ALLSTATE CORP
Form DEF 14A
April 07, 2014

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Table of Contents

UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
Washington, D.C. 20549

SCHEDULE 14A

Proxy Statement Pursuant to Section 14(a) of
the Securities Exchange Act of 1934 (Amendment No.   )

Filed by the Registrant ý

Filed by a Party other than the Registrant o

Check the appropriate box:

o Preliminary Proxy Statement

o **Confidential, for Use of the Commission Only (as permitted by Rule 14a-6(e)(2))**

ý Definitive Proxy Statement

o Definitive Additional Materials

o Soliciting Material under §240.14a-12

The Allstate Corporation

(Name of Registrant as Specified In Its Charter)

(Name of Person(s) Filing Proxy Statement, if other than the Registrant)

Payment of Filing Fee (Check the appropriate box):

ý No fee required.

o Fee computed on table below per Exchange Act Rules 14a-6(i)(1) and 0-11.

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The Allstate Corporation
2775 Sanders Road, Northbrook, IL 60062
April 7, 2014

To Our Stockholders,

Allstate had a very good year in 2013. This was the result of a multi-year plan to reposition our business in the face of the financial market turmoil and a dramatic increase in severe weather events, both of which began in 2008. During this period, we built on our strong history of business leadership by making a number of enhancements to corporate governance and stockholder communication. Allstate has a team of directors with diverse capabilities that is forward-looking, responsive, and focused on creating stockholder value. In 2013, the Board continued our practice of continuous improvement in strategic oversight, governance, and executive compensation.

STRATEGIC OVERSIGHT

Allstate's strategy of delivering differentiated value propositions to the four customer segments in the insurance market is working, as the company is growing and earning attractive returns. Management is focused on executing this strategy while building important capabilities to drive future growth, such as broadening customer relationships and improving customer connectivity. We repositioned the property-liability investment portfolio, lowering financial exposure to interest rates. In 2013, we also announced the sale of Lincoln Benefit Life to strategically focus Allstate Financial and redeploy capital to earn higher risk-adjusted returns.

GOVERNANCE

We maintain communication throughout the year with major stockholders on governance issues and use stockholder surveys and other information to ensure we have a complete and balanced understanding of governance issues that apply to Allstate. This year, we further expanded this process by asking each Board committee to review relevant feedback and determine if additional discussion or action is necessary.

We also enhanced our capabilities to oversee the company's risk and return practices by creating a risk and return committee of the Board. The entire Board remains fully involved in risk and return principles, practices, and results, as this is tightly linked to strategy for an insurance company, and consequently conducts a formal review every six months. We added the Board committee to ensure sufficient expertise and continuity between these reviews. This also enables the audit committee to devote additional resources to monitoring cybersecurity initiatives. The chairs of the audit and risk and return committees are members of both committees to ensure integration at the Board level.

The nominating and governance committee has expanded and formalized Board evaluation practices. Individual director evaluations are conducted annually by the lead director, chair of the nominating and governance committee, and the chairman. We also reviewed the concept of Board tenure to ensure we maintain appropriate independence and perspective while ensuring the continuity necessary for directors to evaluate management's performance in executing multi-year strategies. An established retirement age for directors creates an upper limit on Board tenure and historically has led to sufficient turnover so that average director nominee tenure is $7^1/_2$ years. Our lead director or chairman also now meets every two years with each Board member to discuss their future plans so that individual circumstances are appropriately addressed.

EXECUTIVE COMPENSATION

Following a number of significant changes to executive compensation practices in 2012 and solid stockholder support of the say-on-pay proposal in 2013, we have focused on market-based changes to executive compensation programs. We reduced the maximum cash incentive pool funding for senior management from 250% of target to 200%. We made this change in 2012 for CEO compensation, so this change will align other executive officers with this structure in 2014. Management also revised certain employee benefit programs, which increased book value per share in 2013 and reduces future costs. The changes are estimated to substantially reduce the CEO's future pension benefits.

We have modified equity retention requirements for senior management to provide for greater alignment between compensation and stockholder returns and to be responsive to a 2013 stockholder proposal that received 32% support. Stock ownership requirements have been six times annual salary for the CEO and three times annual salary for other senior executives. Before reaching these goals, senior management must retain 75% of the net proceeds from any equity award. These requirements and a management culture that is very stockholder-focused have resulted in good alignment between management and stockholders. The CEO currently holds common stock valued at 20 times salary, which has been accumulated over 19 years. Despite these strong practices and results, we added an additional equity retention requirement for senior executives who receive both performance stock awards and options, so that 75% of the net proceeds must be held for an additional year past the three-year vesting period in the case of performance stock awards, or in the case of options for an additional year after exercised.

BOARD COMPOSITION

We thank John Riley, our lead director, for his insightful and balanced approach to Board governance over the last 16 years. We are particularly grateful for John's willingness to extend his role for a year past normal retirement to help create an effective and efficient lead director model. We also thank Ron LeMay for his strategic oversight and technology expertise during 14 years of service on our Board. We are enthusiastic about the addition of Bobby Mehta, who brings additional financial services and technology experience to our collective capabilities.

The Allstate Board is fully committed to fulfilling its fiduciary duty to stockholders by being proactive and focused on stockholder returns. We thank you for your continued support.

The Allstate Board of Directors

Table of Contents

Notice of Annual Meeting	1
Proxy and Voting Information	2
Corporate Governance Practices	4
Board Meetings and Committees	4
Nomination Process for Board Election	6
Proposal 1. Election of Directors	8
Director Biographies	9
Board Leadership Structure and Practices	20
Communication with the Board	22
Compensation Committee Interlocks and Insider Participation	22
Related Person Transactions	22
Nominee Independence Determinations	22
Proposal 2. Say-on-Pay: Advisory Vote on the Executive Compensation of the Named Executives	23
Executive Compensation	24
Compensation Discussion and Analysis	24
Executive Compensation Design	25
Executive Compensation Earned Awards	34
Compensation Committee Report	40
Executive Compensation Tables	41
Executive Compensation Performance Measures	58
Director Compensation	60
Security Ownership	63
Section 16(a) Beneficial Ownership Reporting Compliance	64
Securities Authorized for Issuance Under Equity Compensation Plans	65
Proposal 3. Approval of the Material Terms of the Annual Executive Incentive Plan	66
Proposal 4. Ratification of the Appointment of Independent Registered Public Accountant	69
Audit Committee Report	70
Other Items	
Stockholder Proposals	71
Counting of Votes for Stockholder Proposals	76
Stockholder Proposals for the 2015 Annual Meeting	76
Allstate 401(k) Savings Plan Participants	77
Proxy Statement and Annual Report Delivery	77
Procedures for Attending the Annual Meeting in Person	78
Proxy Solicitation	78
Appendices	
Appendix A Categorical Standards of Independence	A-1
Appendix B The Allstate Corporation Annual Executive Incentive Plan	B-1
Appendix C Policy Regarding Pre-Approval of Independent Registered Public Accountant's Services	C-1
Appendix D List of Executive Officers	D-1

Appendix E Definitions of Non-GAAP Measures E-1

Table of Contents

Notice of Annual Meeting

PROXY STATEMENT

Notice of 2014 Annual Meeting of Stockholders

When:	Tuesday, May 20, 2014, at 11:00 a.m. Registration begins at 10:00 a.m.
Where:	West Plaza Auditorium Allstate 3100 Sanders Road Northbrook, Illinois 60062
Items of Business:	1. Election of directors. 2. Say-on-pay: advisory vote on compensation of the named executives. 3. Approval of material terms of annual executive incentive plan. 4. Ratification of appointment of Deloitte & Touche LLP as Allstate's independent registered public accountant for 2014. 5. Stockholder proposal on equity retention by senior executives, if properly presented. 6. Stockholder proposal on reporting lobbying expenditures, if properly presented. 7. Stockholder proposal on reporting political expenditures, if properly presented. In addition, any other business properly presented may be acted upon at the meeting.
Who Can Vote:	Holders of Allstate stock at the close of business on March 21, 2014.
Attending the Meeting:	Stockholders who wish to attend the meeting in person should review the details on page 78.
Date of Mailing:	On April 7, 2014, Allstate began mailing its Notice of Internet Availability of Proxy Materials, proxy statement and annual report, and proxy card/voting instruction form to stockholders and to participants in its Allstate 401(k) Savings Plan.

Important Notice Regarding the Availability of Proxy Materials for the Shareholder Meeting to Be Held on May 20, 2014. The Notice of 2014 Annual Meeting, Proxy Statement, and 2013 Annual Report and the means to vote by Internet are available at www.proxyvote.com.

By Order of the Board,

Susan L. Lees
Secretary

April 7, 2014

Table of Contents

PROXY STATEMENT

Proxy and Voting Information

WHO IS ASKING FOR YOUR VOTE AND WHY

The annual meeting will be held only if there is a quorum, which means that a majority of the outstanding common stock entitled to vote is represented at the meeting by proxy or in person. To ensure there will be a quorum, the Allstate Board of Directors asks you to complete and submit a proxy card or voting instruction form before the meeting, which allows your Allstate stock to be represented at the annual meeting by the proxies named on the proxy card/voting instruction form.

WHO CAN VOTE

You are entitled to vote if you were a stockholder of record at the close of business on March 21, 2014. On that date, there were 446,210,529 Allstate common shares outstanding and entitled to vote at the annual meeting.

HOW TO VOTE

If you hold shares in your own name as a registered stockholder, you may vote in person by attending the annual meeting, or you may instruct the proxies how to vote your shares by following the instructions on the proxy card/voting instruction form. **If you plan to attend the meeting in person, please see the details on page 78.**

If you hold shares in street name (that is, through a broker, bank, or other record holder), you should follow the instructions provided by your broker, bank, or other record holder to vote your shares. If you hold shares through the Allstate 401(k) Savings Plan, see the instructions on page 77.

Before your shares have been voted at the annual meeting by the proxies, you may change or revoke your voting instructions by providing instructions again by telephone, by Internet, in writing, or, if you are a registered stockholder, by voting in person at the annual meeting.

Abstentions are counted for quorum purposes.

CONFIDENTIALITY OF VOTES

All proxies, ballots, and tabulations that identify the vote of a particular stockholder are confidential, except as necessary to allow the inspector of election to certify the voting results or to meet certain legal requirements. A representative of American Election Services, LLC will act as the inspector of election and will count the votes. The representative is independent of Allstate and its directors, officers, and employees.

If you write a comment on your proxy card, voting instruction form, or ballot, it may be provided to our secretary along with your name and address. Your comments will be provided without reference to your vote, unless the vote is mentioned in your comment or unless disclosure of the vote is necessary to understand your comment. At our request, the distribution agent or the solicitation agent will provide us with periodic status reports on the aggregate vote. These status reports may include a list of stockholders who have not voted and breakdowns of vote totals by different types of stockholders, as long as we are not able to determine how a particular stockholder voted.

DISCRETIONARY VOTING AUTHORITY OF PROXIES

If you complete and submit a signed proxy card/voting instruction form to allow your shares to be represented at the annual meeting, but do not indicate how your shares should be voted on one or more proposals, then the proxies will vote your shares as the Board of Directors recommends on those proposals. Other than the proposals listed on page 3, we do not know of any other matters to be presented at the meeting. If any other matters are properly presented at the meeting, the proxies may vote your shares in accordance with their best judgment.

Table of Contents

Providing Voting Instructions

You may instruct the proxies to vote "FOR" or "AGAINST" each proposal, or you may instruct the proxies to "ABSTAIN" from voting. Each share of common stock outstanding on the record date will be entitled to one vote on each of the 11 director nominees and one vote on each other proposal. A description of how votes are counted is included with each proposal.

	Proposal	Board Recommendation	Rationale for Board Recommendation
1.	**Election of directors.**		Broad and diverse slate of directors. Highly successful executives with relevant skills. Balanced tenure with 10 of 11 independent of management.
2.	**Say-on-pay.** Advisory vote on the executive compensation of the named executives.*		Strong oversight by compensation and succession committee. Excellent 2013 business results. Enhanced alignment with stockholders through expanded equity retention requirements for senior executives beginning with 2014 awards.
3.	**Approval of material terms of annual executive incentive plan.**		Well-structured market-based program. Administered by an independent committee. Designed to preserve financial benefits of section 162(m) tax deduction.

4. Ratification of auditors. Ratification of the appointment of Deloitte & Touche LLP as Allstate's independent registered public accountant for 2014.*	Independent with few ancillary services. Reasonable fee.
5. Stockholder proposal on equity retention by senior executives.*	Existing stock ownership guidelines require significant equity ownership. Named executives' equity holdings exceed stock ownership guidelines. Retention guidelines were expanded for all prospective grants beginning in 2014.
6. Stockholder proposal on reporting lobbying expenditures.*	Board oversees and reviews public policy initiatives. Allstate already provides significant transparency through public policy report. Less than 10% of shares voted supported a similar proposal in 2013.
7. Stockholder proposal on reporting political expenditures.*	Board oversees and reviews public policy initiatives. Allstate already provides significant transparency through public policy report. Less than 10% of shares voted supported a similar proposal in 2013.

* Advisory/Non-Binding Proposal

Table of Contents

PROXY STATEMENT

Corporate Governance Practices

Allstate has a history of strong corporate governance. By evolving our governance approach in light of best practices, our Board drives sustained stockholder value and best serves the interests of Allstate stockholders.

ü **Annual election of all directors.**

ü **Majority vote standard in uncontested elections.** Each director must be elected by a majority of votes cast, not a plurality.

ü **No stockholder rights plan ("poison pill").**

ü **No supermajority voting provisions.**

ü **Confidential voting.**

ü **Stockholders holding 10% or more of our outstanding stock have the right to call a special meeting.**

ü **Stockholders holding 10% or more of our outstanding stock have the right to request action by written consent.**

ü **Stockholder engagement.** Allstate regularly engages with its stockholders to better understand their perspectives.

