ALLSTATE CORP
Form DEF 14A
April 06, 2015

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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)

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The Allstate Corporation
2775 Sanders Road
Northbrook, IL 60062

LETTER TO STOCKHOLDERS FROM YOUR BOARD OF DIRECTORS

April 6, 2015

To Our Stockholders,

The actions we took in 2014 relating to strategy, capital utilization, executive compensation and governance built on a strong foundation of results and oversight. The complete story is provided in the annual report and this proxy statement but this letter highlights the significant actions taken based on conversations with stockholders throughout the year. Overall, it has been a productive and busy year with total stockholder return of 30.9% for 2014. This brings total stockholder return for three- and five-years to 171.0% and 161.2%, respectively, outperforming our property and casualty and life insurance peers. At the same time, progress has been made in becoming a purpose-driven organization that provides customers superior products and services.

STRATEGIC OVERSIGHT

Allstate maintained the same strategy of providing unique value propositions to different segments of the personal lines insurance market. This strategy is working as the company has grown policies in force and improved customer satisfaction while maintaining excellent profitability.

CAPITAL UTILIZATION

In 2014, Allstate returned $2.78 billion to stockholders through a combination of common stock dividends and the repurchase of 8.7% of the outstanding shares. Net income return on equity was 13.3% and the ratio of debt to capital resources was lowered to 18.9% by issuing preferred stock and repaying maturing debt.

EXECUTIVE COMPENSATION

To ensure that our compensation programs and payouts are aligned with stockholder value, we made changes to performance stock awards and equity retention requirements.

The goals for performance stock awards were changed to a three-year average operating income return on equity instead of three one-year operating income return on equity goals. The change was made due to reduced homeowners insurance volatility given management's progress in reducing catastrophe exposure.

Equity retention requirements were lengthened for the 2014 awards in response to a stockholder proposal in 2013 that received support from approximately one-third of the voted shares. Despite this change, a similar proposal received support from about a quarter of the shares voted in 2014. As a result, we consulted with stockholders representing over one-third of our outstanding shares and the compensation committee's independent advisor to see if additional changes were warranted. We decided to stay with the current equity retention requirements since management's ownership is in excess of the

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stock ownership guidelines and the proposal is not in line with industry practice, as discussed in more detail on page 72. We did adopt a policy prohibiting the pledging of Allstate securities for senior executives and directors.

CORPORATE GOVERNANCE

We continued our practice of interacting with stockholders on governance issues three times a year: before, during, and after annual stockholder voting. Each Board committee considers this feedback from stockholders and takes action as needed.

Board composition is vital to effective oversight and we focus on having a team of independent directors with the capabilities, experience, diversity, and tenure to represent your interests. Mike Eskew joined this team in 2014 and brings substantial operating, technology, and governance experience.

Mandatory auditor rotation was considered by the audit committee, and it determined that a process of annual evaluation remained appropriate. The committee has solicited requests for information from other auditing firms within the last three years.

Cybersecurity is a growing threat for all companies, so the audit committee increased its focus on these initiatives to supplement oversight by the Board and the risk and return committee.

The Board expanded its efforts to develop a thorough understanding of the company's leadership depth and culture. Board members have regular interaction with senior management, an annual interactive dialogue with other high-performing officers, and participate in ethics discussions with officers.

We want to thank two very experienced and effective directors who are retiring from the Board. Duane Ackerman, lead director, provided his expertise and wisdom for 16 years. Jack Greenberg's advice and guidance have also been invaluable for 13 years. Their service on behalf of Allstate stockholders has been exemplary. We will miss them and are extremely thankful that they chose to share their expertise with us.

As Allstate's Board of Directors, we remain fully committed to helping Allstate serve customers, deliver excellent operating results, and create attractive stockholder returns.

F. Duane Ackerman	Robert D. Beyer	Kermit R. Crawford
Michael L. Eskew	Jack M. Greenberg	Herbert L. Henkel
Siddharth N. (Bobby) Mehta	Andrea Redmond	John W. Rowe
Judith A. Sprieser	Mary Alice Taylor	

Thomas J. Wilson

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New Sections Include...

Other Highlights...

How to vote in advance of the annual meeting.
Page 1

Cybersecurity oversight enhanced. **Page 23**

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Notice of 2015 Annual Meeting of Stockholders

When:	Tuesday, May 19, 2015, at 11:00 a.m. Central time. Registration begins at 10:00 a.m.
Where:	Allstate, West Plaza Auditorium 3100 Sanders Road Northbrook, Illinois 60062
Items of Business:	Election of 10 directors. Say-on-pay: advisory vote on the compensation of the named executives. Ratification of appointment of Deloitte & Touche LLP as Allstate's independent registered public accountant for 2015. One stockholder proposal, if properly presented at the meeting. 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 20, 2015. Your vote is important. Please vote as soon as possible by one of the methods shown below.
Attending the Meeting:	Stockholders who wish to attend the meeting in person should review page 74.
Date of Mailing:	On April 6, 2015, 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 the Allstate 401(k) Savings Plan.

By Order of the Board,

Susan L. Lees
Secretary

April 6, 2015

Important Notice Regarding the Availability of Proxy Materials
for the Stockholder Meeting to Be Held on May 19, 2015.

The Notice of 2015 Annual Meeting, Proxy Statement, and 2014 Annual Report and the means to vote by Internet are available at www.proxyvote.com.

YOUR VOTE IS IMPORTANT: HOW TO VOTE IN ADVANCE

By Telephone	By Internet	By Mail	By Tablet or Smartphone
In the U.S. or Canada, you can vote your shares toll-free by calling 1-800-690-6903.	You can vote your shares online at www.proxyvote.com.	You can vote by mail by marking, dating, and signing your proxy card or voting instruction form and returning it in the postage-paid envelope.	You can vote your shares online with your tablet or smartphone by scanning the QR code above.

Make sure to have your proxy card or voting instruction form in hand and follow the instructions.

Proxy Summary

This summary highlights selected information contained elsewhere in this proxy statement. This summary does not contain all of the information that you should consider in deciding how to vote. You should read the entire proxy statement carefully before voting.

2015 Annual Meeting of Stockholders

Time and Date:	11:00 a.m. Central time, Tuesday, May 19, 2015
Place:	Allstate, West Plaza Auditorium, 3100 Sanders Road, Northbrook, IL
Record Date:	March 20, 2015
Voting:	Stockholders as of the record date are entitled to vote. Each share of common stock is entitled to one vote for each director position and one vote for each of the other proposals.

Meeting Agenda and Voting Recommendations

	Proposal	Board Recommendation	Page
1.	Election of 10 Directors.	FOR	11
2.	Say-on-Pay: Advisory Vote on the Compensation of Named Executives.	FOR	27
3.	Ratification of the Appointment of Deloitte & Touche LLP for 2015.	FOR	69
4.	Stockholder Proposal on Equity Retention by Senior Executives.	AGAINST	71

Governance Highlights

See "Letter to Stockholders from Your Board of Directors" for an overview describing Allstate's strategy, capital utilization, executive compensation, and governance in 2014.

Board Highlights

Added a new director in 2014: Mr. Eskew adds operating, technology, and corporate governance leadership experience to our Board. ***Page 15***

Ms. Sprieser will be our new lead director assuming her re-election at the 2015 annual meeting. ***Page 23***

The composition of the nominees for the Board of Directors consists of:

Independence	Diversity	Public Company Board Experience	CEO Experience	Relevant Industry Experience	Tenure <5 years

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PROXY STATEMENT

Proxy Summary

2014 Highlights

Strong operational performance resulted in net income available to common stockholders of $2.75 billion, or $6.27 per diluted common share, compared with $2.26 billion, or $4.81 per diluted common share in 2013. ***Page 28***

Total cash paid to stockholders was $2.78 billion, which included common stock dividends and share repurchases. ***Page 28***

Total stockholder return was 30.9%, which brings the three- and five-year returns to 171.0% and 161.2%, respectively. ***Page 29***

Executive Compensation Highlights

2012-2014 Operating Income(1) Compared with CEO Total Compensation(2)

(1) The Operating Income measure is not based on accounting principles generally accepted in the United States of America ("non-GAAP") and is defined and reconciled to the most directly comparable GAAP measure in Appendix D.

