company hereby irrevocably sells, assigns, transfers and delivers to the Reinsurer as premium hereunder all of its rights, title and interest in one hundred percent (100%) of all of the following amounts actually received or receivable at or after the Inception Date by the Company or the Reinsurer, whether in its role as reinsurer hereunder or as Administrator, with respect to the LBL Contracts (items (i) through (v) below, collectively, the "Recoveries"):

- (i) Premiums;
- (ii) all amounts actually collected or collectable under the Ceded Reinsurance Contracts in respect of the LBL Contracts (including all recoveries, returns, amounts in respect of profit sharing and all other sums to which the Company may be entitled under the Ceded Reinsurance Contracts in respect of the LBL Contracts);
- (iii) all mortality and expense risk charges, administrative expense charges, rider charges, contract maintenance charges, back-end sales loads and other considerations billed separately for the LBL Contracts collected or collectible by the Company, and any other charges, fees and similar amounts received or receivable by the Company from the Separate Accounts in respect of the LBL Contracts (collectively, the "Separate Account Charges"). For the avoidance of doubt, the Separate Account Charges shall include any revenue sharing fees, service fees and distribution fees received or receivable from or in respect of Funds pursuant to a

plan adopted pursuant to Rule 12b-1 under the Investment Company Act of 1940, as amended;

- (iv) all amounts that are transferrable from the Separate Accounts to the general account of the Company in respect of the LBL Contracts; and
- (v) without duplication, all other payments, collections, releases of funds, recoveries and other considerations or payments with respect to the LBL Contracts, including all premiums, payments, reimbursements, interest or other amounts that the Company receives in connection with any reinstatement or reissuance of an LBL Contract or any conversion, exchange or replacement policy that is reinsured under this Agreement.

(b) The Company agrees to execute and record all additional documents and take all other steps reasonably requested by the Reinsurer to effectuate such transfer to the Reinsurer. Direct receipt by the Reinsurer, including in its role as Administrator under the Administrative Services Agreement, or any of its Affiliates of any such amounts shall satisfy the Company's obligations to transfer any such amount to the Reinsurer hereunder.

(c) The Company hereby and pursuant to the Administrative Services Agreement appoints the Reinsurer as its agent to collect all Recoveries in the Company's name. The Company agrees and acknowledges that the Reinsurer and its permitted assigns and delegates are entitled to enforce, in the name of the Company, all rights at law or in equity or good faith claims of the Company with respect to such Recoveries. If necessary for such collection, the Company shall reasonably cooperate, at the Reinsurer's expense, in any litigation or other dispute resolution mechanism relating to such collection. The Parties acknowledge and agree that the Reinsurer shall be responsible for and has hereby assumed the financial risk of any uncollected or uncollectible Recoveries. To the extent that the Company recovers any Recoveries from any third party attributable to the LBL Contracts, the Company shall promptly transfer such amounts to the Reinsurer, together with any pertinent information that the Company may have relating thereto.

Section 4.3 Security Interest.

(a) The Parties intend the Company's assignment pursuant to the first sentence of Section 4.2(a) to be a present assignment of all of the Company's rights, title and interest and not an assignment as collateral. However, to the extent that such assignment is not recognized as a present assignment, is not valid or is recharacterized as a pledge rather than a lawful conveyance to the Reinsurer, the Company does hereby grant, bargain, sell, convey, assign and otherwise pledge to the Reinsurer all of the Company's now owned and hereafter acquired or arising, whether governed by Article 9 of the UCC or other law, wherever located, and all proceeds and products thereof, right, title and interest, if any (legal, equitable or otherwise) to all Recoveries (and any lockbox or account set up for the receipt of the Recoveries after the Inception Date) ("Recoveries Collateral") to secure all of the Company's obligations to remit the Recoveries to the Reinsurer.

17

(b) Upon the failure of the Company to remit Recoveries to the Reinsurer, which failure remains uncured ten (10) days after written notice thereof is received by the Company, the Reinsurer shall have, in addition to all other rights under this Agreement or under Applicable Law, the following rights:

- (i) the right to exercise all rights and remedies granted a secured party under the Uniform Commercial Code, as said code has been enacted in the State of Nebraska, the State of Illinois, or any other applicable jurisdiction (the "UCC"), as though all the Recoveries Collateral constituted property subject to a security interest under Article 9 thereof; and
- (ii) the right to intercept and retain monies and property in any lockbox or account set up for the receipt of Recoveries.

(c) This Section 4.3 is being included in this Agreement to ensure that, if an insolvency or other court determines that, notwithstanding the provisions of this Agreement, including Section 4.2(a), and the express intent of the Parties in entering into this Agreement, the Company retained ownership of or any rights in the Recoveries Collateral, the Reinsurer's rights to the Recoveries Collateral are protected with a first priority, perfected security interest, and it is the intent of the Parties that this Section 4.3 be interpreted as such.

(d) Nothing contained herein shall be construed to support the conclusion that the Company will retain any ownership of or any rights in the Recoveries Collateral after the Inception Date or to support the conclusion that the Reinsurer does not acquire full ownership thereof as of the Inception Date.

(e) The Company shall execute and deliver and the Reinsurer is authorized to execute and deliver any and all financing statements reasonably requested by the Reinsurer to the extent that it may appear appropriate to the Reinsurer to file such financing statements in order to perfect the Reinsurer's title under Article 9 of the UCC to any and all Recoveries Collateral and the

Company shall do such further acts and things as the Reinsurer may reasonably request in order that the security interest granted hereunder may be maintained as a first perfected security interest. All costs and expenses incurred in connection with obtaining a first priority, perfected security interest shall be borne by the Reinsurer.

Section 4.4 Bank Accounts. During the term of this Agreement, the Reinsurer may open and maintain one or more accounts with banking institutions with respect to the LBL Contracts (the "Bank Accounts"). The Reinsurer shall have the exclusive authority over the Bank Accounts including, without limitation, the exclusive authority to (a) open the Bank Accounts in the name of the Company, (b) designate the authorized signatories on the Bank Accounts, (c) issue drafts on and make deposits in the Bank Accounts in the name of the Company, (d) make withdrawals from the Bank Accounts and (e) enter into agreements with respect to the Bank Accounts on behalf of the Company; provided, that in no event shall the Company be responsible for any fees, overdraft charges or other payments, liabilities or obligations with respect to any such Bank Accounts or be obligated to provide funding for the Bank Accounts. The Company shall do all things necessary at the Reinsurer's expense to

18

(x) enable and authorize the Reinsurer to use the Company's existing lockboxes with respect to the LBL Contracts and (y) to enable the Reinsurer to open and maintain the Bank Accounts including, without limitation, executing and delivering such depository resolutions and other documents as may be requested from time to time by the banking institutions. The Company agrees that without the Reinsurer's prior written consent it shall not make any changes to the authorized signatories on the Bank Accounts nor attempt to withdraw any funds therefrom.

Section 4.5 Reports and Settlements.

(a) The Reinsurer shall provide to the Company periodic accounting and other reports with respect to the LBL Contracts as specified in the Administrative Services Agreement. Other than with respect to the Post-Underwriting Conversion Policies, settlement with respect to amounts owed hereunder by the Reinsurer to the Company and by the Company to the Reinsurer shall be performed through the direct payment by the Reinsurer of Reinsured Risks and direct receipt by the Reinsurer of Recoveries on an ongoing basis in its capacity as Administrator under the Administrative Services Agreement.

- (i) Except as otherwise specifically provided herein, all amounts due to be paid to the Company and the Reinsurer under this Agreement with regards to the Post-Underwriting Period Conversion Policies shall be determined on a net basis, as of the last day of each Monthly Accounting Period. Each net amount due with respect to each Monthly Accounting Period (the "Monthly Settlement") shall be paid by the Reinsurer to the Company, or by the Reinsurer to the Company, as applicable, no later than fifteen (15) days after delivery of the Monthly Report.
- (ii) Within fifteen (15) days of the end of each Monthly Accounting Period, the Company shall supply the Reinsurer with a report in the form of Schedule C which shall set forth the Recoveries with respect to the Post-Underwriting Period Conversion Policies collected during the prior Monthly Accounting Period and the General Account Liabilities paid during the prior Monthly Accounting Period (the "Monthly Report").
- (iii) If the actual data required for the Monthly Report cannot be supplied with the appropriate report, the Company shall produce best estimates and shall provide amended reports based on actual data no more than ten (10) days after the actual data becomes available and the Parties will settle any additional amounts due within five (5) days thereafter.

ARTICLE V DURATION AND TERMINATION

Section 5.1 Duration. Except as otherwise provided herein, this Agreement shall be unlimited in duration.

19

Section 5.2 Reinsurer's Liability. The Reinsurer's liability with respect to the Reinsured Risks will terminate on the earliest of: (i) the date the Company's liability with respect to the Reinsured Risks is terminated and all amounts due the Company from the Reinsurer with respect thereto have been paid by or on behalf of the Reinsurer to or on behalf of the Company; and (ii) the date this Agreement is terminated upon the written agreement of the Parties.

ARTICLE VI INSOLVENCY

Section 6.1 Payments. In the event of the insolvency of the Company, all reinsurance made, ceded, renewed or otherwise becoming effective under this Agreement shall be payable by the Reinsurer directly to the contractholders of the

contracts reinsured, without diminution because of the insolvency of the Company. It is agreed and understood, however, that (i) in the event of the insolvency of the Company, the domiciliary liquidator, receiver or legal successor of the insolvent Company shall give written notice of the pendency of a claim against the insolvent Company on the LBL Contract within a reasonable time after such claim is filed in the insolvency proceeding and (ii) during the pendency of such claim the Reinsurer may investigate such claim and interpose, at its own expense, in the proceeding where such claim is to be adjudicated, any defenses which it may deem available to the Company or its liquidator, receiver or statutory successor.

Section 6.2 Expenses. It is further understood that any expense thus incurred by the Reinsurer pursuant to Section 6.1 may be filed as a claim against the insolvent Company as part of the expense of liquidation, to the extent of a proportionate share of the benefit which may accrue to the Company solely as a result of the defense undertaken by the Reinsurer. Where two or more assuming reinsurers are involved in the same claim and a majority in interest elect to interpose a defense to such claim, the expense shall be apportioned subject to court approval, in accordance with the terms of this Agreement as though such expense had been incurred by the Company.

ARTICLE VII LICENSES; SECURITY

Section 7.1 Licenses. At all times during the term of this Agreement, the Reinsurer shall (i) hold and maintain all licenses and authorizations required so that the Company may receive Reserve Credit or (ii) otherwise take such steps as may be required to provide the Company with Reserve Credit.

Section 7.2 Security. During the term of this Agreement until such time as a Trust Account is no longer required pursuant to Section 7.7, as security for the payment of amounts due the Company under this Agreement, the Reinsurer, as grantor, shall establish and maintain the Trust Account with a trustee reasonably acceptable to the Company (the "Trustee") naming the Company as sole beneficiary thereof. Concurrently with the execution of this Agreement, on the Inception Date, the Reinsurer shall deposit into the Trust Account Eligible Assets with a Reinsurer Statutory Book Value (including investment income due and accrued) equal to the Reinsurer's good faith estimate of the Required Balance as of the Inception Date. All transfers

20

to and withdrawals from the Trust Account shall be in accordance with and subject to the requirements set forth in the Trust Agreement; provided that, in addition to the requirements set out in the Trust Agreement, the Reinsurer shall transfer amounts to, and withdraw amounts from, the Trust Account as set forth in Section 7.6.

Section 7.3 Trust Account and Settlements. The trustee shall hold assets in the Trust Account pursuant to the terms of the Trust Agreement.

Section 7.4 Investment of Trust Assets. The assets held in the Trust Account shall be valued at their Value (including investment income due and accrued). The assets that may be held in the Trust Account shall consist of cash and investments that are permitted to be carried by the Company as admitted assets determined in accordance with Nebraska SAP; provided, that (i) each such asset that is a security is issued by an institution that is not the Reinsurer, the Company or an Affiliate of either Party, and (ii) such assets comply with the requirements specified by the investment guidelines as set forth on Exhibit C of the Trust Agreement; provided, further, that such assets shall be managed in accordance with commercially reasonable investment guidelines agreed by the Company and the Reinsurer upon the occurrence of a Change in Control (the assets pursuant to this sentence being the "Eligible Assets").

Section 7.5 Deposit of Assets. Prior to depositing assets in the Trust Account, the Reinsurer will execute assignments, endorsements, medallion guaranteed stock powers, and medallion guaranteed bond powers in blank (collectively "Transfer Instruments") as appropriate in each instance for the type of asset, to transfer legal title to the trustee of all shares, obligations or any other assets requiring assignment, conveyance or transfer, in order that the Company, or the trustee upon the direction of the Company, may whenever necessary negotiate the assets, attach the endorsements and record the assignments without any additional consent or signature from the Reinsurer or any other entity. The Transfer Instruments shall be accompanied by a Certificate duly executed by an Assistant Secretary of the Reinsurer evidencing the due authority of the signatories to execute the Transfer Instruments on behalf of the Reinsurer.

Section 7.6 Adjustment of Security and Withdrawals. Subject to Section 7.7, the amount of security provided by the Reinsurer shall be adjusted following the end of each Monthly Accounting Period to be equal to the Required Balance as of the end of such Monthly Accounting Period (such amounts to be calculated by the Reinsurer and a report thereof to be furnished to the Company no later than ten (10) Business Days following the end of such Monthly Accounting Period) as follows:

(a) If the aggregate Value of the Eligible Assets held in the Trust Account at the end of any Monthly Accounting Period is less than the Required Balance, calculated based on the most recent Monthly Accounting Period report, the Reinsurer shall, no later than ten (10) Business Days following delivery of the relevant report, transfer additional Eligible Assets to the Trust Account so that the aggregate Value of the Eligible Assets held in the Trust Account is not less than the Required Balance as of the end of such Monthly Accounting Period.

(b) If the aggregate Value of the Eligible Assets in the Trust Account at the end of any Monthly Accounting Period exceeds 100% of the Required Balance, calculated based on the most recent Monthly Accounting Period report, then the Reinsurer shall have the right to

withdraw the excess from the Trust Account in accordance with the terms of the Trust Agreement; provided, however, that after a Change in Control the 100% amount above shall become 102%.

(c) The report required to be delivered by the Reinsurer as described in this Section 7.6 shall include a listing of each asset in the Trust Account and the Reinsurer Statutory Book Value and Fair Market Value of each such asset as of the end of the relevant Monthly Accounting Period.

(d) The Company may withdraw the assets held in the Trust Account only in accordance with the terms of the Trust Agreement to pay to the Company amounts that are (i) due to the Company from the Reinsurer under this Agreement, but not yet recovered from the Reinsurer, (ii) not the subject of a good faith dispute and (iii) not paid by the Reinsurer within ten (10) Business Days after the Reinsurer has received written notice of such failure to pay from the Company.

(e) The amount of any withdrawal from the Trust Account in excess of amounts permitted under the terms of the Trust Agreement shall be held in trust by the Company and maintained in a segregated account, separate and apart from the assets of the Company for the benefit of the Reinsurer and promptly returned to the Reinsurer, plus interest, compounded monthly, at One-Month LIBOR plus 150 basis points from and including the date of withdrawal to but excluding the date on which such excess withdrawal is returned to the Trust Account.

Section 7.7 Termination of Trust Account. Notwithstanding anything to the contrary herein, if, prior to the occurrence of a Change in Control, the Required Balance as set forth in the report required to be delivered by the Reinsurer as described in Section 7.6 with respect to any Monthly Accounting Period is zero (the "Minimum Balance"), then (i) the Reinsurer and the Company shall promptly deliver a joint written notice to the Trustee to terminate the Trust Account, and (ii) the Reinsurer shall have no further obligation to maintain any assets in the Trust Account pursuant to this Agreement or the Trust Agreement.

Section 7.8 Certain Reports. The Reinsurer shall provide written notice of the occurrence of any Change in Control or Captive Change of Control within two (2) Business Days after its occurrence. In addition, the Reinsurer shall cooperate fully with the Company and promptly respond to the Company's reasonable inquiries from time to time concerning the determination of whether a Change in Control or a Captive Change of Control has occurred.

Section 7.9 Vermont Captive. To the extent the Vermont Captive proposes to reinsure any business in addition to the business currently reinsured under the Vermont Captive Reinsurance Agreement, the parties shall negotiate in good faith with respect to the treatment of the business currently reinsured under the Vermont Captive Reinsurance Agreement.

ARTICLE VIII DAC TAXES

Section 8.1 DAC Taxes.

(a) Each of the Company and Reinsurer acknowledges that it is subject to taxation under Subchapter L of the Code and hereby makes the election contemplated in section 1.848-2(g)(8) of the Treasury regulations under the Code with respect to this Agreement. Each of the Company and Reinsurer (i) agrees that such election shall be effective for the taxable year of each Party that includes the Inception Date and for all subsequent years during which this Agreement remains in effect and (ii) warrants that it will take no action to revoke the election.

