

SECURITIES AND EXCHANGE COMMISSION

Washington, D.C.

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) November 1, 1999

The Allstate Corporation
(Exact Name of Registrant as Specified in Charter)

DELAWARE
(State or Other
Jurisdiction of
Incorporation)

1-11840
(Commission
File Number)

36-3871531
(IRS Employer
Identification
Number)

2775 SANDERS ROAD, NORTHBROOK, ILLINOIS
(Address of Principal Executive Offices)

60062
(Zip Code)

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

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Item 5. OTHER EVENTS

On November 1, 1999, the Registrant issued the press release attached hereto as Exhibit 99.

Item 7. FINANCIAL STATEMENTS AND EXHIBITS

(c) Exhibits

EXHIBIT NO.

DESCRIPTION

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, thereunto duly authorized.

THE ALLSTATE CORPORATION

By s\ EMMA M. KALAJDJIAN

Name: Emma M. Kalaidjian
Title: Assistant Secretary

November 1, 1999

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The Allstate Corporation
NEWS

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FOR IMMEDIATE RELEASE

ALLSTATE CLOSES PURCHASE OF AMERICAN HERITAGE LIFE
INVESTMENT CORP. TO ENTER WORK-SITE MARKETING ARENA

NORTHBROOK, Ill., Nov. 1, 1999 - The Allstate Corporation (NYSE:ALL) announced today that it has completed its previously announced acquisition of American Heritage Life Investment Corporation. (NYSE:AHL), the third largest work-site marketer of life, disability and health insurance in the country. The deal, valued at \$1.1 billion, supports Allstate Life and Savings' strategy to grow life insurance sales through new products and distribution channels. The purchase further broadens and strengthens Allstate's multi-channel, multi-product, and multi-brand strategy.

American Heritage Life Investment Corp. (AHLIC) shareholders overwhelmingly supported the acquisition with more than 99 percent of the total votes cast in favor of the transaction. AHLIC shareholders will receive \$32.25 for each AHLIC share, receivable in Allstate shares, cash or a combination. In addition, Allstate will assume AHLIC's debt obligations under its outstanding mandatorily redeemable preferred securities.

American Heritage Life Insurance Company, which is the principal subsidiary of AHLIC, is the unit responsible for marketing the work-site life, disability and health insurance products.

"Bringing together American Heritage Life's well-respected management and expertise in work-site marketing with Allstate's capital and expansive agent network will allow us to dramatically grow this company," said Edward M. Liddy, Allstate's chairman, president and chief executive officer. "We plan to take American Heritage Life from a regional to a national leader in work-site marketing."

In 1998, American Heritage Life Insurance had revenues of \$480 million and recorded an operating profit of \$36.4 million.

"The work-site market is expected to grow 10 to 15 percent annually over the next decade. A combination of American Heritage Life and Allstate will enable us to take advantage of this growth as well as increase our market share," said Tom Wilson, president, Allstate Life and Savings. "American Heritage Life Insurance's existing management will continue to run the business and its headquarters will remain in Jacksonville, Florida."

"The opportunities for growth as a member of the Allstate group are why this merger took place. Now it is time to capitalize on those opportunities," said C. Richard Morehead, president and chief executive officer, American Heritage Life.

This transaction follows the announcement of Allstate Life and Savings' strategic alliance with Putnam Investments under which the companies introduced the new Putnam Allstate Advisor variable annuity in May 1999. In addition, on October 1, Allstate closed the purchase of CNA Personal Lines as a part of its new initiative to become the leading provider of personal lines insurance in the independent agent market.

American Heritage Life Insurance is licensed to conduct business in 49 states, the District of Columbia and Puerto Rico. It focuses primarily on the sale of products to workers in companies with fewer than 1,000 employees. These average to small size companies employ some 87 percent of the American workforce.

The Allstate Corporation is the nations largest publicly held personal lines insurance company. Its main business units include Allstate Personal Property and Casualty, which provides insurance for more than 14 million households and has approximately 15,500 agents in the U.S. and Canada, and Allstate Life and Savings, which markets a number of life insurance and savings products under a variety of brands through a number of channels and is currently the nation's 17th largest life insurance business.

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