(2) As reported in the "Total" column of the Summary Compensation Table.

Operating income declined in 2014 as a result of increased catastrophe losses and the disposition of Lincoln Benefit Life Company. The underlying combined ratio remained at an attractive level and Property-Liability premiums written grew by 5%. ***Page 28 and Appendix D***

Total 2014 compensation for the CEO decreased 16% year over year despite a total return to stockholders in excess of peers and the overall market. ***Page 47***

Enhanced disclosure on incentive compensation goal-setting in response to stockholder feedback. ***Page 33***

Measurement period for performance stock awards was changed from three separate one-year periods to one single three-year period. ***Page 36***

Lengthened equity retention requirements in response to stockholder dialogue. ***Page 38***

Other Highlights

Adopted policy in 2014 prohibiting pledging. ***Page 38***

Director compensation was changed in 2014. ***Page 64***

See more about the audit committee's oversight and engagement of the independent auditor. ***Page 69***

To attend the annual meeting, you must follow certain procedures. ***Page 74***

The titles and responsibilities of certain executive officers changed effective January 2015. ***Appendix C***

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PROXY STATEMENT

Proxy and Voting Information

WHO IS ASKING FOR YOUR VOTE AND WHY:

The Allstate Board of Directors is soliciting proxies for use at the annual meeting of stockholders to be held on May 19, 2015, and any adjournments or postponements of the meeting. 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 asks you to vote before the meeting, which allows your Allstate stock to be represented at the annual meeting. Instructions on how to vote your shares are included on the Notice on page 1.

WHO CAN VOTE:

The Allstate Board has set the close of business on March 20, 2015 as the record date for the meeting. This means that you are entitled to vote if you were a stockholder of record at the close of business on March 20, 2015. On that date, there were 408,878,853 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 74.**

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, please see the instructions on page 73.

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.

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 how you voted, 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 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 proposal listed on page 71, 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.

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PROXY STATEMENT

Proxy and Voting Information

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 10 director nominees and one vote on each other proposal.

	Proposal	Board Recommendation	Rationale for Board Recommendation
1.	**Election of 10 Directors.** *Pages 11-22*		Broad and diverse slate of directors. All candidates are highly successful executives with relevant skills and experience. Balanced tenure with 9 of 10 independent of management.
2.	**Say-on-Pay.*** Advisory Vote on the Compensation of Named Executives. *Pages 27-63*		Strong oversight by compensation and succession committee. Excellent 2014 business results. Pay for performance alignment.
3.	**Ratification of Auditors.*** Ratification of Deloitte & Touche LLP as the Independent Registered Public Accountant for 2015. *Pages 69-70*		Independent with few ancillary services. Reasonable fees.

The audit committee has solicited requests for information from other auditing firms in the last three years and decided to recommend retaining Deloitte & Touche LLP.

4. Stockholder Proposal on Equity Retention by Senior Executives.*

Pages 71-72

Equity retention requirements for senior executives were lengthened in 2014.

The Board considered further expanding equity retention requirements and concluded that no further restrictions were warranted.

Existing policies align executives' incentives with stockholders' interests.

Management's stock ownership substantially exceeds ownership requirements.

A policy prohibiting the pledging of stock by senior executives and directors was put in place in 2014.

Implementation of the proposal would have undesirable secondary consequences.

* Advisory/Non-Binding Proposal

Vote Required to Approve Proposals

Shares of common stock represented by a properly completed proxy card/voting instruction form will be counted as present at the meeting for purposes of determining a quorum, even if the stockholder is abstaining from voting.

Proposal 1. To be elected under Allstate's 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.

Proposals 2, 3 and 4. To be approved, a majority of the shares present in person or represented by proxy at the meeting and entitled to vote must be voted "For" the proposal. Abstentions will have the effect of a vote against the proposal.

Effect of Broker Non-Votes

Brokers and banks have discretionary authority to vote shares in the absence of instructions on matters the New York Stock Exchange considers "routine," such as the ratification of the appointment of the auditors. They do not have discretionary authority to vote shares in the absence of instructions on "non-routine" matters, such as the election of directors, say-on-pay, and the stockholder proposal. Broker non-votes will not be counted as shares entitled to vote on any matter and will have no impact on the vote's outcome.

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

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.

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

ü **9 out of 10 independent Board members.** The Board has determined that these members are independent within the meaning of applicable laws, NYSE listing standards, and the *Director Independence Standards*.

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 and is available to stockholders.

ü **Proactive Approach to Governance.** Allstate has a continuous process of reviewing emerging corporate governance issues and trends. The Board created a risk and return committee in 2013.

ü **Formal director evaluation process.** Each year, the performance of each director is assessed by the lead director, chairman of the Board, and chair of the nominating and governance committee. Feedback is provided as necessary. Every other year, discussions are held with each director to discuss future plans on continued Board membership.

ü **Board dialogue and interaction is comprehensive.**

Formal process to facilitate cross-committee and Board communication.

Self-evaluation process at the end of each in-person committee and Board meeting.

Committee reports provided to the Board specifically ask if any issues need to be further reviewed by the entire Board.

ü **Each committee has the authority to retain independent advisors.** Currently, all independent committees utilize external advisors.

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 comprehensive *Code of Ethics* that applies to all of its employees, as well as the Board of Directors. Allstate's *Code of Ethics* is available at www.allstatecodeofethics.com.

ü **Expanded equity retention requirements for senior executives in 2014.** Significant requirements strongly link the interests of 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. For your convenience, you can scan this QR code with your mobile device to view our corporate governance documents online.

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Board Meetings and Committees

The following table identifies each standing committee of the Board, its members, functions, and the number of meetings held during 2014. 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.

	Key Responsibilities	Meetings in 2014	Directors
	Strategic oversight Corporate governance Stockholder advocacy Leadership	6	**Chair:** Thomas J. Wilson **Independent Lead Director:** F. Duane Ackerman 11 of 12 are independent.
Audit Committee Report: Page 70	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 (including cybersecurity risk); ethics; and compliance with legal and regulatory requirements.	9	**Chair:** Judith A. Sprieser **Other Members:** Robert D. Beyer Kermit R. Crawford Michael L. Eskew**(1)**

	Appoints, retains, and oversees the compensation and work of the independent registered public accountant, and with the Board, evaluates its qualifications, performance, and independence.		Siddharth N. Mehta
			Mary Alice Taylor
	Evaluates Allstate's internal audit function through semi-annual reviews of its audit plan, policies and procedures, resources, risk assessment methodologies, and significant findings.		The Board determined that Ms. Sprieser, Mr. Beyer, Mr. Eskew, Mr. Mehta, and Mrs. Taylor are each an audit committee financial expert. Messrs. Henkel and Rowe have the background and experience to qualify as audit committee financial experts but do not currently serve on the audit committee.
Compensation and Succession Committee Report: Page 46		6	**Chair:** **Jack M. Greenberg**
	Administers Allstate's executive compensation plans and has sole authority to retain the committee's independent compensation consultant.		**Other Members:**
			Michael L. Eskew(1)
	Assists the Board in determining the compensation of the executive officers, including the CEO.		Herbert L. Henkel
			Andrea Redmond
	Reviews management succession plans and executive organizational structure for Allstate and each significant operating subsidiary.		John W. Rowe
Nominating and Governance Committee		5	**Chair:** **John W. Rowe**
	Recommends candidates to be nominated by the Board for election as directors.		**Other Members:**
			F. Duane Ackerman

	Reviews the *Corporate Governance Guidelines* and advises the Board on corporate governance issues.		Kermit R. Crawford
	Determines performance criteria and oversees assessment of the Board's performance and director independence.		Andrea Redmond Mary Alice Taylor
Risk and Return Committee	Assists the Board in risk and return governance and oversight. Reviews risk and return process, policies, and guidelines used by management to evaluate, monitor, and manage enterprise risk and return. Supports the audit committee in its oversight of risk controls and management policies.	5	**Chair:** **Robert D. Beyer** **Other Members:** Herbert L. Henkel Siddharth N. Mehta 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. Provides Board oversight if outside the scope of established	0	**Chair:** **Thomas J. Wilson** **Other Members:** F. Duane Ackerman Robert D. Beyer Jack M. Greenberg

committees or if an accelerated process is necessary.