(b) Pursuant to section 1.848-2(g)(8) of the Treasury regulations, each Party hereby agrees (i) to attach a schedule to its federal income tax return for its first taxable year ending on or after the Inception Date that identifies this Agreement as a reinsurance agreement for which the joint election under section 1.848-2(g)(8) has been made, (ii) that the Party with net positive consideration (as defined in the Treasury regulations) for this Agreement for each taxable year will capitalize specified policy acquisition expenses with respect to the Agreement without regard to the general deductions limitation of section 848(c) (1) of the Code, and (iii) to exchange information pertaining to the amount of net consideration (as defined in the Treasury regulations) under this Agreement to ensure consistency.

(c) By March 1 of each year, the Reinsurer shall submit a schedule to the Company of its calculation of the net consideration for the preceding calendar year. If the Company agrees with the calculation, the Company shall use this information in determining its net consideration for such prior year. If the Company disagrees with the calculation, the Parties shall act in good faith to resolve any differences so that consistency is maintained for tax return reporting purposes.

(d) By May 15 of each calendar year, the Reinsurer shall reimburse (or be reimbursed by, as the facts may provide) the Company for DAC taxes incurred for the previous tax year with respect to the policies after the Inception Date. The DAC tax reimbursement shall be computed by multiplying the DAC tax factor by the sum of (i) 100% of premiums received during the previous tax year on the Reinsured Contracts after the Inception Date subject to section 848 of the Code and (ii) the Company's net consideration (as defined in the Treasury regulations) for the previous tax year under this Agreement for periods beginning on or after the Inception Date. The "DAC tax factor" shall be 0.215% for annuity contracts, 0.252% for group life contracts and 0.946% for life insurance contracts, non-cancellable A&H contracts and guaranteed renewable A&H contracts. The Company and the Reinsurer mutually agree to prospectively adjust the DAC tax factor to reflect any changes in the federal income tax rate applicable to the Company or the Reinsurer, as the case may be, or changes to section 848 of the Code or the related Treasury regulations.

ARTICLE IX ARBITRATION

Section 9.1 Resolution of Damages. As a condition precedent to any right arising under this Agreement, any dispute between the Company and the Reinsurer arising out of the provisions of this Agreement, or concerning its interpretation or validity, whether arising before or after termination of this Agreement, shall be submitted to arbitration pursuant to the commercial arbitration rules of AIDA Reinsurance and Insurance Arbitration Society ("ARIAS").

Section 9.2 Composition of Panel. Unless the Parties agree upon a single arbitrator within fifteen (15) days after the receipt of notice of intention to arbitrate, all disputes shall be submitted to an arbitration panel composed of two arbitrators and an umpire, chosen in accordance with Sections 9.3 and 9.4.

Section 9.3 Appointment of Arbitrators. The Party requesting arbitration (hereinafter referred to as the "claimant") shall appoint an arbitrator and give written notice thereof, by registered mail or a recognized overnight courier to the other Party (hereinafter referred to as the "respondent") together with its notice of intention to arbitrate. Unless a single arbitrator is agreed upon within fifteen (15) days after the receipt of the notice of intention to arbitrate, the respondent shall, within thirty (30) days after receiving such notice, also appoint an arbitrator and notify the claimant thereof in a like manner. Before instituting a hearing, the two arbitrators so appointed shall choose an impartial umpire. If, within thirty (30) days after they are both appointed, the arbitrators fail to agree upon the appointment of an umpire, the umpire shall be selected pursuant to the rules of ARIAS. The arbitrators shall be present or former executives or officers of life insurance or reinsurance companies. The arbitrators and umpire shall be disinterested individuals and not be under the control of either Party, and shall have no financial interest in the outcome of the arbitration.

Section 9.4 Failure of a Party to Appoint Arbitrator. If the respondent fails to appoint an arbitrator within thirty (30) days after receiving a notice of intention to arbitrate, such arbitrator shall be selected pursuant to the rules of ARIAS, and shall then, together with the arbitrator appointed by the claimant, choose an umpire as provided in Section 9.3.

Section 9.5 Choice of Forum. Any arbitration instituted pursuant to this Article IX shall be held in New York, New York or such other place as the Parties may mutually agree.

Section 9.6 Procedure Governing Arbitration. Each party participating in the arbitration shall have the obligation to produce those documents and as witnesses to the arbitration those of its employees as any other participating party reasonably requests providing always that the same witnesses and documents be obtainable and relevant to the issues before the arbitration and not be unduly burdensome or excessive. The parties may mutually agree as to pre-hearing discovery prior to the arbitration hearing and in the absence of agreement, upon the request of any party, pre-hearing discovery may be conducted as the panel shall determine in its sole discretion to be in the interest of fairness, full disclosure, and a prompt hearing, decision and award by the panel. The panel shall be the final judge of the procedures of the panel, the conduct of the arbitration of the rules of evidence, the rules of privilege and production and of

excessiveness and relevancy of any witnesses and documents upon the petition of any participating party.

Section 9.7 Arbitration Award. The arbitration panel shall render its decision within sixty (60) days after termination of the proceeding unless the parties consent to an extension, which decision shall be in writing, stating the reason therefor. The decision of the majority of the panel shall be final and binding on the parties to the proceeding except to the extent otherwise provided in the Federal Arbitration Act. Judgment upon the award may be entered in any court having jurisdiction pursuant to the Federal Arbitration Act.

Section 9.8 Cost of Arbitration. Unless otherwise allocated by the panel, each party shall bear the expense of its own arbitrator and its own witnesses and shall equally bear with the other parties the expense of the umpire and the arbitration.

Section 9.9 Limit of Authority. It is agreed that the arbitrators shall have no authority to impose any punitive, exemplary or consequential damage awards on either of the Parties hereto.

Section 9.10 Survival. This Article IX shall survive the termination of this Agreement.

ARTICLE X INDEMNIFICATION; DISCLAIMER

Section 10.1 Reinsurer's Obligation to Indemnify. The Reinsurer hereby agrees to indemnify, defend and hold harmless the Company and its Affiliates and their respective officers, directors, stockholders, employees, representatives, successors and assigns (collectively, the "Company Indemnified Persons") from and against any and all Indemnifiable Losses incurred by the Company Indemnified Persons to the extent arising from (i) any breach by the Reinsurer of the covenants and agreements of the Reinsurer contained in this Agreement, (ii) all Reinsurer Extra Contractual Obligations, (iii) the Company's acceptance and implementation of the Reinsurer's recommendations in accordance with Section 3.2, (iv) any determination that the setting of Non-Guaranteed Elements by the Company in accordance with such recommendations while setting Non-Guaranteed Elements in a different manner on policies or contracts that comprise the Company Business constitutes a failure by the Company to comply with Applicable Law; provided, that Indemnifiable Losses payable under this clause (iv) shall (A) be limited to Indemnifiable Losses actually paid to a third party in connection with a Third Party Claim (including any additional amounts that are required to be credited or paid to policyholders or beneficiaries) and (B) only be payable if such determination is made by an applicable Governmental Entity or a court of competent jurisdiction, and (v) any successful enforcement of this indemnity.

Section 10.2 Company's Obligation to Indemnify. The Company hereby agrees to indemnify, defend and hold harmless the Reinsurer and its Affiliates and their respective officers, directors, stockholders, employees, representatives, successors and assigns (collectively, the "Reinsurer Indemnified Persons") from and against any and all Indemnifiable Losses incurred by the Reinsurer Indemnified Persons to the extent arising from (i) any breach by the Company of the covenants and agreements of the Company contained in this Agreement, (ii) all

Company Extra Contractual Obligations, (iii) (A) changes to Non-Guaranteed Elements that are made by the Company on or after the Inception Date without the Reinsurer's prior written consent or (B) the failure of the Company to implement the Reinsurer's recommendations with respect to Non-Guaranteed Elements that satisfy the requirements of Section 3.2, and (iv) any successful enforcement of this indemnity.

Section 10.3 Definitions. As used in this Agreement:

- (a) "Indemnitee" means any Person entitled to indemnification under this Agreement;
- (b) "Indemnitor" means any Person required to provide indemnification under this Agreement;
- (c) "Indemnifiable Losses" means any and all damages, losses, Liabilities, obligations, costs and expenses (including reasonable attorneys' fees and expenses); provided, that any Indemnity Payment (x) shall in no event include any amounts constituting punitive damages relating to the breach or alleged breach of this Agreement (except to the extent actually paid to a third party in connection with a Third Party Claim) and (y) shall be net of any amounts recovered by or recoverable by the Indemnitee for the Indemnifiable Losses for which such Indemnity Payment is made under any insurance policy, reinsurance agreement, warranty or indemnity or otherwise from any Person other than a Party hereto, and the Indemnitee shall promptly reimburse the Indemnitor for any such amount that is received by it from any such other Person with respect to an Indemnifiable Losses after any indemnification with respect thereto has actually been paid pursuant to this Agreement;
- (d) "Indemnity Payment" means any amount of Indemnifiable Losses required to be paid pursuant to this Agreement; and
- (e) "Third Party Claim" means any claim, action, suit, or proceeding made or brought by any Person that is not an Indemnitee.

Section 10.4 Applicability of Stock Purchase Agreement. The procedures set forth in Section 7.5 of the Stock Purchase Agreement shall apply to Indemnifiable Losses indemnified under this Article X.

Section 10.5 No Duplication. If any Indemnifiable Losses are indemnified under any other Transaction Agreement, the Company Indemnified Person or Reinsurer Indemnified Person shall not be entitled to indemnification with respect to such

ARTICLE XI
GENERAL PROVISIONS

Section 11.1 Schedules and Exhibits. The Schedules and Exhibits to this Agreement that are specifically referred to herein are a part of this Agreement as if fully set forth herein.

Section 11.2 Notices. All notices, requests, claims, demands and other communications under this Agreement shall be in writing and shall be delivered personally or by overnight courier (providing proof of delivery) to the Parties at the following addresses (or at such other address for a Party as shall be specified by like notice):

(a) if to the Company:

Lincoln Benefit Life Company
Suite 300
Columbia Centre I
5600 North River Road
Rosemont, IL 60018
Attention: Simon Packer

with copies (which shall not constitute notice) to:

Debevoise & Plimpton LLP
919 Third Avenue
New York, New York 10022
Attention: Nicholas F. Potter
David Grosgold

(b) if to the Reinsurer:

Allstate Life Insurance Company
3100 Sanders Road
Northbrook, Illinois 60062
Attention: Jess Merten

with copies (which shall not constitute notice) to:

Willkie Farr & Gallagher LLP
787 Seventh Avenue
New York, New York 10019
Attention: John M. Schwolsky
Alexander M. Dye

Notice given by personal delivery or overnight courier shall be effective upon actual receipt.

Section 11.3 Interpretation. When a reference is made in this Agreement to a Section, Exhibit or Schedule, such reference shall be to a Section of, or an Exhibit or Schedule to, this Agreement unless otherwise indicated. All references herein to any agreement, instrument,

statute, rule or regulation are to the agreement, instrument, statute, rule or regulation as amended, modified, supplemented or replaced from time to time (and, in the case of statutes, includes any rules and regulations promulgated under said statutes) and to any section of any statute, rule or regulation including any successor to said section. The table of contents and headings contained in this Agreement are for reference purposes only and shall not affect in any way the meaning or interpretation of this Agreement. Whenever the words "include," "includes" or "including" are used in this Agreement, they shall be deemed to be followed by the words "without limitation." Whenever the singular is used herein, the same shall include the plural, and whenever the plural is used herein, the same shall include the singular, where appropriate. Whenever the word "Dollars" or the "\$" sign appear in this Agreement, they shall be construed to mean United States Dollars, and all transactions under this Agreement shall be in United

States Dollars. This Agreement has been fully negotiated by the Parties hereto and shall not be construed by any Governmental Entity against either Party by virtue of the fact that such Party was the drafting Party.

Section 11.4 Entire Agreement; Third Party Beneficiaries. This Agreement (including all exhibits and schedules hereto) and the other Transaction Agreements constitute the entire agreement, and supersede all prior agreements, understandings, representations and warranties, both written and oral, among the Parties with respect to the subject matter of this Agreement. Except as set forth in Article X with respect to the Reinsurer Indemnified Persons and the Company Indemnified Persons, this Agreement is not intended to confer upon any Person other than the Parties hereto and their successors and permitted assigns any rights or remedies.

Section 11.5 Governing Law and Jurisdiction.

(a) This Agreement and any dispute arising hereunder shall be governed by, and construed in accordance with, the laws of the State of New York, regardless of the laws that might otherwise govern under applicable principles of conflicts of laws thereof. While the parties contemplate that all disputes hereunder will be decided pursuant to Article IX hereof, the parties submit to the jurisdiction of any court of the United States or any state court, which in either case is located in the City of New York (each, a "New York Court") with respect to any legal proceedings to enforce an arbitral award issued in accordance with Article IX. In any such action, suit or other proceeding, each of the parties hereto irrevocably and unconditionally waives and agrees not to assert by way of motion, as a defense or otherwise any claim that it is not subject to the jurisdiction of any such New York Court, that such action, suit or other proceeding is not subject to the jurisdiction of any such New York Court, that such action, suit or other proceeding is brought in an inconvenient forum or that the venue of such action, suit or other proceeding is improper; provided, that nothing set forth in this sentence shall prohibit any of the parties hereto from removing any matter from one New York Court to another New York Court. Each of the parties hereto also agrees that any final and unappealable judgment against a party hereto in connection with any action, suit or other proceeding will be conclusive and binding on such party and that such award or judgment may be enforced in any court of competent jurisdiction, either within or outside of the United States. A certified or exemplified copy of such award or judgment will be conclusive evidence of the fact and amount of such award or judgment. Any process or other paper to be served in connection with any action or proceeding under this Agreement shall, if delivered or sent in accordance with Section 11.2 of this Agreement, constitute good, proper and sufficient service thereof.

28

(b) EACH OF THE PARTIES HERETO HEREBY IRREVOCABLY WAIVES ANY AND ALL RIGHT TO TRIAL BY JURY IN ANY PROCEEDING ARISING OUT OF OR RELATED TO THIS AGREEMENT OR THE TRANSACTIONS CONTEMPLATED HEREBY. EACH PARTY CERTIFIES AND ACKNOWLEDGES THAT (I) NO REPRESENTATIVE, AGENT OR ATTORNEY OR ANY OTHER PARTY HAS REPRESENTED, EXPRESSLY OR OTHERWISE, THAT SUCH OTHER PARTY WOULD NOT, IN THE EVENT OF LITIGATION, SEEK TO ENFORCE THE FOREGOING WAIVER, (II) IT UNDERSTANDS AND HAS CONSIDERED THE IMPLICATIONS OF SUCH WAIVER, (III) IT MAKES SUCH WAIVER VOLUNTARILY AND (IV) IT HAS BEEN INDUCED TO ENTER INTO THIS AGREEMENT BY, AMONG OTHER THINGS, THE MUTUAL WAIVERS AND CERTIFICATIONS IN THIS SECTION 11.5(b).

Section 11.6 Assignment. Neither this Agreement nor any of the rights, interests or obligations under this Agreement shall be assigned, in whole or in part, by operation of law or otherwise (other than by operation of law in a merger), by either Party without the prior written consent of the other Party, and any such assignment that is not consented to shall be null and void. Subject to the preceding sentence, this Agreement will be binding upon, inure to the benefit of, and be enforceable by, the Parties and their respective successors and assigns. For the avoidance of doubt, the Reinsurer shall be permitted to retrocede any of the Reinsured Risks at its sole discretion.

Section 11.7 Severability; Amendment; Modification; Waiver.

(a) Whenever possible, each provision or portion of any provision of this Agreement will be interpreted in such manner as to be effective and valid under Applicable Law, but if any provision or portion of any provision of this Agreement is held to be invalid, illegal or unenforceable in any respect under any Applicable Law in any jurisdiction, such invalidity, illegality or unenforceability will not affect any other provision or portion of any provision in such jurisdiction, and this Agreement will be reformed, construed and enforced in such jurisdiction as if such invalid, illegal or unenforceable provision or portion of any provision had never been contained herein.

(b) This Agreement may be amended or a provision hereof waived only by a written instrument signed by each of the Reinsurer and the Company.

(c) No delay on the part of any Party in exercising any right, power or privilege hereunder shall operate as a waiver thereof, nor shall any waiver on the part of any Party of any right, power or privilege, nor any single or partial exercise of any such right, power or privilege, preclude any further exercise thereof or the exercise of any other such right, power or privilege.

Section 11.8 Counterparts. This Agreement may be executed in counterparts, all of which shall be considered one and the same agreement and shall become effective when counterparts have been signed by each of the Parties and delivered to the other

Party. Each Party may deliver its signed counterpart of this Agreement to the other Party by means of electronic mail or any other electronic medium utilizing image scan technology, and such delivery will have the same legal effect as hand delivery of an originally executed counterpart.