Board committees review and assess stockholder feedback to determine whether action is necessary.

ü **Independent Board.** Our Board is comprised of independent directors, except our CEO.

ü **Independent lead director.**

ü **Independent Board committees.** Each committee other than the executive committee is made up of independent directors. Each committee operates under a written charter that has been approved by the Board.

Formation of a risk and return committee.

ü **Formal director evaluation process.** Each year, the lead director, chairman of the Board, and chair of the nominating and governance committee evaluate each director.

Formalized and expanded processes to enhance cross-committee and Board communication.

ü **Regular Board self-evaluation process.** The Board and each committee evaluates its performance at the end of each in-person meeting.

Expanded the committee reports provided to Board.

ü **Authority to retain independent advisors by each committee.**

ü **Annual report on corporate involvement with public policy.** The report provides transparency on Allstate initiatives to promote sound public policy and can be found at www.allstate.com/publicpolicyreport.

ü **Robust code of ethics.** Allstate is committed to operating its business with the highest level of ethical conduct and has adopted a *Code of Ethics* that applies to the chief executive officer, the chief financial officer, the controller, and other senior financial and executive officers, as well as the Board of Directors. Allstate's *Code of Ethics* is available at www.allstatecodeofethics.com.

Allstate received a top ethics score (out of over 150 companies) on the Integrity Index employee survey conducted by CEB RiskClarity.

Expanded equity retention requirements for senior executives above stock ownership guidelines. Significant requirements strongly link the interests of the Board and management with those of stockholders.

You can learn more about our corporate governance by visiting www.allstateinvestors.com, where you will find our *Corporate Governance Guidelines,* each standing committee charter, our *Code of Ethics,* and *Director Independence Standards.* Each of these documents also is available in print upon request made to the Office of the Secretary, The Allstate Corporation, 2775 Sanders Road, Suite F7, Northbrook, Illinois 60062-6127.

Board Meetings and Committees

The Board held eight meetings during 2013. Currently, the Board has five standing committees: audit, compensation and succession, executive, nominating and governance, and risk and return. The following table identifies each standing committee, its members, functions, and number of meetings held during 2013. The Board has determined the members of the audit, compensation and succession, nominating and governance, and risk and return committees are independent within the meaning of applicable laws, NYSE listing standards, and the *Director Independence Standards* in effect at the time of determination.

Table of Contents

	Key Responsibilities	Meetings in 2013	Directors	Report
The Allstate Corporation Board of Directors	Strategic oversight Corporate governance Stockholder advocacy Leadership	8	Chair: Thomas J. Wilson 10 of 11 nominees are independent.	Annual letter to stockholders
Audit Committee	Assists the Board in its oversight of the integrity of financial statements and other financial information including reviews of Allstate's financial statements; system of internal control over accounting and financial reporting and disclosures; enterprise risk control assessment and guidelines and policies by which risk assessment and management is governed; ethics; and compliance with legal and regulatory requirements. Appoints, retains, and oversees the work of the independent registered public accountant, and with the Board, evaluates its qualifications, performance, and independence. Evaluates Allstate's internal audit function through semi-annual reviews of its audit plan, policies and procedures, resources, risk assessment methodologies and significant findings.	8	Chair: Judith A. Sprieser F. Duane Ackerman Robert D. Beyer Kermit R. Crawford Mary Alice Taylor The Board determined that Ms. Sprieser, Mrs. Taylor, and Messrs. Ackerman and Beyer are each individually qualified as an audit committee financial expert. Messrs. Greenberg, Henkel, Mehta, and Rowe have the background and experience to qualify as audit committee financial experts but do not currently serve on the audit committee.	Page 70

Compensation and Succession Committee	Assists the Board in determining the compensation of the executive officers, including the CEO. Reviews management succession plans and executive organizational structure for Allstate and each significant operating subsidiary. Administers Allstate's executive compensation plans and has sole authority to retain the committee's independent compensation consultant.	7	Chair: Jack M. Greenberg Herbert L. Henkel Andrea Redmond John W. Rowe	Page 40
Nominating and Governance Committee	Recommends candidates to be nominated by the Board for election as directors. Reviews the *Corporate Governance Guidelines* and advises the Board on corporate governance issues. Determines performance criteria and oversees assessment of the Board's performance and director independence.	6	Chair: F. Duane Ackerman Kermit R. Crawford Andrea Redmond John W. Rowe Mary Alice Taylor	None
Risk and Return Committee	Assists the Board in risk and return governance and oversight. Reviews risk and return process, policies, and guidelines used to evaluate, monitor, and manage enterprise risk and return.	3	Chair: Robert D. Beyer Herbert L. Henkel Ronald T. LeMay	None

	Supports the audit committee in its oversight of risk controls and management policies.		H. John Riley, Jr.	
			Judith A. Sprieser	
Executive Committee	Has the powers of the Board in the management of Allstate's business affairs to the extent permitted under the bylaws, excluding any powers granted by the Board to any other committee of the Board.	0(1)	Chair: Thomas J. Wilson	None
			F. Duane Ackerman	
			Robert D. Beyer	
			Jack M. Greenberg	
			H. John Riley, Jr.	
			Judith A. Sprieser	

(1) In 2013, there was no need for the executive committee to meet.

Nomination Process for Board Election

The Board continuously identifies potential director candidates in anticipation of retirements, resignations, or the need for expanded capabilities. The graphic and bullets below describe the ongoing nominating and governance committee process to identify highly qualified candidates for Board service.

Board nominees are identified through a retained search firm, suggestions from current directors and stockholders, and other solicitations, including self-nominations. Our newest director Mr. Mehta was identified by an existing Board member.

The nominating and governance committee discusses the desired skills and perspectives. Directors evaluate all candidates for diversity of background, expertise, and perspective, as well as the criteria described in our *Corporate Governance Guidelines* on allstate.com.

Following this initial screening, management conducts deeper inquiries to determine whether there are any existing or potential business conflicts with the candidate or any business entity affiliated with that candidate.

Based on these results, the committee decides which candidates warrant further consideration.

Certain directors are designated to meet with each candidate. At the same time, both the search firm and management conduct additional research and analysis.

Conclusions from due diligence and impressions from meetings are discussed by the nominating and governance committee. The committee recommends candidates for election to the Board.

The Board ultimately is responsible for naming nominees for election or appointing nominees to serve until election at the next annual meeting.

The Board and nominating and governance committee believe that each director should be well-versed in strategic oversight, corporate governance, stockholder advocacy, and leadership in order to be an effective member of the Allstate Board. In addition to this fundamental expertise, the Board and committee seek directors with corporate operating experience, relevant industry experience, financial expertise, or compensation and succession experience. The Board and committee also look for a balance of retired former executives and executives who are actively engaged in operating a business.

The Board and committee expect each non-employee director to be free of interests or affiliations that could give rise to a biased approach to directorship responsibilities or a conflict of interest, and free of any significant relationship with Allstate that would interfere with the director's exercise of independent judgment. The Board and committee also expect each director to act in a manner consistent with a director's fiduciary duties of loyalty and care. Allstate executive officers may not serve on boards of other corporations whose executive officers serve on Allstate's Board.

Candidates Nominated by Stockholders

The nominating and governance committee will consider director candidates recommended by a stockholder in the same manner as all other candidates recommended by other sources. A stockholder may recommend a candidate at any time of the year by writing to the Office of the Secretary, The Allstate Corporation, 2775 Sanders Road, Suite F7, Northbrook, Illinois 60062-6127. A stockholder also may directly nominate someone for election as a director at a stockholders' meeting. Under our bylaws, a stockholder may nominate a candidate at the 2015 annual meeting of stockholders by providing advance notice to Allstate that is received by the Office of the Secretary no earlier than the close of business on January 20, 2015, and no later than February 19, 2015. The notice must be sent to the Office of the Secretary, The Allstate Corporation, 2775 Sanders Road, Suite F7, Northbrook, Illinois 60062-6127 and must meet the requirements set forth in the corporation's bylaws. A copy of the bylaws is available from the Office of the Secretary upon request or can be found on the Corporate Governance section of allstate.com.

Table of Contents

PROXY STATEMENT

Proposal 1 Election of Directors

Election of Directors

The Board recommends that you vote for all director nominees.

Broad and diverse slate of directors.

Highly successful executives with relevant skills.

Balanced tenure with 10 of 11 independent of management.

The Board recommends 11 nominees for election to the Allstate Board for one-year terms beginning in May 2014. This is a talented slate of nominees, both individually and as a team. They bring a full complement of business and leadership skills to their oversight responsibilities. Half have been public company CEOs and most nominees serve on other public company boards, enabling best practices from other companies to be adapted to serve Allstate. Their diversity of experience and expertise facilitates robust and thoughtful decision-making on Allstate's Board.

Each nominee, other than Mr. Mehta, was previously elected at Allstate's annual meeting of stockholders on May 21, 2013, and has served continuously since then. Mr. Mehta was elected by the Board effective February 18, 2014. The terms of all directors expire at the annual meeting in May 2014. The Board expects all nominees named in this proxy statement to be available for election. If any nominee is not available, then the proxies may vote for a substitute. On the following pages, we list the background and reasons for nominating each individual. Unless otherwise indicated, each nominee has served for at least five years in the business position currently or most recently held.

To be elected under our majority vote standard, each director must receive an affirmative vote of the majority of the votes cast. In other words, the number of shares voted "FOR" a director must exceed 50% of the votes cast on that director. Abstentions will not be counted as votes cast and will have no impact on the vote's outcome. Broker non-votes will not be counted as shares entitled to vote on the matter and will have no impact on the vote's outcome.

Board Composition

Independent directors		91%
Public company board experience		82%
Public company CEO experience		55%
Relevant industry experience		55%
Diversity		45%
Tenure	over five years	55%
	under five years	45%

Chairman of the Board

Thomas J. Wilson

- Successful operating leadership at Allstate for 19 years, including seven years as CEO.
- Led continuous improvement in corporate goverance.
- CEO for 17 months before being selected as chairman.

Committee Chair Qualifications

Audit Committee Chair Judith A. Sprieser	Compensation and Succession Committee Chair Jack M. Greenberg	Nominating and Governance Committee Chair F. Duane Ackerman	Risk and Return Committee Chair Robert D. Beyer
Audit committee financial expert under the Securities Exchange Act of 1934.	Extensive experience on public company boards, including non-executive chairman.	Former chairman and CEO of BellSouth Corporation.	Extensive risk and return operating experience as CEO of The TCW Group, Inc.
Experience on four audit committees of public companies.	Former chairman and CEO of McDonald's Corporation.	Governance experience on other public company boards.	Global investment management expertise.

Table of Contents

F. Duane Ackerman

Independent
Age 71

PROFESSIONAL EXPERIENCE

Former Chairman and CEO of BellSouth Corporation, a communication services company.

Allstate Board Service

Tenure: 15 years (1999)
Audit committee member
Nominating and governance committee chair
Executive committee member

Other Public Board Service

The Home Depot, Inc.	2007 present
United Parcel Service, Inc.	2007 present

QUALIFICATIONS

Core Capabilities

ü Corporate governance director and former chairman and CEO.
ü Stockholder advocacy experience managing long-term stockholder value creation.
ü Leadership expertise in leadership development and succession planning.
ü Strategic oversight experience in a highly regulated industry.

Additional Capabilities

CEO of a publicly traded company for nearly a decade.
Key leadership positions in the telecommunications industry which, like insurance and financial services, is highly regulated.
Expertise in leadership development and succession planning from former operating roles and other directorships.
Extensive experience with executive compensation decisions as a director and former chairman and CEO.

COMMITTEE EXPERTISE HIGHLIGHTS

Nominating and Governance Committee Chair

Keen insight into board dynamics and governance matters from tenure as chairman and CEO of BellSouth and current service on two other public company boards.
Member of The Home Depot nominating and corporate governance committee.

Audit Committee Member

Chair of The Home Depot audit committee since 2008.

Table of Contents

Robert D. Beyer

Independent
Age 54

PROFESSIONAL EXPERIENCE

Chairman of Chaparal Investments LLC, a private investment firm and holding company, since 2009.
Former CEO of The TCW Group, Inc., a global investment management firm.
Former director of Société Générale Asset Management, S.A. and The TCW Group, Inc.

Allstate Board Service

Tenure: 8 years (2006)
Audit committee member
Risk and return committee chair
Executive committee member

Other Public Board Service

The Kroger Company	1999	present
Leucadia National Corporation	2013	present

QUALIFICATIONS

Core Capabilities

ü Corporate governance   director and former CEO.
ü Stockholder advocacy   strong investment acumen.
ü Leadership   former CEO of a global investment management firm.
ü Strategic oversight   extensive experience developing and implementing investment strategies.

Additional Capabilities

Strategic and operational leadership of large asset management firm with a significant investment portfolio.
Experience in evaluating companies' strategies, operations, and financial performance.
Risk management expertise proven through conception and development of TCW's risk management infrastructure.
Global investment management expertise applied in assessing the strategies and performance of Allstate's $81 billion investment portfolio.

COMMITTEE EXPERTISE HIGHLIGHTS

Risk and Return Committee Chair

Extensive career in finance and investment management, starting with Bear, Stearns & Co. in 1983. From 2005 until 2009, CEO and director of The TCW Group, Inc., investment management firm of over $150 billion under management. President and CIO of the principal operating subsidiary of TCW, from 2001 until 2005. Founder and current chairman of private investment firm and holding company, Chaparal Investments LLC.

Developed TCW's risk management infrastructure, and the compliance, operational, and financial reporting systems of Crescent Capital Corporation, an investment management firm Mr. Beyer co-founded in 1991.

Audit Committee Member

Member of financial policy committee of The Kroger Company board of directors.

Table of Contents

Kermit R. Crawford

Independent
Age 54

PROFESSIONAL EXPERIENCE

President, Pharmacy, Health and Wellness for Walgreen Company, which operates the largest drugstore chain in the United States, since April 2011.