John W. Rowe

Judith A. Sprieser

Comprised of lead director, committee chairs and chairman.

(1) Mr. Eskew joined these committees in January 2015.

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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. Eskew, was identified by our current directors.

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 allstateinvestors.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. All nominees satisfy requirements of Allstate's bylaws and corporate governance guidelines.

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

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Corporate Governance Practices

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 consider experience in the following areas: investment management, technology, risk management, innovation, customer focus, and global operations.

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 be willing and able to devote the time and effort necessary to serve as an effective director and 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 2016 annual meeting of stockholders by providing advance notice to Allstate that is received no earlier than the close of business on January 20, 2016, and no later than the close of business on February 19, 2016. 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 allstateinvestors.com.

Evaluation Process for Current Directors

Prior to recommending the annual slate of director nominees, the nominating and governance committee has a rigorous process to evaluate current directors to ensure the directors continue to bring the appropriate mix of skills and expertise to the Board in light of Allstate's business and strategies. In addition to considering the current directors' tenure, the committee's process includes:

Annually, the lead director, chair of the nominating and governance committee and the chairman conduct an evaluation of the contributions and performance of each individual director. Each director is evaluated on the following areas:

Core capabilities of strategic oversight, corporate governance, stockholder advocacy, and leadership.

Additional capabilities such as corporate operating, relevant industry, financial, or compensation and succession experience.

Interests and affiliations.

Significant relationships with Allstate, including extended service on the Board, that would interfere with the director's exercise of independent judgment.

Willingness and ability to devote the time necessary to serve as an effective director.

In addition, on a biennial basis, the lead director or chairman discuss with each director the director's future plans on continued Board membership, so that individual circumstances are appropriately addressed.

Individual directors receive feedback, if necessary, from the chairman or the lead director.

The outcomes of such evaluations are shared with the nominating and governance committee in connection with the annual nomination process and inform the Board and nominating and governance committee's ongoing process to identify highly qualified candidates for Board service.

Election of Directors

The Board recommends that you vote for all director nominees.

Broad and diverse slate of directors.

All candidates are highly successful executives with relevant skills and experience.

Balanced tenure with 9 of 10 independent of management.

The Board recommends 10 nominees for election to the Allstate Board for one-year terms beginning in May 2015 and until a successor is duly elected and qualified or his or her earlier resignation or removal. These nominees are talented, both as individuals and as a team. They bring a full complement of business and leadership skills to their oversight responsibilities. More than two-thirds have been CEOs and most nominees serve on other public company boards, enabling our Board to more quickly adopt best practices from other companies. Their diversity of experience and expertise facilitates robust and thoughtful decision-making on Allstate's Board.

Each nominee, other than Mr. Eskew, was previously elected at Allstate's annual meeting of stockholders on

May 20, 2014 for one-year terms, and has served continuously since then. Mr. Eskew was elected by the Board effective July 21, 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.

Messrs. Ackerman and Greenberg are retiring at the annual meeting in accordance with Allstate's retirement policy and are not standing for re-election.

Board Composition

Independent directors:	90%
Public company board experience:	80%
CEO experience:	70%
Relevant industry experience:	60%
Diversity:	50%
Allstate Board Tenure:	
under five years:	50%
over five years:	50%

Chair Qualifications

Chairman of the Board	Audit Committee Chair	Compensation and Succession	Nominating and Governance	Risk and Return Committee Chair

		Committee Chair	Committee Chair	
Thomas J. Wilson	**Judith A. Sprieser**	**Jack M. Greenberg**	**John W. Rowe**	**Robert D. Beyer**
Successful operating leadership at Allstate for 20 years, including eight years as CEO.	Audit committee financial expert under the Securities Exchange Act of 1934.	Extensive experience on public company boards, including as non-executive chairman.	Former CEO of Exelon Corporation, another highly regulated company.	Extensive risk and return operating experience as CEO of The TCW Group, Inc.
Led continuous improvement in corporate governance.	Former CEO of Transora, Inc. and former CFO of Sara Lee Corporation.	Former chairman and CEO of McDonald's Corporation.	Extensive experience on public company boards, including as lead director.	Global investment management expertise.
Elected as chairman after 17 months as CEO.				

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Overview of Director Nominees

Name	Independent	Years of Tenure	Principal Occupation	# of Other Public Company Boards	Committee Memberships[1] AC	CSC[2]	NGC	RRC	EC
Robert D. Beyer	ü	9	Chairman of Chaparal Investments LLC	2	•				•
Kermit R. Crawford	ü	2	Former President of Pharmacy, Health and Wellness for Walgreen Company	0	•		•		
Michael L. Eskew	ü	<1	Former Chairman & CEO of United Parcel Service, Inc.	3	•	•			
Herbert L. Henkel	ü	2	Former Chairman & CEO of Ingersoll-Rand Company	2		•		•	
Siddharth N. Mehta	ü	1	Former President & CEO of TransUnion, LLC	1	•			•	
Andrea Redmond	ü	5	Former Managing Director of Russell Reynolds Associates, Inc.	0		•	•		
John W. Rowe	ü	3	Chairman Emeritus & Former Chairman & CEO of Exelon Corporation	3		•			•
Judith A. Sprieser	ü	16	Former CEO of Transora, Inc.	1[3]				•	•
Mary Alice Taylor	ü	17	Former senior executive with several Fortune 500 companies, including Citicorp and FedEx Corporation	1	•		•		
Thomas J. Wilson *Chairman*		9	Chairman & CEO of The Allstate Corporation	1					

(1) Committee assignments for 2015 will be made after the annual election of directors. Ms. Sprieser will become the lead director assuming her re-election to the Board.

(2) Jack Greenberg served as the chair of the compensation and succession committee during 2014 and will continue to serve until the annual meeting.

(3) Ms. Sprieser is not standing for re-election at the 2015 Annual Meeting for Royal Ahold NV scheduled for April. After that meeting, she will serve on one other public company board (as defined by SEC regulations) in addition to Allstate, and two other boards.

AC = Audit Committee
CSC = Compensation and Succession Committee
NGC = Nominating and Governance Committee
RRC = Risk and Return Committee
EC = Executive Committee
C = Chair of Committee

Robert D. Beyer

Independent
Age 55

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	Other Public Board Service	
Tenure: 9 years (2006)	The Kroger Company	1999 present
Audit committee member	Leucadia National Corporation	2013 present
Risk and return committee chair		
Executive committee member		

QUALIFICATIONS

Core Capabilities

ü

Corporate governance director and former CEO; extensive public company board service.

ü

Stockholder advocacy developed strong investment acumen during his career in finance and investment management; serves as chair of corporate governance committee and lead director at The Kroger Company.
ü

Leadership former CEO of a global investment management firm.
ü

Strategic oversight substantial expertise in evaluating business strategies as part of investment experience.

Additional Capabilities

Effectively led the strategic and operational direction of a large asset management firm with a significant investment portfolio.

Substantial expertise in evaluating companies' strategies, operations, and financial performance.

Risk management expertise proven through 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 TCW with over $150 billion under management. President and CIO of the principal operating subsidiary of TCW from 2001 until 2005. Founder and current chairman of 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 he co-founded in 1991.

Audit Committee Member

Member of financial policy committee and former audit committee member of The Kroger Company board of directors.

Previously held oversight responsibility for TCW's accounting and finance functions.

Kermit R. Crawford

Independent
Age 55

PROFESSIONAL EXPERIENCE

Former President of Pharmacy, Health and Wellness for Walgreen Company, which operates the largest drugstore chain in the United States.

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	**Other Public Board Service**
Tenure: 2 years (2013)	None
Audit committee member	
Nominating and governance committee member	

QUALIFICATIONS

Core Capabilities

ü Corporate governance senior leadership 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 and regulated industry.

