

**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): May 16, 2006

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

**Delaware
(State or other
jurisdiction of organization)**

**1-11840
(Commission
File Number)**

**36-3871531
(IRS Employer
Identification No.)**

**2775 Sanders Road
Northbrook, Illinois 60062**

(Address of Principal Executive Offices) Zip

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

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

- Written communications pursuant to Rule 425 under the Securities Act (17 CFR 230.425)
- Soliciting material pursuant to Rule 14a-12 under the Exchange Act (17 CFR 240.14a-12)
- Pre-commencement communications pursuant to Rule 14d-2(b) under the Exchange Act (17 CFR 240.14d-2(b))
- Pre-commencement communications pursuant to Rule 13e-4(c) under the Exchange Act (17 CFR 240.13e-4(c))

Section 1 — Registrant's Business and Operations

Item 1.01. Entry into a Material Definitive Agreement.

Amended and Restated 2001 Equity Incentive Plan
2006 Equity Compensation Plan for Non-Employee Directors

At the 2006 Annual Meeting of Stockholders held on May 16, 2006, the Registrant's stockholders approved the Amended and Restated 2001 Equity Incentive Plan ("2001 Plan") and the 2006 Equity Compensation Plan for Non-Employee Directors ("2006 Plan"). Both plans were approved by the Registrant's Board of Directors, subject to approval of its stockholders, on March 14, 2006.

The 2001 Plan increases the number of shares of the Registrant's common stock authorized for issuance under the plan by 12,000,000 shares and permits certain awards that may be granted under the plan to qualify as "performance based compensation" as defined under regulations interpreting

Section 162(m) of the Internal Revenue Code of 1986, as amended. The 2006 Plan replaces the Registrant's current Equity Incentive Plan for Non-Employee Directors and authorizes 600,000 shares of the Registrant's common stock to be reserved for issuance and sale pursuant to the plan.

Information regarding the terms of the 2001 Plan and the 2006 Plan can be found in the Registrant's definitive proxy statement (the "Proxy Statement") for the 2006 Annual Meeting of Stockholders filed with the Securities and Exchange Commission on March 27, 2006 under the captions "Items to be Voted On — Item 3 Approval of The Allstate Corporation Amended and Restated 2001 Equity Incentive Plan" and "Items to be Voted On — Item 4 Approval of The Allstate Corporation 2006 Equity Compensation Plan for Non-Employee Directors" and is incorporated by reference herein.

As previously disclosed in the Proxy Statement, subject to approval of the 2006 Plan by stockholders, the Registrant's Board of Directors (the "Board") determined that each non-employee director serving on the Board on June 1, 2006 shall be granted under the 2006 Plan (1) on June 1, 2006 a stock option award to purchase 4,000 shares of common stock vesting in three equal annual installments beginning on June 1, 2007 and with an expiration date of June 1, 2016 and (2) on December 1, 2006, an award of 2,000 restricted stock units.

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Section 9 — Financial Statements and Exhibits

Item 9.01. Financial Statements and Exhibits.

(d) Exhibits

Exhibit No.	Description
10.1	The Allstate Corporation Amended and Restated 2001 Equity Incentive Plan, incorporated herein by reference to Appendix C of The Allstate Corporation's Proxy Statement filed March 27, 2006. (File No. 1-11840)
10.2	The Allstate Corporation 2006 Equity Compensation Plan for Non-Employee Directors, incorporated herein by reference to Appendix D of The Allstate Corporation's Proxy Statement filed March 27, 2006. (File No. 1-11840)
10.3	Form of Option Award Agreement under The Allstate Corporation 2006 Equity Compensation Plan for Non-Employee Directors.
10.4	Form of Restricted Stock Unit Award Agreement under The Allstate Corporation 2006 Equity Compensation Plan for Non-Employee Directors.