Section 11.9 Cooperation. Each Party hereto shall cooperate fully with the other in all reasonable respects in order to accomplish the objectives of this Agreement including making available to each their respective officers and employees for interviews and meetings with Governmental Entities and furnishing any additional assistance, information and documents as may be reasonably requested by a Party from time to time.

Section 11.10 Survival. Articles VIII, IX, X and XI shall survive the termination of this Agreement.

[Remainder of Page Intentionally Left Blank]

IN WITNESS WHEREOF, the Company and the Reinsurer have caused this Agreement to be signed by their respective duly authorized officers, all as of the date first written above.

LINCOLN BENEFIT LIFE COMPANY

By: /s/ Jesse E. Merten

Name: _____ Jesse E. Merten
Title: _____ President, Chief
Operating Officer
and
Chief Financial
Officer

By: /s/ Steven C. Verney

Name: _____ Steven C. Verney
Title: _____ Executive Vice
President and
Chief Risk
Officer, Allstate
Insurance
Company

ALLSTATE LIFE INSURANCE COMPANY

By: /s/ Jesse E. Merten

Name: _____ Jesse E. Merten
Title: _____ Senior Vice
President and
Chief Financial
Officer

By: /s/ Steven C. Verney

Name: _____ Steven C. Verney
Title: _____ Executive Vice
President and
Chief Risk
Officer, Allstate
Insurance
Company

CEDED REINSURANCE CONTRACTS

Ceded Life and Annuity

1. Reinsurance Agreement, effective as of December 31, 1986, by and between the Company and Seller, replaced and superseded by Coinsurance Agreement, effective as of December 31, 2001, by and between the Company and Seller.
2. Reinsurance Agreement, effective as of January 1, 1994, by and between the Company and Seller, replaced and superseded by Modified Coinsurance Agreement (VA), effective as of December 31, 2001, by and between the Company and Seller. And Reinsurance Agreement, effective as of January 1, 1994, by and between the Company and Seller, replaced and superseded by Modified Coinsurance Agreement (VL), effective as of December 31, 2001, by and between the Company and Seller.
3. Reinsurance Agreement, effective as of September 30, 2012, by and between the Company and Lincoln Benefit Reinsurance Company.
4. Automatic Coinsurance Agreement, effective as of October 5, 2001, by and between the Company and American United Life Insurance Company.
5. Automatic Yearly Renewable Term Agreement, effective as of July 2, 2012, by and between the Company and Arch Reinsurance Ltd.
6. Automatic Coinsurance Reinsurance Agreement, effective as of August 15, 2003, by and between the Company and The Canada Life Assurance Company.
7. Automatic YRT Reinsurance Agreement, effective as of July 29, 2004, by and between the Company and The Canada Life Assurance Company.
8. Automatic YRT Reinsurance Agreement for Legacy Premier SL, Estate Executor, and Consultant SL, effective as of January 17, 2005 by and between the Company and The Canada Life Assurance Company.
9. Automatic YRT Reinsurance Agreement for Consultant Protector VUL and Consultant Accumulator VUL, effective as of January 17, 2005 by and between the Company and The Canada Life Assurance Company.
10. Automatic Yearly Renewable Term, effective as of January 15, 1999, by and between the Company and Employers Reassurance Corporation.
11. Automatic Coinsurance Life Reinsurance Agreement, effective as of December 1, 2000, by and between the Company and Employers Reassurance Corporation.

Schedule A

12. Automatic Yearly Renewable Term, effective as of November 5, 2001, by and between the Company and Employers Reassurance Corporation.
13. Automatic Yearly Renewable Term Agreements L088-102 and L088-103, effective as of December 1, 2000, by and between the Company and General and Cologne Life Re of America (whose name changed to General Re Life Corporation as of December 24, 2003.)
14. Automatic Coinsurance Agreement L088-100, effective as of December 1, 2000, by and between the Company and General and Cologne Life Re of America (whose name changed to General Re Life Corporation as of December 24, 2003.)
15. Automatic Yearly Renewable Term Agreement L088-107, effective as of January 17, 2005, by and between the Company and General Re Life Corporation.
16. Automatic Umbrella Reinsurance Agreement, effective as of October 5, 2001, by and between the Company and Business Men's Assurance Company of America (novated to Generali USA Life Reassurance Company effective October 31, 2003).
17. Automatic Coinsurance Reinsurance Agreement, effective as of September 1, 2006, by and between the Company and Generali USA Life Reassurance Company.
18. Automatic Yearly Renewable Term, effective as of January 23, 2012, by and between the Company and Hannover Life Reassurance Company of America.
19. Automatic Yearly Renewable Term, effective as of July 2, 2012, by and between the Company and Hannover Life Reassurance Company of America.

20. Yearly Renewable Term Agreement, effective as of June 1, 1988, by and between the Company and The Lincoln National Life Insurance Company.
21. Coinsurance Agreement, effective as of May 1, 1989, by and between the Company and The Lincoln National Life Insurance Company.
22. Yearly Renewable Term Agreement, effective as of June 15, 1991, by and between the Company and The Lincoln National Life Insurance Company.
23. Coinsurance Agreement, effective as of May 1, 1995, by and between the Company and The Lincoln National Life Insurance Company.
24. Yearly Renewable Term Agreement, effective as of June 1, 1996, by and between the Company and The Lincoln National Life Insurance Company.
25. Yearly Renewable Term Agreement, effective as of July 1, 1998, by and between the Company and The Lincoln National Life Insurance Company.

Schedule A

26. Yearly Renewable Term Agreement, effective as of May 1, 1999, by and between the Company and The Lincoln National Life Insurance Company.
27. Coinsurance Agreement, effective as of January 1, 2000, by and between the Company and The Lincoln National Life Insurance Company.
28. Automatic Reinsurance Agreement on a Coinsurance Basis, effective as of February 15, 1992, by and between the Company and Munich American Reassurance Company.
29. Automatic Reinsurance Agreement on a Coinsurance Basis, effective as of May 1, 1998, by and between the Company and Munich American Reassurance Company.
30. Automatic Reinsurance Agreement on a Coinsurance Basis, effective as of January 1, 2000, by and between the Company and Munich American Reassurance Company.
31. Automatic YRT Reinsurance Agreements 3254, 3436, and 3437, effective as of January 17, 2005, by and between the Company and Munich American Reassurance Company.
32. Automatic YRT Reinsurance Agreement, effective as of October 12, 2009, by and between the Company and Munich American Reassurance Company.
33. Automatic Bulk Coinsurance Non-Refund Agreement, effective as of May 1, 1989, by and between the Company and North American Life and Casualty Company (novated to RGA Reinsurance Company effective July 1, 2004).
34. Automatic Bulk YRT Non-Refund Agreement, effective as of January 1, 1994, by and between the Company and Allianz Life Insurance Company of North America (novated to RGA Reinsurance Company effective July 1, 2004).
35. Automatic and Facultative Coinsurance Agreement, effective as of May 1, 1997, by and between the Company and RGA Reinsurance Company.
36. Coinsurance Agreement, effective as of May 1, 1998, by and between the Company and RGA Reinsurance Company.
37. Automatic Bulk YRT Non-Refund Agreement, effective as of July 1, 1998, by and between the Company and Allianz Life Insurance Company of North America (novated to RGA Reinsurance Company effective July 1, 2004).
38. Risk Premium Reinsurance Agreement, effective as of January 15, 1999, by and between the Company and RGA Reinsurance Company.
39. Automatic Bulk Coinsurance Non-Refund Agreements 9284 and 9286, effective as of January 1, 2000, by and between the Company and Allianz Life Insurance Company of North America (novated to RGA Reinsurance Company effective July 1, 2004).

Schedule A

40. Automatic and Facultative Coinsurance Reinsurance Agreement, effective as of December 1, 2000, by and between the Company and RGA Reinsurance Company.
41. Automatic and Facultative YRT Reinsurance Agreement, effective as of February 3, 2003, by and between the Company and RGA Reinsurance Company.
42. Automatic and Facultative YRT Reinsurance Agreement, effective as of January 17, 2005, by and between the Company and RGA Reinsurance Company.
43. Automatic YRT Reinsurance Agreement, effective as of October 12, 2009, by and between the Company and SCOR Global Life U.S. Reinsurance Company (whose name changed to SCOR Global Life Americas Reinsurance Company as of September 27, 2011).
44. Automatic YRT Reinsurance Agreement, effective as of February 1, 2011, by and between the Company and SCOR Global Life U.S. Reinsurance Company (whose name changed to SCOR Global Life Americas Reinsurance Company as of September 27, 2011).
45. Automatic YRT Agreement, effective as of August 1, 1988, by and between the Company and Frankona America Life Reassurance Company (whose name changed to ERC Life Reinsurance Corporation as of February 2, 1996 and then novated to Scottish Re Life Corporation as of October 24, 2005).
46. Automatic Coinsurance Agreements numbered 2487 and 2569, effective as of May 1, 1997, by and between the Company and Phoenix Home Life Mutual Insurance Company (novated to ERC Life Reinsurance Corporation as of January 1, 2000 and then novated to Scottish Re Life Corporation as of October 24, 2005).
47. Monthly Renewable Term Automatic Agreement, effective as of January 1, 1984, by and between the Company and Security Life of Denver Insurance Company.
48. Automatic and Facultative Monthly Renewable Term Agreement, effective as of June 15, 1991, by and between the Company and Security Life of Denver Insurance Company.
49. Automatic and Facultative Coinsurance Agreement, effective as of December 1, 1991, by and between the Company and Security Life of Denver Insurance Company.
50. Automatic and Facultative Coinsurance Agreement, effective as of May 1, 1995, by and between the Company and Security Life of Denver Insurance Company.
51. Automatic and Facultative Yearly Renewable Term Agreement, effective as of June 1, 1996, by and between the Company and Security Life of Denver Insurance Company.
52. Automatic and Facultative Yearly Renewable Term Agreement, effective as of June 1, 1998, by and between the Company and Security Life of Denver Insurance Company.

Schedule A

53. Automatic and Facultative Yearly Renewable Term Agreement, effective as of January 15, 1999, by and between the Company and Security Life of Denver Insurance Company.
54. Automatic and Facultative Yearly Renewable Term Agreement, effective as of May 15, 1999, by and between the Company and Security Life of Denver Insurance Company.
55. Automatic and Facultative Coinsurance Agreement, effective as of January 1, 2000, by and between the Company and Security Life of Denver Insurance Company.
56. Automatic and Facultative Monthly Renewable Term Reinsurance Agreement, effective as of October 15, 2002, by and between the Company and Security Life of Denver Insurance Company.
57. Automatic and Facultative Monthly Renewable Term Reinsurance Agreement, effective as of December 31, 2002, by and between the Company and Security Life of Denver Insurance Company.
58. Reinsurance Agreement, effective as of April 1, 1994, by and between the Company and The Mercantile and General Life Reassurance Company of America (novated to Swiss Re Life & Health America Inc. effective December 31, 1997).

59. Reinsurance Agreement, effective as of May 1, 1995, by and between the Company and The Mercantile and General Life Reassurance Company of America (novated to Swiss Re Life & Health America Inc. effective December 31, 1997).
60. Reinsurance Agreement (YRT), effective as of May 1, 1997, by and between the Company and The Mercantile and General Life Reassurance Company of America (novated to Swiss Re Life & Health America Inc. effective December 31, 1997).
61. Reinsurance Agreement #6531-1 (Automatic Coinsurance Bulk), effective as of May 1, 1997, by and between the Company and Life Reassurance Corporation of America (Life Reassurance Corporation of America consolidated into Swiss Re Life & Health America Inc. effective September 30, 2000).
62. Automatic Self Administered YRT Reinsurance Agreement, effective as of May 1, 1998, by and between the Company and Swiss Re Life & Health America Inc.
63. Automatic Self Administered YRT Reinsurance Agreement, effective as of June 1, 1998, by and between the Company and Swiss Re Life & Health America Inc.
64. Reinsurance Agreement #6704-1, effective as of January 15, 1999, by and between the Company and Life Reassurance Corporation of America (Life Reassurance Corporation of America consolidated to Swiss Re Life & Health America Inc. effective September 30, 2000).

Schedule A

65. Reinsurance Agreement #6748-1, effective as of February 15, 1999, by and between the Company and Life Reassurance Corporation of America (now known as Swiss Re Life & Health America Inc.).
66. Reinsurance Agreement #6848-1, effective as of November 1, 1999, by and between the Company and Life Reassurance Corporation of America (Life Reassurance Corporation of America consolidated to Swiss Re Life & Health America Inc. effective September 30, 2000).
67. Reinsurance Agreement #6769-1, effective as of January 1, 2000, by and between the Company and Life Reassurance Corporation of America (Life Reassurance Corporation of America consolidated to Swiss Re Life & Health America Inc. effective September 30, 2000).
68. Reinsurance Agreement #0848501, effective as of September 1, 2006, by and between the Company and Swiss Re Life & Health America Inc.
69. Reinsurance Agreement #I93287US-07, effective as of February 1, 2007, by and between the Company and Swiss Re Life & Health America Inc.
70. Reinsurance Agreement #I97791US-09, effective as of May 1, 2009, by and between the Company and Swiss Re Life & Health America Inc.
71. Letter of Intent #05031US12, effective as of January 1, 2013, by and between the Company and Swiss Re Life & Health America Inc.
72. Life, Disability and Accidental Death Automatic Reinsurance Agreement, effective as of January 1, 1984, by and between the Company and Transamerica Occidental Life Insurance Company (novated to Transamerica Life Insurance as of October 1, 2008).
73. Automatic Reinsurance Agreement, effective as of June 15, 1991, by and between the Company and Transamerica Occidental Life Insurance Company (novated to Transamerica Life Insurance as of October 1, 2008).
74. Automatic Reinsurance Agreement, effective as of June 1, 1996, by and between the Company and Transamerica Occidental Life Insurance Company (novated to Transamerica Life Insurance as of October 1, 2008).
75. Zero First Year YRT Agreement, effective as of May 1, 1999, by and between the Company and Transamerica Occidental Life Insurance Company (novated to Transamerica Life Insurance as of October 1, 2008).
76. Automatic Reinsurance Agreement, effective as of February 15, 1992, by and between the Company and Transamerica Occidental Life Insurance Company (novated to Transamerica Life Insurance as of October 1, 2008).

Schedule A

77. Coinsurance Agreement, effective as of January 1, 2000, by and between the Company and Transamerica Occidental Life Insurance Company (novated to Transamerica Life Insurance as of October 1, 2008).

78. Zero First Year YRT Agreement, effective as of August 15, 2003, by and between the Company and Transamerica Occidental Life Insurance Company (novated to Transamerica Life Insurance as of October 1, 2008).

79. Retrocessional Agreement, effective as of August 15, 2003, by and between Transamerica International Re (Bermuda) Ltd. and the Company.

80. Coinsurance Agreement, effective as of September 1, 2006, by and between the Company and Transamerica Occidental Life Insurance Company (novated to Transamerica Life Insurance as of October 1, 2008).

Schedule A

SCHEDULE B

SEPARATE ACCOUNTS

Lincoln Benefit Life Variable Life Account 40 Act File No. 811-9154.

Schedule B

SCHEDULE C

MONTHLY REPORT

From and after the time any form of Post-Underwriting Period Conversion Policy is developed and commences issue, the Reinsurer will require the Company to provide to the Reinsurer on a monthly basis information regarding the Post-Underwriting Period Conversion Policies reinsured by the Reinsurer hereunder, such as Recoveries collected, Reinsured Risks paid and applicable reserves. Detailed reporting requirements will be agreed upon by the Parties in good faith specific to any form of Post-Underwriting Period Conversion Policy when such policy form is developed and commences issue.

Schedule C

EXHIBIT A

TRUST AGREEMENT

Exhibit A

PARTIAL COMMUTATION AGREEMENT

This PARTIAL COMMUTATION AGREEMENT, dated as of April 1, 2014 (the “Execution Date”), (this “Agreement”) is made and entered into by and between Allstate Life Insurance Company, an insurance company organized under the laws of the State of Illinois (the “Reinsurer”), and Lincoln Benefit Life Company, an insurance company organized under the laws of the State of Nebraska (the “Company”).