Former Executive Vice President of Pharmacy Services, Senior Vice President of Pharmacy Services, Vice President and Executive Vice President of Pharmacy Benefit Management Services of Walgreen Company.

Allstate Board Service

Tenure: 1 year (2013)

Audit committee member

Nominating and governance committee member

Other Public Board Service

None

QUALIFICATIONS

Core Capabilities

ü Corporate governance senior leadership position at a public company and service on the boards of civic organizations.
ü Stockholder advocacy establishment of strong platforms for long-term stockholder value creation.
ü Leadership significant operating and leadership responsibilities in a highly competitive, geographically distributed business.
ü Strategic oversight experience leading a consumer-focused service business in a highly competitive industry.

Additional Capabilities

Expertise assessing the strategies and performance of a geographically distributed consumer-focused service business, similar to Allstate's.
Extensive experience leading operational change, including use of technology.
Full-time current executive with access to ongoing consumer insights.

COMMITTEE EXPERTISE HIGHLIGHTS

Audit Committee Member

President, Pharmacy, Health and Wellness for Walgreen Company, responsible for all aspects of strategic, operational, and profit and loss management of major division of largest national drugstore chain operator.

Nominating and Governance Committee Member

Member of governing bodies of several non-profit organizations, including Northwestern Lake Forest Hospital and the University of Southern California School of Pharmacy.

Table of Contents

Jack M. Greenberg

Independent
Age 71

PROFESSIONAL EXPERIENCE

Chairman of The Western Union Company, a money transfer service firm.
Chairman of Innerworkings, Inc., a global provider of print and promotional services, since 2010.
Former Chairman and CEO of McDonald's Corporation.

Allstate Board Service

Tenure: 12 years (2002)
Compensation and succession committee chair
Executive committee member

Other Public Board Service

Hasbro, Inc.	2003 present
Innerworkings, Inc.	2007 present
Manpower, Inc.	2003 present
The Western Union Company	2006 present
Quintiles Transnational Holdings, Inc.	2013 present

QUALIFICATIONS

Core Capabilities

ü Corporate governance experience as chairman and CEO.
ü Stockholder advocacy expertise in creating stockholder value in a wide variety of circumstances.
ü Leadership led a global public company.
ü Strategic oversight expertise in consumer-focused businesses.

Additional Capabilities

Extensive executive leadership and management experience, including as chairman and CEO of McDonald's Corporation. Twenty-year public company directorship at McDonald's Corporation.

In-depth understanding of consumer-focused business that invests heavily in marketing.

Experience in executive compensation as chair of the compensation committee at Manpower, Inc.

Expertise as an attorney, a CPA, and a member of the American Institute of Certified Public Accountants.

Insight on global economy based on experience leading worldwide businesses provides perspective on Allstate's operations, investments, and long-term strategy.

Experience leading business that manages extensive small business relationships in a regulated industry.

COMMITTEE EXPERTISE HIGHLIGHTS

Compensation and Succession Committee Chair

Significant expertise managing compensation programs and talent as chairman and CEO of McDonald's Corporation.

Director of Quintiles Transnational Holdings, Inc., publicly traded global service provider with more than 28,000 employees, and member of its compensation and talent development committee.

Table of Contents

Herbert L. Henkel

Independent
Age 65

PROFESSIONAL EXPERIENCE

Former Chairman and CEO of Ingersoll-Rand Company, a commercial manufacturer of industrial products.
Former President and Chief Operating Officer of Textron, Inc., a global manufacturing company.
Former director of AT&T Corporation and Visteon Corporation.

Allstate Board Service

Tenure: 1 year (2013)
Compensation and succession committee member
Risk and return committee member

Other Public Board Service

3M Company	2007 present
C.R. Bard, Inc.	2002 present

QUALIFICATIONS

Core Capabilities

ü Corporate governance extensive public company board service.
ü Stockholder advocacy lead director at C.R. Bard.
ü Leadership former chairman and CEO of a global public company.
ü Strategic oversight extensive experience in global business development.

Additional Capabilities

Operating and leadership expertise as CEO of a publicly traded company for nearly a decade.
Expertise in strategy formation, acquisitions, and divestitures.
Prior and current experience as chair of the 3M audit committee.

COMMITTEE EXPERTISE HIGHLIGHTS

Compensation and Succession Committee Member

Chairman and CEO of Ingersoll-Rand Company, manufacturer of industrial products and components, from 2000 to 2010, and previously as President and COO.

Director of C.R. Bard since 2002. Currently serves as member of compensation committee, as well as lead director and member of executive, finance, and governance committees.

Risk and Return Committee Member

Significant experience in management and oversight of risk for publicly traded companies, including as chairman and CEO for Ingersoll-Rand Company and in various executive leadership positions at Textron, Inc. from 1995 1999.

Table of Contents

Siddharth N. (Bobby) Mehta

Independent
Age 55

PROFESSIONAL EXPERIENCE

Former President and Chief Executive Officer, TransUnion LLC, a global provider of credit and information management.
Former Chairman and Chief Executive Officer, HSBC North America Holdings, Inc.
Former Chief Executive Officer, HSBC Finance Corporation.

Allstate Board Service

Elected to the Board on February 18, 2014
Consistent with past practice, committee assignments will be established during first year of service

Other Public Board Service

Piramal Enterprises Ltd.	2013 present
MasterCard International, Inc.	2005-2006

QUALIFICATIONS

Core Capabilities

ü Corporate governance director and former chairman and CEO.
ü Stockholder advocacy experience delivering stockholder value in financial services industry.
ü Leadership led complex global companies.
ü Strategic oversight insights from technology-driven consumer service businesses.

Additional Capabilities

Extensive experience leading complex technology-based data-driven businesses.
Significant expertise in increasing revenues and global reach through the use of technology and advanced analytics.
Key leadership roles in corporate marketing, strategic planning, and corporate development.
Extensive operational and strategic experience in the banking industries and credit markets provides valuable insights into the highly regulated insurance industry and investment activities.

Table of Contents

Andrea Redmond

Independent
Age 58

PROFESSIONAL EXPERIENCE

Former managing director, co-head of the CEO/board services practice, founder and leader of global insurance practice, and member of financial services practice at Russell Reynolds Associates Inc., a global executive search firm, with 20 years of experience at the firm.
Independent consultant providing executive recruiting, succession planning, and talent management services.

Allstate Board Service
Tenure: 4 years (2010)
Compensation and succession committee member
Nominating and governance committee member

Other Public Board Service
None

QUALIFICATIONS

Core Capabilities

ü Corporate governance extensive experience assessing required board capabilities and evaluating director candidates.
ü Stockholder advocacy expertise in assessing leadership capabilities to execute strategies and operating plans.
ü Leadership experience assessing and evaluating CEOs and senior management; senior leadership and operating role in a global service organization.
ü Strategic oversight insights from a wide range of industries, including financial services.

Additional Capabilities

Experience leading Russell Reynolds' global insurance and board recruitment practices for more than a decade.
Expertise in succession planning, talent management, and compensation in public companies across industries, including financial services, technology, transportation, consumer products, and healthcare.
Experience helping companies identify and recruit leaders capable of building high-performance organizations.
Founded and led Russell Reynolds' global insurance practice, providing insight into the insurance industry.

COMMITTEE EXPERTISE HIGHLIGHTS

Compensation and Succession Committee Member
Experienced in executive recruiting, succession planning, and talent management.
Previously a senior partner at highly regarded global executive search firm, Russell Reynolds Associates, 1986-2007, including significant tenure as co-head of the CEO/board services practice.
Extensive experience working with numerous publicly traded companies to recruit and place senior executives, including Hewlett-Packard, Visa USA, Bank One, United Airlines, Sprint, SAFECO, Providian Financial, AXA Financial, Polaroid Corporation, Cardinal Health, and Hewitt Associates.

Nominating and Governance Committee Member
Significant expertise recruiting and evaluating directors for a variety of public companies, including Walgreens, Hewlett-Packard, Visteon, Prudential, and USG Corporation.

Table of Contents

John W. Rowe

Independent
Age 68

PROFESSIONAL EXPERIENCE

Chairman Emeritus and Former Chairman and CEO of Exelon Corporation, one of the country's largest electric utilities.
Former director of Sunoco, Inc. and Exelon Corporation.

Allstate Board Service

Tenure: 2 years (2012)
Compensation and succession committee member
Nominating and governance committee member

Other Public Board Service

Northern Trust Corporation	2002 present
SunCoke Energy	2012 present
American DG Energy, Inc.	2013 present

QUALIFICATIONS

Core Capabilities

ü Corporate governance extensive experience on public company boards.
ü Stockholder advocacy lead director at Northern Trust Corporation.
ü Leadership as chairman and CEO, led one of the country's largest electric utility companies.
ü Strategic oversight experience in a highly regulated industry.

Additional Capabilities

Extensive leadership and management experience as a CEO.
Experience in a highly regulated industry comparable to the complex insurance regulatory system in which Allstate operates.
Lead director on the board of Northern Trust Corporation and a former director of Unum Provident, providing insight and experience in financial services and insurance.

COMMITTEE EXPERTISE HIGHLIGHTS

Compensation and Succession Committee Member

Leadership responsibilities as former chairman and CEO of Exelon Corporation.
Member of SunCoke Energy compensation committee.
Member of Northern Trust Corporation compensation and benefits committee.
Former director of Sunoco and member of its compensation committee.

Nominating and Governance Committee Member

Chair of corporate governance committee and lead director of Northern Trust Corporation.
Member of SunCoke Energy governance committee.
Former director of Sunoco and member of its executive committee.

Judith A. Sprieser

Independent
Age 60

PROFESSIONAL EXPERIENCE

Vice Chair of the Supervisory Board of Royal Ahold NV.
Former CEO of Transora, Inc., a technology software and services company.
Former director at USG Corporation and Adecco SA.

Allstate Board Service

Tenure: 15 years (1999)
Audit committee chair
Risk and return committee member
Executive committee member

Other Public Board Service

Experian plc	2010 present
IntercontinentalExchange Group, Inc.	2004 present
Reckitt Benckiser Group plc	2003 present
Royal Ahold NV	2006 present

QUALIFICATIONS

Core Capabilities

ü Corporate governance broad public company director service.
ü Stockholder advocacy operating and public company board experience.
ü Leadership former CEO.
ü Strategic oversight breadth of exposure to other industries and global economy.

Additional Capabilities

Extensive experience serving on boards of publicly traded and international companies, including former membership on boards of Adecco SA, USG Corporation, CBS Corporation, and Kohl's Corporation.

More than 20 years operational experience in executive positions at Sara Lee Corporation, including management of several large consumer-focused businesses with leading brands and significant ongoing investments in marketing.

Oversight of a highly regulated business as a director at IntercontinentalExchange Group, Inc.

Considerable experience in evaluating financial statements and supervising financial executives, including as chief financial officer of the Sara Lee Corporation.

Prior and current experience as chair of the audit committee at Allstate and IntercontinentalExchange Group, Inc.

COMMITTEE EXPERTISE HIGHLIGHTS

Audit Committee Chair

Numerous key leadership positions with financial oversight responsibilities, including CEO of Transora, Inc., and CFO of Sara Lee Corporation.

Chair of IntercontinentalExchange Group, Inc. audit committee.

Former chair of Experian plc audit committee.

Risk and Return Committee Member

Audit committee chair.

Significant risk oversight and management experience as CEO of start-up technology company, Transora, Inc., CFO of Sara Lee Corporation, and through extensive service on numerous public company boards in highly regulated industries.

Table of Contents

Mary Alice Taylor

Independent
Age 64

PROFESSIONAL EXPERIENCE

Former senior executive with several Fortune 500 companies, including Citicorp and FedEx Corporation.
Independent business executive

Allstate Board Service

Tenure: 16 years (1996-1998; 2000 present)
Audit committee member
Nominating and governance committee member

Other Public Board Service

Blue Nile, Inc. 1999 present

QUALIFICATIONS

Core Capabilities

ü Corporate governance public company board experience including lead director responsibilities.
ü Stockholder advocacy operating and governance expertise to evaluate strategies and performance.
ü Leadership former senior executive of major public companies.
ü Strategic oversight strategy formation expertise, including technology-based business strategies, at both large established companies and start-ups.

Additional Capabilities

Senior executive roles in technology, finance, operations, and distribution logistics at large corporations, including Citicorp and FedEx Corporation.
Experience in financial oversight roles at Cook Industries, Northern Telecom, Homegrocer.com, Citicorp, and FedEx Corporation.
Certified public accountant.

COMMITTEE EXPERTISE HIGHLIGHTS

Audit Committee Member

Significant financial oversight expertise developed as chairman and CEO of HomeGrocer.com and in senior executive roles at Citicorp and FedEx Corporation.
Director and former member of the audit committee of Blue Nile, Inc.

Nominating and Governance Committee Member

Chair of Blue Nile, Inc. nominating and governance committee.
Prior experience as lead director.

Table of Contents

Thomas J. Wilson

Chief Executive Officer
Age 56

PROFESSIONAL EXPERIENCE

Chairman of Allstate since May 2008 and CEO since January 2007.
President of Allstate since January 2005 with 19 years of company service.

Allstate Board Service

Tenure: 8 years (2006)
Chairman of the Board
Executive committee chair

Other Public Board Service

State Street Corporation 2012 present

QUALIFICATIONS

Core Capabilities

ü Corporate governance chairman, president, and CEO of Allstate; public company board experience.
ü Stockholder advocacy active stockholder engagement.
ü Leadership assembled and leads Allstate's senior leadership team.
ü Strategic oversight developed Allstate's strategy to provide differentiated customer value propositions to four consumer segments.

Additional Capabilities

Key leadership roles for over 19 years throughout Allstate.
Thorough and in-depth understanding of Allstate's business, including its employees, agencies, products, investments, customers, and investors.
Creation and implementation of Allstate's risk and return optimization program, allowing Allstate to withstand the recent financial market crisis and adapt to increases in severe weather and hurricanes.
In-depth understanding of insurance industry.
Industry and community leadership, including as former chair of the Property and Casualty CEO Roundtable and the Financial Services Roundtable and as co-chair of a public-private partnership to reduce violence in Chicago.