Additional Capabilities

Expertise assessing the strategies and performance of a geographically distributed and consumer-focused service business similar to Allstate's.

Effectively led operational change, including through the use of technology.

Extensive knowledge of consumer experience and insights.

COMMITTEE EXPERTISE HIGHLIGHTS

Audit Committee Member

As a senior leader at Walgreen Company, he was responsible for all aspects of strategic, operational, and profit and loss management of the largest division of the number one drugstore chain in the United States.

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.

Michael L. Eskew

Independent
Age 65

PROFESSIONAL EXPERIENCE

Former Chairman and CEO of United Parcel Service, Inc. ("UPS"), a provider of specialty transportation and logistics services.

Presiding director at IBM since May 2014 and lead director at 3M Company since 2012.

Former director of UPS.

Allstate Board Service	Other Public Board Service	
Elected to the Board on July 21, 2014	Eli Lilly and Company	2008 present
Audit committee member	IBM	2005 present
Compensation and succession committee member	3M Company	2003 present

QUALIFICATIONS

Core Capabilities

ü

Corporate governance former chairman and CEO; extensive public company board service.

ü

Stockholder advocacy presiding director at IBM and lead director at 3M Company.

ü

Leadership as chairman and CEO, led one of the world's largest package delivery companies.

ü

Strategic oversight led operational and technological transformation of a major publicly traded corporation in customer service and efficiency improvements.

Additional Capabilities

Effectively managed the worldwide operations and strategic planning for a global, consumer-focused service business.

Expertise in leadership and customer-driven operational change through technology.

Oversight of a highly regulated company as a director of Eli Lilly and Company.

COMMITTEE EXPERTISE HIGHLIGHTS

Audit Committee Member

Chair of the IBM audit committee and chair of the Eli Lilly audit committee, as well as a member of the 3M audit committee from 2003 to 2013.

Successful execution of financial oversight responsibilities as CEO of UPS.

Compensation and Succession Committee Member

Significant management experience as former chairman and CEO of UPS from 2002 to 2007 and director of other publicly traded companies.

Herbert L. Henkel

Independent
Age 66

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	Other Public Board Service	
Tenure: 2 years (2013)	3M Company	2007 present
Compensation and succession committee member	C.R. Bard, Inc.	2002 present
Risk and return committee member		

QUALIFICATIONS

Core Capabilities

ü Corporate governance former chairman and CEO; 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 experience in strategically repositioning an established corporation and international expansion.

Additional Capabilities

Operating and leadership expertise as CEO of a publicly traded company for nearly a decade.

Expertise in strategy formation, acquisitions, and divestitures.

Current experience as chair of the 3M audit committee and member of the 3M finance 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.

Director of C.R. Bard since 2002. Currently serves as lead director and member of compensation, 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.

Siddharth N. (Bobby) Mehta

Independent
Age 56

PROFESSIONAL EXPERIENCE

Former President and Chief Executive Officer, TransUnion LLC, a global provider of credit information and risk management solutions.

Former Chairman and Chief Executive Officer, HSBC North America Holdings, Inc.

Former Chief Executive Officer, HSBC Finance Corporation.

Former director of MasterCard International, Inc.

Current director at Piramal Enterprises Ltd.

Allstate Board Service	**Other Public Board Service**	
		2013 present
Tenure: 1 year (2014)	TransUnion Holding Company	
Audit committee member		
Risk and return committee member		

QUALIFICATIONS

Core Capabilities

ü

Corporate governance director and former chairman and CEO.

ü

Stockholder advocacy substantial experience in financial services industry.

ü

Leadership led complex global companies.
ü

Strategic oversight insights from technology and data service businesses.

Additional Capabilities

Successfully increased 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.

COMMITTEE EXPERTISE HIGHLIGHTS

Audit Committee Member

Multiple leadership positions with financial oversight responsibility, including President and CEO of TransUnion LLC, and CEO of HSBC Finance Corporation and HSBC North American Holdings, Inc.

Risk and Return Committee Member

Significant experience in financial and trading markets through multiple executive leadership positions at HSBC Group.

Andrea Redmond

Independent
Age 59

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	Other Public Board Service
Tenure: 5 years (2010)	None
Compensation and succession committee member	
Nominating and governance committee member	

QUALIFICATIONS

Core Capabilities

ü

Corporate governance extensive experience assessing required board capabilities and evaluating director candidates.

ü

Stockholder advocacy experience in working with boards to replace leadership in response to shareholder concerns.

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

Successfully led Russell Reynolds' global insurance and board recruitment practices for more than a decade.

Developed expertise in succession planning, talent management, and compensation in public companies across industries, including financial services, technology, transportation, consumer products, and healthcare.

Effectively helped 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 a highly regarded global executive search firm, Russell Reynolds Associates, from 1986 to 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 Walgreen Company, Hewlett-Packard, Visteon, Prudential, and USG Corporation.

John W. Rowe

Independent
Age 69

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: 3 years (2012)

Compensation and succession committee member

Nominating and governance committee chair

Executive committee member

Other Public Board Service

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

QUALIFICATIONS

Core Capabilities

ü

Corporate governance former chairman and CEO; 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 created and implemented a differentiated strategy in a highly regulated industry.

Additional Capabilities

Extensive leadership and management experience as a CEO.

Successfully led company 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 on 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 Chair

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 61

PROFESSIONAL EXPERIENCE

Former CEO of Transora, Inc., a technology software and services company.

Former CFO and other senior executive positions at Sara Lee Corporation, a global manufacturer and marketer of brand-name consumer goods.

Current director at Experian plc, Reckitt Benckiser Group plc, and Royal Ahold NV (until April 2015).

Former director at USG Corporation.

Allstate Board Service	Other Public Board Service[(1)]	
Tenure: 16 years (1999)	IntercontinentalExchange, Inc.	2004 present
Audit committee chair		
Risk and return committee member		
Executive committee member		
Lead director in 2015, if re-elected		

QUALIFICATIONS

Core Capabilities

ü

Corporate governance former CEO; broad public company director service.

ü

Stockholder advocacy operating and public company board experience.

ü

Leadership CEO of start-up technology company and senior leader at Sara Lee Corporation.

ü

Strategic oversight strategic operating roles and broad exposure to board-level strategic issues in multiple industries.

Additional Capabilities

Extensive service 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, Inc.

Extensive evaluation of financial statements and supervision of financial executives, including as chief financial officer of the Sara Lee Corporation.

Strong service as prior and current chair of the audit committee at Allstate and IntercontinentalExchange, 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, Inc. audit committee.

Risk and Return Committee Member

Serves as audit committee chair.

Significant risk oversight and management experience.

(1)

Ms. Sprieser is not standing for re-election at the 2015 Annual Meeting for Royal Ahold NV scheduled for April. Therefore, her total public board service (as defined by SEC regulations) other than Allstate will be reduced to one company, in addition to two other boards.

Mary Alice Taylor

Independent
Age 65

PROFESSIONAL EXPERIENCE

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

Independent business executive.

Allstate Board Service

Tenure: 17 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

Held several senior executive roles in technology, finance, operations, and distribution logistics at large corporations, including Citicorp and FedEx Corporation.

Developed significant financial experience by serving in several 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.

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 a lead director.

Thomas J. Wilson

Chairman and Chief Executive Officer
Age 57

PROFESSIONAL EXPERIENCE

Chairman of Allstate since May 2008 and CEO since January 2007.

President of Allstate from January 2005 to January 2015, with 20 years of company service.

Led all major operating units.

Allstate Board Service	**Other Public Board Service**	
Tenure: 9 years (2006)	State Street Corporation	2012 present
Chairman of the Board		
Executive committee chair		

QUALIFICATIONS

Core Capabilities

ü

Corporate governance chairman and CEO of Allstate; former president of Allstate; public company board experience.

ü

Stockholder advocacy active stockholder engagement.

ü

Leadership assembled and leads Allstate's senior management.

ü

Strategic oversight developed Allstate's strategy to provide differentiated customer value propositions to four consumer segments.

