

**UNITED STATES
SECURITIES AND EXCHANGE COMMISSION**

Washington, D.C. 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 19, 2009

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
(Address of Principal Executive Offices)

60062
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 5 — Corporate Governance and Management

Item 5.02. Departure of Directors or Certain Officers; Election of Directors; Appointment of Certain Officers; Compensatory Arrangements of Certain Officers.

(e)

At the annual meeting of stockholders on May 19, 2009, the Registrant's stockholders approved (1) the material terms of the Annual Executive Incentive Plan (the "Annual Plan") and (2) the 2009 Equity Incentive Plan (the "Equity Plan").

The Annual Plan was approved by the Registrant's Board of Directors, subject to approval of the material terms by stockholders, on February 24, 2009. The Annual Plan replaces the Registrant's current Annual Covered Employee Incentive Compensation Plan and Annual Executive Incentive Compensation Plan and permits certain incentive compensation 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 Equity Plan was approved by the Registrant's Board of Directors, subject to approval of its stockholders, on March 10, 2009. The Equity Plan increases the number of shares of the Registrant's common stock authorized for issuance under the plan by 21,380,000 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.

Information regarding the terms of the Annual Plan and the Equity Plan can be found in the Registrant's definitive proxy statement (the "Proxy Statement") for the 2009 annual meeting of stockholders filed with the Securities and Exchange Commission on April 1, 2009 under the captions "Items to be Voted On — Item 3 Approval of the Material Terms of the Annual Executive Incentive Plan" and "Items to be Voted On — Item 4 Approval of 2009 Equity Incentive Plan" and is incorporated by reference herein.

The form of stock option award agreement under the Equity Plan, attached as Exhibit 10.3, was approved by the Compensation and Succession Committee of the Registrant's Board of Directors, subject to stockholder approval of the Equity Plan, on April 14, 2009.

Section 7 — Regulation FD

Item 7.01. Regulation FD Disclosure.

On May 19, 2009, the registrant issued a press release announcing (1) a quarterly dividend and (2) that it completed its review of the U.S. Treasury's Capital Purchase Program and, given its strong capital and liquidity positions, its decision to not participate. A copy of the press release is furnished as Exhibit 99 to this report.

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Section 9 — Financial Statements and Exhibits

Item 9.01. Financial Statements and Exhibits.

(d) Exhibits

<u>Exhibit No.</u>	<u>Description</u>
10.1	The Allstate Corporation Annual Executive Incentive Plan, incorporated herein by reference to Appendix B of The Allstate Corporation's Proxy Statement filed April 1, 2009. (File No. 1-11840).
10.2	The Allstate Corporation 2009 Equity Incentive Plan, incorporated herein by reference to Appendix C of The Allstate Corporation's Proxy Statement filed April 1, 2009. (File No. 1-11840).
10.3	Form of Option Award Agreement for awards granted on or after May 19, 2009 under The Allstate Corporation 2009 Equity Incentive Plan.
99	Registrant's press release issued May 19, 2009.

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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 19, 2009

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**THE ALLSTATE CORPORATION
2009 EQUITY INCENTIVE PLAN
OPTION AWARD AGREEMENT**

[Addressee]

In accordance with the terms of The Allstate Corporation 2009 Equity Incentive Plan (the "Plan"), pursuant to action of the Compensation and Succession Committee of the Board of Directors, The Allstate Corporation (the "Company") hereby grants to you (the "Participant"), subject to the terms and conditions set forth in this Option Award Agreement (including Annex A hereto and all documents incorporated herein by reference) the right and option (the "Option") to purchase from the Company the number of shares of its common stock, par value \$.01 per share, set forth below:

Type of Option Granted:	Nonqualified
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:	[] (subject to Sections 2 and 4 of Annex A)
Expiration Date:	Close of business on []
Exercise Period:	Date of Vesting through Expiration Date (subject to Section 2 of Annex A)

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

Further terms and conditions of the Award are set forth in Annex A hereto, which is an integral part of this Option Award Agreement.