WHEREAS, the Reinsurer owns 100% of the issued and outstanding capital stock of the Company;

WHEREAS, the Reinsurer, Resolution Life Holdings, Inc. (“Buyer”), a corporation organized under the laws of the State of Delaware, and, solely for purposes of Section 5.25 and Article X thereof, Resolution Life L.P., a Bermuda limited partnership and the sole owner of Buyer, have entered into a Stock Purchase Agreement dated as of July 17, 2013, as amended (the “Stock Purchase Agreement”), pursuant to which the Reinsurer proposes to sell, and Buyer proposes to purchase, 100% of the issued and outstanding capital stock of the Company;

WHEREAS, the Stock Purchase Agreement provides, among other things, for the Company and the Reinsurer to enter into this Agreement;

WHEREAS, the Reinsurer provides reinsurance coverage to the Company in accordance with the terms of the following reinsurance agreements: (i) a coinsurance agreement between the parties effective as of December 31, 2001 covering the Company’s general account liabilities for all policies and market value adjustment annuities (the “General Account Reinsurance Agreement”), (ii) a modified coinsurance agreement between the parties effective as of December 31, 2001 covering the Company’s separate account liabilities for variable life insurance policies (the “Variable Life Reinsurance Agreement, and together with the General Account Reinsurance Agreement, the “Subject Reinsurance Agreements”) and (iii) a modified coinsurance agreement between the parties effective as of December 31, 2001 covering the Company’s separate account liabilities for variable annuity insurance policies (the “Variable Annuity Reinsurance Agreement”);

WHEREAS, the Company and the Reinsurer desire to commute the Commuted Business (as defined below) currently ceded or retroceded under the Subject Reinsurance Agreements;

WHEREAS, the Company and the Reinsurer desire a full and final settlement, discharge and release of any and all of each of their respective liabilities, duties and obligations with respect to the Commuted Business except as expressly set forth below;

WHEREAS, the business reinsured pursuant to the Subject Reinsurance Agreements that is not commuted pursuant to this Agreement shall continue to be reinsured following the Effective Time pursuant to the terms of the Subject Reinsurance Agreements, as amended from time to time, until such time as such Subject Reinsurance Agreements are terminated, restated or replaced; and

WHEREAS, the Variable Annuity Reinsurance Agreement shall remain in full force and effect in accordance with its terms without amendment.

NOW, THEREFORE, the Company and the Reinsurer (each a “Party”, and together, the “Parties”) agree as follows:

Article I.

DEFINITIONS

Section 1.2. Definitions. For purposes of this Agreement, the following terms have the respective meanings set forth below:

“Adjusted Commutation Statement” has the meaning set forth in Section 3.3.

“Adjustment Report” has the meaning set forth in Section 3.3.

“Affiliate” of any Person means another Person that directly or indirectly, through one or more intermediaries, controls, is controlled by or is under common control with, such first Person, and the term “Affiliated” shall have a correlative meaning. For the purposes of this definition, “control,” when used with respect to any Person, means the power to direct the management and policies of such Person, directly or indirectly through the ownership of voting securities, by contract, or otherwise, and the terms “controlling” and “controlled” have the meanings correlative to the foregoing.

“Applicable Law” means any law, statute, ordinance, regulation, order, injunction, judgment, decree, constitution or treaty enacted, promulgated, issued, enforced or entered by any Governmental Entity applicable to any Person or such Person’s businesses,

properties, assets or rights, as may be amended from time to time.

“Books and Records” has the meaning given to such term in the Stock Purchase Agreement.

“Business Day” has the meaning given to such term in the Stock Purchase Agreement.

“Buyer” has the meaning set forth in the Recitals.

“Closing” has the meaning given to such term in the Stock Purchase Agreement.

“Closing Date” has the meaning given to such term in the Stock Purchase Agreement.

“Commutation Accounting Principles” means the principles, practices and methodologies set forth in Commutation Annex A.

“Commutation Amount” has the meaning set forth in Section 3.1.

“Commutation Balance Sheet” has the meaning set forth in Section 3.3.

2

“Commutation Balances” has the meaning set forth in Section 3.2.

“Commutation Closing Date” means the date of the closing of the transactions contemplated by this Agreement, which date shall be on or before the Closing Date.

“Commutation Consideration” has the meaning set forth in Section 3.1.

“Commutated Business” has the meaning set forth in Article II.

“Company” has the meaning set forth in the Preamble.

“Dispute Notice” has the meaning set forth in Section 3.3.

“Effective Time” has the meaning set forth in the Article II.

“Estimated Commutation Amount” has the meaning given to such term in the Stock Purchase Agreement.

“Estimated Commutation Statement” has the meaning given to such term in the Stock Purchase Agreement.

“Estimated Settlement Amount” has the meaning set forth in Section 3.3.

“Execution Date” has the meaning set forth in the Preamble.

“Exclusive Producer” means any Producer that markets, sells or administers business of the type written by the Reinsurer or any of its Affiliates exclusively for or on behalf of the Reinsurer and its Affiliates, notwithstanding whether such Producer also sells products of the type not written by the Reinsurer or any of its Affiliates on behalf of third parties.

“Final Adjustment Statement” has the meaning given to such term in the Stock Purchase Agreement.

“Final Balance Sheet” has the meaning given to such term in the Stock Purchase Agreement.

“Final Commutation Balance Sheet” has the meaning set forth in Section 3.3.

“Final Settlement Amount” has the meaning set forth in Section 3.3.

“Governmental Entity” means any domestic or foreign court, arbitral tribunal, federal, provincial, state or local government or administration, or regulatory or other governmental authority, commission or agency (including any industry or other self-regulating body).

“Illinois SAP” shall mean statutory accounting procedures and practices prescribed or permitted by the Director of Insurance of the State of Illinois.

3

“Independent Producer” means any Producer that is not an Exclusive Producer.

“Independent Accounting Firm” has the meaning set forth in Section 3.3.

“Net Commutation Balances Amount” has the meaning set forth in Section 3.2.

“Net Statutory General Account Reserves” shall mean the general account reserves of the Reinsurer in respect of the Commuted Business as would be reflected in lines 1 through 4 inclusive in the “Liabilities, Surplus and Other Funds” section of the NAIC statement blank used to prepare the Reinsurer’s statutory balance sheet as of December 31, 2012 (or if the line numbers are changed pursuant to relevant guidance from the NAIC, the successor to such line numbers) prepared in accordance with Illinois SAP. For the avoidance of doubt, Net Statutory General Account Reserves are net of reserve credit taken under Third Party Reinsurance. Such reserves shall expressly exclude any additional or voluntary actuarial reserves, if any, established by the Reinsurer under Illinois Administrative Code Section 1410.

“Parties” has the meaning set forth in the Preamble.

“Person” means an individual, corporation, partnership, joint venture, limited liability company, association, trust, unincorporated organization, Governmental Entity or other entity.

“Producer” means any producer, broker, agent, general agent, managing general agent, master broker agency, broker general agency, financial specialist or other Person responsible for marketing or producing insurance policies, annuity contracts, protection and retirement products on behalf of the Company.

“Reinsurer” has the meaning set forth in the Preamble.

“Representative” has the meaning given to such term in the Stock Purchase Agreement.

“Resolution Period” has the meaning set forth in Section 3.3.

“Review Period” has the meaning set forth in Section 3.3.

“Seller” means the Reinsurer in its capacity as Seller under the Stock Purchase Agreement.

“Specified Life Business” means, collectively, (i) the term life insurance policies written by the Company prior to the Execution Date that have been reinsured to the Reinsurer and retroceded by the Reinsurer to ALIC Reinsurance Company, (ii) the term life insurance policies of the type identified on Schedule 1 that were written by the Company and are reinsured by third party reinsurers and (iii) the life insurance policies (x) written by the Company through Producers that, at the time of sale of such policies, marketed, sold or administered on a non-exclusive basis business of the type written by Reinsurer or its Affiliates and (y) coded by the Company in its books and records with a distribution channel code of 601.

“Subject Reinsurance Agreements” has the meaning set forth in the Recitals.

“Statutory Book Value” means the amount carried in respect of such asset by the Reinsurer as an

admitted asset determined in accordance with Illinois SAP, but disregarding any permitted practices applicable to the Reinsurer, other than those of general applicability to life insurer in the State of Illinois. The Statutory Book Value of the assets to be transferred as part of the Commutation Consideration shall be determined as provided in the Commutation Accounting Principles.

“Stock Purchase Agreement” has the meaning set forth in the Recitals.

“Third Party Reinsurance” means all third-party reinsurance of the Company with respect to the Commuted Business in effect as of the Effective Time.

“Variable Annuity Reinsurance Agreement” has the meaning set forth in the Recitals.

Article II.

COMMUTATION

Effective as of 12:01 a.m. Central time on April 1, 2014 (the “Effective Time”), the Parties hereby commute one hundred percent (100%) of all liabilities ceded or retroceded to the Reinsurer under the Subject Reinsurance Agreements arising under (i) all of the fixed deferred annuity, value adjusted deferred annuity and indexed deferred annuity business written by the Company, (ii) all of the life insurance business written by the Company through Independent Producers, other than the Specified Life Business, and (iii) all of the net liability of the Company with respect to the accident and health and long-term care insurance

business written by the Company, in each case as more particularly identified in Schedule 2 ((i), (ii), and (iii) collectively, the “Commuted Business”). For the avoidance of doubt, this Agreement does not apply to the Variable Annuity Reinsurance Agreement.

Article III.

COMMUTATION CONSIDERATION

Section 3.1. Commutation Consideration. Notwithstanding anything contained in the Subject Reinsurance Agreements to the contrary, as consideration for the Parties’ commutation of the Commuted Business, the Reinsurer shall transfer to the Company the policy loans included in the Commuted Business and outstanding as of the Effective Time and assets determined in accordance with Schedule 3 (the “Commutation Consideration”) with an aggregate Statutory Book Value, including investment income due, accrued and unearned, as of the Effective Time equal to the sum of (i) the Net Statutory General Account Reserves as of the Effective Time attributable to the Commuted Business minus (if positive) or plus (if negative) the absolute value of (ii) the amount of the final settlement in respect of the Commuted Business determined in accordance with Article V of the General Account Reinsurance Agreement and Article IV of the Variable Life Reinsurance Agreement for the period ending on March 31, 2014 (the “Commutation Amount”). The Commutation Amount shall be determined, and the Commutation Consideration shall be paid and adjusted, in accordance with Section 3.3.

5

Section 3.2. Interest Maintenance Reserve; Other Commutation Balances.

(a) As of the Effective Time, the Reinsurer shall transfer to the Company all liability for the interest maintenance reserve that is attributable to the Commuted Business at the point in time immediately prior to the consummation of the transactions contemplated by this Agreement, as well as any liability for the interest maintenance reserve that is attributable to the Commuted Business that is created following the Effective Time, in each case determined in accordance with the Commutation Accounting Principles. The interest maintenance reserve liability that is so attributable to the Commuted Business as of the Effective Time shall be determined pursuant to Section 3.3 and shall be reflected in the Final Commutation Balance Sheet.

(b) In addition to the Commutation Amount, all account balances (both assets and liabilities) related to the Commuted Business and ceded by the Company to the Reinsurer under the Subject Reinsurance Agreements (other than (i) those that are reflected in Net Statutory General Account Reserves and (ii) the liability for interest maintenance reserve related to the Commuted Business) will be transferred from the Reinsurer to the Company (the “Commutation Balances”) as of the Effective Time. The Commutation Balances shall be determined in accordance with the Commutation Accounting Principles and shall be paid in accordance with Section 3.3. Such Commutation Balances shall include, but are not limited to, uncollected premiums and agents’ balances, deferred premiums, policyholder dividends, premiums received in advance, commissions due and accrued, commissions and expense allowances on reinsurance assumed, general expenses due or accrued, transfers to separate accounts, taxes, licenses and fees due and accrued, amounts withheld or retained, remittances and items not allocated, liability for benefits for employees and agents, abandoned property, guaranty funds receivable or on deposit, guaranty funds payable, premium tax receivable, and accounts receivable and payable related to long-term care third party administration agreements, in each case to the extent attributable to the Commuted Business. The Commutation Balances shall also include amounts in respect of the Commuted Business that are paid to or received by the Reinsurer on behalf of the Company after the Effective Time but prior to the Commutation Closing Date. Upon transfer of these Commutation Balances, a net reinsurance recoverable or a reinsurance payable will be recorded by the Company in respect of the Commutation Balances (the “Net Commutation Balances Amount”). The Net Commutation Balances Amount shall be determined, settled and adjusted by the Reinsurer or the Company, as applicable, pursuant to Section 3.3.

Section 3.3. Pre-Closing and Post-Closing Payments.

(a) On the Commutation Closing Date but in any case prior to the Closing, the Reinsurer shall transfer to the Company all policy loans, investment assets, cash and other assets selected in accordance with Schedule 3 and included in the Commutation Consideration having an aggregate Statutory Book Value, including investment income due, accrued and unearned, as of the Effective Time equal to the sum of the Estimated Commutation Amount and the estimated Net Commutation Balances Amount (the “Estimated Settlement Amount”) set forth in the Estimated Commutation Statement prepared by the Reinsurer and previously delivered to the Company and Buyer pursuant to the terms of Section 2.4 of the Stock Purchase Agreement. In order to effectuate the transfer of such investment assets, cash or other assets, the Reinsurer and the Company shall execute an omnibus assignment agreement substantially in the form attached as Commutation Annex B.

6

(b) The sum of the final Commutation Amount and the final Net Commutation Balances Amount (the “Final Settlement Amount”) shall be determined as set forth in subsections (c) and (d) of this Section 3.3. If the Final Settlement Amount is greater than the Estimated Settlement Amount, then the Reinsurer shall transfer to the Company within five Business Days after the final

determination thereof additional investment assets, cash and other assets selected in accordance with Schedule 3 and included in the Commutation Consideration having an aggregate Statutory Book Value as of the Effective Time equal to the amount by which the Final Settlement Amount exceeds the Estimated Settlement Amount. If the Estimated Settlement Amount is greater than the Final Settlement Amount, then the Company shall transfer to the Reinsurer within five Business Days after the final determination thereof cash and/or investment assets transferred by the Reinsurer to the Company on the Commutation Closing Date mutually agreed by the Parties that have an aggregate Statutory Book Value as of the Effective Time equal to the amount by which the Estimated Settlement Amount exceeds the Final Settlement Amount.

(c) No later than 90 days after the Closing Date, the Company shall deliver to the Reinsurer: (i) a statement (the “Adjusted Commutation Statement”) setting forth a proposed commutation balance sheet as of the Effective Time prepared in good faith from the Books and Records in accordance with the Commutation Accounting Principles, consistently applied (a “Commutation Balance Sheet”) and showing the Company’s calculations of (A) the Commutation Amount, including the amount of the Net Statutory General Account Reserves as of the Effective Time and (B) the Commutation Balances, and (ii) reasonable supporting documentation with respect to the calculations of the amounts set forth in the Adjusted Commutation Statement. In addition, the Adjusted Commutation Statement shall be prepared in a manner consistent with the preparation of the Final Adjustment Statement delivered to the Reinsurer by Buyer pursuant to Section 2.5 of the Stock Purchase Agreement. The Reinsurer shall, during such period of no longer than 90 days after the Closing Date, provide the Company and its Representatives with reasonable access to the employees of the Reinsurer to the extent such employees have knowledge about the Commuted Business and to all documentation, records and other information of the Company (to the extent in the possession of the Reinsurer) or the Reinsurer, as the Company or any of its Representatives may reasonably request and that are necessary to facilitate the preparation of the Adjusted Commutation Statement; provided, that such access does not unreasonably interfere with the conduct of the business of the Reinsurer and that such access and cooperation shall not, in the event of any dispute arising out of this Agreement, serve to prejudice the Reinsurer or any of its Affiliates.

(d) (i) The Reinsurer shall have 45 days from the date on which the Adjusted Commutation Statement is delivered to it to review the Adjusted Commutation Statement and the calculations of (A) the Commutation Amount, including the amount of the Net Statutory General Account Reserves as of the Effective Time and (B) the Commutation Balances (the “Review Period”). In furtherance of such review, the Company shall (and shall cause Buyer to) provide the Reinsurer and its Representatives with reasonable access during such 45 day period to the employees of Buyer and the Company (including to the Chief Financial Officer of Buyer) and to all documentation, records and other information of Buyer and the Company as the Reinsurer or any of its Representatives may reasonably request; provided, that such access does not unreasonably interfere with the conduct of the business of Buyer or the Company and that such access and cooperation shall not, in the event of any dispute arising out of this Agreement, serve to prejudice the Buyer, the Company or any of its Affiliates.