COMMITTEE EXPERTISE HIGHLIGHTS

Executive Committee Chair

Chairman, president, and CEO of Allstate.
Comprehensive knowledge of Allstate's business and industry with 19 years of leadership experience.
Key leadership experience in numerous business and community service organizations, including The Financial Services Roundtable, U.S. Chamber of Commerce, and Federal Reserve Bank of Chicago.

Corporate Governance Practices

Board Leadership Structure and Practices

Allstate's *Corporate Governance Guidelines* allow the Board the flexibility to allocate the responsibilities of chairman and of CEO in any way it considers to be in Allstate's best interest.

Thomas J. Wilson is the chairman of the Board as well as CEO. The Board has determined that Allstate currently is well-served by having these roles performed by Mr. Wilson, who provides unified leadership and direction for management to execute our strategy and business plans. At other times, such as when Mr. Wilson was transitioning into the CEO role in 2007, Allstate has split the roles of chairman and CEO between two individuals.

Lead Director

The Board has an independent lead director who:

- Works with the chairman in developing Board meeting agendas and information provided to shape Board dialogue.
- Serves as a liaison between the chairman and the independent directors.
- Facilitates the Board's performance evaluation of the CEO in conjunction with the chair of the nominating and governance committee.
- Communicates with significant stockholders, when appropriate, on matters involving broad corporate policies and practices.
- Facilitates the evaluation of the Board and director performance in conjunction with the chairman and the chair of the nominating and governance committee.
- Presides at all Board meetings at which the chairman is not present, including all executive sessions.

H. John Riley, Jr., who has served as the lead director since 2011, is retiring at the 2014 annual meeting of stockholders. The Board will elect a new lead director following the annual meeting.

Board Role in Risk Oversight

- The Board is responsible for the oversight of Allstate's strategy, business results, and management, including risk management.
- The Board reviews Allstate's overall risk position twice a year and uses external resources when appropriate to assess the enterprise risk and return management process.

In 2013, the Board added a risk and return committee as a standing committee of the Board.

The following are the key responsibilities of the risk and return committee:

- Assists the Board in risk and return governance and oversight.
- Reviews risk and return process, policies, and guidelines used to evaluate, monitor, and manage enterprise risk and return.
- Supports the audit committee in its oversight of risk controls and management policies.

The chairs of the risk and return committee and the audit committee are members of both committees to enhance cross-committee communication at the Board level.

The risk and return committee meets in executive session with the chief risk executive at each meeting.

Board Role in Management Succession

The Board oversees the recruitment, development, and retention of executive talent and directors. Management succession is discussed in compensation and succession, nominating and governance, and Board meetings with the CEO and in executive sessions.

Chairman and CEO succession plans under various scenarios, such as CEO retirement or incapacity, are discussed annually by the nominating and governance committee and the Board.

The Board also has first-hand exposure to senior leadership and high potential officers through working and informal meetings throughout the year.

Board Role in Setting Compensation

The compensation and succession committee reviews the executive compensation program throughout the year and uses an independent compensation consultant to benchmark market practices and to evaluate changes to the design of our executive compensation program.

Allstate's executive compensation design is also reviewed by the chief risk executive to ensure that it aligns with Board-approved risk-return principles. The compensation and succession committee makes recommendations to the Board on the compensation package for the CEO and modifications to existing plans for executive officers.

The compensation and succession committee grants all equity awards to individuals designated as executive officers for purposes of Section 16 of the

Table of Contents

Securities Exchange Act of 1934 or covered employees as defined in Internal Revenue Code section 162(m). The compensation and succession committee has authority to grant equity awards to eligible employees in accordance with the terms of our 2013 Equity Incentive Plan. The Board has delegated limited authority to an equity award committee, consisting of the CEO, to grant awards of stock options or restricted stock units. All awards granted between compensation and succession committee meetings are reported at the next meeting.

In 2013, the compensation and succession committee retained a new independent compensation consultant, Compensation Advisory Partners, after reviewing various candidates in the ordinary course of its compensation consultant approval process and after an evaluation of the compensation consultant's independence. The compensation consultant assessed Allstate's executive compensation design, peer group selection, relative pay for performance, and total direct compensation for individual senior executive positions. Representatives of the compensation consultant participated in all seven committee meetings in 2013.

Management Participation in Committee Meetings

Audit Committee. A number of our executives, including the CEO, CFO, general counsel, chief audit executive, chief compliance executive, chief risk executive, and controller participate in audit committee meetings. Senior business unit and technology executives are present when appropriate. Executive sessions of the committee are scheduled and held throughout the year, including sessions in which the committee meets exclusively with the independent registered public accountant and the chief audit executive.

Compensation and Succession Committee. A number of our executives participate in compensation and succession committee meetings. The committee regularly meets in executive session without management present.

Our CEO advises on the alignment of our incentive plan performance measures with our overall strategy, appropriate weightings of incentive targets, and design of our equity incentive awards. He also provides the committee with performance evaluations of executives who report to him and recommends senior executive merit increases and compensation packages.

Our senior human resources executive provides the committee with internal and external analyses of the structure of compensation programs. Throughout the year, he also provides the committee with a detailed review of the estimated and actual results under our incentive compensation plans.

Our CFO discusses financial results relevant to incentive compensation, other financial measures, or accounting rules.

The general counsel is available at meetings to provide input on the legal and regulatory environment and to respond to questions about corporate governance.

The chief risk executive reports on compensation plans' alignment with Board-approved risk and return principles.

Nominating and Governance Committee. Our CEO and general counsel participate in nominating and governance committee meetings. The committee regularly meets in executive session without management present.

Risk and Return Committee. A number of our executives, including the CEO, CFO, general counsel, and chief risk executive, participate in risk and return committee meetings. The committee regularly meets in executive session, including sessions with the chief risk executive.

Outside Advisor Participation in Meetings

From time to time, outside experts such as governance specialists, cybersecurity experts, and financial advisors attend meetings to provide directors additional information on issues.

Board Attendance Policy

Each incumbent director attended at least 75% of the combined Board meetings and meetings of committees of which he or she was a member.

Attendance at Board and committee meetings during 2013 averaged 98% for directors as a group. Directors are expected to make every effort to attend Board and committee meetings and the annual meeting of stockholders. All directors who stood for election at the 2013 annual meeting of stockholders attended the annual meeting.

Table of Contents

Communication with the Board

The Board has established a process to facilitate communication by stockholders and other interested parties with directors as a group. The general counsel reports regularly to the nominating and governance committee on all correspondence received that, in her opinion, involves functions of the Board or its committees or that she otherwise determines merits Board attention. The communication process is posted on the Corporate Governance section of allstate.com.

Allstate has a proactive practice of discussing corporate governance issues with significant stockholders throughout the year. In addition, broader investor surveys are used when appropriate.

The audit committee has established procedures for the receipt, retention, and treatment of any complaints about accounting, internal accounting controls, and auditing matters.

Compensation Committee Interlocks and Insider Participation

There were no compensation committee interlocks with other companies in 2013 within the meaning of the Securities and Exchange Commission's proxy rules.

During 2013, the compensation and succession committee consisted of Ms. Redmond and Messrs. Beyer, Farrell, Greenberg, Henkel, LeMay, Rowe, and Smith, several of whom were members for a portion of the year.

Related Person Transactions

The nominating and governance committee has adopted a written policy on the review, approval, or ratification of transactions with related persons, which is posted on the Corporate Governance section of allstate.com.

There were no related person transactions identified for 2013.

The committee or committee chair reviews transactions with the corporation in which the amount involved exceeds $120,000 and in which any related person had, has, or will have a direct or indirect material interest. In general, related persons are directors, executive officers, their immediate family members, and stockholders beneficially owning 5% or more of our outstanding stock. The committee or committee chair approves or ratifies only those transactions that are in, or not inconsistent with, the best interest of the corporation and its stockholders. Transactions are reviewed and approved or ratified by the committee chair when it is not practicable or desirable to delay review of a transaction until a committee meeting. The chair reports any approved transactions to the committee. Any ongoing, previously approved or ratified related person transactions are reviewed annually.

Nominee Independence Determinations

The Board has determined that all nominees other than Mr. Wilson are independent according to applicable law, the NYSE listing standards, and the Board's *Director Independence Standards*. In accordance with the *Director Independence Standards,* the Board has determined that the nature of the relationships with the corporation that are set forth in Appendix A do not create a conflict of interest that would impair a director's independence.

Proposal 2 Say-on-Pay

PROXY STATEMENT

Say-on-Pay: Advisory Vote on the Executive Compensation of the Named Executives

The Board of Directors recommends that you vote for the resolution to approve the compensation of the named executives.

Strong oversight by compensation and succession committee.

Excellent 2013 business results.

Enhanced alignment with stockholders through expanded equity retention requirements for senior executives beginning with 2014 awards.

We conduct a say-on-pay vote every year at the annual meeting. This say-on-pay vote is required by Section 14A of the Securities Exchange Act of 1934. While the say-on-pay vote is non-binding, the Board and the compensation and succession committee consider the voting results as part of their annual evaluation of our executive compensation program.

You may vote to approve or not approve the following advisory resolution on the executive compensation of the named executives:

RESOLVED, on an advisory basis, the stockholders of The Allstate Corporation approve the compensation of the named executives, as disclosed pursuant to the compensation disclosure rules of the Securities and Exchange Commission, including the Compensation Discussion and Analysis and accompanying tables and narrative on pages 24-59 of the Notice of 2014 Annual Meeting and Proxy Statement.

To be approved, a majority of shares present in person or represented by proxy at the meeting and entitled to vote on the proposal must be voted "FOR." Abstentions will be counted as shares present at the meeting and will have the effect of a vote against the proposal. Broker non-votes will not be counted as shares entitled to vote on the matter and will have no impact on the vote's outcome.

Please read the following *Executive Compensation* section for information necessary to inform your vote on this proposal.

Table of Contents

Executive Compensation

Compensation Discussion and Analysis

Named Executives

Our Compensation Discussion and Analysis describes Allstate's executive compensation program, including total 2013 compensation for our named executives, who are listed below with titles as of December 31, 2013:

Thomas J. Wilson Chairman, President and Chief Executive Officer (CEO)

Steven E. Shebik Executive Vice President and Chief Financial Officer (CFO)

Don Civgin President and Chief Executive Officer, Allstate Financial

Judith P. Greffin Executive Vice President and Chief Investment Officer of Allstate Insurance Company

Matthew E. Winter President, Allstate Personal Lines

Compensation Program Changes

Stockholders approved the say-on-pay resolution on compensation in 2013 with 96% of the votes cast in favor.

The compensation and succession committee (Committee) considered the 2013 say-on-pay vote result, operating results, investor input, and current market practices as it evaluated whether any further changes to our executive compensation program were warranted. The Committee also utilized its independent compensation consultant to establish compensation structure and goals.

Following the 2013 annual meeting of stockholders, we solicited feedback from stockholders representing approximately 32% of our outstanding stock and considered a number of governance matters, including the following compensation issues:

Reduced maximum senior executive funding for the cash incentive award pool. We lowered the maximum cash incentive pool funding attributable to senior executives from 250% to 200% of target beginning with the 2014 awards. Target annual cash incentive compensation, which is a specified percentage of each executive's base salary, was not changed. The maximum funding attributable to the CEO was lowered to 200% of target in 2012.

Enhanced equity retention requirement. An equity retention requirement was added to supplement Allstate's existing stock ownership guidelines. Existing stock ownership guidelines apply to approximately half of officers and require these executives to hold 75% of net after-tax shares earned as compensation until the executive meets the salary multiple guideline. The salary multiple guideline is six times for the CEO and three times for other senior executives. Beginning with awards granted in 2014, Allstate added a requirement that, regardless of a senior executive's stock ownership level, senior executives must retain at least 75% of net after-tax shares for an additional year after the three-year vesting period, in the case of performance stock awards (PSAs), or for an additional year after exercised, in the case of stock options. This new retention requirement applies to senior executives who receive both PSAs and stock options, which is approximately 9% of officers. See page 30 for more information.

Changes to pension benefits. We modified Allstate's pension plan so that all eligible employees earn future pension benefits under a new cash balance formula. We project that the CEO's future pension benefits will be substantially reduced as a result of these changes to the benefit plans. For more information, see pages 49-50.

Updated peer group. We made changes to our compensation peer group to more closely align with insurance company peers whose revenues are similar to Allstate's and with our peer groups used by external parties. We removed Lincoln National Corporation reflecting the pending sale of Lincoln Benefit Life Company and added American International Group, Inc. as it has now returned to public ownership. We used this updated peer group for 2014 compensation benchmarking. See page 31 for more information.

Table of Contents

Allstate's Executive Compensation Practices

Allstate's executive compensation program features many best practices.

ü **Pay for performance.** A significant percentage of total target direct compensation is pay at risk that is connected to performance. For example, 91% of CEO target direct compensation is in annual cash incentive awards, PSAs, and stock options.

ü **Linkage between performance measures and strategic objectives.** Performance measures for incentive compensation are linked to operating priorities designed to create long-term stockholder value.

ü **Independent compensation consultant.** The Committee retains an independent compensation consultant to review the executive compensation program and practices.

ü **No tax gross ups.** We do not provide tax gross ups beyond limited items which are generally available to all full-time employees.

ü **Double trigger in the event of a change-in-control.** Beginning with awards granted in 2012, long-term equity incentive awards have a double trigger; that is, they will not vest in the event of a change-in-control unless also accompanied by a qualifying termination of employment.

ü **No repricing or exchange of underwater stock options.** Our equity incentive plan does not permit repricing or exchange of underwater stock options or stock appreciation rights without stockholder approval, except in connection with certain corporate transactions involving Allstate or a change-in-control.