All terms, provisions and conditions applicable to the Option Award Agreement set forth in the Plan and not set forth herein are hereby incorporated by reference. To the extent any provision hereof is inconsistent with a provision of the Plan, the provision of the Plan will govern. By accepting this Award, the Participant hereby acknowledges the receipt of a copy of this Option Award Agreement including Annex A and a copy of the Prospectus and agrees to be bound by all the terms and provisions hereof and thereto.

Thomas J. Wilson
Chairman, President and Chief Executive Officer
THE ALLSTATE CORPORATION

Attachment: Annex A

ANNEX A

TO

**THE ALLSTATE CORPORATION
2009 EQUITY INCENTIVE PLAN
OPTION AWARD AGREEMENT**

Further Terms and Conditions of Award. It is understood and agreed that the Award of the Option evidenced by this Option Award Agreement to which this is annexed is subject to the following additional terms and conditions:

1. Exercise of Option. To the extent vested and subject to Section 2 below, the Option may be exercised in whole or in part from time to time by delivery of written notice (or other method acceptable to the Company) 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. The minimum number of Shares to be purchased in a partial exercise shall be the lesser of 25 shares and the number of shares remaining unexercised under this Award. 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).

With respect to tax withholding required upon exercise of the Option, the Participant may elect to satisfy such withholding requirements in whole or in part, by having Stock with a Fair Market Value equal to the minimum statutory total tax which could be imposed on the transaction withheld from the shares due upon Option exercise.

2. Termination of Employment. Except as otherwise specifically provided in Section 4 below upon the Participant's Termination of Employment, the following provisions shall apply:

(i) if the Participant's Termination of Employment is on account of death or Disability, then the Option, to the extent not vested, shall vest, and the Option may be exercised, in whole or in part, by the Participant (or his personal representative, estate or transferee, as the case may be) at any time on or before the earlier to occur of (x) the Expiration Date of the Option and (y) the second anniversary of the date of such Termination of Employment;

(ii) if the Participant's Termination of Employment is on account of Retirement at the Normal Retirement Date or Health Retirement Date, the Option to the extent it is not vested, shall continue to vest in accordance with its terms, and when vested, may be exercised, in whole or in part, by the Participant at any time on or before the earlier to occur of (v) the Expiration Date of the Option and (w) the fifth anniversary of the date of such Termination of Employment; provided, however, if the Participant dies after such Termination of Employment, then the Option, to the extent not vested, shall vest, and the Option may be exercised, in whole or in part, by the Participant's personal representative, estate or

transferee, as the case may be at any time on or before the earlier to occur of (x) the Expiration Date of the Option; (y) the second anniversary of the date of death; and (z) the fifth anniversary of the date of such Termination of Employment;

(iii) if the Participant's Termination of Employment is on account of Retirement at the Early Retirement Date, any portion of the Option that is not vested shall be forfeited, and the Option, to the extent it is vested on the date of Termination of Employment, may be exercised, in whole or in part, by the Participant at any time on or before the earlier to occur of (x) the Expiration Date of the Option and (y) the fifth anniversary of the date of such Termination of Employment;

(iv) if the Participant's Termination of Employment is for any other reason, any portion of the Option that is not vested shall be forfeited, and the Option, to the extent it is vested on the date of Termination of Employment, may be exercised, in whole or in part, by the Participant at any time on or before the earlier to occur of (x) the Expiration Date of the Option and (y) three months after the date of such Termination of Employment; and

(v) if (A) the Participant's Termination of Employment is for any reason other than death, Disability, Normal Retirement, or Health Retirement and (B) the Participant dies after such Termination of Employment but before the date the Option must be exercised as set forth in subsections (iii) and (iv) above, any portion of the Option that is not vested shall be forfeited and the Option, to the extent it is vested on the date of the Participant's death, may be exercised, in whole or in part, by the Participant's personal representative, estate or transferee, as the case may be, at any time on or before the earliest to occur of (x) the Expiration Date of the Option, (y) the second anniversary of the date of death and (z) the applicable anniversary of the Termination of Employment as set forth in subsections (iii) through (iv) above.