-
- (ii) If the Reinsurer disagrees with the Adjusted Commutation Statement (including any amount or computation set forth therein) in any respect and on any basis, the Reinsurer may, on or prior to the last day of the Review Period, deliver a notice to the Company setting forth, in reasonable detail, each disputed item or amount and the basis for the Reinsurer’s disagreement therewith (the “Dispute Notice”). The Dispute Notice shall set forth, with respect to each disputed item, the Reinsurer’s position as to the correct amount or computation that should have been included in the Adjusted Commutation Statement and as to any calculations contained therein. Such Dispute Notice shall be included together with any Dispute Notice (as such term is defined in the Stock Purchase Agreement) delivered by Reinsurer, as Seller, to the Buyer under Section 2.5(c)(ii) of the Stock Purchase Agreement.
 - (iii) If no Dispute Notice is received by the Company with respect to any item in the Adjusted Commutation Statement on or prior to the last day of the Review Period, the amount or computation with respect to such item as set forth in the Adjusted Commutation Statement shall be deemed accepted by the Reinsurer, whereupon the amount or computation of such item or items shall be final and binding on the Parties subject to paragraph (ix) below.
 - (iv) For a period of 10 Business Days beginning on the date that the Company receives a Dispute Notice (the “Resolution Period”), if any, the Company and the Reinsurer shall endeavor in good faith to resolve by mutual agreement all matters identified in the Dispute Notice. In the event that the Parties are unable to resolve by mutual agreement any matter in the Dispute Notice within such 10 Business Day period, the Company and the Reinsurer shall jointly engage PricewaterhouseCoopers LLP (the “Independent Accounting Firm”) to make a determination with respect to all matters in dispute. If PricewaterhouseCoopers LLP is unwilling or unable to serve, the Reinsurer and the Company shall cooperate in good faith to appoint, within 30 days after the Reinsurer and the Company receive notice from PricewaterhouseCoopers LLP of its refusal or inability to act as the Independent Accounting Firm, an independent certified public accounting firm of national recognition mutually acceptable to the Company and the Reinsurer, in which event such firm shall be the “Independent Accounting Firm.” If the Reinsurer, as the Seller, and the Buyer have an unresolved dispute in respect of any Dispute Notice (as such term is defined in the Stock Purchase Agreement) delivered by Reinsurer, as Seller, to the Buyer under Section 2.5(c)(ii) of the Stock Purchase Agreement, then the accounting firm appointed by the Reinsurer, as Seller, and the Buyer

under the Stock Purchase Agreement, shall be appointed by the Reinsurer and the Company hereunder as the “Independent Accounting Firm.” Such Independent Accounting Firm shall review any unresolved disputes submitted hereunder and under the Stock Purchase Agreement together and each of the Parties shall direct the

Independent Accounting Firm to render a determination hereunder at the same time as it delivers any determination under the Stock Purchase Agreement.

- (v) The Reinsurer and the Company shall direct the Independent Accounting Firm to render a determination within 30 days after its retention (along with its determination of any dispute submitted to the Independent Accounting Firm under the Stock Purchase Agreement), and the Company, the Reinsurer and their respective employees and agents will cooperate with the Independent Accounting Firm during its engagement. The Company, on the one hand, and the Reinsurer, on the other hand, shall promptly (and in any event within 10 Business Days) after the Independent Accounting Firm’s engagement, each submit to the Independent Accounting Firm their respective computations of the disputed items identified in the Dispute Notice and information, arguments and support for their respective positions, and shall concurrently deliver a copy of such materials to the other Party. Each Party shall then be given an opportunity to supplement the information, arguments and support included in its initial submission with one additional submission to respond to any arguments or positions taken by the other Party in such other Party’s initial submission, which supplemental information shall be submitted to the Independent Accounting Firm (with a copy thereof to the other Party) within five Business Days after the first date on which both Parties have submitted their respective initial submissions to the Independent Accounting Firm. The Independent Accounting Firm shall thereafter be permitted to request additional or clarifying information from the Parties, and each of the Parties shall cooperate and shall cause their Representatives to cooperate with such requests of the Independent Accounting Firm. The Independent Accounting Firm shall determine, based solely on the materials so presented by the Parties and upon information received in response to such requests for additional or clarifying information and not by independent review, only those issues in dispute specifically set forth in the Dispute Notice and shall render a written report to the Company and the Reinsurer (the “Adjustment Report”) in which the Independent Accounting Firm shall, after considering all matters set forth in the Dispute Notice, determine what adjustments, if any, should be made to the amounts and computations set forth in the Adjusted Commutation Statement solely as to the disputed items and shall determine the appropriate Commutation Amount and Commutation Balances on that basis.
- (vi) The Adjustment Report shall set forth, in reasonable detail, the Independent Accounting Firm’s determination with respect to each of the disputed items or amounts specified in the Dispute Notice, and the revisions, if any, to be made to the Adjusted Commutation Statement, together with supporting calculations. In resolving any disputed item, the Independent Accounting Firm (i) shall be bound to the principles of this

Article III and the terms of this Agreement, (ii) shall limit its review to matters specifically set forth in the Dispute Notice and (iii) shall not assign a value to any item higher than the highest value for such item claimed by either Party or less than the lowest value for such item claimed by either Party.

- (vii) All fees and expenses relating to the work of the Independent Accounting Firm shall be shared equally by the Company and the Reinsurer. Subject to paragraph (ix) below, the Adjustment Report shall be final and binding upon the Company and the Reinsurer, and shall be deemed a final arbitration award that is binding on each of the Company and the Reinsurer, and, absent fraud, no party shall seek further recourse to courts, other tribunals or otherwise, other than to enforce the Adjustment Report.
- (viii) The final form of the Commutation Balance Sheet as of the Effective Time as finally determined pursuant to this Article III is referred to herein as the “Final Commutation Balance Sheet”. Notwithstanding anything to the contrary contained in this Agreement but subject to paragraph (ix) below, the provisions of this Article III represent the sole and exclusive method for determining the Final Commutation Balance Sheet, including the Commutation Amount and the Commutation Balances derived therefrom.
- (ix) Notwithstanding anything contained in this Agreement to the contrary, any items set forth in any Dispute Notice delivered pursuant to this Article III shall be resolved by the Parties or by the Independent Accounting Firm consistent with (and in conjunction with) the determination of the Final Balance Sheet pursuant to Section 2.5 of the Stock Purchase Agreement. In addition, if any adjustments to the Final Balance Sheet require corresponding adjustments to the Final Commutation Balance Sheet, final Commutation Amount or final Commutation Balances, such adjustments shall be made, and the Parties shall

make any corresponding payments, whether or not a Dispute Notice was delivered pursuant to this Article III.

Section 3.4. Company Release of the Reinsurer with respect to the Commuted Business. In consideration of the receipt of the payments described in Section 3.1, the transfer of the Commutation Balances described in Section 3.2(b) and the release provided in Section 3.5, as of the Effective Time, the Company hereby forever releases and discharges the Reinsurer, and its predecessors, successors, affiliates, agents, officers, directors, employees and shareholders, from any and all past, present, and future obligations, adjustments, liability for payment of interest, offsets, actions, causes of action, suits, debts, sums of money, accounts, premium payments, reckonings, bonds, bills, covenants, contracts, controversies, agreements, promises, damages, judgments, liens, rights, costs and expenses (including attorneys' fees and costs actually incurred), claims and demands, liabilities and losses of any nature whatsoever, all whether known or unknown, vested or contingent, that the Company now has, owns, or holds or claims to have, own, or hold, or at any time had, owned, or held, or claimed to have had, owned, or held, or may after the execution of this Agreement have, own, or hold or claim to have, own, or hold, against the Reinsurer, arising from, based upon, or in any way related to the Commuted Business, it being

10

the intention of the Parties that this release operate as a full and final settlement of the Reinsurer's current and future liabilities to the Company under and in connection with the Commuted Business, provided, however, that this release does not discharge obligations of the Reinsurer (i) that have been undertaken or imposed by the terms of this Agreement or any other agreement between the Parties other than the Subject Reinsurance Agreements or (ii) that have been undertaken or imposed by the terms of any other Transaction Agreements (as such term is defined in the Stock Purchase Agreement).

Section 3.5. Reinsurer Release of the Company with respect to the Commuted Business. In consideration of the commutation set forth in Article II, the transfer of the Commutation Balances described in Section 3.2(b) and the release provided in Section 3.4, as of the Effective Time, the Reinsurer hereby forever releases and discharges the Company, and its predecessors, successors, affiliates, agents, officers, directors, employees and shareholders, from any and all past, present, and future obligations, adjustments, liability for payment of interest, offsets, actions, causes of action, suits, debts, sums of money, accounts, premium payments, reckonings, bonds, bills, covenants, contracts, controversies, agreements, promises, damages, judgments, liens, rights, costs and expenses (including attorneys' fees and costs actually incurred), claims and demands, liabilities and losses of any nature whatsoever, all whether known or unknown, vested or contingent, that the Reinsurer now has, owns, or holds or claims to have, own, or hold, or at any time had, owned, or held, or claimed to have had, owned, or held, or may after the execution of this Agreement have, own, or hold or claim to have, own, or hold, against the Company, arising from, based upon, or in any way related to the Commuted Business, it being the intention of the Parties that this release operate as a full and final settlement of the Company's current and future liabilities to the Reinsurer under and in connection with the Commuted Business, provided, however, that this release does not discharge obligations of the Company (i) that have been undertaken or imposed by the terms of this Agreement or any other agreement between the Parties other than the Subject Reinsurance Agreements or (ii) that have been undertaken or imposed by the terms of any other Transaction Agreements (as such term is defined in the Stock Purchase Agreement).

Article IV.
MISCELLANEOUS

Section 4.1. Notices. All notices, requests, claims, demands and other communications under this Agreement shall be in writing and shall be delivered personally or by overnight courier (providing proof of delivery) to the Parties at the following addresses (or at such other address for a Party as shall be specified by like notice):

- (a) if to Company:
- Lincoln Benefit Life Company
3075 Sanders Road
Northbrook, Illinois 60062
Attention: Treasurer
- (b) if to the Reinsurer:

11

Allstate Life Insurance Company
3100 Sanders Road
Northbrook, Illinois 60062
Attention: Jess Merten
Email: Jess.Merten@allstate.com

with copy to:

Allstate Life Insurance Company
2775 Sanders Road
Northbrook, Illinois 60062
Attention: Beth Lapham
Email: blapham@allstate.com

Notice given by personal delivery or overnight courier shall be effective upon actual receipt.

Section 4.2. Entire Agreement; Third Party Beneficiaries. This Agreement (including any annexes and schedules hereto) constitutes the entire agreement, and supersedes all prior agreements, understandings, representations and warranties, both written and oral, among the Parties with respect to the subject matter of this Agreement. Unless the Stock Purchase Agreement is terminated, the Buyer shall be a third party beneficiary under this Agreement. Except as provided in the immediately preceding sentence, this Agreement is not intended to confer upon any Person other than the Parties hereto any rights or remedies.

Section 4.3. Governing Law. This Agreement and any dispute arising hereunder shall be governed by, and construed in accordance with, the laws of the State of New York, regardless of the laws that might otherwise govern under applicable principles of conflicts of laws thereof.

Section 4.4. Assignment. Neither this Agreement nor any of the rights, interests or obligations under this Agreement shall be assigned, in whole or in part, by operation of law or otherwise (other than following the Execution Date by operation of law in a merger or scheme of arrangement), by either Party without the prior written consent of the other Party, and any such assignment that is not consented to shall be null and void. Subject to the preceding sentence, this Agreement will be binding upon, inure to the benefit of, and be enforceable by, the Parties and their respective successors and assigns.

Section 4.5. Jurisdiction; Enforcement.

(a) Each of the Parties hereto hereby irrevocably and unconditionally submits to the exclusive jurisdiction of any court of the United States or any state court, which in either case is located in the City and County of New York (each, a “New York Court”) for purposes of enforcing this Agreement or determining any claim arising from or related to the transactions contemplated by this Agreement. In any such action, suit or other proceeding, each of the Parties hereto irrevocably and unconditionally waives and agrees not to assert by way of motion, as a defense or otherwise any claim that it is not subject to the jurisdiction of any such New York

12

Court, that such action, suit or other proceeding is not subject to the jurisdiction of any such New York Court, that such action, suit or other proceeding is brought in an inconvenient forum or that the venue of such action, suit or other proceeding is improper; provided, that nothing set forth in this sentence shall prohibit any of the Parties hereto from removing any matter from one New York Court to another New York Court. Each of the Parties hereto also agrees that any final and unappealable judgment against a Party hereto in connection with any action, suit or other proceeding will be conclusive and binding on such Party and that such award or judgment may be enforced in any court of competent jurisdiction, either within or outside of the United States. A certified or exemplified copy of such award or judgment will be conclusive evidence of the fact and amount of such award or judgment. Any process or other paper to be served in connection with any action or proceeding under this Agreement shall, if delivered or sent in accordance with Section 4.1, constitute good, proper and sufficient service thereof.

(b) The Parties hereto agree that irreparable damage would occur in the event that any of the provisions of this Agreement were not performed in accordance with their specific terms or were otherwise breached. It is accordingly agreed that, without the necessity of posting bond or other undertaking, the Parties hereto shall be entitled to an injunction or injunctions to prevent breaches of this Agreement and to enforce specifically the terms and provisions of this Agreement in accordance with this Agreement, this being in addition (subject to the terms of this Agreement) to any other remedy to which such Party is entitled at law or in equity. In the event that any Action is brought in equity to enforce the provisions of this Agreement, no Party hereto shall allege, and each Party hereto hereby waives any defense or counterclaim, that there is an adequate remedy at law.

(c) EACH OF THE PARTIES HERETO HEREBY IRREVOCABLY WAIVES ANY AND ALL RIGHT TO TRIAL BY JURY IN ANY PROCEEDING ARISING OUT OF OR RELATED TO THIS AGREEMENT OR THE TRANSACTIONS CONTEMPLATED HEREBY. EACH PARTY CERTIFIES AND ACKNOWLEDGES THAT (I) NO REPRESENTATIVE, AGENT OR ATTORNEY OR ANY OTHER PARTY HAS REPRESENTED, EXPRESSLY OR OTHERWISE, THAT SUCH OTHER PARTY WOULD NOT, IN THE EVENT OF LITIGATION, SEEK TO ENFORCE THE FOREGOING WAIVER, (II) IT UNDERSTANDS AND HAS CONSIDERED THE IMPLICATIONS OF SUCH WAIVER, (III) IT MAKES SUCH WAIVER VOLUNTARILY AND (IV) IT HAS BEEN INDUCED TO ENTER INTO THIS AGREEMENT BY, AMONG OTHER THINGS, THE MUTUAL WAIVERS AND CERTIFICATIONS IN THIS SECTION 4.5(c).

Section 4.6. Severability.

(a) Whenever possible, each provision or portion of any provision of this Agreement will be interpreted in such manner as to be effective and valid under Applicable Law, but if any provision or portion of any provision of this Agreement is held to be invalid, illegal or unenforceable in any respect under any Applicable Law in any jurisdiction, such invalidity, illegality or unenforceability will not affect any other provision or portion of any provision in such jurisdiction, and this Agreement will be reformed, construed and enforced in such jurisdiction as if such invalid, illegal or unenforceable provision or portion of any provision had never been contained herein.

13

(b) This Agreement may be amended or a provision hereof waived only by a written instrument signed by each of the Company and the Reinsurer.

(c) No delay on the part of any Party in exercising any right, power or privilege hereunder shall operate as a waiver thereof, nor shall any waiver on the part of any Party of any right, power or privilege, nor any single or partial exercise of any such right, power or privilege, preclude any further exercise thereof or the exercise of any other such right, power or privilege.

Section 4.7. No Offset. No Party to this Agreement may offset any amount due to the other Party hereto or any of such other Party's affiliates against any amount owed or alleged to be owed from such other Party or its affiliates under this Agreement or any other agreement without the written consent of such other Party.

Section 4.8. Counterparts. This Agreement may be executed in counterparts, all of which shall be considered one and the same agreement and shall become effective when counterparts have been signed by each of the Parties and delivered to the other Party. Each Party may deliver its signed counterpart of this Agreement to the other Party by means of electronic mail or any other electronic medium utilizing image scan technology, and such delivery will have the same legal effect as hand delivery of an originally executed counterpart.

[Remainder of page intentionally left blank]

14

IN WITNESS WHEREOF, the Reinsurer and the Company have caused this Agreement to be signed by their respective duly authorized officers, all as of the date first written above.

ALLSTATE LIFE INSURANCE COMPANY

By: /s/ Jesse E. Merten

Name: Jesse E. Merten
Title: Senior Vice
President and Chief
Financial
Officer

By: /s/ Steven C. Verney

Name: Steven C. Verney
Title: Executive Vice
President and Chief
Risk
Officer, Allstate
Insurance Company

LINCOLN BENEFIT LIFE COMPANY

By: /s/ Jesse E. Merten

Name: Jesse E. Merten
Title: President, Chief Operating Officer and
Chief Financial Officer

By: /s/ Steven C. Verney

Name: Steven C. Verney
Title: Executive Vice

SCHEDULE 1
Certain Specified Life Business – Term Policies

The Company’s Guaranteed Term and 10 year level Best Term business sold from 2000 through 2009 as well as the Company’s 2006 era TrueTerm product sold in 2006 through 2009, with a limited number of policies having issue dates in 2010.

SCHEDULE 2
Commuted Business

“Commuted Business” includes policies with the following coding in the general ledger for company code 034. A code key is provided in the Commutation Accounting Principles.

