

**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

ALLSTATE LIFE INSURANCE COMPANY

(Exact Name of Registrant as Specified in Its Charter)

Illinois
(State or Other Jurisdiction
of Incorporation)

0-31248
(Commission
File Number)

36-2554642
(IRS Employer
Identification No.)

3100 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 (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 the Registrant's wholly owned subsidiary, Lincoln Benefit Life Company ("Lincoln"), the Registrant and Lincoln entered into (i) an Amended and Restated Reinsurance Agreement (the "Reinsurance Agreement"), pursuant to which the Registrant 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 the Registrant 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 the Registrant commuted the Registrant'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, the Registrant 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 Allstate Corporation, the indirect owner of all of the Registrant's issued and outstanding stock, 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

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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 the Registrant and Lincoln Benefit Life Company. Incorporated herein by reference to Exhibit 10.1 to The Allstate Corporation's Current Report on Form 8-K filed April 7, 2014 (SEC File No. 001-11840).
 - 10.2 Partial Commutation Agreement, dated April 1, 2014, between the Registrant and Lincoln Benefit Life Company. Incorporated herein by reference to Exhibit 10.2 to The Allstate Corporation's Current Report on Form 8-K filed April 7, 2014 (SEC File No. 001-11840).
 - 99.1 Registrant's unaudited *pro forma* consolidated financial statements as of and for the year ended December 31, 2013.
 - 99.2 Press release dated April 1, 2014. Incorporated herein by reference to Exhibit 99.2 to The Allstate Corporation's Current Report on Form 8-K filed April 7, 2014 (SEC File No. 001-11840).

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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.

ALLSTATE LIFE INSURANCE COMPANY

By: /s/ Jennifer M. Hager
Name: Jennifer M. Hager
Title: Assistant Secretary

Date: April 7, 2014

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EXHIBIT INDEX

<u>EXHIBIT NUMBER</u>	<u>EXHIBIT</u>
10.1	Amended and Restated Reinsurance Agreement, dated April 1, 2014, between the Registrant and Lincoln Benefit Life Company. Incorporated herein by reference to Exhibit 10.1 to The Allstate Corporation's Current Report on Form 8-K filed April 7, 2014 (SEC File No. 001-11840).

- 10.2 Partial Commutation Agreement, dated April 1, 2014, between the Registrant and Lincoln Benefit Life Company. Incorporated herein by reference to Exhibit 10.2 to The Allstate Corporation's Current Report on Form 8-K filed April 7, 2014 (SEC File No. 001-11840).
- 99.1 Registrant's unaudited *pro forma* consolidated financial statements as of and for the year ended December 31, 2013.
- 99.2 Press release dated April 1, 2014. Incorporated herein by reference to Exhibit 99.2 to The Allstate Corporation's Current Report on Form 8-K filed April 7, 2014 (SEC File No. 001-11840).

ALLSTATE LIFE INSURANCE COMPANY AND SUBSIDIARIES
UNAUDITED PRO FORMA CONSOLIDATED FINANCIAL STATEMENTS

On April 1, 2014, The Allstate Corporation and Allstate Life Insurance Company (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.

ALLSTATE LIFE INSURANCE COMPANY 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 \$27,427)	\$ 28,756	\$ --	\$ 28,756
Mortgage loans	4,173	--	4,173
Equity securities, at fair value (cost \$565)	650	--	650
Limited partnership interests	2,064	--	2,064
Short-term, at fair value (amortized cost \$590)	590	--	590
Policy loans	623	--	623
Other	1,088	--	1,088
Total investments	<u>37,944</u>	<u>--</u>	<u>37,944</u>
Cash	93	609	702
Deferred policy acquisition costs	1,331	--	1,331
Reinsurance recoverables	2,754	--	2,754
Accrued investment income	358	--	358
Other assets	256	--	256
Separate Accounts	5,039	--	5,039
Assets held for sale	15,593	(15,593)	--
Total assets	<u>\$ 63,368</u>	<u>\$ (14,984)</u>	<u>\$ 48,384</u>
Liabilities			
Contractholder funds	\$ 23,604	\$ --	\$ 23,604
Reserve for life-contingent contract benefits	11,589	--	11,589
Unearned premiums	6	--	6
Payable to affiliates, net	100	--	100
Other liabilities and accrued expenses	838	--	838
Deferred income taxes	941	--	941
Notes due to related parties	282	--	282
Separate Accounts	5,039	--	5,039
Liabilities held for sale	14,899	(14,899)	--
Total liabilities	<u>57,298</u>	<u>(14,899)</u>	<u>42,399</u>
Shareholder's Equity			
Redeemable preferred stock - series A, \$100 par value, 1,500,000 shares authorized, none issued	--	--	--
Redeemable preferred stock - series B, \$100 par value, 1,500,000 shares authorized, none issued	--	--	--
Common stock, \$227 par value, 23,800 shares authorized and outstanding	5	--	5
Additional capital paid-in	2,690	--	2,690
Retained income	2,447	--	2,447
Accumulated other comprehensive income:			
Unrealized net capital gains and losses:			
Unrealized net capital gains and losses on fixed income securities	31	--	31
Other unrealized net capital gains and losses	997	(123)	874
Unrealized adjustment to DAC, DSI and insurance reserves	(101)	38	(63)
Total unrealized net capital gains and losses	<u>927</u>	<u>(85)</u>	<u>842</u>
Unrealized foreign currency translation adjustments	1	--	1
Total accumulated other comprehensive income	<u>928</u>	<u>(85)</u>	<u>843</u>
Total shareholder's equity	<u>6,070</u>	<u>(85)</u>	<u>5,985</u>
Total liabilities and shareholder's equity	<u>\$ 63,368</u>	<u>\$ (14,984)</u>	<u>\$ 48,384</u>

See notes to unaudited pro forma consolidated financial statements.

ALLSTATE LIFE INSURANCE COMPANY AND SUBSIDIARIES
UNAUDITED PRO FORMA CONSOLIDATED STATEMENT OF OPERATIONS
YEAR ENDED 2013

(\$ in millions, except per share data)

	<u>As Reported</u>	<u>Lincoln Benefit Life Pro Forma Adjustments</u>	<u>Pro Forma</u>
Revenues			
Premiums	\$ 613	\$ (46)	\$ 567
Contract charges	1,054	(295)	759
Net investment income	2,485	(538)	1,947
Realized capital gains and losses:			
Total other-than-temporary impairment losses	(49)	--	(49)
Portion of loss recognized in other comprehensive income	(3)	--	(3)
Net other-than-temporary impairment losses recognized in earnings	(52)	--	(52)
Sales and other realized capital gains and losses	128	--	128
Total realized capital gains and losses	76	--	76
	<u>4,228</u>	<u>(879)</u>	<u>3,349</u>
Costs and expenses			
Contract benefits	1,606	(217)	1,389
Interest credited to contractholder funds	1,251	(376)	875
Amortization of deferred policy acquisition costs	240	(22)	218
Operating costs and expenses	434	(47)	387
Restructuring and related charges	6	--	6
Interest expense	23	--	23
	<u>3,560</u>	<u>(662)</u>	<u>2,898</u>
Loss on disposition of operations	(687)	--	(687)
Loss from operations before income tax expense	(19)	(217)	(236)
Income tax expense	19	(74)	(55)
Net loss	<u>\$ (38)</u>	<u>\$ (143)</u>	<u>\$ (181)</u>

See notes to unaudited pro forma consolidated financial statements.

ALLSTATE LIFE INSURANCE COMPANY 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 Allstate Life Insurance Company 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 Allstate Life Insurance Company 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.