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SIGNATURE

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: Assistant Secretary

Date: May 17, 2006

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THE ALLSTATE CORPORATION
2006 EQUITY COMPENSATION PLAN FOR NON-EMPLOYEE DIRECTORS
OPTION AWARD AGREEMENT

[Addressee]

In accordance with the terms of The Allstate Corporation 2006 Equity Compensation Plan for Non-Employee Directors (the "Plan"), pursuant to action of the Nominating and Governance Committee of the Board of Directors, The Allstate Corporation hereby grants to you (the "Participant"), subject to the terms and conditions set forth in this Option Award Agreement and the Plan, which is incorporated herein by reference, the right and option (the "Stock Option") to purchase from the Company the number of shares of its common stock, par value \$.01 per share, set forth below:

Number of Shares to which Option Pertains: _____

Date of Grant: _____

Option Exercise Price: \$_____, which is the Fair Market Value on the Date of Grant

Vesting: As to one-third of the total number of said shares (with any resulting fractional share rounded to the nearest whole share), on _____ and _____, and as to the remaining unvested portion, on _____.

Expiration Date: Close of business on _____

Exercise Period: Date of Vesting through Expiration Date

THIS OPTION IS SUBJECT TO FORFEITURE AS PROVIDED IN THIS OPTION AWARD AGREEMENT AND THE PLAN.

1. Terms and Conditions of Option. It is understood and agreed that the Award of the Option evidenced by this Option Award Agreement is subject to the terms and conditions as set forth herein. Further terms and conditions applicable to the Award including but not limited to transferability, termination of director status and change of control, are set forth in the Plan and incorporated by reference. To the extent any provision hereof is inconsistent with a provision of the Plan, the provision of the Plan will govern. Capitalized terms not otherwise defined herein shall have the meanings given them in the Plan. By accepting this Award, the Participant hereby acknowledges the receipt of a copy of this Option Award Agreement and a copy of the Prospectus and agrees to be bound by all the terms and provisions hereof and thereto.

2. Exercise of Option. To the extent vested, the Option may be exercised in whole or in part from time to time by delivery of written notice of exercise and payment to **Stock Option Record Office, The Allstate Corporation, 2775 Sanders Road, Ste F5, Northbrook, Illinois 60062, unless the Company advises the Participant to send the notice and payment to a different address or a**

designated representative. Such notice and payment must be received not later than the Expiration Date, specifying the number of shares of Stock to be purchased. In the event that the Expiration Date falls on a day that is not a regular business day at the Company's executive offices in Northbrook, Illinois, such written notice must be delivered no later than the next regular business day following the Expiration Date.

The Option Exercise Price shall be payable: (a) in cash or its equivalent, (b) by tendering previously acquired Stock (owned for at least six months) having an aggregate Fair Market Value at the time of exercise equal to the total Option Exercise Price, (c) by broker-assisted cashless exercise, (d) by share withholding or (e) by a combination of (a), (b), (c) and/or (d).

3. Ratification of Actions. By accepting the Award or other benefit under the Plan, the Participant and each person claiming under or through him shall be conclusively deemed to have indicated the Participant's acceptance and ratification of, and consent to, any action taken under the Plan or the Award by the Company, the Board or the Nominating and Governance Committee.

4. Notices. Any notice hereunder to the Company shall be addressed to its Stock Option Record Office and any notice hereunder to the Participant shall be addressed to him at the address specified on this Option Award Agreement, subject to the right of either party to designate at any time hereafter in writing some other address.

5. Governing Law and Severability. To the extent not preempted by Federal law, this Option Award Agreement will be governed by and construed in accordance with the laws of the State of Delaware, without regard to conflicts of law provisions. In the event any provision of the Option Award Agreement shall be held illegal or invalid for any reason, the illegality or invalidity shall not affect the remaining parts of this Option Award Agreement, and this Option Award Agreement shall be construed and enforced as if the illegal or invalid provision had not been included.