ü **No employment contracts for executive officers.** Our executive officers are at will employees with no employment agreements.

ü **Policy on insider trading that prohibits hedging of Allstate securities.**

ü **Moderate change-in-control benefits.** Change-in-control severance benefits are three times target cash compensation for the CEO and two times target cash compensation for senior executives.

ü **No dividends or dividend equivalents paid on unvested PSAs.** Dividend equivalents are accrued but not paid on PSAs until the performance conditions are satisfied, and the PSAs vest after the performance measurement period.

ü **Maximum payout caps for annual cash incentive compensation and PSAs.**

ü **Clawback of certain compensation if restatement or covenant breach.** Awards made to executive officers after May 19, 2009, under short- and long-term incentive compensation plans are subject to clawback in the event of certain financial restatements. Annual cash incentive and equity awards granted after May 19, 2009, are also subject to cancellation or recovery in certain circumstances if the recipient violates nonsolicitation covenants. Equity awards granted after February 21, 2012, are subject to cancellation or recovery in certain circumstances if the recipient violates noncompetition covenants.

ü **Robust equity ownership and retention requirements.** Our CEO is required to hold stock equal to a multiple of six times salary, and other senior executives are required to hold stock equal to a multiple of three times salary. Until an executive meets the applicable stock ownership guideline, 75% of net after-tax shares received as equity compensation must be retained. Beginning with awards granted in 2014, Allstate added a requirement that, regardless of a senior executive's stock ownership level, senior executives must retain at least 75% of net after-tax shares for an additional year after the three-year vesting period, in the case of PSAs, or for an additional year after exercised, in the case of stock options.

ü **No inclusion of equity awards in pension calculations.**

ü **Limited executive perquisites.**

Elements of 2013 Executive Compensation Program Design

The following table lists the elements of target direct compensation for our 2013 executive compensation program. The program uses a mix of fixed and variable compensation elements and provides alignment with both short- and long-term business goals through annual and long-term incentives. Our incentives are designed to drive overall corporate performance, specific business unit strategies, and individual performance using performance and operational measures that correlate to stockholder value and align with our strategic vision and operating priorities. The Committee establishes the performance measures and ranges of performance for the variable compensation elements for overall company incentive compensation awards. An individual's participation in our incentives is based on market-based compensation levels and actual performance.

Table of Contents

PROXY STATEMENT

Executive Compensation Design

	Element	Key Characteristics	Why We Pay This Element	How We Determine Amount	2013 Decisions
Fixed	Base salary	Fixed compensation component payable in cash. Reviewed annually and adjusted when appropriate.	Provide a base level of competitive cash compensation for executive talent.	Experience, job scope, market data, individual performance.	Two of the five named executives received salary increases in 2013. Mr. Wilson's salary did not increase in 2013, remaining the same as in the previous three years. See pages 38-39.
Variable	Annual cash incentive awards	Variable compensation component payable in cash based on performance against annually established goals and assessment of individual performance.	Motivate and reward executives for performance on key strategic, operational, and financial measures during the year.	A corporate-wide funding pool is based on performance on three measures: Adjusted Operating Income Total Premiums Net Investment Income Individual awards are based on job scope, market data, and individual performance.	Strong performance on all three measures resulted in corporate funding at 200% of target for the CEO and 250% of target for the other named executives. See pages 27-28 and 35. Beginning with the 2014 awards, the maximum award pool funding attributable to senior executives has been lowered from 250% to 200% of target. The maximum attributable to the CEO was lowered to 200% in 2012.
	Performance stock awards	PSAs vest on the third anniversary of the grant date.	Align the interests of senior executives with long-term stockholder value and serve to	Target awards based on job scope, market data, and individual performance.	Strong performance resulted in the maximum number of earned PSAs for the

		retain executive talent.	Earned awards based on company performance on Annual Adjusted Operating Income Return on Equity with a requirement of positive Net Income for any payout above target.	2013 measurement period. See pages 29-30 and 36-37.
Stock options	Nonqualified stock options that expire in ten years and become exercisable over four years: 50% on the second anniversary of the grant date and 25% on each of the third and fourth anniversary dates.[1]	Align the interests of executives with long-term stockholder value and serve to retain executive talent.	Job scope, market data, individual performance.	The Committee continued its practice of granting stock options to senior executives.

(1) Beginning with stock options granted in 2014, stock options will become exercisable over three years to reflect current market practice. One-third will become exercisable on the anniversary of the grant date for each of the three years.

Table of Contents

Compensation Structure and Goal Setting

Our executive compensation program is designed to deliver compensation in accordance with corporate, business unit, and individual performance with a large percentage of compensation at risk through long-term equity awards and annual cash incentive awards. These awards are linked to actual performance, consistent with our belief that a significant amount of executive compensation should be in the form of equity and that a greater percentage of compensation should be tied to performance for executives who bear higher levels of responsibility for Allstate's performance. The mix of target direct compensation for 2013 for our CEO and the average of our other named executives is shown in the chart below.

Compensation Mix   Target

Salary

Executive salaries are set by the Board based on the Committee's recommendations. In recommending executive salary levels, the Committee uses the 50th percentile of our peer insurance companies as a guideline, which supports Allstate's ability to compete effectively for executive talent. Annual merit increases for named executives are based on evaluations of their performance, using the enterprise-wide merit increase budget as a guideline.

Annual Cash Incentive Awards

In 2013, executives could earn an annual cash incentive award based on Allstate's achievement of performance measures during the year and assessments of individual performance as described on pages 38-39.

In order to qualify annual cash incentive awards as deductible performance-based compensation under Internal Revenue Code section 162(m), Allstate established a pool equal to 1.0% of Adjusted Operating Income (defined on pages 58-59). For each named executive, excluding any who served as CFO during the year, the maximum amount payable is the lesser of a stockholder approved maximum of $8.5 million under the Annual Executive Incentive Plan or a percentage of the award pool, which is 40% for the CEO and 15% for each other named executive. These limits established the maximum annual cash incentive awards that could be paid while preserving deductibility under section 162(m).

Any named executive who served as CFO during the year may receive no more than 15% of the award pool, consistent with the award opportunity available to the other named executives other than the CEO.

The Committee retained complete discretion to pay less than the maximum amounts described above.

The Committee sets performance measure targets based on the operating plan after extensive review. Its decisions on threshold and maximum ranges are then informed by probability testing and operational performance scenarios, as shown on the following page.

In the event of a net loss, the annual cash incentive award pool would have been reduced by 50% of actual performance for senior executives. For example, if performance measures ordinarily would fund the corporate pool at 60% *and* there was a net loss, then the corporate pool would be funded at 30% for senior executives. This mechanism prevents misalignment between pay and performance in the event of a natural catastrophe or extreme financial market conditions.

Actual performance on three performance measures determines the overall funding level of the corporate pool and the aggregate total award budget for eligible employees.

Table of Contents

Target annual incentive compensation percentages for each named executive are based on market data pay levels of peer insurance companies and our benchmark target for total direct compensation at the 50th percentile.

Individual awards are based on individual performance in comparison to position-specific compensation targets and overall company performance. The sum of individual awards has not exceeded the total corporate pool.

We paid the cash incentive awards in March 2014. Further information on annual cash incentive award decisions can be found in the *Compensation Decisions for 2013* section on pages 38-39.

Since Allstate created a corporate pool for annual cash incentive awards in 2011, the Committee has not exercised its discretion to increase the amount of the corporate pool beyond the calculated amount. During the first quarter of the year, the Committee establishes the measures that determine the aggregate amount of funds in the corporate pool available to be paid as awards for that year. The Committee has discretion to determine the amount of awards paid from the corporate pool to the named executives. Awards are paid in the following year.

Table of Contents

Performance Stock Awards and Stock Options

We grant equity awards to executives based on scope of responsibility, consistent with our philosophy that a significant amount of compensation should be in the form of equity and that a greater percentage of compensation should be tied to performance for executives who bear higher levels of responsibility for Allstate's performance. Additionally, from time to time, equity awards also are granted to attract new and retain existing executives.

The mix of equity incentives for senior executives is approximately 50% PSAs and 50% stock options. We believe both PSAs and stock options are forms of performance-based incentive compensation because PSAs provide direct alignment with stockholder interests and stock options require stock price appreciation to deliver value to an executive.

Beginning in 2012, PSAs tied to achievement of performance measures were granted instead of time-based restricted stock units to better align compensation with stockholder interests.

In March 2012 and February 2013, each of the named executives was awarded a target number of PSAs. The PSAs have a three-year performance cycle. For the 2012-2014 and 2013-2015 performance cycles, the number of PSAs which become earned and vested at the end of each three-year performance cycle depends on an annual adjusted operating income return on equity measure (Adjusted Operating Income ROE) attained during each year of the performance cycle. Adjusted Operating Income ROE is defined on page 59. Adjusted Operating Income for PSAs includes a minimum or maximum amount of after-tax catastrophe losses if actual catastrophe losses are less than or exceed those amounts, respectively, which serves to decrease volatility and stabilize the measure by limiting the impact of catastrophe losses. The Committee selected Adjusted Operating Income ROE as the performance measure because it:

- Measures performance in a way that is tracked and understood by investors.
- Captures both income and balance sheet impacts, including capital management actions.
- Provides a useful gauge of overall performance while limiting the effects of factors management cannot influence, such as extreme weather conditions.
- Correlates to changes in long-term stockholder value.

For the 2012-2014 and 2013-2015 performance cycles, performance is measured in three separate one-year periods. The actual number of PSAs earned for each measurement period varies from 0% to 200% of that period's target PSAs based on Adjusted Operating Income ROE for the performance cycle and measurement period. Beginning with the 2014-2016 performance cycle, performance will be measured in a single three-year measurement period.

The Committee requires positive net income in order for our executives to earn PSAs based on Adjusted Operating Income ROE above target. If Allstate has a net loss in a measurement period, the number of PSAs earned would not exceed target, regardless of the Adjusted Operating Income ROE. This hurdle is included to prevent misalignment between Allstate reported net income and the PSAs earned based on the Adjusted Operating Income ROE result. This situation could occur if, for example, catastrophe losses or capital losses that are not included in Adjusted Operating Income ROE caused Allstate to report a net loss for the period.

At the end of each measurement period, the Committee certifies the level of our Adjusted Operating Income ROE achievement, as well as the resulting number of PSAs earned by each named executive for that measurement period. The Committee does not have the discretion to adjust the performance achievement upward for any measurement period. PSAs earned will vest following the end of the three-year performance cycle, subject to continued employment (other than in the event of death, disability, retirement, or a qualifying termination following a change-in-control).

Table of Contents

Beginning with the 2014-2016 performance cycle, performance will be measured in a single three-year measurement period. The performance measure is calculated by taking the average of adjusted operating income for each of the three years of the performance cycle, adjusted to reflect a minimum or maximum amount of catastrophe losses, if the average of actual after-tax catastrophe losses in the three-year cycle is less than or exceed those amounts, respectively. This average is then divided by the average of the shareholders' equity, excluding unrealized gains and losses, on December 31, 2013 and each year-end in the performance cycle. Below is the range of performance for the 2014-2016 performance cycle. The Committee considered historical and expected performance when approving the range of performance for the 2014-2016 performance cycle.

2014-2016 Performance Stock Awards Range of Performance

	Three-Year Average Annual Adjusted Operating Income Return on Equity		
	Threshold	**Target**	**Maximum**
Measurement Period 2014-2016	6.0%	13.0%	14.5%
Payout	0%	100%	200%

Equity Ownership and Retention Requirements

Instituted in 1996, stock ownership guidelines require each of the named executives to own Allstate common stock worth a multiple of base salary to link management and stockholders' interests. The following charts show the salary multiple guidelines and the equity holdings that count towards the requirement. The current stock ownership guidelines apply to approximately half of officers and require these executives to hold 75% of net after-tax shares received as a result of equity compensation awards until his or her salary multiple guideline is met.

Stock Ownership as Multiple of Base Salary as of December 31, 2013

Named Executive	Guideline	Actual
Mr. Wilson	6	20
Mr. Shebik	3	6
Mr. Civgin	3	4
Ms. Greffin	3	5
Mr. Winter	3	4

What Counts Toward the Guideline	What Does Not Count Toward the Guideline

Allstate shares owned personally

Unexercised stock options

Shares held in the Allstate 401(k) Savings Plan

Performance stock awards

Restricted stock units

Beginning with awards granted in 2014, Allstate added a requirement that, regardless of a senior executive's stock ownership level, senior executives must retain at least 75% of net after-tax shares for an additional year after the three-year vesting period, in the case of PSAs, or for an additional year after exercised, in the case of stock options. This new retention requirement applies to senior executives who receive both PSAs and stock options, which is approximately 9% of officers.

We also have a policy on insider trading that prohibits all officers, directors, and employees from engaging in transactions in securities issued by Allstate or any of its subsidiaries that might be considered speculative or hedging, such as selling short or buying or selling options.

Timing of Equity Awards and Grant Practices

Typically, the Committee approves grants of equity awards during a meeting in the first fiscal quarter. The timing allows the Committee to align awards with our annual performance and business goals.

Throughout the year, the Committee may grant equity incentive awards to newly hired or promoted executive officers. The grant date for these awards is fixed as the first business day of a month following the later of committee action or the date of hire or promotion.

For additional information on the Committee's practices, see the *Corporate Governance Practices* section of this proxy statement.

Table of Contents

Peer Benchmarking

The Committee monitors performance toward goals throughout the year and reviews executive compensation program design and executive pay levels annually. As part of that evaluation, an independent compensation consultant, Compensation Advisory Partners, provided executive compensation data, information on current market practices, and alternatives to consider when determining compensation for our named executives. The Committee benchmarked our executive compensation program design, executive pay, and performance against a group of peer insurance companies that are publicly traded. Product mix, market segment, annual revenues, premiums, assets, and market value were considered when identifying peer companies. The Committee believes Allstate competes against these companies for executive talent and stockholder investment. The Committee reviews the composition of the peer group annually with the assistance of its compensation consultant. In late 2013, we removed Lincoln National Corporation reflecting the pending sale of Lincoln Benefit Life Company and added American International Group, Inc. as it has now returned to public ownership. We used this updated peer group for 2014 compensation benchmarking.