Additional Capabilities

Key leadership roles throughout Allstate in a 20-year period.

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 2008 financial market crisis and adapt to increases in severe weather and hurricanes.

In-depth understanding of the 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 and CEO of Allstate.

Comprehensive knowledge of Allstate's business and industry with 20 years of leadership experience.

Board Leadership Structure and Practices

- Allstate's *Corporate Governance Guidelines* allow the Board the flexibility to assign the chairman and CEO responsibilities to best meet Allstate's interests.

- The roles of chairman and CEO were split during a transition of leadership in 2007 and 2008.

- The Board has determined that Allstate currently is well-served by now having these roles performed by Mr. Wilson, who provides unified leadership and direction for management to execute our strategy and business plans.

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.

- Chairs executive sessions of independent directors at every Board meeting.

- Facilitates the Board's performance evaluation of the CEO in conjunction with the chair of the nominating and governance committee.

- Facilitates the evaluation of individual director performance in conjunction with the chairman and the chair of the nominating and governance committee.

- Communicates with significant stockholders on matters involving broad corporate policies and practices.

- Serves as a liaison between the chairman and the independent directors.

- Presides at all Board meetings at which the chairman is not present.

F. Duane Ackerman, who has served as the lead director since 2014, is retiring at the 2015 annual meeting of stockholders. The Board has determined that Ms. Sprieser will be the new lead director effective after the 2015 annual meeting, assuming her re-election.

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 formally 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 to ensure sufficient expertise and continuity between the Board's bi-annual reviews. 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 risk and return committee meets in executive session with the chief risk officer at each meeting.

The Board, audit, and risk and return committees provide oversight of cybersecurity risk.

The audit committee provides oversight and guidance on Allstate's controls around key risks, and reviews the major financial risk exposures and the steps to monitor and control those risks. As such, cybersecurity risk oversight was expanded in 2014 to supplement the oversight provided by the Board and risk and return committee. The audit committee conducts quarterly reviews to:

- Oversee the efficacy of cybersecurity risk initiatives and related policies and procedures.
- Receive regular reports from the chief risk officer and chief cybersecurity officer, who are tasked with monitoring cybersecurity risk, and from outside experts to supplement management reports.

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.

Our compensation and succession committee and nominating and governance committee each regularly meet and review the major risks and mitigation activities relating to their respective areas of responsibility and oversight.

Risk Management and Compensation

A review and assessment of potential compensation-related risks is conducted by the chief risk officer. We believe our compensation policies and practices are appropriately structured and do not provide incentives for employees to take unnecessary and excessive risks.

The Board and the risk and return committee both play an important role in risk management oversight, including reviewing how management measures, evaluates, and manages the corporation's exposure to risks posed by a wide variety of events and conditions. In addition, the compensation and succession committee employs an independent compensation consultant each year to review and assess Allstate's executive pay levels, practices, and overall program design.

Board Role in Management Succession

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

Management succession is discussed three times annually by the compensation and succession committee. This includes CEO and senior executive succession and a broader discussion on organizational health.

The Board also has regular 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 officer to ensure that it aligns with Board-approved risk and 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 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 the CEO to grant awards of stock options or restricted stock units to

non-executive officers. All awards granted between compensation and succession committee meetings are reported at the next meeting.

The compensation and succession committee has retained an independent compensation consultant, Compensation Advisory Partners, and evaluates the compensation consultant's independence. The compensation consultant assesses Allstate's executive compensation design, peer group selection, relative pay for performance, and total direct compensation for individual senior executive positions.

The compensation consultant also provides to the nominating and governance committee competitive information on director compensation, including updates on practices and emerging trends.

Representatives of the compensation consultant participated in all six compensation and succession committee meetings in 2014.

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 officer, 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 and the 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, the estimated and actual results under our incentive compensation plans are also provided.

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 corporate governance, and to ensure the proxy materials accurately reflect the committee's actions.

The chief risk officer reports on compensation plan alignment with Board-approved risk and return principles.

Nominating and Governance Committee. The 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, chief risk officer and operating unit risk officers, participate in risk and return committee meetings. The committee regularly meets in executive session, including sessions with the chief risk officer.

Outside Advisor Participation in Meetings

All independent Board committees use independent external consultants. Outside experts such as independent auditors, governance specialists, cybersecurity experts, board search firm representatives, and financial advisors attend meetings to provide directors with 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 2014 averaged 97% 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 2014 annual meeting of stockholders attended the annual meeting.

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 allstateinvestors.com.

There were no related person transactions identified for 2014.

The committee or committee chair reviews transactions with Allstate 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 non-employee directors who served during 2014 and 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.

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 and the methods to communicate to directors are posted on the "Corporate Governance" and "Management & Directors" sections of allstateinvestors.com.

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

Stockholder Engagement

Allstate has an ongoing proactive practice of discussing corporate governance issues with significant stockholders throughout the year. Such discussions are held before the annual meeting, during stockholder voting, and after the annual meeting and include our chairman and CEO. Direct engagement typically involves stockholders representing over one-third of our total outstanding shares. We also engage with proxy and other investor advisory firms that represent the interests of various stockholders. In addition to input on current governance and executive compensation topics specific to Allstate, we invite discussion on any other topics or trends stockholders may wish to share with us. Their input is reported to the nominating and governance committee, which in turn allocates specific issues to relevant Board committees for further consideration. Each Board committee reviews relevant feedback and determines if additional discussion and actions are necessary by the respective committee or full Board. In addition, broader investor surveys provide perspective on investor concerns.

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 2014 business results.

Pay for performance alignment.

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 (the "committee" as referenced throughout Compensation Discussion and Analysis and Executive Compensation sections) 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 28-63 of the Notice of 2015 Annual Meeting and Proxy Statement.

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

ü Total stockholder return in 2014 of 30.9% resulting in three- and five-year returns of 171.0% and 161.2%, respectively, outperforming our property and casualty and life insurance peers.

ü The annual incentive compensation plan was funded at 118.9% of target in 2014. Based on company and individual performance, the named executives received the following annual incentive payments, which were significantly lower than the prior two years' awards:

Named Executive	2012 Annual Incentive ($)	2013 Annual Incentive ($)	2014 Annual Incentive ($)
Mr. Wilson	6,164,730	6,600,000	4,073,075
Mr. Shebik	1,175,994	2,100,000	883,619
Mr. Civgin	2,000,000	2,000,000	1,000,000
Ms. Greffin	1,700,000	1,400,000	1,000,000

Mr. Winter	3,000,000	3,000,000	1,500,000

ü The lower payouts were primarily attributable to the rigorous performance ranges set for the 2014 annual incentive performance measures.

Compensation Discussion and Analysis

Named Executives

Our Compensation Discussion and Analysis describes Allstate's executive compensation program, including total 2014 compensation for our named executives, who are listed below with titles as of December 31, 2014[(1)]:

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 of Allstate Insurance Company

(1) The titles and responsibilities for Messrs. Wilson, Civgin, and Winter changed effective January 2015. See Appendix C for their current titles.

Executive Overview

Performance Highlights

Allstate achieved broad-based growth and solid financial results in 2014. In addition, we proactively took action to enhance our competitive position and execute our customer-driven strategy to provide unique offerings to each major customer segment. This strategy is working as we achieved all five operating priorities in 2014:

	+	+	+	+
Total policies in force for the Property-Liability business grew by 2.5% in 2014.	Allstate's Property-Liability business produced an underlying combined ratio for 2014 of 87.2 (0.1 points better than 2013).	The total portfolio yield for the year was 4.5%.	Invested in integrated data, analytics and advanced technology.	Increased Esurance's market share.
Policies in force increased across all		Net investment income reflected solid fixed	Focused life and retirement	Strategically invested in usage-based telematics

three underwritten brands by 840,000, which led to a $1.5 billion increase in Property-Liability premiums written in 2014.	Allstate brand auto and homeowners generated strong returns.	income earnings in line with management's expectations, along with continued strong limited partnership results.	operations on Allstate agency distribution to further our trusted advisor model. Improved the agency and customer experience through technology simplification.	insurance programs. New business written premiums for Allstate Benefits increased 5% in 2014.

