

SECURITIES AND EXCHANGE COMMISSION

Washington, D.C.  
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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) September 30, 1996

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)

Allstate Plaza, Northbrook, Illinois  
(Address of Principal Executive Offices)

60062  
(Zip Code)

Registrant's telephone number, including area code (847) 402-6075

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Item 5. Other Events  
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On September 30, 1996, the Registrant issued the press release attached hereto as Exhibit 99.

Item 7. Financial Statements and Exhibits  
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(c) Exhibits

Exhibit No.  
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Description  
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99

Registrant's press release dated  
September 30, 1996.

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/ Samuel H. Pilch

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Name: Samuel H. Pilch  
Title: Controller

September 30, 1996

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FOR IMMEDIATE RELEASE

ALLSTATE TO RESUME SELLING PROPERTY  
INSURANCE IN CALIFORNIA

NORTHBROOK, Ill., September 30, 1996 -- Allstate Insurance Company announced today that it will soon resume normal business operations in California -- including the sale of property insurance -- as a result of the passage of the California Earthquake Authority (CEA).

The CEA legislation, signed by the governor on Friday, will open up the property insurance market for Californians, and allow insurance companies such as Allstate to resume its position in the California homeowners marketplace.

"This is a win-win for our customers, employees, agents and for insurers in California," said Jerry D. Choate, Chairman and Chief Executive Officer of Allstate. "In fact, this legislation helps anyone trying to purchase homeowners insurance in the state, furthering the rebound of California's economy."

The passage of the CEA and resumption of the sale of property insurance in California follows the company's announcement this summer to reorganize its property operations in Florida, another catastrophe-prone area of the country. Once these actions are fully implemented, Allstate will be close to achieving its stated goal of reducing catastrophe exposure to the \$1-billion range with a one percent probability per event.

Allstate's catastrophe exposure management initiatives in California and Florida have been the company's highest priority in the past several years. Allstate has been working with regulatory officials and the legislature in California to find ways to reduce exposure while providing uninterrupted coverage for its customers.

"Commissioner Quackenbush and the California Legislature, under the bi-partisan leadership of Senators William Lockyer and Assemblymen Curt Pringle and David Knowles, should be applauded for finding this solution, which will revitalize and bring stability to the property insurance marketplace in California. Without their effort and dedication, the homeowners insurance crisis would have been greatly exacerbated," said Choate.

The CEA will become operational when at least 70 percent of the state's residential property insurance market agrees to participate and the necessary commitments from reinsurers are obtained. The Department of Insurance has said it expects the CEA to be selling policies by December 1. Allstate has officially declared its intention to participate in the CEA and will reflect the \$150 million initial payment to the CEA in its third quarter earnings report. The exact date of Allstate's business resumption has yet to be announced.

Allstate would also be obligated to pay additional assessments of approximately \$750 million, in the event that the initial capitalization and retained earnings of the CEA are exhausted by claim payments. While management believes that this action has reduced the company's exposure to catastrophes in California, the extent of future reduction is uncertain.

Allstate Insurance Company is the nation's second largest personal lines insurance company, insuring one of every eight homes and automobiles in the country. The company provides insurance for more than 20 million customers and has approximately 15,000 full-time agents in the U.S. and Canada. Allstate is also a major life insurer.

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