The following table reflects the peer group used for 2013 compensation benchmarking.

PEER INSURANCE COMPANIES(1)

Company Name	Revenue ($ in billions)	Market Cap ($ in billions)	Assets ($ in billions)	Premiums ($ in billions)	Property and Casualty Insurance Products	Life Insurance and Financial Products
ACE Ltd.	19.2	35.2	94.5	16.6	ü	
AFLAC Inc.	23.9	30.7	121.3	20.1		ü
The Chubb Corporation	13.9	24.0	50.4	12.1	ü	
The Hartford Financial Services Group, Inc.	26.2	16.4	277.9	15.4	ü	ü
Lincoln National Corporation	12.0	13.6	236.9	6.8		ü
Manulife Financial Corporation	16.0	34.3	454.2	16.0		ü
MetLife Inc.	68.2	60.5	885.3	47.1	ü	ü
The Progressive Corporation	18.2	16.2	24.4	17.1	ü	
Prudential Financial, Inc.	41.5	42.7	731.8	31.7		ü
The Travelers Companies, Inc.	26.2	32.0	103.8	22.6	ü	
Allstate	34.5	24.5	123.5	30.0	ü	ü
Allstate Ranking Relative to Peers: Property and Casualty Insurance	2 of 7	4 of 7	3 of 7	2 of 7		
Life Insurance and Financial Products	3 of 7	5 of 7	6 of 7	3 of 7		
All Peer Insurance Companies	3 of 11	7 of 11	6 of 11	3 of 11		

(1) Information as of year-end 2013.

In its executive pay discussions, the Committee also considered compensation information for S&P 100 companies with $15 billion to $60 billion in fiscal 2012 revenue. We compete with these publicly traded companies for executive talent.

The Committee utilized compensation surveys that provided information on companies of broadly similar size and business mix as Allstate, as well as companies with a broader market context. The compensation surveys considered include the Towers Watson Diversified Insurance Survey, the Towers Watson General Industry Survey, and the Frederic W. Cook General Industry Survey. The Towers Watson Diversified Insurance Survey includes insurance companies with assets greater than $125 billion. The Towers Watson General Industry Survey includes companies with revenue greater than $20 billion.

The Committee uses the 50th percentile of our peer group as a guideline in setting the target total direct compensation of our named executives. Within the guideline, the Committee balances the various elements of compensation based on individual experience, job scope and responsibilities, performance, and market practices.

Table of Contents

Other Elements of Compensation

To remain competitive with other employers and to attract, retain, and motivate highly talented executives and other employees, we offer the benefits listed in the following table.

Benefit or Perquisite	Named Executives	Other Officers and Certain Managers	All Full-time and Regular Part-time Employees
401(k)[(1)] and defined benefit pension			
Supplemental retirement benefit			
Health and welfare benefits[(2)]			
Supplemental long-term disability			
Deferred compensation			
Tax preparation and financial planning services		(3)	
Personal use of aircraft, ground transportation, and mobile devices[(4)]			

(1) Allstate contributed $.56 for every dollar of basic pre-tax deposits made in 2013 (up to 5% of eligible pay).

(2) Including medical, dental, vision, life, accidental death and dismemberment, long-term disability, and group legal insurance.

(3) All officers are eligible for tax preparation services. Financial planning services were provided only to senior executives.

(4) The Board encourages the CEO to use our corporate aircraft when it improves his efficiency in managing the company, even if it is for personal purposes. Personal usage is counted as taxable compensation. In limited circumstances approved by the CEO, senior executives are permitted to use our corporate aircraft for personal purposes. Ground transportation is available to senior executives. Mobile devices are available to senior executives, other officers, and certain managers and employees depending on their job responsibilities.

Retirement Benefits

Each named executive participates in two different defined benefit pension plans. The Allstate Retirement Plan (ARP) is a tax qualified defined benefit pension plan available to all of our regular full-time and regular part-time employees who meet certain age and service requirements. The ARP provides an assured retirement income based on an employee's level of compensation and length of service at no cost to the employee. As the ARP is a tax qualified plan, federal tax law limits (1) the amount of an individual's compensation that can be used to calculate plan benefits and (2) the total amount of benefits payable to a plan participant on an annual basis. For certain employees, these limits may result in a lower benefit under the ARP than would have been payable otherwise. Therefore, the Supplemental Retirement Income Plan (SRIP) is used to provide ARP-eligible employees whose compensation or benefit amount exceeds the federal limits with an additional defined benefit in an amount equal to what would have been payable under the ARP if the federal limits did not exist.

Change-in-Control and Post-Termination Benefits

Consistent with our compensation objectives, we offer these benefits to attract, motivate, and retain executives. A change-in-control of Allstate could have a disruptive impact on both Allstate and our executives. Change-in-control benefits and post-termination benefits are designed to mitigate that impact and to maintain alignment between the interests of our executives and our stockholders.

We substantially reduced change-in-control benefits in 2011. Compared with the previous arrangements, the change-in-control severance plan (CIC Plan) eliminates all excise tax gross ups and eliminates the lump sum cash pension enhancement based on additional years of age, service, and compensation. For the CEO, the amount of cash severance payable is three times the sum of base salary and target annual incentive. For the other named executives, the amount of cash severance payable is two times the sum of base salary and target annual incentive. In order to receive the cash severance benefits under the CIC Plan following a change-in-control, a participant must have been terminated (other than for cause, death, or disability) or the participant must have terminated employment

Table of Contents

for good reason (such as adverse changes in the terms or conditions of employment, including a material reduction in base compensation, a material change in authority, duties, or responsibilities, or a material change in job location) within two years following a change-in-control. In addition, long-term equity incentive awards granted after 2011 will vest on an accelerated basis due to a change-in-control only if either Allstate terminates the executive's employment (other than for cause, death, or disability) or the executive terminates his or her employment for good reason within two years after the change-in-control (so-called double-trigger vesting).

The change-in-control and post-termination arrangements which are described in the *Potential Payments as a Result of Termination or Change-in-Control* section are not provided exclusively to the named executives. A larger group of management employees is eligible to receive many of the post-termination benefits described in that section.

Impact of Tax Considerations on Compensation

We may take a tax deduction of no more than $1 million per executive for compensation paid in any year to our CEO and the three other most highly compensated executives, excluding any individual that served as CFO during the year, as of the last day of the fiscal year in which the compensation is paid, unless the compensation meets specific standards. We may deduct more than $1 million in compensation if the compensation is performance-based and paid under a plan that meets certain requirements. The Committee considers the impact of this rule in developing, implementing, and administering our compensation programs. However, the Committee balances this consideration with our primary goal of structuring compensation programs to attract, motivate, and retain highly talented executives.

Our compensation programs are designed and administered so that payments to affected executives can be fully tax-deductible. However, in light of the balance mentioned above and the need to maintain flexibility in administering compensation programs, we may authorize compensation in any year that exceeds $1 million and does not meet the required standards for deductibility. The amount of compensation paid in 2013 that was not deductible for tax purposes was $13,141,261.

2013 Performance and Compensation

The company's strong 2013 operating and financial results led to above-target annual incentive compensation payments for the named executives in 2013. Total shareholder return for 2013 was 38%.

Performance measures are based on Allstate's strategy of providing differentiated products and services to distinct consumer segments, 2013 priorities, and the 2013 operating plan.

Our unique strategy	2013 Priorities
	Grow insurance premiums.
	Maintain auto profitability.
	Raise returns in homeowners and annuity businesses.
	Proactively manage investments.
	Reduce our cost structure.

In 2013, Allstate continued to deliver on its customer-focused strategy and operating priorities. Net income available to common shareholders for 2013 was $2.26 billion, or $4.81 per diluted common share, compared with $2.31 billion, or $4.68 per diluted common share, in 2012. Operating income* was $2.67 billion, or $5.68 per diluted common share, compared to $2.15 billion, or $4.36 per diluted common share in 2012, due in part to lower 2013 catastrophe losses partially offset by the $150 million in after-tax pension settlement charges. Book value per common share increased 6.9% to $45.31 at year-end 2013.

Allstate achieved its five operating priorities in 2013:

Grow insurance premiums. We grew insurance policies in force in all three brands during the year, reflecting continued positive momentum in serving unique consumer segments with differentiated offerings. Total Allstate Protection net written premium was $28.16 billion, an increase of 4.2% over 2012. Allstate Financial grew total premiums and contract charges by 5.0% in 2013, including a 5.5% increase in underwritten products, such as life insurance and voluntary accident and health insurance.

Maintain auto profitability. We also maintained good auto insurance profitability in 2013. Allstate's property-liability business produced a 92.0 combined ratio for 2013, 3.5 points better than 2012.

Raise returns in homeowners and annuity businesses. Allstate brand homeowners benefited from actions to position this business for sustainable profitability. Annuity returns improved in 2013 due primarily to higher investment spread, although long-term returns remain challenged by continued low interest rates. During the year, we also announced a definitive agreement to sell Lincoln Benefit Life Company and its life insurance business generated through independent master brokerage agencies, deferred fixed annuity and long-term care insurance business. Allstate Financial is now focused on providing life insurance and voluntary employee benefits products through the Allstate agency and Allstate Benefits channels.

Proactively manage investments. Allstate Investments continued to apply a proactive approach to risk and return optimization throughout 2013. The total portfolio yield for the year was 4.6%, comparable to 2012. Total portfolio return for the year was 1.8%, primarily driven by low fixed income performance which was enhanced by strong equity returns including limited partnerships. Net investment income totaled $3.94 billion in 2013, and included $541 million from limited partnership interests and $139 million related to prepayment fee income and litigation proceeds.

Reduce our cost structure. Allstate also made progress in reducing its future cost structure in 2013, including changes to its benefit offerings.

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* For definition of this item, see Appendix E.

Table of Contents

Allstate's total stockholder return relative to the market cap-weighted average of the peer group used for 2013 compensation benchmarking, property and casualty insurance company peers, and life insurance company peers (each identified on page 31) over one-, three-, and five-year periods is demonstrated in the following chart.

Comparison of Total Stockholder Return

Annual Cash Incentive Awards

In 2013, the total annual cash incentive funding pool was calculated based on three measures: Adjusted Operating Income, Total Premiums, and Net Investment Income. For a description of how these measures are calculated, see pages 58-59. The ranges of performance and 2013 actual results are shown in the following table.

2013 Annual Cash Incentive Award Performance Measures

Measure	Threshold	Target	Maximum	Actual Results
Adjusted Operating Income *(in millions)*	$1,500	$1,900	$2,300	$2,315
Total Premiums *(in millions)*	$29,600	$30,000	$30,400	$30,510
Net Investment Income *(in millions)*	$3,400	$3,600	$3,750	$3,941
Payout Percentages				
CEO	50%*	100%	200%	200% payout

Other Named Executives	50%*	100%	250%	250% payout

* Actual performance below threshold results in a 0% payout.

Table of Contents

Performance Stock Awards

Adjusted Operating Income ROE is the measure used for PSAs. For a description of how this measure is calculated for each performance cycle, see page 59. The measurement periods and levels of Adjusted Operating Income ROE needed to earn the threshold, target, and maximum number of PSAs for the measurement period as well as actual results are set forth in the table below. The annually increasing performance goals are consistent with the corporation's return objectives and recognize the inherent earnings volatility of Allstate's business.

Performance Stock Awards Ranges of Performance

	Annual Adjusted Operating Income Return on Equity			
	Threshold	**Target**	**Maximum**	**Actual Results**
2012-2014 PSA Performance Cycle				
Measurement Period 2012	4.0%	10.0%	11.5%	12.3%
Measurement Period 2013	4.5%	10.5%	12.25%	13.1%
Measurement Period 2014	5.0%	11.0%	13.0%	To be determined in 2015
2013-2015 PSA Performance Cycle				
Measurement Period 2013	6.0%	11.0%	12.5%	13.4%
Measurement Period 2014	6.0%	12.0%	13.5%	To be determined in 2015
Measurement Period 2015	6.0%	13.0%	14.5%	To be determined in 2016
Payout	0%	100%	200%	

Table of Contents

The following table shows the target number of PSAs granted to each of our named executives for the 2012-2014 and 2013-2015 performance cycles, the target number of PSAs for each measurement period, and the number of PSAs earned based on achievement of the performance measure.

2012-2014 Performance Cycle

		2012 Measurement Period			2013 Measurement Period			2014 Measurement Period		
Named Executive	**Target Number of PSAs for 2012-2014 Performance Cycle**	**Target Number of PSAs**	**Actual Result**	**Number of PSAs Earned**	**Target Number of PSAs**	**Actual Result**	**Number of PSAs Earned**	**Target Number of PSAs**	**Actual Result**	**Number of PSAs Earned**
Mr. Wilson	124,194	41,398	Maximum	82,796	41,398	Maximum	82,796	41,398		
Mr. Shebik	9,736	3,245	Maximum	6,490	3,245	Maximum	6,490	3,246	To be determined	
Mr. Civgin	30,645	10,215	Maximum	20,430	10,215	Maximum	20,430	10,215	in 2015.	
Ms. Greffin	29,032	9,677	Maximum	19,354	9,677	Maximum	19,354	9,678		
Mr. Winter	40,323	13,441	Maximum	26,882	13,441	Maximum	26,882	13,441		

2013-2015 Performance Cycle

		2013 Measurement Period			2014 Measurement Period			2015 Measurement Period		
Named Executive	**Target Number of PSAs for 2013-2015 Performance Cycle**	**Target Number of PSAs**	**Actual Result**	**Number of PSAs Earned**	**Target Number of PSAs**	**Actual Result**	**Number of PSAs Earned**	**Target Number of PSAs**	**Actual Result**	**Number of PSAs Earned**
Mr. Wilson	84,411	28,137	Maximum	56,274	28,137			28,137		
Mr. Shebik	19,733	6,577	Maximum	13,154	6,578	To be determined		6,578	To be determined	
Mr. Civgin	23,021	7,673	Maximum	15,346	7,674	in 2015.		7,674	in 2016.	
Ms. Greffin	20,061	6,687	Maximum	13,374	6,687			6,687		
Mr. Winter	27,817	9,272	Maximum	18,544	9,272			9,273		

Table of Contents

Compensation Decisions for 2013

Mr. Wilson, *Chairman, President and Chief Executive Officer*

Mr. Wilson's total compensation and the amount of each compensation element are driven by the design of our compensation program, his experience, responsibility for Allstate's overall strategic direction, performance, and operations, and the Committee's analysis of peer company CEO compensation. In conjunction with the Committee's independent compensation consultant, the Committee conducts an annual review of Mr. Wilson's total target direct compensation and determines if any changes are warranted.