* The underlying combined ratio measure is not based on accounting principles generally accepted in the United States of America ("non-GAAP") and is defined and reconciled to the most directly comparable GAAP measure in Appendix D.

In addition, Allstate's one-, three- and five-year total stockholder return outperformed our property and casualty and life insurance peers. The following chart shows Allstate's total stockholder return over these periods relative to the market cap weighted average of the peer group used for 2014 compensation benchmarking (identified on page 39).

Comparison of Total Stockholder Return

Pay for Performance

The committee designed the executive compensation program to deliver pay in accordance with corporate, business unit and individual performance. A large percentage of total target compensation is "at-risk" through long-term equity awards and annual cash incentive awards. These awards are linked to actual performance and include a substantial percentage of equity. The mix of total direct compensation for 2014 for our CEO and the average of our other named executives is shown in the chart below.

In addition to the compensation structure at target, the 2014 compensation paid to our named executives reflects strong pay for performance alignment for the following reasons:

Annual cash incentive. Given the company's solid financial results, the annual incentive payout for each named executive for 2014 exceeded target. However, the company's performance did not reach the maximum levels set by the committee. This resulted in a 44% average decrease in the named executives' annual cash incentives from 2013.

Performance stock awards (PSAs). The 2012-2014 performance stock award paid out at 197% of target, reflective of an adjusted operating income return on equity above target for the three-year period with a 12.8%* return for this measure in 2014. For the 2013-2015 performance stock award, 180% of the target number of PSAs were earned for the 2014 measurement period, with a 13.2%* return for this measure in 2014.

* For a description of how this measure is determined, see pages 62-63.

2014 Compensation Program Changes

During 2014, we took the following actions:

ü For our annual cash incentive awards, we set performance ranges to reflect the favorable performance of the business over the previous two years.

ü We implemented a policy that prohibits senior executives and directors from pledging Allstate securities as collateral for a loan or holding securities in a margin account, except when an exception is granted by the chairman or lead director.

ü We changed the measurement period for the 2014-2016 performance stock awards from three one-year measurement periods, with all performance measures established prior to the grant date, to a single cumulative three-year period. This reflects the reduced volatility associated with homeowners insurance, given management's progress in reducing catastrophe exposure, and simplifies the structure.

ü We lengthened the equity retention requirements for senior management beginning with awards granted in 2014.

Stockholders approved the 2014 say-on-pay resolution with 95% of the votes cast in favor. Following the meeting, we solicited feedback from stockholders representing over one-third of our outstanding shares. The committee, with input from the independent compensation consultant, considered the vote results, investor input, and current market practices as it evaluated whether further changes to the compensation program were warranted. Based on the strong support from stockholders and the input received, the committee made no substantive changes to the compensation programs in 2014 other than the compensation changes described in this Compensation Discussion and Analysis.

Allstate's Executive Compensation Practices

Allstate's executive compensation program features many best practices.

WHAT WE DO

ü **Pay for Performance.** A significant percentage of total target direct compensation is pay at-risk that is connected to performance.

ü **Strong Link 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 programs and practices.

ü **Targeted Pay at 50th Percentile of Peers.** The committee targets total direct compensation at the 50th percentile of peers.

ü **Benchmark Peers of Similar Revenues and Business Complexity.** The committee benchmarks our executive compensation program and reviews the composition of the peer group annually with the assistance of the independent compensation consultant.

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 **Double Trigger in the Event of a Change in Control.** Beginning with grants made in 2012, 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 **Maximum Payout Caps for Annual Cash Incentive Compensation and PSAs.**

ü **Robust Equity Ownership and Retention Requirements.** We enhanced holding requirements beginning with awards granted in 2014.

ü **Clawback of Certain Compensation if Restatement or Covenant Breach.** Certain awards made to executive officers are subject to clawback in specified circumstances.

WHAT WE DON'T DO

X **No Employment Agreements for Executive Officers.** Our executive officers are at-will employees with no employment contracts.

X **No Guaranteed Annual Salary Increases or Bonuses.** For the named executives, annual salary increases are based on evaluations of individual performance, while their annual cash incentives are tied to corporate and individual performance.

X **No Special Tax Gross Ups.** No tax gross ups are provided beyond limited items which are generally available to all full time employees.

X **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 transactions involving Allstate or a change in control.

X **No Plans that Encourage Excessive Risk Taking.** Based on the annual review, it was determined that the company's compensation practices are appropriately structured and avoid incenting employees to engage in unnecessary and excessive risk-taking.

X **No Hedging or Pledging of Allstate Securities.** Officers, directors, and employees are prohibited from hedging Allstate securities. Directors and senior executives are prohibited from pledging Allstate securities as collateral or holding securities in a margin account, except when an exception is granted by the chairman or lead director.

X **No Inclusion of Equity Awards in Pension Calculations.**

X **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.

X **No Excessive Perks.** We offer only certain limited benefits as required to remain competitive and to attract and retain highly talented executives.

Elements of 2014 Executive Compensation Program Design

The following table lists the elements of target direct compensation for our 2014 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 measures that correlate to stockholder value and align with our long-term 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 realized pay is based on market-based compensation levels and actual performance.

	Fixed	**Variable**		
	Base Salary	**Annual Cash Incentive Awards**	**PSAs**	**Stock Options**
Percentage of Total Compensation	CEO: 9%	CEO: 27%	CEO: 32%	CEO: 32%
	Other NEOs: 19%	Other NEOs: 23%	Other NEOs: 29%	Other NEOs: 29%
Key Characteristics	Fixed compensation component payable in cash.	Variable compensation component payable annually in cash.	Equity award based on achieving performance goals.	Options to purchase shares at the market price when awarded. Vest ratably over three years.(1)
	Reviewed annually and adjusted when appropriate.	Actual performance against annually established goals determines overall corporate pool, which is allocated based on individual performance.	PSAs vest on the third anniversary of the grant date based on actual performance against goals established at the beginning of the performance period.	Non-qualified stock options that expire in ten years.
			See page 38 for the retention requirements for PSAs.	See page 38 for the retention requirements for stock options.
Why We Pay This Element				

	Provide a base level of competitive cash compensation for executive talent.	Motivate and reward executives for performance on key strategic, operational, and financial measures during the year, and on key metrics to drive long-term strategy in the areas of segmentation, analytics and advanced technology.	Motivate and reward executives for performance on key long-term measures. Align the interests of executives with long-term stockholder value and serve to retain executive talent.	Align the interests of executives with long-term stockholder value and serve to retain executive talent.
How We Determine Amount	Experience, job scope, market data, and individual performance.	A corporate-wide funding pool is based on performance on three measures: Adjusted Operating Income(2) Total Premiums(2) Net Investment Income(2) Individual awards are based on job scope, market data, and individual performance.	Target awards based on job scope, market data, and individual performance. Earned awards based on performance on Adjusted Operating Income Return on Equity(2) with a requirement of positive Net Income for any payout above target.	Job scope, market data, and individual performance.
2014 Decisions	Four of the five named executives received salary increases in 2014.	Annual cash incentive targets remained unchanged for the named	Individual long-term equity incentive targets were unchanged in 2014.	Individual long-term equity incentive targets were unchanged in 2014.

See pages 45-46.	executives in 2014, except for Mr. Shebik. See pages 45-46.	See pages 45-46.	See pages 45-46.
	Performance on the three measures resulted in corporate funding at 118.9% of target. See page 42.	For the 2012-2014 and 2013-2015 performance cycles, 190% and 180%, respectively, of the target number of PSAs were earned (subject to vesting) for the 2014 measurement period.	

(1) Stock options granted prior to February 18, 2014 vested over four years with 50% exercisable on the second anniversary of the grant date, and 25% exercisable on each of the third and fourth anniversary dates. The change to a three-year vesting schedule with one-third exercisable on each anniversary was made in 2014 to reflect current market practice.

(2) For a description of how these measures are determined, see pages 62-63.