3. Transferability of Options. Except as set forth in this Section 3, the Option shall be exercisable during the Participant's lifetime only by the Participant, and may not be assigned or transferred other than by will or the laws of descent and distribution. The Option, to the extent vested, may be transferred by the Participant during his lifetime to any "Family Member." A transfer of the Option pursuant to this Section 3 may only be effected by the Company at the written request of a Participant and shall be effective only when recorded in the Company's record of outstanding Options. Such transferred Option may not be subsequently transferred by the transferee except by will or the laws of descent and distribution. A transferred Option shall continue to be governed by and subject to the terms and limitations of the Plan and this Option Award Agreement, and the transferee shall be entitled to the same rights as the Participant, as if no transfer had taken place. In no event shall an Option be transferred for consideration.

4. Change of Control. Except as otherwise specifically provided in a written agreement with the Company to which the Participant is a party, the Option, to the extent not vested, shall vest on the date of a Change of Control, as defined in Section 8, and the Option may be exercised in whole or in part, subject to the time periods for exercise set forth in Section 2 of this Annex A.

5. 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 Compensation and Succession 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 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.

7. 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.

8. Definitions. In addition to the following definitions, capitalized terms not otherwise defined herein shall have the meanings given them in the Plan.

"Board Turnover" — see clause (c) of the definition of "Change of Control."

"Change of Control" means, except as otherwise provided at the end of this definition, the occurrence of any one or more of the following(1):

(a) (*Voting Power*) any Person or group (as such term is defined in Treasury Regulation Section 1.409A-3(i)(5)(v)(B)), other than a Subsidiary or any employee benefit plan (or any related trust) of the Company or any of its Subsidiaries, acquires or has acquired during the 12-month period ending on the date of the most recent acquisition by such Person or Persons, ownership of stock of the Company possessing 30% or more of the combined voting power of all Voting Securities of the Company (such a Person or group that is not a Similarly Owned Company (as defined below), a “More than 30% Owner”), except that no Change of Control shall be deemed to have occurred solely by reason of such ownership by a corporation with respect to which both more than 70% of the common stock of such corporation and Voting Securities representing more than 70% of the combined voting power of the Voting Securities of such corporation are then owned, directly or indirectly, by the Persons who were the direct or indirect owners of the common stock and Voting Securities of the Company immediately before such acquisition in substantially the same proportions as their ownership, immediately before such acquisition, of the common stock and Voting Securities of the Company, as the case may be (a “Similarly Owned Company”); or

(b) (*Majority Ownership*) any Person or group (as such term is defined in Treasury Regulation Section 1.409A-3(i)(5)(v)(B)), other than a Subsidiary or any employee benefit plan (or any related trust) of the Company or any of its Subsidiaries, acquires ownership of more than 50% of the voting power of all Voting Securities of the Company or of the total fair market value of the stock of the Company (such a Person or group that is not a Similarly Owned Company, a “Majority Owner”), except that no Change of Control shall be deemed to have occurred solely by reason of such ownership by a Similarly Owned Company; or

(1) The highlighted language conforms with Section 409A of the Internal Revenue Code. Provisions pertaining to the former definition of change of control have been omitted from this draft.

(c) (*Board Composition*) a majority of the members of the Board is replaced during any 12-month period by directors whose appointment or election is not endorsed by a majority of the members of the Board before the date of the appointment or election (“Board Turnover”); or

(d) (*Reorganization*) the consummation of a merger, reorganization, consolidation, or similar transaction, or of a plan or agreement for the sale or other disposition of all or substantially all of the consolidated assets of the Company, or a plan of liquidation of the Company (any of the foregoing, a “Reorganization Transaction”) that, does not qualify as an Exempt Reorganization Transaction.