Statutory Balance Sheet Line	-----SAP Profit Center-----		
	Channel	Market Center	Product Group
Page 3, Line 1	611	1E	31
	611	1E	32
	699	1E	32
	611	1E	33
	611	1E	34
	699	1E	34
	601	1A	50
	611	1E	50
	601	1A	51
	601	1R	51
	611	1E	51
	611	1R	51
	601	1A	53
	611	1E	53
	611	1E	63
	699	1E	63
	601	1A	69
	611	1E	69
	611	1E	3A
	611	1E	3C
611	1E	3D	
Page 3, Line 2	601	1A	42
Page 3, Line 3	611	1E	42
	611	1E	32
Page 3, Line 4.1	699	1E	32
	611	1E	63
Page 3, Line 4.2	611	1E	31
	611	1E	32
	611	1E	33
	611	1E	3A
	611	1E	3C
	611	1E	3D
Page 3, Line 4.2	611	1E	63
	611	1E	42

Page 3, Line 27	601	1A	52
	601	1A	58

Statutory Balance Sheet Line	Channel	Market Center	Product Group
	601	1A	59
	611	1E	52
	611	1E	58
	611	1E	59

Commutated Business excludes certain Specified Life Business return of premium riders coded to product group 63.

SCHEDULE 3

Commutation Consideration

The Commutation Consideration (as adjusted pursuant to Section 3.3) shall be (i) the investment assets set forth on attached electronic Excel file titled "Commutation Exhibit-LBL Assets 2013 12 31.xlsx", with such additions or subtractions as agreed by the Parties to reflect the sale or maturity of such assets, plus (ii) cash in an amount equal to the excess of the Commutation Amount over the Statutory Book Value of such assets; provided that if the Statutory Book Value of such assets exceeds the Commutation Amount, assets as agreed by the Parties shall be subtracted as appropriate.

COMMUTATION ANNEX A

Commutation Accounting Principles

This Commutation Annex A sets forth the Commutation Accounting Principles referenced in the Agreement. Capitalized terms used and not otherwise defined in this Commutation Annex A have the respective meanings given in the Agreement.

The Commutation Balance Sheet includes the financial statement impacts related to the Commuted Business resulting from the execution of the Agreement. The Commuted Business is identified as set forth in Exhibit 1, Business Identification. The Commutation Balances are determined using the general ledger coding key as set forth in Exhibit 1.a. The general ledger accounts are summarized and reported in the Commutation Balance Sheet as set forth in Exhibit 1.b.

The Commutation Balance Sheet is prepared using Statutory Accounting Principles ("SAP") defined as statutory accounting practices prescribed or permitted by the Nebraska Department of Insurance (except where noted otherwise) applied in a manner consistent with its application in the preparation of the Reference Balance Sheet (as such term is defined in the Stock Purchase Agreement). The Commutation Classification Method, Assumptions Utilized and Additional Notes used in the preparation of the Commutation Balance Sheet are set forth in Exhibit 2. The following columns comprise the Commutation Balance Sheet (Column 9):

- Column 1 - Commutation Consideration equal to Investment Assets and Commuted Business as set forth in Exhibit 2 and as described in Section 3.1 of the Commutation Agreement.
- Column 2 - Mark to Market Impact
- Column 3 - Recognition of Historical IMR
- Column 4 - IMR Transferred to Separate Account
- Column 5 - Establish AVR
- Column 6 - Statutory vs. Tax Reserves
- Column 7 - Establish DTA
- Column 8 - Transfer of Working Capital

The following columns comprise the LBL Balance Sheet after Commutation (Column 12):

- Column 9 - Commutation Balance Sheet
- Column 10 - LBL Balance Sheet
- Column 11 - Blank
- Column 12 - LBL Balance Sheet after Commutation

These Accounting Principles comprise the following Exhibits:

- Exhibit 1 – Business Identification
- Exhibit 1.a – Statutory Reserve General Ledger Coding Key
- Exhibit 1.b – Statutory General Ledger Coding
- Exhibit 2 - Assumptions

Exhibit 1 - Business Identification
Exhibit 1.a – Coding Key

<u>G/L Accounts</u>	<u>Account Descriptions</u>
M10010100	LONG TERM FEDERAL GOVERNMENT - U.S.
M10010200	LONG TERM FEDERAL GOVERNMENT - CANADA
M10011100	STATES, PROVINCIAL & MUNICIPALS - TAXABLE
M10013100	CORPORATE BONDS
M10013200	CORPORATE BONDS - PRIVATE PLACEMENTS
M10020100	PASS THRU MORTGAGE BACKED SECURITIES
M10020200	COLLATERAL MORTGAGE OBLIGATIONS (CMO'S)
M10080000	SHORT TERM TIME DEPOSIT INVESTMENTS
M10080200	SHORT TERM MONEY MARKETS
M10080400	SHORT TERM TREASURY BILLS
M10150231	CASH-Harris ABO
M10150257	CASH-HARRIS ZBA
M10150375	Cash-Firstier Regular
M10150376	CASH-US BANK-VA DEPOSITORY
M10150407	CASH, USBANK #205700310407 FX DEP SWEEP
M10150574	CASH-WACHOVIA NC - LBL Fixed Systems
M10150575	CASH-WACHOVIA NC - LBL Fixed Manual
M10150576	CASH-WACHOVIA NC - LBL Transcend Fixed
M10150584	CASH-WACHOVIA ANNTY (VA) CDA 11475
M10150585	CASH-WACHOVIA ANNTY (VA) CDA 11476
M10150918	CASH-LBL Gen Disb-Dep 4443330998
M10150919	CASH-LBL Claims Disb 4443330956
M10150921	CASH-LBL PAC Dep Acct 4443331194
M10150922	CASH-LBL Money Mkt 12760740
M10150953	CASH LBL VA Oper UMB 9871645991
M10150954	CASH LBL VA Disb UMB 9871646009
M10150955	CASH LBL VA Disb UMB 5008012121
M10150956	CASH LBL VA Dep UMB 9871645983
M10151028	LBL Depository Fixed Chase 967384546
M10151029	LBL Depository Var Chase 967384553
M10156035	CASH,CITIBANK MMDA/LIQRES
M10156096	INVESTMENT CASH
M10160021	Investment in Partnership - EMA
M10171020	PREMIUM INSTALLMENTS RECEIVABLE - DUE - Life
M10171026	Reinsurance Premium Receivable
M10190020	REINSURANCE RECOVERABLE ON PAID LOSS-Non Ledger
M10191030	REINSURANCE RECEIVABLE/PAYABLE-INTERCOMPANY-ALIC
M10191412	Reinsurance Receivable/Payable-I/C-LBRE
M10200000	POLICY LOANS
M10220100	INCOME RECEIVABLE FIXED INCOME SECURITIES
M10220500	ACCRUED INTEREST FIXED INCOME SECURITIES
M10227500	ACCRUED INTEREST SHORT TERM BONDS
M10229200	POLICY LOAN ACCRUED INTEREST
M10270004	ACCRUED PREMIUM TAX OFFSET - GFA
M10270005	PREMIUM TAX DEDUCTIBLE - GFA
M10300000	Intercompany Receivable
M10300000	INTERCOMPANY RECEIVABLE
M10330101	Separate Accounts-Common Stock
M10340000	A/R, GENERAL
M10340003	Premium Tax Refund
M10340070	A/R, FIXED MANAGEMENT FEES
M10360407	Reinsurance Recoverable - Expense Allowances

<u>G/L Accounts</u>	<u>Account Descriptions</u>
M19990001	CLEARING ACCOUNT, GENERAL
M20010000	Life Insurance Policy Benefit Reserves
M20010010	Reserve for Accident and Health
M20010030	Policy and Contract Claims - Life
M20010040	Policy and Contract Claims - A & H
M20010310	Unearned Premium - A & H
M20060007	Reinsurance Premium Payable
M20090400	Commissions On Reinsurance Assumed
M20090600	AGENT COMMISSION PAYABLE, EMPLOYEE
M20090601	Agent Commission Payable-Escrow Accrual
M20110000	PREMIUM RECEIVED IN ADVANCE
M20110107	Premium Deposit Fund - WOLC
M20160001	Dividend and Coupon Accumulations
M20160100	Dividend Due & Unpaid
M20160210	Dividend - Provision
M20200200	ACCRUED FIT - FEDERAL INCOME
M20210104	Accrued Premium Tax
M20210105	Accrued Premium Taxes
M20210107	Accrued Muni Tax
M20210300	ACCRUED STATE INCOME TAXES
M20210800	ACCRUED TAXES - RETALIATORY
M20320000	ACCRUED EXPENSE, GENERAL
M20320064	ACCRUED EXPENSE, DELOITTE & TOUCHE - AUDIT
M20320902	Unearned Investment Income
M20400407	TEFRA WITHHOLDING - 1099 20%
M20400500	FEDERAL TAX WITHHOLDING

M20400501	FEDERAL TAX WITHHOLDING
M20400502	FEDERAL BACKUP W/H
M20400504	STATE W/H
M20400690	Deferred Compensation-Agents
M20410081	TPA-Lodger Payable
M20490000	ABANDONED PROPERTY-CLEARING
M21000200	CONSUMER'S SALES & USE TAX LIABILITY
M21010000	A/P, TRADE PAYABLE - VENDOR
M21010100	A/P, TRADE PAYABLE - EMPLOYEE
M21020002	ACCRUED GUARANTY FUND ASSESSMENTS
M29990100	LIFE APPLICATION DEPOSITS
M29990152	POLICY BILLING SUSPENSE
M29990154	CASH WITH APPLICATION DEPOSITS
M29990200	POLICY SUSPENSE
M29990252	DISBURSEMENT CLEARING
M29990300	CASH CLEARING
M29990316	CLEARING/SUSPENSE SEPARATE ACCOUNT
M29990356	SAP / NE Cyberlife Intra-System
M29990402	CyberNE Cash W/APP Suspense
M29990403	CyberNe New Business Cash Suspense
M29990430	CyberNE Unapplied Cash Suspense
M29990444	Premium Suspense Credit Card
M29990447	Intersystem Suspense Credit Card
M29990456	CyberNE Misc Disburse Clear
M29990502	Agent Bal Transfer Suspense
M29990503	Surety Reverse Alliance Suspense

<u>G/L Accounts</u>	<u>Account Descriptions</u>
M29990524	CyberNE Misc Suspense Control - Var
M29990528	CyberNE Surrender Clearing - VAR
M29990606	CyberNE Qual Group Premium Susp
M29990608	CyberNE Return Check Suspense
M29990621	CyberNE Premium Refund Suspense
M29990622	CyberNE Daily Cycle Clearing
M29990623	CyberNE Cash W/APP Clearing
M29990624	CyberNE Misc Suspense Control
M29990625	CyberNE Group Premium Suspense
M29990626	CyberNE Term Mature Suspense
M29990627	CyberNE Loan Disburse Clearing
M29990628	CyberNE Surrender Disburse Clearing
M29990629	CyberNE Death Claim Clearing
M29990630	CyberNE Misc Checks Unappld -Terminated Policy
M29990635	CyberNE Policy Reinstatements
M29990888	CyberNE Term Conversion Suspense - Fixed
M29990889	CyberNE Term Conversion Suspense - Var
M29990990	PruVA Mapping Suspense
M29990992	PruVA Disbursement Suspense
M29990993	PruVA Deposit Suspense
M29990998	Pru VA Outbound Returned Items
M29999503	CyberNe New Business Cash Suspense - Var
S10080805	SHORT-TERM BOND-BV CASH EQUIVALENT RECLASS
S10157500	CASH, TIME DEPOSIT STAT RECL FROM ST INV'S
S10157501	CASH, EQUIVALENT RECLASS FROM INVESTED ASSETS
S10160003	LOW INCOME HOUSING STAT BV ADJ
S10171020	Premium installments receivable - due- Life
S10171030	Deferred Premium
S10190020	Reins. Recoverable on Paid Loss-Non Ledger
S10191030	REINSURANCE RECEIVABLE/PAYABLE-INTERCOMPANY-ALIC
S10200000	Policy Loans
S10227601	ACCRUED INTEREST SHORT TERM BONDS CASH EQUIV RECL
S10229200	MISCELLANEOUS INVESTMENT ACCRUED INTEREST
S10250220	Deferred Federal Income Tax Asset
S10300000	Intercompany Receivable
S10300000	INTERCOMPANY RECEIVABLE
S20010000	Life Insurance Policy Benefit Reserves
S20010010	Reserve for Accident and Health
S20010103	Reserve - MVAA
S20010104	Separate Accounts Reserves-VA/Variable
S20010114	Separate Account Liability-CARVM
S20010310	Unearned Premium - A & H
S20020300	Interest Maintenance Reserve
S20050000	Asset Valuation Reserve
S20060110	Reinsurance in Unauthorized Companies

S20090700	Agent Commission Payable, Non-Employee
S20110000	Advance Premium
S20270000	Intercompany Payable, General
S20270000	Intercompany Payable, General
S20420000	SEP ACCT-PAYABLE TO GENL ACCT

CODES	
<u>Distribution Channels</u>	<u>Distribution Channel Description</u>
601	Allstate Agents
611	Master Brokerage Agencies (MBA's)
646	Prudential
649	Balance Sheet Entries
650	Capital
699	Total Market Center
<u>Market Center</u>	<u>Market Center Description</u>
1A	Allstate Agents
1E	Master Brokerage Agencies (MBA's)
1I	Capital
1P	Prudential
1R	Closed Annuities
<u>Product Group</u>	<u>Product Group Description</u>
	<u>Life Products</u>
31	Interest Sensitive Life
32	Traditional Life
33	Variable Universal Life
34	Indexed Life
63	Coinsured Term & ALIC Re ROP Rider
3A	SGUL pre 2013
3B	ISL to LB Re pre 2013
3C	SGUL post 2012
3D	ISL post 2012
	<u>Annuity Products</u>
50	Fixed Annuities - 2010
51	Fixed Annuities
52	MVA Annuities
53	Indexed Annuities
55	Variable Annuity
58	Tactician Plus
59	MVA 2009
69	Equity Indexed Annuities - 2010
00	Unallocated
<u>Reinsurance Categories</u>	<u>Category Description</u>
DB	Direct Business
DR	Direct Business Retained
AE	Assumed Business - External
CL	Ceded Business - External

Exhibit 1.b – Statutory General Ledger Coding

For purposes of commutation from Allstate Life Insurance Company, queries obtained from the general ledgers of the Company and Reinsurer were utilized to support each financial statement line item. For the avoidance of doubt, the business was identified using Codes (see listing above - Business Identification). Items noted as "All" would include any component listed in the Codes. For reference, the account numbers as of March 31, 2013 are included in the listing. Certain transactions after March 31, 2013 may utilize additional account numbers associated with the Commuted Business or the Company.