Incentive Design and Goal Setting

For the annual and long-term incentive programs, the committee oversees a rigorous and comprehensive goal setting process that is iterative, ongoing and evolves during the year. The committee works to identify performance measures and ranges of performance in the annual and long-term programs that (1) align with the company's long-term strategy, operating principles and priorities, and stockholder interests, (2) support the achievement of corporate goals, and (3) reflect the company's overall performance, while being stabilized for the impact of catastrophes. The following timeline of key events reflects the committee's process:

March-April

Evaluate peer group to determine if any changes are required for the next performance cycle

Compare actual results from previous year to peer group

Review feedback from stockholders and governance firms

July-October

Independent compensation consultant provides advice on incentive design

The consultant provides compensation data from the peer group and information on current market practices and industry trends

November-January

Establish plan design, performance measures and ranges (target, threshold, and maximum) for upcoming year for annual incentive plan and long-term incentive awards

Review plans and measures for alignment with enterprise risk and return principles

January-February

Determine the corporate pool and payouts for the prior year annual incentive award based on corporate and individual results

Determine the number of performance stock awards earned for the applicable measurement period

Review and approve salary adjustments and annual incentive and equity targets for executive officers

Ongoing

Review compensation philosophy and objectives in light of company performance, company goals and strategy, stockholder feedback, and external benchmarking

Monitor compensation estimates in comparison to actual and relative performance

6 Meetings in 2014

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 and to retain 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

For 2014, executives earned an annual cash incentive award based on Allstate's achievement of performance measures and assessments of individual performance as described on pages 45-46.

The committee sets performance measure goals based on the operating plan after extensive review. Target performance is equal to operating plan, while decisions on threshold and maximum are informed by probability testing and operational performance scenarios.

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

In the event of a net loss, the corporate pool funding is 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 ensures alignment of pay and performance in the event of a natural catastrophe or extreme financial market conditions.

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. Each executive's performance is evaluated against goals established at the beginning of the year that are specifically developed to support the company's annual operating priorities and long-term strategy based on segmentation, analytics, and advanced technology.

In order to qualify annual cash incentive awards as deductible performance-based compensation under Internal Revenue Code section 162(m), Allstate has established the maximum awards that could be paid to any of the named executives as the lesser of the stockholder approved maximum of $10 million under the Annual Executive Incentive Plan or a percentage of an award pool. For 2014, the award pool is equal to 1.0% of Adjusted Operating Income (defined on pages 62-63), and the percentage of the award pool for the CEO is 40% and for each other named executive, 15%. Although section 162(m) does not

apply to the compensation of the CFO, the CFO was included in the award pool consistent with the award opportunity available to the other named executives. The committee retains complete discretion to pay less than the maximums established by the Annual Executive Incentive Plan and the award pool.

We paid the 2014 cash incentive awards in March 2015. Further information on annual cash incentive award decisions can be found in the *Compensation Decisions for 2014* section on pages 45-46.

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Executive Compensation Design

Annual Cash Incentive Awards

Total Corporate Pool Determined by Performance Measures

Individual Awards Actual payments based on pool funding and individual performance

GOAL SETTING PROCESS

Committee reviews Allstate performance and annual operating plan

Target performance equal to operating plan

+

Thresholds and maximums set based on analysis of:

Probability of achieving results

Specific operating performance required

+

Independent consultant provides advice based on peer performance, market expectations, and industry trends

+

Chief risk officer reviews and reports to committee

FUNDING CORPORATE POOL

For senior executives, funding does not exceed 50% of actual performance in the event of negative reported Net Income

DISCRETION APPLIED TO ANNUAL POOL DISTRIBUTION

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. At the beginning 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 the awards paid from the corporate pool to the named executives. Awards are paid in the following year.

(1) Percentages are based on compensation of eligible employees in each area of responsibility and 2014 results for each performance measure. For treatment of catastrophe losses in the funding calculation, see discussion of performance measures on pages 62-63.

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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. Additionally, from time to time, equity awards are granted to attract new executives and to retain existing executives.

The mix of equity incentives for senior executives is generally 50% PSAs and 50% stock options. We believe both PSAs and stock options are forms of performance-based incentive compensation because PSAs are earned based on achieving established performance goals and stock options require stock price appreciation to deliver value to an executive.

In March 2012, February 2013, and February 2014, each of the named executives was awarded a target number of PSAs. The PSAs have a three-year performance cycle. For the 2012 and 2013 awards, the number of PSAs that become earned and vested at the end of the 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. For the 2014 award, the number of PSAs that become earned and vested depends on the three-year average Adjusted Operating Income ROE. Adjusted Operating Income ROE is defined on page 63. 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, but all of these goals were established at the beginning of the three-year performance cycle. For the 2014-2016 performance cycle, performance is measured in a single three-year measurement period. The actual number of PSAs earned for the award's measurement period varies from 0% to 200% of that period's target PSAs based on Adjusted Operating Income ROE for the 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 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).

The 2015-2017 PSA award will be measured in a single three-year measurement period. The performance measure is calculated as follows:

Average for the three years in 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 exceeds those amounts.

Average of common shareholders' equity excluding unrealized gains and losses, after-tax, at December 31, 2014, and at the end of each year in the performance cycle.

Single Three-Year Measurement Period

Committee considered historical and expected performance, market expectations, and industry trends when approving range of performance.

* Adjusted operating income for the 2015-2017 PSA award has the same definition as the 2014-2016 award as disclosed on page 62-63.

** Adjusted common shareholders' equity for the 2015-2017 PSA award has the same definition as the 2014-2016 award as disclosed on page 63.

2015-2017 Performance Stock Award Range of Performance

Three-Year Average Adjusted Operating Income Return on Equity

Threshold	**Target**	**Maximum**

2015-2017 Measurement Period	6.0%	13.5%	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 88 of our 183 officers as of December 31, 2014 and require these executives to hold 75% of net after-tax shares received as a result of equity compensation awards until their salary multiple guidelines are met.

Stock Ownership as Multiple of Base Salary as of December 31, 2014

Named Executive	Guideline	Actual
Mr. Wilson	6	26
Mr. Shebik	3	6
Mr. Civgin	3	5
Ms. Greffin	3	6
Mr. Winter	3	5

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 one year. In the case of PSAs, senior executives must retain 75% of net after-tax PSA shares, after the three-year vesting period, for one year. In the case of stock options, senior executives must retain 75% of net shares acquired on exercise for one year. This retention requirement applies to senior executives who receive both PSAs and stock options, or approximately 9% of officers.

Policies on Hedging and Pledging Securities

We have a policy 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. We instituted a new policy in 2014 that prohibits senior executives and directors from pledging Allstate securities as collateral for a loan or holding such securities in a margin account, except when an exception is granted by the chairman or lead director.

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 executives. 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.

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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, Compensation Advisory Partners, the committee's independent compensation consultant, 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. The following table reflects the peer group used for 2014 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.	19.3	37.8	98.2	17.4	ü	
AFLAC Inc.	22.7	27.0	119.8	19.1		ü
American International Group, Inc.	64.4	77.1	515.6	39.9	ü	ü
The Chubb Corporation	14.0	24.0	51.3	12.3	ü	
The Hartford Financial Services Group, Inc.	18.6	17.7	245.0	14.6	ü	ü
Manulife Financial Corporation	41.6	30.8	432.1	14.0		ü
MetLife, Inc.	73.3	61.2	902.3	49.0	ü	ü
The Progressive Corporation	19.4	15.9	25.8	18.4	ü	
Prudential Financial, Inc.	54.1	41.1	766.7	35.5		ü
The Travelers Companies, Inc.	27.2	34.1	103.1	23.7	ü	
Allstate	35.2	29.4	108.5	31.1	ü	ü
Allstate Ranking Relative to Peers:						
Property and Casualty Insurance	3 of 8	5 of 8	4 of 8	3 of 8		
Life Insurance and Financial Products	5 of 7	5 of 7	7 of 7	4 of 7		
All Peer Insurance Companies	5 of 11	7 of 11	7 of 11	4 of 11		

(1) Information as of year-end 2014.