Notwithstanding anything contained herein to the contrary: (i) no transaction or event shall constitute a Change of Control for purposes of this Agreement unless the transaction or event constituting the Change of Control also constitutes a change in the ownership of a corporation (as defined in Treasury Regulation Section 1.409A-3(i)(5)(v)), a change in effective control of a corporation (as defined in Treasury Regulation Section 1.409A-3(i)(5)(vi)) or a change in the ownership of a substantial portion of the assets of a corporation (as defined in Treasury Regulation Section 1.409A-3(i)(5)(vii)); and (ii) no sale or disposition of one or more Subsidiaries (“Sale Subsidiary”) or the assets thereof shall constitute a Change of Control for purposes of this Agreement if the investments in and advances by the Company and its Subsidiaries (other than the Sale Subsidiaries) to such Sale Subsidiary as of immediately prior to the sale or disposition determined in accordance with Generally Accepted Accounting Principles (“GAAP”) (but after intercompany eliminations and net of the effect of intercompany reinsurance) are less than 51% of the Consolidated Total Shareholders’ Equity of the Company as of immediately prior to the sale or disposition. Consolidated Total Shareholders’ Equity means, at any date, the total shareholders’ equity of the Company and its Subsidiaries at such date, as reported in the consolidated financial statements prepared in accordance with GAAP.

“Exempt Reorganization Transaction” means a Reorganization Transaction that fails to result in (a) any Person or group (as such term is defined in Treasury Regulation Section 1.409A-3(i)(5)(v)(B)) becoming a More than 30% Owner or a Majority Owner, (b) Board Turnover, or (c) a sale or disposition to any Person or group (as such term is defined in Treasury Regulation Section 1.409A-3(i)(5)(v)(B)) of the assets of the Company that have a total Gross Fair Market Value equal to at least forty percent (40%) of the total Gross Fair Market Value of all of the assets of the Company immediately before such transaction.

“Gross Fair Market Value” means the value of the assets of the Company, or the value of the assets being disposed of, determined without regard to any liabilities associated with such assets.

“Majority Owner” – see clause (b) of the definition of “Change of Control.”

“More than 30% Owner” – see clause (a) of the definition of “Change of Control.”

“Reorganization Transaction” – see clause (d) of the definition of “Change of Control.”

“Similarly Owned Company” – see clause (a) of the definition of “Change of Control.”

“Voting Securities” of a corporation means securities of such corporation that are entitled to vote generally in the election of directors of such corporation.



NEWS

FOR IMMEDIATE RELEASE

Contact: Rich Halberg or Maria Gemskie
(847) 402-5600

**Allstate Announces Quarterly Dividend,
Will Not Participate in TARP**

Northbrook, Ill., May 19, 2009 — The Allstate Corporation (NYSE: ALL) today announced a quarterly dividend of 20 cents on each outstanding share of the Corporation's common stock, payable in cash on July 1, 2009 to stockholders of record at the close of business on May 29, 2009.

The company also announced that it completed its review of the U.S. Treasury's Capital Purchase Program, a component of the Troubled Asset Relief Program (TARP). "We applaud the Administration's decision to include insurers in the U.S. Treasury's programs. However, given improved financial market conditions and the success of Allstate's efforts to maintain strong capital and liquidity positions, we have elected not to participate," said Chairman, President and CEO Thomas J. Wilson.

Allstate had \$12.2 billion in GAAP equity and \$23.1 billion in cash or highly liquid assets in its investment portfolio at the end of the first quarter of 2009. These positions reflect proactive capital management steps taken over the past year, including suspending its share repurchase program, augmenting investment risk mitigation programs and reducing operating costs. In addition, since the end of the quarter, the company completed a \$1 billion debt offering and reported a more than \$1.5 billion improvement in its securities portfolio value as of May 13. "Maintaining our financial strength is one of our top priorities in 2009, and we will continue to take proactive steps to manage our capital position," Wilson concluded.

The Allstate Corporation (NYSE: ALL) is the nation's largest publicly held personal lines insurer. Widely known through the "You're In Good Hands With Allstate®" slogan, Allstate is reinventing protection and retirement to help individuals in approximately 17 million households protect what they have today and better prepare for tomorrow. Customers can access Allstate products and services such as auto insurance and homeowners insurance through approximately 14,700 exclusive Allstate agencies and financial representatives in the U.S. and Canada, or in select states at www.allstate.com and 1-800 Allstate®. Encompass® Insurance brand property and casualty products are sold exclusively through independent agents. The Allstate Financial Group provides life insurance, supplemental accident and health insurance, annuity, banking and retirement products designed for individual, institutional and worksite customers that are distributed through Allstate agencies, independent agencies, financial institutions and broker-dealers. Customers can also access information about Allstate Financial Group products and services at www.myallstatefinancial.com.

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