		-----SAP Profit Center-----		SAP	
		Market	Product	Reinsurance	Classification

	Account Number	Channel	Center	Group	Category	Method
Page 2, Line 1-4	M10010100		All Company 034			1
	M10010200		All Company 034			1
	M10011100		All Company 034			1
	M10013100		All Company 034			1
	M10013200		All Company 034			1
	M10020100		All Company 034			1
	M10020200		All Company 034			1
Page 2, Line 5	M10080000		All Company 034			1
(S-T & cash equivalents)	M10080200		All Company 034			1
	M10080400		All Company 034			1
	S10080805		All Company 034			1
	S10157501		All Company 034			1
Page 2, Line 5	M10150231		All Company 034			1
(Cash & o/s checks)	M10150257		All Company 034			1
	M10150375		All Company 034			1
	M10150376		All Company 034			1
	M10150407		All Company 034			1
	M10150574		All Company 034			1
	M10150575		All Company 034			1
	M10150576		All Company 034			1
	M10150584		All Company 034			1
	M10150585		All Company 034			1
	M10150918		All Company 034			1
	M10150919		All Company 034			1
	M10150921		All Company 034			1
	M10150922		All Company 034			1
	M10150953		All Company 034			1
	M10150954		All Company 034			1
	M10150955		All Company 034			1
	M10150956		All Company 034			1
	M10151028		All Company 034			1
	M10151029		All Company 034			1
	M10156035		All Company 034			1
	M10156096		All Company 034			1
	S10157500		All Company 034			1

	Account Number	-----SAP Profit Center-----			SAP	Classification Method
		Channel	Market Center	Product Group	Reinsurance Category	
Page 2, Line 6	M10200000	From detail policy inventory			DB	1
	S10200000	From detail policy inventory			DB	1
Page 2, Line 8	M10160021	All Company 034				1
	S10160003	All Company 034				1
Page 2, Line 14	M10220100	All Company 034				1
	M10220500	All Company 034				1
	M10227500	All Company 034				1
	M10229200	From detail policy inventory		DB	1	
	S10227601	All Company 034				1
	S10229200	All Company 034				1
Page 2, Line 15.1a	M10171020	611	1E	32	DB	1
	M10171020	611	1E	42	DB, CL	1
	M10171020	611	1E	63	DB	1
	S10171020	611	1E	32	DB	1
	S10171020	611	1E	63	DB	1
Page 2, Line 15.1b *	M10171026	All Company 034				1
(External Reinsurance)	M20060007	All Company 034				1
Page 2, Line 15.2	S10171030	611	1E	32	DB	1
	S10171030	611	1E	63	DB	1
Page 2, Line 16.1 *	M10190020	All Company 034				1
	S10190020	All Company 034				1
Page 2, Line 16.3 Ext *	M10360407	All Company 034				1
Page 2, Line 16.3 (ALIC)	M10191030	All Company 034				1
	M10191412	All Company 034				1
	S10191030	All Company 034				1
Page 2, Line 18.2	S10250220	All Company 034				1
Page 2, Line 19	M10270004	All	All	All	DB	3
	M10270005	All	All	All	DB	3
Page 2, Line 25	M10340000	611	1E	42	DB	1
	M10340000	649	1E	00	DB	1
	M10340000	699	1E	42	DB	1
	M10340003	649	1E	00	DB	3

	M10340070	611	1E	33	DB	1
Page 2, Line 27	M10330101	All Company 034				1
* Methodology to be refined for novation						

	Account Number	-----SAP Profit Center-----			SAP	
		Channel	Market Center	Product Group	Reinsurance Category	Classification Method
Page 3, Line 1 *	M20010000	611	1E	3A	DB	1
	M20010000	699	1E	63	DB	1
	S20010000	601	1A	50	DB	1
	S20010000	601	1A	51	DB	1
	S20010000	601	1A	53	DB	1
	S20010000	601	1A	69	DB	1
	S20010000	601	1R	51	DB	1
	S20010000	611	1E	31	DB,CL	1
	S20010000	611	1E	32	DB,AE,CL	1
	S20010000	611	1E	33	DB,CL	1
	S20010000	611	1E	34	DB,CL	1
	S20010000	611	1E	3A	DB,CL	1
	S20010000	611	1E	3C	DB,CL	1
	S20010000	611	1E	3D	DB,CL	1
	S20010000	611	1E	50	DB	1
	S20010000	611	1E	51	DB,CL	1
	S20010000	611	1E	53	DB	1
	S20010000	611	1E	63	DB,CL	1
	S20010000	611	1E	69	DB	1
	S20010000	611	1R	51	DB,AE,CL	1
	S20010000	699	1E	32	DB	1
	S20010000	699	1E	34	DB	1
	S20010000	699	1E	63	DB	1
Page 3, Line 2	M20010010	611	1E	42	DB,CL	1
	S20010010	611	1E	42	DB,CL	1
	M20010310	611	1E	42	DB,CL	1
	S20010310	611	1E	42	DB,CL	1
Page 3, Line 3	M20110107	611	1E	63	DB	1
	M20160001	611	1E	32	DB	1
	M20160001	699	1E	32	DB	1
Page 3, Line 4.1	M20010030	611	1E	31	DB,CL	1
	M20010030	611	1E	32	DB,CL	1
	M20010030	611	1E	33	DB,CL	1
	M20010030	611	1E	3A	DB,CL	1
	M20010030	611	1E	3C	DB,CL	1
	M20010030	611	1E	3D	DB,CL	1
	M20010030	611	1E	63	DB,CL	1
Page 3, Line 4.2	M20010040	611	1E	42	DB,CL	1
Page 3, Line 5	M20160100	611	1E	32	DB	1
Page 3, Line 6	M20160210	611	1E	32	DB	1
Page 3, Line 8	M20110000	611	1E	32	DB	1
	M20110000	611	1E	42	DB, CL	1
	M20110000	611	1E	63	DB	1
	S20110000	611	1E	32	DB	1
* Current coding requires manual exclusion of certain Specified Life Business return of premium riders coded to product group 63.						

	Account Number	-----SAP Profit Center-----			SAP	
		Channel	Market Center	Product Group	Reinsurance Category	Classification Method
Page 3, Line 9.4	S20020300	All Company 034				1
Page 3, Line 10	M20090600	All Company 034				1
	M20090601	All Company 034				1
	S20090700	All Company 034				1
Page 3, Line 11 *	M20090400	All Company 034				1
Page 3, Line 12	M20320000	Refer to allocation**			DB	2
	M20320064	Refer to allocation**			DB	2
Page 3, Line 13	S20420000	611	1E	33	DB	1
Page 3, Line 14	M20210104	All	All	All	DB	3
	M20210105	All	All	All	DB	3
	M20210107	All	All	All	DB	3

	M20210300	All	All	All	DB, DR	3	
	M20210800	All	All	All	DB	3	
	M21020002	All	All	All	DB	3	
Page 3, Line 15.1	M20200200	All Company 034					1
Page 3, Line 16	M20320902	From detail policy inventory			DB	1	
Page 3, Line 17	M20400407	All	All	All	DB	3	
	M20400500	All	All	All	DB	3	
	M20400501	All	All	All	DB	3	
	M20400502	All	All	All	DB	3	
	M20400504	All	All	All	DB	3	
* Methodology to be refined for novation							
** Allocation with further refinement to identify specific company payables.							

	Account Number	-----SAP Profit Center-----			SAP	Classification Method
		Channel	Market Center	Product Group	Reinsurance Category	
Page 3, Line 19	M19990001	All Company 034				1
	M29990100	From detail policy inventory			DB	1
	M29990152	From detail policy inventory			DB	1
	M29990154	From detail policy inventory			DB	1
	M29990200	From detail policy inventory			DB	1
	M29990252	Combination ***			DB	2
	M29990300	Combination ***			DB	2
	M29990402	Combination ***			DB	2
	M29990403	Combination ***			DB	2
	M29990430	From detail policy inventory			DB	1
	M29990456	Combination ***			DB	2
	M29990502	Combination ***			DB	2
	M29990524	From detail policy inventory			DB	1
	M29990528	Combination ***			DB	2
	M29990606	From detail policy inventory			DB	1
	M29990608	Combination ***			DB	2
	M29990621	Combination ***			DB	2
	M29990622	From detail policy inventory			DB	1
	M29990623	Combination ***			DB	2
	M29990624	Combination ***			DB	2
	M29990625	Combination ***			DB	2
	M29990626	From detail policy inventory			DB	1
	M29990627	From detail policy inventory			DB	1
	M29990628	Combination ***			DB	2
	M29990629	Combination ***			DB	2
	M29990630	From detail policy inventory			DB	1
	M29990635	Combination ***			DB	2
	M29990888	From detail policy inventory			DB	1
	M29990889	From detail policy inventory			DB	1
	M29999503	Combination ***			DB	2
Page 3, Line 21	M20400690	649	1E	00	DB	1
Page 3, Line 24.01	S20050000	All Company 034				1
Page 3, Line 24.02	S20060110	All Company 034				1
Page 3, Line 24.04	M10300000	All Company 034				1
	S10300000	All Company 034				1
	S20270000	All Company 034				1
Page 3, Line 25	M20410081	611	1E	42	DB	1
	M20490000	All	All	All	DB	3
	M21000200	All	All	All	Blank	3
	M21010000	All	All	All	Blank	3
	M21010100	All	All	All	Blank	3
*** Combination of specific identification and some level of allocation. Parties to true up any adjustments related to refined specific identification.						

	Account Number	-----SAP Profit Center-----			SAP	Classification Method
		Channel	Market Center	Product Group	Reinsurance Category	
Page 3, Line 27	S20010103	601	1A	52	DB	1
	S20010103	601	1A	58	DB	1
	S20010103	601	1A	59	DB	1
	S20010103	611	1E	52	DB	1
	S20010103	611	1E	58	DB	1

S20010103	611	1E	59	DB	1
S20010104	All Company 034				1
S20010114	All Company 034				1

Exhibit 2

Exhibit 2 provides the inventory of principal assumptions utilized in preparing the LBL Balance Sheet after Commutation. As used below, the Company is sometimes referred to as “LBL” and Reinsurer is sometimes referred to as “ALIC.”

Each financial statement line item included in the Commutation Balance Sheet and LBL Balance Sheet after Commutation is measured according to the following classification method, as specified in the table below:

- (1) Amount is specifically identifiable to the Commuted Business or the amount is calculated as a function of the Commutation and therefore specifically identifiable to the Commuted Business.
- (2) Specifically identifiable balances and an allocation for balances not specifically identifiable.
- (3) Amount represents the entire obligation of the Company or right to an asset of the Company to/from an external party to the Company.

For the Commutation items included in Column 8, the Company and Reinsurer will settle those amounts in accordance with Article III of the Agreement.

A schedule, included as Exhibit 1a, is provided of product groups, market centers, channels and reinsurance categories, collectively “Codes”, accessed through queries obtained from the general ledgers of the Company and Reinsurer in support of each financial statement line item. For the avoidance of doubt, the business is identified using Codes. For reference, the account numbers as of March 31, 2013 that relate to those Codes are included in the listing. Certain transactions after March 31, 2013 may utilize additional account numbers associated with the product groups, market centers and channels associated with the Commuted Business or the Company.

Accounting Principles	
LBL Balance Sheet Column 10 is sourced from LBL entity balance prior to Commutation.	
Financial Statement Line Item	Commutation Classification Method, Assumptions Utilized and Additional Notes
Page 2 – Assets	
1 – 4 – Invested assets	1 Commutation Balance Sheet Column 1 and Mark to Market Impact column sourced from list of actual assets to be transferred as Commutation Consideration. The Invested Assets to separate account in Commutation Balance Sheet Column 1 equals IL basis market value adjusted annuity (“MVAA”) book value reserve held on ALIC books as of Commutation date. Mark to market impacts determined utilizing fair value valuation policies consistent with Reinsurer’s existing practices as disclosed in the statutory audited financial statement.
5 – Short-term investments and cash equivalents	1 Comprised of: Commutation cash in the amount needed to balance assets transferred (equal to Invested Assets line 1-4 plus Contract Loans plus Investment Income Due and Accrued plus Accrued Policy Loan Interest plus Invested Assets From Separate Account) to reserves (equal to liabilities lines 1-

Accounting Principles	
LBL Balance Sheet Column 10 is sourced from LBL entity balance prior to Commutation.	
Financial Statement Line Item	Commutation Classification Method, Assumptions Utilized and Additional Notes
	4 plus unearned investment income plus liabilities from separate account) transferred at the Commutation effective date (Column 1), plus cash of the Company prior to Commutation (Column 10). Includes short term investments and cash equivalents.
5 – Cash and outstanding checks	1 Includes all cash accounts which includes LBL outstanding checks
6 – Contract loans	1 Policy loans are calculated at a seriatim level and sourced to the general ledger from the policy administration systems.
8 – Other invested assets	1 Balance attributable to low income housing tax credit investment on LBL entity.
14 – Investment income due and accrued	1 Column 1 sourced from contemplated asset lists shared with the Company reflecting current expectations of assets to be transferred.
14 – Accrued policy loan interest	1 Policy loan interest is calculated at a seriatim level and sourced to the general ledger from the policy administration systems.
15.1 – Uncollected premiums	1

	<p>Premium is sourced from Cyberlife administration system program that compares paid-to-date to the valuation date, in relation to premium mode.</p> <p>Loading is sourced from a Valuation program interfaced directly to the ledger. Reinsurance premium payable is tracked at a policy/reinsurance treaty level and booked at a product/channel level.</p> <p>Commutation amounts shown in Transfer of Working Capital Column 8.</p>
15.2 – Deferred premiums	<p>1</p> <p>Premium is sourced from the Cyberlife administration system program that reflects premiums from valuation date to next anniversary date that is neither collected or due.</p> <p>Loading is sourced from a Valuation program interfaced directly to the ledger.</p> <p>Commutation amounts shown in Transfer of Working Capital Column 8.</p>
16.1 – Amounts recoverable from reinsurers	<p>1</p> <p>N/A – No balances expected under commutation.</p>
16.3 – Other amounts receivable under reinsurance contracts - others	<p>1</p> <p>N/A – No balances expected under commutation.</p>
16.3 - Other amounts receivable under reinsurance contracts – ALIC	<p>1</p> <p>Represents expense allowances receivable from ALIC. Transfer of Working Capital Column 8 amount equals the net of all assets and liabilities in this column such that the net surplus impact from Column 8 equals zero.</p> <p>For amounts in Column 10, a general ledger program that automatically reinsures account activity between LBL and ALIC.</p>
18.2 – Net deferred tax asset	<p>1</p> <p>For purposes of the Commutation, determined as a formula prior to giving effect to tax attribute reductions associated with unified loss rule impacts of any</p>

Accounting Principles

LBL Balance Sheet Column 10 is sourced from LBL entity balance prior to Commutation.

Financial Statement Line Item	Commutation Classification Method, Assumptions Utilized and Additional Notes
	<p>potential LBL sale. The admitted DTA in Column 12 is sourced from the LBL Balance Sheet in Column 10 plus the admitted DTA in the Establish DTA, Column 7. The cap is of admitted DTA in Column 7 is calculated as 15% multiplied by (i) capital and surplus in Column 12 less (ii) the Admitted DTA in Column 12; less the Admitted DTA in Column 10.</p>
19 – Guaranty funds receivable or on deposit	<p>1</p> <p>Represents guaranty fund amounts to be taken as credits on Company’s future premium tax returns.</p> <p>The receivable based on paid assessments is sourced from the Tax Department based on expected tax offsets that can be taken on future premium tax returns.</p> <p>The receivable based on accrued assessments is calculated from an internally developed database that tracks the Company’s exposure to current insolvencies.</p> <p>Commutation amounts shown in Transfer of Working Capital Column 8.</p>
25 – Aggregate write-ins	<p>a. 1 – Third party administrator (“TPA”) feed - receivable related to Long Term Care business.</p> <p>b. 2- Fund manager payments - Variable Life fund manager fees receivable – balance averages \$200,000 to \$250,000 at each quarter end. The balance is allocated by channel with 57% being allocated to MBA. When the VL Separate Account is separated post Commutation, the fees will be specifically identifiable.</p> <p>c. 3 - Premium tax refund receivable.</p> <p>Commutation amounts shown in Transfer of Working Capital Column 8.</p>
27 – Separate account assets	<p>1</p> <p>If Nebraska requires MVAAs to be placed into the separate account, assets with a market value equal to the minimum reserve value held in the separate account for MVAAs or as otherwise required by the state of Nebraska will be transferred from the total of investment assets in lines 1-4.</p>
Page 3 – Liabilities	
1 – Aggregate reserve for life contracts	<p>1</p> <p>Reserves commuted are calculated at a seriatim level and recorded by plan code in the general ledger, therefore, the balances related to commutation are determined on a specific identification basis.</p> <p>The Commutation Balance Sheet reflects the net of the Company’s direct, assumed and ceded reserves.</p>
2 – Aggregate reserve for accident and health contracts	<p>1</p> <p>Reserves are calculated by Third Party Administrator at a seriatim level and recorded by plan code in the general ledger, therefore, the balances related to commutation are determined on a specific identification basis.</p> <p>The Commutation Balance Sheet reflects the net of the Company’s direct and ceded reserves.</p>

3 – Liability for deposit-type contracts

1
Dividend Deposits & Premium Deposit funds are calculated at a seriatim level recorded in the general ledger by product/channel, therefore, the balances related to commutation are determined on a specific identification basis.

Accounting Principles

LBL Balance Sheet Column 10 is sourced from LBL entity balance prior to Commutation.

Financial Statement Line Item	Commutation Classification Method, Assumptions Utilized and Additional Notes
	The Commutation Balance Sheet reflects the net of the Company’s direct and ceded reserves.
4 – Contract claims	1 Pending claim reserves are sourced from the claims system. IBNR is calculated by valuation actuaries and is based on an actuarial experience study and recorded at a product/channel level as determined utilizing valuation procedures consistent with Reinsurer’s practices for Reinsurer’s retained business as updated from time to time. The Commutation Balance Sheet reflects the net of the Company’s direct, assumed and ceded claims. Contract claim liabilities will be transferred to the extent Company is responsible for paying claims after the Commutation effective date regardless of claim incurred date.
5 – Dividends and coupons due and unpaid	1 Policyholder dividend information is booked manually based on section CKVL52TV of the VL52NE Cyberlife Detail Value report sourced from Cyberlife, and is available at a policy level by plan code. The Commutation Balance Sheet reflects the net of the Company’s direct and ceded dividends. Amounts transferred under the commutation are shown in Transfer of Working Capital Column 8.
6.1 – Dividends apportioned for payment	1 Policyholder dividend information is booked manually based on section CKVL52TV the VL52NE Cyberlife Detail Value report sourced from Cyberlife and is available at a policy level by plan code. The Commutation Balance Sheet reflects the net of the Company’s direct and ceded dividends. Amounts transferred under the commutation are shown in Transfer of Working Capital Column 8.
8 – Premiums received in advance	1 Premium is sourced from the Cyberlife administration system program that compares paid-to-date to the valuation date, in relation to premium mode. The Commutation Balance Sheet reflects the net of the Company’s direct and ceded premiums received in advance. Amounts transferred under the commutation are shown in Transfer of Working Capital Column 8.
9.4 – or Asset Page if Negative - Interest Maintenance Reserve	1 Interest Maintenance Reserve (“IMR”) is comprised of: 1. IMR of the Company calculated as per the statutory statement prior to the Commutation, Column 10; plus 2. Column 3, historical unamortized IMR balance related to business Commuted from Reinsurer calculated as of the Commutation date and calculated as the ratio of the average amount of reserves to be

Accounting Principles

LBL Balance Sheet Column 10 is sourced from LBL entity balance prior to Commutation.