During the 2012 annual review, it was determined that Mr. Wilson's compensation opportunity should be increased to align with Allstate's practice of targeting compensation at the median of its insurance industry peer group. Mr. Wilson's total target direct compensation has historically been significantly below the 50th percentile of our peer group. Because of Mr. Wilson's leadership responsibilities, experience, and ultimate accountability for company performance, the Committee set a higher level of target total direct compensation for him than for other executive officers.

During the 2013 annual review, the Committee determined that no adjustments were necessary to Mr. Wilson's compensation opportunity. Mr. Wilson's salary, annual cash incentive target of 300% of salary, and long-term equity incentive target of 700% of salary places his target total direct compensation at approximately the 50th percentile of our peer group.

Salary. In 2013, the Board did not adjust Mr. Wilson's annual salary of $1,100,000, which was effective in March 2010.

Annual Cash Incentive Award. Mr. Wilson's target annual incentive payment of 300% of base salary with a maximum pool funding of 200% of target was unchanged in 2013.

Under Mr. Wilson's leadership, Allstate delivered on its strategy to provide differentiated products to four consumer segments while improving returns. An increase in overall premiums and a 24.3% increase in operating income were among the measures of success in 2013.

Allstate Protection maintained strong auto profitability, grew policies in force, and benefited from dramatically improved returns in homeowners.

Allstate Financial's strategic shift to underwritten products continued to benefit results. As of March 15, 2014, the divestiture of Lincoln Benefit Life Company was pending regulatory approval.

Allstate Investments proactive portfolio management continued to produce solid returns despite the low interest rate environment.

Total cash returns to shareholders in 2013 included $352 million of dividends and $1.8 billion of share repurchases, representing 9.4% of the average market capitalization for the year.

The Committee approved an annual cash incentive award of $6,600,000 for Mr. Wilson based on its assessment of his performance in improving overall returns in 2013. This was in-line with the corporate pool funding at 200% of target. No positive discretion was utilized.

Equity Incentive Awards. In February 2013, based on its assessment of Mr. Wilson's performance in delivering strong business results in 2012, the Committee granted him equity awards of stock options with a grant date fair value of $4,350,006 and PSAs with a grant date fair value of $3,849,986, which was above Mr. Wilson's target equity incentive award opportunity of 700% of salary.

Other Named Executives

Mr. Wilson evaluates the performance and contributions of each member of his senior leadership team, including each of the other named executives. Based on his review, Mr. Wilson recommends specific adjustments to salary and incentive targets as well as actual incentive awards. The recommendations are considered and approved by the Committee.

Mr. Shebik, *Executive Vice President and Chief Financial Officer*

Salary. In 2013, the Board did not adjust Mr. Shebik's annual salary of $600,000, which was effective in July 2012.

Incentive Targets. No changes were made to Mr. Shebik's incentive targets during 2013. Mr. Shebik's annual incentive target was 110% of salary and the target equity incentive opportunity was 300% of salary.

Annual Cash Incentive Award. Under Mr. Shebik's leadership, the organization delivered strong operating results and continued to demonstrate excellent proactive capital management. The Committee approved an annual cash incentive award of $2,100,000 for Mr. Shebik based on its assessment of his performance in establishing and executing against our customer value propositions, delivering improved returns, and driving excellent capital results.

Equity Incentive Awards. In February 2013, based on a review of Mr. Shebik's performance during 2012, the Committee granted him equity awards with a grant date fair value of $1,800,022 aligned with his target equity incentive award opportunity.

Mr. Civgin, *President and Chief Executive Officer, Allstate Financial*

Salary. The Board did not adjust Mr. Civgin's annual salary of $700,000 during 2013.

Incentive Targets. No changes were made to Mr. Civgin's incentive targets during 2013. Mr. Civgin's annual incentive target was 125% of salary and the target equity incentive opportunity was 300% of salary.

Annual Cash Incentive Award. Under Mr. Civgin's leadership, Allstate Financial continued to grow underwritten products sold through Allstate Agencies, shifted capital to align with company strategy, and announced a definitive agreement to sell Lincoln Benefit Life Company. Allstate Financial operating results in 2013 were above target levels, while Esurance continued to grow. The Committee approved an annual cash incentive award of $2,000,000 for Mr. Civgin based on its assessment of his performance in delivering strong operating results at Allstate Financial and continuing to deliver on the growth goals at Esurance.

Equity Incentive Awards. In February 2013, based on a review of Mr. Civgin's performance in 2012, the Committee granted him equity awards with a grant date fair value of $2,099,984 aligned with his target equity incentive award opportunity.

Ms. Greffin, *Executive Vice President and Chief Investment Officer of Allstate Insurance Company*

Salary. The Board approved an increase from $610,000 to $640,000 effective March 2013, based on Ms. Greffin's market positioning and performance.

Incentive Targets. No changes were made to Ms. Greffin's incentive targets during 2013. Ms. Greffin's annual incentive target was 110% of salary and the target equity incentive opportunity was 300% of salary.

Annual Cash Incentive Award. Under Ms. Greffin's leadership, Allstate Investments delivered net investment income above plan and continued to develop its strategy of creating a new risk profile through shifting asset allocations to capture a better risk adjusted return. The Committee approved an annual cash incentive award of $1,400,000 for Ms. Greffin based on its assessment of her performance.

Equity Incentive Awards. In February 2013, based on a review of Ms. Greffin's performance in 2012, the Committee granted her equity awards with a grant date fair value of $1,829,981 reflecting her target equity incentive award opportunity.

Mr. Winter, *President, Allstate Personal Lines*

Salary. The Board awarded an increase from $725,000 to $750,000, effective March 2013, based on a combination of Mr. Winter's performance in 2012 and market positioning.

Incentive Targets. No changes were made to Mr. Winter's incentive targets during 2013. Mr. Winter's annual incentive target was 150% of salary and the target equity incentive opportunity was 350% of salary.

Annual Cash Incentive Award. Under Mr. Winter's leadership, Allstate Personal Lines continued to deliver on its strategy of offering unique products to our different consumer segments while achieving its priorities of maintaining auto margins, increasing homeowners' returns, and growing insurance premiums. Allstate Personal Lines delivered strong combined ratio results in auto and homeowners and exceeded growth plans. The Committee approved an annual cash incentive award of $3,000,000 for Mr. Winter based on its assessment of his performance in delivering strong operating metrics, enhancing relationships with our agents, and increasing retention rates by building a customer-focused culture.

Equity Incentive Awards. In February 2013, based on a review of Mr. Winter's performance during 2012, the Committee granted him equity awards with a grant date fair value of $2,537,481 aligned with his target equity incentive opportunity.

Compensation Committee Report

The Compensation and Succession Committee has reviewed and discussed with management the Compensation Discussion and Analysis contained on pages 24-39 of this proxy statement. Based on such review and discussions, the Committee recommended to the Board that the Compensation Discussion and Analysis be included in this proxy statement.

THE COMPENSATION AND SUCCESSION COMMITTEE

Jack M. Greenberg (Chairman)

Herbert L. Henkel

John W. Rowe

Andrea Redmond

Table of Contents

Executive Compensation Tables

PROXY STATEMENT

SUMMARY COMPENSATION TABLE

The following table summarizes the compensation of the named executives for the last three fiscal years.

Name and Principal Position[1]	Year	Salary ($)	Bonus ($)	Stock Awards ($)[2]	Option Awards ($)[3]	Non-Equity Incentive Plan Compensation ($)	Change in Pension Value and Nonqualified Deferred Compensation Earnings ($)[4]	All Other Compensation ($)[5]	Total ($)
Thomas J. Wilson *(Chairman, President and Chief Executive Officer)*	2013	1,100,000		3,849,986	4,350,006	6,600,000	2,720,160(6)	53,571	18,673,723
	2012	1,100,000		3,850,014	3,850,000	6,164,730	1,982,607	111,204	17,058,555
	2011	1,100,000		2,310,005	4,290,001	2,252,800	1,157,562	69,448	11,179,816
Steven E. Shebik *(Executive Vice President and Chief Financial Officer)*	2013	600,000		900,022	900,000	2,100,000	1,070,582(7)	34,165	5,604,769
	2012	545,330		531,099	531,108	1,175,994	563,812	33,904	3,381,247
Don Civgin *(President and Chief Executive Officer, Allstate Financial)*	2013	700,000		1,049,988	1,049,996	2,000,000	69,422(8)	27,902	4,897,308
	2012	690,000		949,995	949,998	2,000,000	48,581	28,302	4,666,876
	2011	624,231		594,998	1,104,996	750,000	29,270	23,532	3,127,027
Judith P. Greffin *(Executive Vice President and Chief Investment Officer)*	2013	634,807		914,982	914,999	1,400,000	271,815(9)	33,580	4,170,183
	2012	606,538		899,992	899,998	1,700,000	952,989	25,450	5,084,967
	2011	577,692		535,486	994,500	750,000	616,936	32,156	3,506,770

Matthew E. Winter *(President, Allstate Personal Lines)*	2013	745,673	1,268,733	1,268,748	3,000,000	102,174(10)	35,150	6,420,478
	2012	721,154	1,250,013	1,249,997	3,000,000	52,425	37,400	6,310,989
	2011	654,231	770,012	1,429,997	1,000,000	48,100	44,180	3,946,520

(1) Mr. Shebik was not a named executive in 2011.

(2) The aggregate grant date fair value of PSAs granted in 2013 and 2012 and restricted stock units awards granted in 2012 and 2011 are computed in accordance with Financial Accounting Standards Board (FASB) Accounting Standards Codification Topic 718 (ASC 718). The fair value of PSAs and RSUs is based on the final closing price of Allstate's stock as of the grant date, which in part reflects the payment of expected future dividends. (See note 19 to our audited financial statements for 2013.) This amount reflects an accounting expense and does not correspond to actual value that will be realized by the named executives. The value of PSAs is based on the probable satisfaction of the performance conditions. The number of PSAs granted in 2013 to each named executive is provided in the *Grants of Plan-Based Awards* table on page 43. The value of the PSAs granted in 2013 at grant date share price if maximum corporate performance were to be achieved is as follows: Mr. Wilson $7,699,972, Mr. Shebik $1,800,044, Mr. Civgin $2,099,976, Ms. Greffin $1,829,964, and Mr. Winter $2,537,466.

(3) The aggregate grant date fair value of option awards computed in accordance with FASB ASC 718. The fair value of each option award is estimated on the grant date using a binomial lattice model and the assumptions (see note 19 to our audited financial statements for 2013) as set forth in the following table:

	2013	2012	2011
Weighted average expected term	8.2 years	9.0 years	7.9 years
Expected volatility	19.1 - 48.1%	20.2 - 53.9%	22.1 - 53.9%
Weighted average volatility	31.0%	34.6%	35.1%
Expected dividends	1.9 - 2.2%	2.2 - 3.0%	2.5 - 3.7%
Weighted average expected dividends	2.2%	2.8%	2.7%
Risk-free rate	0.0 - 2.9%	0.0 - 2.2%	0.0 - 3.5%

This amount reflects an accounting expense and does not correspond to actual value that will be realized by the named executives. The number of options granted in 2013 to each named executive is provided in the *Grants of Plan-Based Awards* table on page 43.

Table of Contents

(4)

Amounts reflect the aggregate increase in actuarial value of the pension benefits as set forth in the *Pension Benefits* table, accrued during 2013, 2012, and 2011. These are benefits under the Allstate Retirement Plan (ARP) and the Supplemental Retirement Income Plan (SRIP). Non-qualified deferred compensation earnings are not reflected since our Deferred Compensation Plan does not provide above-market earnings. The pension plan measurement date is December 31. (See note 18 to our audited financial statements for 2013.) Beginning in 2014, all eligible employees will earn future pension benefits under a new cash balance formula only. As a result, Mr. Wilson, Mr. Shebik, and Ms. Greffin will experience a significant reduction in their future pension accruals.

(5)

The *All Other Compensation for 2013 Supplemental Table* provides details regarding the amounts for 2013 for this column.

(6)

Reflects the increase in the actuarial value of the benefits provided to Mr. Wilson under the ARP and SRIP of $18,553 and $2,701,607 respectively.

(7)

Reflects the increase in the actuarial value of the benefits provided to Mr. Shebik under the ARP and SRIP of $28,707 and $1,041,875 respectively.

(8)

Reflects the increase in the actuarial value of the benefits provided to Mr. Civgin under the ARP and SRIP of $5,444 and $63,978 respectively.

(9)

Reflects the change in the actuarial value of the benefits provided to Ms. Greffin under the ARP and SRIP of -$8,612 and $280,427 respectively.

(10)

Reflects the increase in the actuarial value of the benefits provided to Mr. Winter under the ARP and SRIP of $6,588 and $95,586 respectively.

ALL OTHER COMPENSATION FOR 2013 SUPPLEMENTAL TABLE

(In dollars)

The following table describes the incremental cost of other benefits provided in 2013 that are included in the "All Other Compensation" column.