Edward M. Liddy
Chairman and Chief Executive Officer
THE ALLSTATE CORPORATION

THE ALLSTATE CORPORATION
2006 EQUITY COMPENSATION PLAN FOR NON-EMPLOYEE DIRECTORS
RESTRICTED STOCK UNIT AWARD AGREEMENT

[Addressee]

In accordance with the terms of The Allstate Corporation 2006 Equity Compensation Plan for Non-Employee Directors (the "Plan"), pursuant to action of the Nominating and Governance Committee of the Board of Directors, The Allstate Corporation hereby grants to you (the "Participant"), subject to the terms and conditions set forth in this Restricted Stock Unit Award Agreement and the Plan, which is incorporated herein by reference, Restricted Stock Units (RSUs) as set forth below. Each RSU corresponds to one share of Stock. An RSU is an unfunded and unsecured promise to deliver one share of Stock on the Conversion Date or as otherwise provided herein. Until such delivery, you have only the rights of a general unsecured creditor of The Allstate Corporation and not as a stockholder with respect to the shares of Stock underlying your RSUs.

Number of RSUs Granted: _____

Date of Grant: _____

Period of Restriction: As to the total number of RSUs, Date of Grant through the first anniversary of the date on which the Participant is no longer serving on the Board.

Conversion Date: Each RSU will convert to one share of Stock on the date the restrictions lapse with respect to that RSU (the "Conversion Date").

Dividend Equivalent Right: Each RSU shall include a Dividend Equivalent Right.

1. Terms and Conditions of Award. It is understood and agreed that the Award of RSUs evidenced by the RSU Award Agreement is subject to the terms and conditions as set forth herein. Further terms and conditions applicable to the RSU Award including but not limited to termination of director status and change of control, are set forth in the Plan and incorporated by reference. To the extent any provision hereof is inconsistent with a provision of the Plan, the provision of the Plan will govern. Capitalized terms not otherwise defined herein shall have the meanings given them in the Plan. By accepting this Award, the Participant hereby acknowledges the receipt of a copy of this RSU Award Agreement and a copy of the Prospectus and agrees to be bound by all the terms and provisions hereof and thereto.

2. Forfeiture Restriction. The Period of Restriction applicable to the RSUs shall lapse upon the earlier of (i) the date of the Participant's death or Disability, and (ii) the first anniversary of the date on which the Participant is no longer serving on the Board.

3. Conversion Date. Unless otherwise determined by the Board, a Participant shall be entitled to delivery of shares of Stock that underlie the RSUs then outstanding upon the date the restrictions lapse with respect to such RSU.

4. Dividend Equivalent Right. During the Period of Restriction, each RSU entitles a Participant to receive at or as soon as practicable after the time of distribution of any regular cash dividend paid by the Company in respect of a share of Stock the record date for which occurs on or after the Date of Grant, a cash amount equal to such regular dividend payment as would have been made in respect of each share of Stock underlying such RSU. Cash payment with respect to a Dividend Equivalent Right shall be made only with respect to such RSUs that are outstanding on the dividend record date. Regular dividends will be paid on the shares of Stock following conversion of the RSUs.

5. Ratification of Actions. By accepting the RSU Award or other benefit under the Plan, the Participant and each person claiming under or through him shall be conclusively deemed to have indicated the Participant's acceptance and ratification of, and consent to, any action taken under the Plan or the RSU Award by the Company, the Board or the Nominating and Governance Committee.

6. Notices. Any notice hereunder to the Company shall be addressed to its Stock Option Record Office and any notice hereunder to the Participant shall be addressed to him or her at the address specified on this RSU Award Agreement, subject to the right of either party to designate at any time hereafter in writing some other address.

8. Governing Law and Severability. To the extent not preempted by Federal law, the RSU Award Agreement will be governed by and construed in accordance with the laws of the State of Delaware, without regard to conflicts of law provisions. In the event any provision of this RSU Award Agreement shall be held illegal or invalid for any reason, the illegality or invalidity shall not affect the remaining parts of this RSU Award Agreement, and this RSU Award Agreement shall be construed and enforced as if the illegal or invalid provision had not been included.

Edward M. Liddy
Chairman and Chief Executive Officer
THE ALLSTATE CORPORATION