Financial Statement Line Item	Commutation Classification Method, Assumptions Utilized and Additional Notes
	Commutated – the average is calculated using a simple average of December 31, 2012 amounts and Commutation date amounts divided by 2 and then divided by the simple average of the total reserves of Reinsurer on those same dates as per the statutory statement of Reinsurer divided by 2 (reserves exclude MVAAs since those reserves were held in a market value separate account not subject to IMR through most of the life of the business); plus 3. Column 2, IMR generated by Reinsurer attributable to specific assets transferred at the time of Commutation to be held in the Company’s general account—equal to (i) 65% of the fair value less statutory book value of assets transferred subject to IMR less (ii) Column 4, IMR associated with assets transferred to the separate account if MVAAs are held in the separate account. All portions of the IMR are amortized into income based on their separate amortization schedules.
10 – Commissions due and accrued	Not included in Commutation Balance Sheet.

	Per SSAP 61, this liability remains with the Company. Callidus and Ralie feed general ledger. Also includes manual accruals associated with bonus programs.
11- Commissions and expense allowances on reinsurance assumed	Not included in Commutation Balance Sheet. Amounts are tracked at a policy/reinsurance treaty level via TAI and booked at a product/channel level.
12 – General expenses due or accrued	2 Includes expenses payable by the Company. Amounts transferred under the commutation are shown in Transfer of Working Capital Column 8.
13 – Transfers to Separate Accounts	1 Ledger balances are recorded at the appropriate product /channel level. Balances result from VUL Commissioner’s Reserve Valuation Method (“CRVM”) as provided in Appendix A-820 <i>Minimum Life and Annuity Reserve Standards</i> , of the NAIC Accounting Practices and Procedures Manual. The balance is calculated based on the excess of fair value of assets over the statutory minimum reserve required CRVM in the Separate account. The Commutation Balance Sheet reflects the net of the Company’s direct and ceded transfers to separate accounts. Amounts transferred under the commutation are shown in Transfer of Working Capital Column 8.
14 – Taxes, licenses and fees due and accrued	3 Represents a Company obligation; entire amount transferred to Company as of the Commutation Effective Date. The accrual is calculated from an internally developed database that tracks the Company’s exposure to industry insolvencies based on the annual insolvency cost report received from the National Organization of Life and Health Insurance Guaranty Associations (“NOLHGA”).

Accounting Principles

LBL Balance Sheet Column 10 is sourced from LBL entity balance prior to Commutation.

Financial Statement Line Item	Commutation Classification Method, Assumptions Utilized and Additional Notes
	Amounts transferred under the commutation are shown in Transfer of Working Capital Column 8.
15.1 – Current federal income tax payable	1 Specifically identified – arising from Commutation. Equal to (i) 35% multiplied by the statutory gain or loss on reinsurance Commutation and (ii) 35% multiplied by the statutory reserves as represented in Annual Statement Page 3 lines 1-4 and 13 less associated tax reserves.
16 – Unearned investment income	1 General ledger feed from Cyberlife policy administration systems at a product/channel level - sourced from the general ledger. Amounts relate to Policy Loans or other investments in the Commutation Balance Sheet.
17 – Amounts withheld	3 Represents a Company obligation; entire amount transferred to Company as of the Commutation Effective Date. Amounts transferred under the commutation are shown in Transfer of Working Capital Column 8.
19 – Remittances and items not allocated	2 Comprised of inbound and outbound suspense accounts. Transactions are initially recorded to a non-descript product/channel and later cleared to the appropriate product/channel level. To identify the product/channel splits, the information included in the Excel files supporting the account reconciliations is utilized. The files contain seriatim listings by policy number of outstanding transactions. The policy numbers are compared to the valuation database to extract the corresponding product/channel. Amounts transferred under the commutation are shown in Transfer of Working Capital Column 8.
21 – Liability for benefits for employees and agents	1 Deferred agent compensation plan associated with the MBA channel. Amounts booked from reports received from TPA. Amounts transferred under the commutation are shown in Transfer of Working Capital Column 8.
24.01 – Asset Valuation Reserve	1 Asset Valuation Reserve – Column 5 a. AVR worksheet used in the Company’s filed statutory statement utilized to calculate the ending AVR b. Asset values less assets transferred to market value adjusted annuity separate account added to worksheet and the AVR recalculated
24.02 – Reinsurance in unauthorized companies	Not included in Commutation Balance Sheet. Reserves ceded to Lincoln Benefit Reinsurance Company. Reserves are calculated at a seriatim level and recorded by plan code.

Accounting Principles

LBL Balance Sheet Column 10 is sourced from LBL entity balance prior to Commutation.

Financial Statement Line Item	Commutation Classification Method, Assumptions Utilized and Additional Notes
subsidiaries and affiliates	Not included in Commutation Balance Sheet.
25 – Aggregate write-ins for liabilities	<p>Abandoned property and Accounts Payable represent Company obligations; therefore the entire amounts were transferred to Company as of the Commutation Effective Date.</p> <ul style="list-style-type: none"> · 3 - Abandoned property – Tracker system · 1 - Long-term Care payable - TPA · 3 - Accounts Payable - Accounts payable invoices reviewed to ensure that amounts represent Company payable amounts <p>Amounts transferred under the commutation are shown in Transfer of Working Capital Column 8.</p>
27 – Separate account liabilities	<p>1</p> <p>If MVAAAs are transferred to the separate account, the reserves are specifically identified. Column 4, minimum reserve set equal to book value of market value adjusted annuity reserve determined under Illinois SAP plus positive or negative IMR transferred to the separate account as a result of the Commutation as defined in IMR paragraph 3 above.</p>
Other	<p>Include other amounts, whether positive or negative, not contemplated in Exhibit 2 associated with the Commuted Business as identified consistent with the business identification methods outlined for the Commuted Business herein.</p>

COMMUTATION ANNEX B

Form of Omnibus Assignment

[Attached]

THE ALLSTATE CORPORATION AND SUBSIDIARIES
UNAUDITED PRO FORMA CONSOLIDATED FINANCIAL STATEMENTS

On April 1, 2014, The Allstate Corporation (the “Company”) completed the sale of Lincoln Benefit Life Company (“LBL”), LBL’s life insurance business generated through independent master brokerage agencies, and all of LBL’s deferred fixed annuity and long-term care insurance business (collectively, “Lincoln Benefit Life”).

The following Unaudited Pro Forma Consolidated Financial Statements are presented to comply with Article 11 of Regulation S-X. The Unaudited Pro Forma Consolidated Financial Statements do not purport to present what the Company’s results would have been had the disposition actually occurred on the dates indicated or to project what the Company’s results of operations will be for any future period.

The Unaudited Pro Forma Consolidated Statements of Operations have been prepared for informational purposes and to assist in the analysis of the Company’s disposition of Lincoln Benefit Life. This information should be read together with the historical consolidated financial statements and related notes of the Company included in its Annual Report on Form 10-K for the year ended December 31, 2013.

The Unaudited Pro Forma Consolidated Statement of Financial Position as of December 31, 2013 gives effect to the transaction described above as if it had occurred on December 31, 2013. The Unaudited Pro Forma Consolidated Statements of Operations for the year ended December 31, 2013 gives effect to the transaction described above as if it had occurred on January 1, 2013. The Unaudited Pro Forma Consolidated Financial Statements are derived from the historical consolidated financial statements of the Company and are based on assumptions that management believes are reasonable in the circumstances.

THE ALLSTATE CORPORATION AND SUBSIDIARIES
UNAUDITED PRO FORMA CONSOLIDATED STATEMENT OF FINANCIAL POSITION
AS OF DECEMBER 31, 2013

(\$ in millions, except par value data)

	As Reported	Lincoln Benefit Life Pro Forma Adjustments	Pro Forma
Assets			
Investments			
Fixed income securities, at fair value (amortized cost \$59,008)	\$ 60,910	\$ --	\$ 60,910
Equity securities, at fair value (cost \$4,473)	5,097	--	5,097
Mortgage loans	4,721	--	4,721
Limited partnership interests	4,967	--	4,967
Short-term, at fair value (amortized cost \$2,393)	2,393	--	2,393
Other	3,067	--	3,067
Total investments	81,155	--	81,155
Cash	675	609	1,284
Premium installment receivables, net	5,237	--	5,237
Deferred policy acquisition costs	3,372	--	3,372
Reinsurance recoverables, net	7,621	--	7,621
Accrued investment income	624	--	624
Property and equipment, net	1,024	--	1,024
Goodwill	1,243	--	1,243
Other assets	1,937	--	1,937
Separate Accounts	5,039	--	5,039
Assets held for sale	15,593	(15,593)	--
Total assets	\$ 123,520	\$ (14,984)	\$ 108,536
Liabilities			
Reserve for property-liability insurance claims and claims expense	\$ 21,857	\$ --	\$ 21,857
Reserve for life-contingent contract benefits	12,386	--	12,386
Contractholder funds	24,304	--	24,304
Unearned premiums	10,932	--	10,932
Claim payments outstanding	631	--	631
Deferred income taxes	635	--	635
Other liabilities and accrued expenses	5,156	--	5,156
Long-term debt	6,201	--	6,201
Separate Accounts	5,039	--	5,039
Liabilities held for sale	14,899	(14,899)	--
Total liabilities	102,040	(14,899)	87,141
Equity			
Preferred stock and additional capital paid-in, \$1 par value, 25 million shares authorized, 32.3 thousand shares issued and outstanding, \$807.5 aggregate liquidation preference	780	--	780
Common stock, \$.01 par value, 2.0 billion shares authorized and 900 million issued, 449 million shares outstanding	9	--	9
Additional capital paid-in	3,143	--	3,143
Retained income	35,580	--	35,580
Deferred ESOP expense	(31)	--	(31)
Treasury stock, at cost (451 million shares)	(19,047)	--	(19,047)
Accumulated other comprehensive income:			
Unrealized net capital gains and losses:			
Unrealized net capital gains and losses on fixed income securities	50	--	50
Other unrealized net capital gains and losses	1,698	(123)	1,575

Unrealized adjustment to DAC, DSI and insurance reserves	(102)	38	(64)
Total unrealized net capital gains and losses	1,646	(85)	1,561
Unrealized foreign currency translation adjustments	38	--	38
Unrecognized pension and other postretirement benefit cost	(638)	--	(638)
Total accumulated other comprehensive income	1,046	(85)	961
Total shareholders' equity	21,480	(85)	21,395
Total liabilities and shareholders' equity	\$ 123,520	\$ (14,984)	\$ 108,536

See notes to unaudited pro forma consolidated financial statements.

THE ALLSTATE CORPORATION AND SUBSIDIARIES
UNAUDITED PRO FORMA CONSOLIDATED STATEMENT OF OPERATIONS
YEAR ENDED 2013

(\$ in millions, except per share data)

	As Reported	Lincoln Benefit Life Pro Forma Adjustments	Pro Forma
Revenues			
Property-liability insurance premiums	\$ 27,618	\$ --	\$27,618
Life and annuity premiums and contract charges	2,352	(341)	2,011
Net investment income	3,943	(538)	3,405
Realized capital gains and losses:			
Total other-than-temporary impairment losses	(207)	--	(207)
Portion of loss recognized in other comprehensive income	(8)	--	(8)
Net other-than-temporary impairment losses recognized in earnings	(215)	--	(215)
Sales and other realized capital gains and losses	809	--	809
Total realized capital gains and losses	594	--	594
	<u>34,507</u>	<u>(879)</u>	<u>33,628</u>
Costs and expenses			
Property-liability insurance claims and claims expense	17,911	--	17,911
Life and annuity contract benefits	1,917	(217)	1,700
Interest credited to contractholder funds	1,278	(376)	902
Amortization of deferred policy acquisition costs	4,002	(22)	3,980
Operating costs and expenses	4,387	(47)	4,340
Restructuring and related charges	70	--	70
Loss on extinguishment of debt	491	--	491
Interest expense	367	--	367
	<u>30,423</u>	<u>(662)</u>	<u>29,761</u>
Loss on disposition of operations	(688)	--	(688)
Income from operations before income tax expense	3,396	(217)	3,179
Income tax expense	1,116	(74)	1,042
Net income	<u>2,280</u>	<u>(143)</u>	<u>2,137</u>
Preferred stock dividends	17	--	17
Net income available to common shareholders	<u>\$ 2,263</u>	<u>\$ (143)</u>	<u>\$ 2,120</u>
Earnings per common share:			
Net income available to common shareholders per common share - Basic	\$ 4.87	\$ (0.30)	\$ 4.57
Weighted average common shares - Basic	464.4	--	464.4
Net income available to common shareholders per common share - Diluted	\$ 4.81	\$ (0.30)	\$ 4.51
Weighted average common shares - Diluted	470.3	--	470.3

See notes to unaudited pro forma consolidated financial statements.

THE ALLSTATE CORPORATION AND SUBSIDIARIES
NOTES TO UNAUDITED PRO FORMA CONSOLIDATED FINANCIAL STATEMENTS

The accompanying Unaudited Pro Forma Consolidated Statement of Financial Position reflects the historical consolidated statement of financial position of The Allstate Corporation as presented in the Annual Report on Form 10-K for the year ended December 31, 2013, with adjustments to eliminate the assets, liabilities and equity attributable to the Lincoln Benefit Life business being sold and add the estimated cash proceeds using a December 31, 2013 valuation. The actual cash proceeds will be based on the actual valuation as of the closing date of April 1, 2014.

The accompanying Unaudited Pro Forma Consolidated Statements of Operations reflect the historical consolidated statements of operations of The Allstate Corporation as presented in the Annual Report on Form 10-K for the year ended December 31, 2013, with adjustments to eliminate the revenues and expenses attributable to the Lincoln Benefit Life business being sold for the period presented. Since the invested assets were not separately identifiable prior to July 2013, the net investment income amount attributable to the Lincoln Benefit Life business being sold for 2013 was estimated using the average pre-tax yield for the Allstate Life Insurance Company investment portfolios supporting the product groups being sold applied to the average reserves relating to the business being sold plus interest on policy loans sold less estimated investment expenses. Realized capital gains and losses were not allocated to the Lincoln Benefit Life business being sold since the invested assets were not separately identifiable prior to July 2013.



NEWS

FOR IMMEDIATE RELEASE

Contact: Maryellen Thielen
Marc Raybin
(847) 402-5600

Allstate Closes Sale of Lincoln Benefit Life

NORTHBROOK, Ill., April 1, 2014 – The Allstate Corporation (NYSE: ALL) has completed the sale of Lincoln Benefit Life Company to Resolution Life Holdings, Inc. “This divestiture is another strategic step for Allstate to serve distinct consumer segments with differentiated offerings,” said Thomas J. Wilson, chairman, president and chief executive officer of The Allstate Corporation. “Allstate Financial will now focus on providing proprietary life and non-proprietary retirement products to the customer segment served by local Allstate agencies. This sale also supports our risk and return objectives of reducing exposure to interest rates and spread-based businesses.”

The sale includes Lincoln Benefit Life Company’s life insurance business generated through independent agencies and its entire deferred fixed annuity and long-term care insurance businesses. Lincoln Benefit Life Company’s life insurance policies sold through Allstate agencies will be retained through a reinsurance arrangement. The sale will reduce Allstate’s life and annuity reserves and investment portfolio by approximately \$12.7 billion and \$11.9 billion, respectively. The estimated gross sale price is \$796 million, representing \$587 million of cash and the retention of tax benefits. The estimated GAAP loss on sale is approximately \$510 million, which is \$11 million lower than the estimated loss of \$521 million recorded in 2013 due to contractual closing adjustments. The transaction is estimated to result in a statutory accounting gain of approximately \$365 million and is expected to reduce Allstate Life Insurance Company’s capital requirement by \$1 billion. Net income generated by Lincoln Benefit Life was approximately \$140 million in 2013.

The Allstate Corporation (NYSE: ALL) is the nation’s largest publicly held personal lines insurer, serving approximately 16 million households through its Allstate, Encompass, Esurance and Answer Financial brand names and Allstate Financial business segment. Allstate branded insurance products (auto, home, life and retirement) and services are offered through Allstate agencies, independent agencies, and Allstate exclusive financial representatives, as well as via www.allstate.com, www.allstate.com/financial and 1-800 Allstate®, and are widely known through the slogan “You’re In Good Hands With Allstate®.”

#