Name	Personal Use of Aircraft(1)	401(k) Match(2)	Other(3)	Total All Other Compensation
Mr. Wilson	16,609	7,140	29,822	53,571
Mr. Shebik	0	7,140	27,025	34,165
Mr. Civgin	0	7,140	20,762	27,902
Ms. Greffin	0	7,140	26,440	33,580
Mr. Winter	0	7,140	28,010	35,150

(1)

The amount reported for personal use of aircraft is based on the incremental cost method, which is calculated based on Allstate's average variable costs per flight hour. Variable costs include fuel, maintenance, on-board catering, landing/ramp fees, and other miscellaneous variable costs. The total annual variable costs are divided by the annual number of flight hours flown by the aircraft to derive an average variable cost per flight hour. This average variable cost per flight hour is then multiplied by the flight hours flown for personal use to derive the incremental cost. This method of calculating the incremental cost excludes fixed costs that do not change based on usage, such as pilots' and other employees' salaries, costs incurred in purchasing the aircraft, and non-trip related hangar expenses.

(2)

Each of the named executives participated in our 401(k) plan during 2013. The amount shown is the amount allocated to their accounts as employer matching contributions.

(3)

"Other" consists of premiums for group life insurance and personal benefits and perquisites consisting of mobile devices, tax preparation services, financial planning, ground transportation, and supplemental long-term disability coverage. There was no incremental cost for the use of mobile devices. We provide supplemental long-term disability coverage to all regular full- and part-time employees who participate in the

Table of Contents

long-term disability plan and whose annual earnings exceed the level which produces the maximum monthly benefit provided by the long-term disability plan. This coverage is self-insured (funded and paid for by Allstate when obligations are incurred). No obligations for the named executives were incurred in 2013, and therefore, no incremental cost is reflected in the table.

GRANTS OF PLAN-BASED AWARDS AT FISCAL YEAR-END 2013(1)

The following table provides information about non-equity incentive plan awards and equity awards granted to our named executives during fiscal year 2013.

			Estimated Future Payouts Under Non-Equity Incentive Plan Awards(2)			Estimated Future Payouts Under Equity Incentive Plan Awards(3)			All Other Option Awards: Number of Securities Underlying Options	Exercise or Base Price of Option Awards	Grant Date Fair Value ($)(5)	
Name	Grant Date	Plan Name	Threshold ($)	Target ($)	Maximum ($)	Threshold (#)	Target (#)	Maximum (#)	(#)	($/Shr)(4)	Stock Awards	Option Awards
Mr. Wilson		Annual cash incentive	1,650,000	3,300,000	8,500,000							
	2/12/2013	Performance stock awards				0	84,411	168,822			3,849,986	
	2/12/2013	Stock options							363,409	45.61		4,350,00
Mr. Shebik		Annual cash incentive	330,000	660,000	5,458,500							
	2/12/2013	Performance stock awards				0	19,733	39,466			900,022	
	2/12/2013	Stock options							75,188	45.61		900,00
Mr. Civgin		Annual cash incentive	437,500	875,000	5,458,500							
	2/12/2013	Performance stock awards				0	23,021	46,042			1,049,988	
	2/12/2013	Stock options							87,719	45.61		1,049,99
Ms. Greffin		Annual cash incentive	349,144	698,288	5,458,500							
	2/12/2013	Performance stock awards				0	20,061	40,122			914,982	
	2/12/2013	Stock options							76,441	45.61		914,99
Mr. Winter			559,255	1,118,510	5,458,500							

	Annual cash incentive										
2/12/2013	Performance stock awards				0	27,817	55,634			1,268,733	
2/12/2013	Stock options							105,994	45.61		1,268,748

(1) Awards under the Annual Executive Incentive Plan and the 2013 Equity Incentive Plan.

(2) The amounts in these columns consist of the threshold, target, and maximum annual cash incentive awards for the named executives. The threshold amount for each named executive is 50% of target, as the minimum amount payable if threshold performance is achieved. If the threshold is not achieved, the payment to named executives would be zero. The target amount is based upon achievement of the performance measures listed under the *Annual Cash Incentive Awards* caption on page 35. The maximum amount payable to any named executive who served as CFO during the year is an amount equal to 15% of the award pool. The maximum amount payable to the CEO and the three most highly compensated executives, excluding any named executive who served as CFO during the year, is the lesser of a stockholder approved maximum of $8.5 million under the Annual Executive Incentive Plan or a percentage, which varies by executive, of the award pool. The award pool is equal to 1.0% of Adjusted Operating Income with award opportunities capped at 40% of the pool for Mr. Wilson and 15% of the pool for each other such named executive. Adjusted Operating Income is defined on pages 58-59.

(3) The amounts shown in these columns reflect the threshold, target, and maximum PSAs for the named executives. The threshold amount for each named executive is 0% payout. The target and maximum amounts are based upon achievement of the performance measures listed under the *Performance Stock Awards* caption on page 36.

(4) The exercise price of each option is equal to the fair market value of Allstate's common stock on the grant date. Fair market value is equal to the closing sale price on the grant date or, if there was no such sale on the grant date, then on the last previous day on which there was a sale.

(5) The aggregate grant date fair value of the February 12, 2013, PSAs was $45.61 and stock option award was $11.97, computed in accordance with FASB ASC 718 based on the probable satisfaction of the performance conditions. The assumptions used in the valuation are discussed in footnotes 2 and 3 to the *Summary Compensation Table* on page 41.

Table of Contents

Stock Options

Stock options represent an opportunity to buy shares of our stock at a fixed exercise price at a future date. We use them to align the interests of our executives with long-term stockholder value, as the stock price must appreciate from the grant date for the executives to profit.

Under our stockholder-approved equity incentive plan, the exercise price cannot be less than the fair market value of a share on the grant date. Stock option repricing is not permitted. In other words, without an event such as a stock split, if the Committee cancels an award and substitutes a new award, the exercise price of the new award cannot be less than the exercise price of the cancelled award.

All stock option awards have been made in the form of nonqualified stock options. The options granted to the named executives in 2013 become exercisable over four years: 50% on the second anniversary of the grant date and 25% on each of the third and fourth anniversary dates, and expire in ten years, except in certain change-in-control situations or under other special circumstances approved by the Committee.

Beginning with stock options granted in 2014, stock options will become exercisable over three years to reflect current market practice. One-third of the stock options will become exercisable on the anniversary of the grant date for each of the three years.

Performance Stock Awards

PSAs represent our promise to transfer shares of common stock in the future if certain performance measures are met. Each PSA represents Allstate's promise to transfer one fully vested share in the future for each PSA that vests. PSAs earned will vest following the end of the three-year performance cycle, subject to continued employment (other than in the event of death, disability, retirement, or a qualifying termination following a change-in-control). Vested PSAs will be converted into shares of Allstate common stock and dividend equivalents accrued on these shares will be paid in cash. No dividend equivalents will be paid prior to vesting.

Table of Contents

Outstanding Equity Awards at Fiscal Year-End 2013

The following table summarizes the outstanding equity awards of the named executives as of December 31, 2013.

OUTSTANDING EQUITY AWARDS AT FISCAL YEAR-END 2013

	Option Awards(1)					Stock Awards(2)				
Name	Option Grant Date	Number of Securities Underlying Unexercised Options (#) Exercisable[3]	Number of Securities Underlying Unexercised Options (#) Unexercisable[4]	Option Exercise Price	Option Expiration Date	Stock Award Grant Date	Number of Shares or Units of Stock That Have Not Vested (#)[5]	Market Value of Shares or Units of Stock That Have Not Vested ($)[6]	Equity Incentive Plan Awards: Number of Unearned Shares, Units, or Other Rights that Have Not Vested (#)[7]	Equity Incentive Plan Awards: Market or Payout Value of Unearned Shares, Units, or Other Rights that Have Not Vested ($)[6]
Mr. Wilson	Feb. 22, 2005	98,976		$52.57	Feb. 22, 2015					
	Jun. 01, 2005	100,000		$58.47	Jun. 01, 2015					
	Feb. 21, 2006	66,000		$53.84	Feb. 21, 2016					
	Feb. 21, 2006	124,000		$53.84	Feb. 21, 2016					
	Feb. 20, 2007	262,335		$62.24	Feb. 20, 2017					
	Feb. 26, 2008	338,316		$48.82	Feb. 26, 2018					
	Feb. 27, 2009	751,636		$16.83	Feb. 27, 2019					
	Feb. 22, 2010	313,182	104,394	$31.41	Feb. 22, 2020	Feb. 22, 2010	17,718	$966,340		
	Feb. 22, 2011	223,904	223,904	$31.74	Feb. 22, 2021	Feb. 22, 2011	36,390	$1,984,711		
	Feb. 21, 2012	0	444,060	$31.56	Feb. 21, 2022	Mar. 06, 2012	165,592	$9,031,388	41,398	$2,257,847
	Feb. 12, 2013	0	363,409	$45.61	Feb. 12, 2023	Feb. 12, 2013	56,274	$3,069,184	56,274	$3,069,184
										Aggregate Market Value
										$20,378,654
Mr. Shebik	Feb. 22, 2005	20,836		$52.57	Feb. 22, 2015					
	Feb. 21, 2006	15,464		$53.84	Feb. 21, 2016					
	Feb. 21, 2006	9,000		$53.84	Feb. 21, 2016					
	Feb. 20, 2007	15,571		$62.24	Feb. 20, 2017					
	Feb. 26, 2008	25,763		$48.82	Feb. 26, 2018					
	Feb. 27, 2009	38,715		$16.83	Feb. 27, 2019					
	Feb. 22, 2010	25,212	8,404	$31.41	Feb. 22, 2020	Feb. 22, 2010	883	$48,159		
	Feb. 22, 2011	17,598	17,599	$31.74	Feb. 22, 2021	Feb. 22, 2011	1,771	$96,590		
	Feb. 21, 2012	0	26,446	$31.56	Feb. 21, 2022	Feb. 21, 2012	7,265	$396,233		
	Mar. 06, 2012	0	35,014	$31.00	Mar. 06, 2022	Mar. 06, 2012	12,980	$707,929	3,246	$177,037
	Feb. 12, 2013	0	75,188	$45.61	Feb. 12, 2023	Feb. 12, 2013	13,154	$717,419	13,156	$717,528

										Aggregate Market Value
										$2,860,895
Mr. Civgin	Sept. 8, 2008	65,000		$46.48	Sept. 8, 2018					
	Feb. 22, 2010	83,958	27,986	$31.41	Feb. 22, 2020	Feb. 22, 2010	4,751	$259,120		
	Feb. 22, 2011	57,672	57,672	$31.74	Feb. 22, 2021	Feb. 22, 2011	9,373	$511,203		
	Feb. 21, 2012	0	109,573	$31.56	Feb. 21, 2022	Mar. 06, 2012	40,860	$2,228,504	10,215	$557,126
	Feb. 12, 2013	0	87,719	$45.61	Feb. 12, 2023	Feb. 12, 2013	15,346	$836,971	15,348	$837,080
										Aggregate Market Value
										$5,230,004
Ms. Greffin	Mar. 09, 2004	20,714		$45.29	Mar. 09, 2014					
	Feb. 22, 2005	15,314		$52.57	Feb. 22, 2015					
	Feb. 22, 2005	4,720		$52.57	Feb. 22, 2015					
	Feb. 21, 2006	19,919		$53.84	Feb. 21, 2016					
	Feb. 21, 2006	4,723		$53.84	Feb. 21, 2016					
	Feb. 20, 2007	21,291		$62.24	Feb. 20, 2017					
	Feb. 20, 2007	4,854		$62.24	Feb. 20, 2017					
	Jul. 17, 2007	3,660		$60.42	Jul. 17, 2017					
	Feb. 26, 2008	68,365		$48.82	Feb. 26, 2018					
	Feb. 26, 2008	28,298		$48.82	Feb. 26, 2018					
	Aug. 11, 2008	14,250		$46.56	Aug. 11, 2018					
	Feb. 27, 2009	96,911		$16.83	Feb. 27, 2019					
	Feb. 22, 2010	68,316	22,772	$31.41	Feb. 22, 2020	Feb. 22, 2010	3,866	$210,852		
	Feb. 22, 2011	51,905	51,905	$31.74	Feb. 22, 2021	Feb. 22, 2011	8,436	$460,099		
	Feb. 21, 2012	0	103,806	$31.56	Feb. 21, 2022	Mar. 06, 2012	38,708	$2,111,134	9,678	$527,838
	Feb. 12, 2013	0	76,441	$45.61	Feb. 12, 2023	Feb. 12, 2013	13,374	$729,418	13,374	$729,418
										Aggregate Market Value
										$4,768,759

Table of Contents

		Option Awards(1)				Stock Awards(2)				
Name	Option Grant Date	Number of Securities Underlying Unexercised Options (#) Exercisable(3)	Number of Securities Underlying Unexercised Options (#) Unexercisable(4)	Option Exercise Price	Option Expiration Date	Stock Award Grant Date	Number of Shares or Units of Stock That Have Not Vested (#)(5)	Market Value of Shares or Units of Stock That Have Not Vested ($)(6)	Equity Incentive Plan Awards: Number of Unearned Shares, Units, or Other Rights that Have Not Vested (#)(7)	Equity Incentive Plan Awards: Market or Payout Value of Unearned Shares, Units, or Other Rights that Have Not Vested ($)(6)
Mr. Winter	Nov. 02, 2009	8,385		$29.64	Nov. 02, 2019					
	Feb. 22, 2010	24,620	34,471	$31.41	Feb. 22, 2020	Feb. 22, 2010	5,850	$319,059		
	Feb. 22, 2011	74,634	74,635	$31.74	Feb. 22, 2021	Feb. 22, 2011	12,130	$661,570		
	Feb. 21, 2012	0	144,175	$31.56	Feb. 21, 2022	Mar. 06, 2012	53,764	$2,932,289		