In its executive pay discussions, the committee also considered compensation information for 19 general industry companies in the S&P 100 with fiscal year 2013 revenues between $25 billion and $50 billion.

The committee uses compensation surveys for certain executives that provide information on companies of similar size and business mix as Allstate, as well as companies with a broader market context.

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.

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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 $0.80 for every dollar of matchable pre-tax deposits made in 2014 (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.

Effective January 1, 2014, Allstate modified its pension plans so that all eligible employees earn future pension benefits under a new cash balance formula. The change in pension value as provided in the Summary Compensation Table on page 47 for Mr. Wilson would have been $5.8 million greater under the prior formula. We project that the CEO's future pension benefits will be substantially reduced as a result of the pension change.

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 the lump sum cash pension enhancement.

- 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, a participant must have been terminated (other than for cause, death, or disability) or the participant must have terminated employment 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.

- Long-term equity incentive awards granted after 2011 will vest on an accelerated basis due to a change in control only if the participant has been terminated (other than for cause, death, or disability) or the participant terminated employment for good reason (as defined above) within two years following a change in control.

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.

Clawback of Compensation

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 non-solicitation covenants. Equity awards granted after February 21, 2012, are subject to cancellation or recovery in certain circumstances if the recipient violates non-competition covenants.

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 Internal Revenue Code 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. In light of this balance and the need to maintain flexibility in administering compensation programs, the committee may authorize compensation in any year that exceeds $1 million and does not meet the required standards for deductibility.

Annual Cash Incentive Awards

In 2014, the total corporate pool was calculated based on three measures: Adjusted Operating Income, Total Premiums, and Net Investment Income. The 2014 annual incentive plan targets for Adjusted Operating Income and Net Investment Income were lower than actual 2013 performance to account for economic trends and certain items that are not indicative of our underlying insurance business. As an example, the targets for those measures were set at amounts to take into account the sale of Lincoln Benefit Life during 2014, and Net Investment Income targets reflect the impact of historically low interest rates. Also in 2014, the ranges between target and maximum were widened to reflect the fact that the business has been operating well, and the plan had paid near maximum levels in the prior two years. The 2015 annual incentive plan targets are not included since those targets do not relate to 2014 pay, and as target performance is set at the 2015 operating plan, it is proprietary information. For a description of how the 2014 measures are determined, see pages 62-63. The ranges of performance and 2014 actual results are shown in the following table.

2014 Annual Cash Incentive Award Ranges of Performance

Measure	Threshold	Target	Maximum	Actual Results
Adjusted Operating Income *(in millions)*	$1,800	$2,200	$2,700	$2,350
Total Premiums *(in millions)*	$31,225	$31,725	$32,225	$31,685
Net Investment Income *(in millions)*	$2,835	$3,085	$3,335	$3,303
Payout Percentages				
Named Executives(1)	50%*	100%	200%(2)	118.9%

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

(1) Payout percentages reflect contribution to incentive compensation pool. Actual awards are fully discretionary and vary depending on individual performance.

(2) The maximum pool funding for the named executives, other than the CEO, was lowered from 250% to 200% of target beginning with the 2014 award. For the CEO, it was reduced from 300% to 250% of target beginning with the 2010 award and from 250% to 200% of target beginning with the 2012 award.

The following table shows the annual cash incentive award paid to each named executive as a percentage of target in the last three years.

Name	2012	2013	2014
Mr. Wilson	186.8%	200.0%	118.9%
Mr. Shebik	229.4%	318.2%	118.9%
Mr. Civgin	236.2%	228.6%	114.3%
Ms. Greffin	254.8%	200.4%	136.7%
Mr. Winter	284.6%	268.2%	130.4%

Performance Stock Awards

Adjusted Operating Income ROE is the performance measure used for PSAs. For a description of how this measure is determined for each performance cycle, see pages 62-63. 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.

Performance Stock Awards Ranges of Performance

	Adjusted Operating Income Return on Equity			
	Threshold	**Target**	**Maximum**	**Actual Results**
2012-2014 PSA Performance Cycle				
2012 Measurement Period	4.0%	10.0%	11.5%	12.3%
2013 Measurement Period	4.5%	10.5%	12.25%	13.1%
2014 Measurement Period	5.0%	11.0%	13.0%	12.8%
2013-2015 PSA Performance Cycle				
2013 Measurement Period	6.0%	11.0%	12.5%	13.4%
2014 Measurement Period	6.0%	12.0%	13.5%	13.2%
2015 Measurement Period	6.0%	13.0%	14.5%	To be determined in 2016
2014-2016 PSA Performance Cycle (One Measurement Period)	6.0%	13.0%	14.5%	To be determined in 2017
Payout	0%	100%	200%	

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Executive Compensation Earned Awards

The following tables show the target number of PSAs granted to each of our named executives for the 2012-2014, 2013-2015, and 2014-2016 performance cycles, and the number of PSAs earned based on achievement of the performance measure.

2012-2014 Performance Cycle(1)

		2012 Measurement Period		2013 Measurement Period		2014 Measurement Period	
Named Executive	**Target Number of PSAs for 2012-2014 Performance Cycle**	**Target Number of PSAs**	**Number of PSAs Earned(2)**	**Target Number of PSAs**	**Number of PSAs Earned(2)**	**Target Number of PSAs**	**Number of PSAs Earned(2)**
Mr. Wilson	124,194	41,398	82,796	41,398	82,796	41,398	78,656
Mr. Shebik	9,736	3,245	6,490	3,245	6,490	3,246	6,167
Mr. Civgin	30,645	10,215	20,430	10,215	20,430	10,215	19,409
Ms. Greffin	29,032	9,677	19,354	9,677	19,354	9,678	18,388
Mr. Winter	40,323	13,441	26,882	13,441	26,882	13,441	25,538

(1) The actual number of PSAs to be earned for each measurement period varies from 0% to 200% of the target PSAs based on Adjusted Operating Income ROE for such measurement period.

(2) For the 2012 and 2013 measurement periods, the named executives earned PSAs equal to the maximum, or 200%, of the target number for that measurement period. For the 2014 measurement period, the named executives earned PSAs equal to 190% of the target number for that measurement period.

2013-2015 Performance Cycle(1)

		2013 Measurement Period		2014 Measurement Period		2015 Measurement Period	
Named Executive	**Target Number of PSAs for 2013-2015 Performance Cycle**	**Target Number of PSAs**	**Number of PSAs Earned(2)**	**Target Number of PSAs**	**Number of PSAs Earned(2)**	**Target Number of PSAs**	**Number of PSAs Earned(2)**
Mr. Wilson	84,411	28,137	56,274	28,137	50,647	28,137	
Mr. Shebik	19,733	6,577	13,154	6,578	11,840	6,578	To be
Mr. Civgin	23,021	7,673	15,346	7,674	13,813	7,674	determined
Ms. Greffin	20,061	6,687	13,374	6,687	12,037	6,687	in 2016.
Mr. Winter	27,817	9,272	18,544	9,272	16,690	9,273	

(1)

The actual number of PSAs to be earned for each measurement period varies from 0% to 200% of the target PSAs based on Adjusted Operating Income ROE for such measurement period.

(2)

For the 2013 measurement period, the named executives earned PSAs equal to the maximum, or 200%, of the target number for that measurement period. For the 2014 measurement period, the named executives earned PSAs equal to 180% of the target number for that measurement period.

2014-2016 Performance Cycle[1]

One Measurement Period

Named Executive	Target Number of PSAs for 2014-2016 Performance Cycle	Number of PSAs Earned
Mr. Wilson	73,783	
Mr. Shebik	17,248	To be
Mr. Civgin	20,123	determined
Ms. Greffin	18,494	in 2017.
Mr. Winter	25,153	

(1)

The actual number of PSAs that will vest will vary from 0% to 200% of the target PSAs based on Adjusted Operating Income ROE for the measurement period.

Compensation Decisions for 2014

Mr. Wilson, *Served as Chairman, President and Chief Executive Officer during 2014*

Mr. Wilson's total compensation and the amount of each compensation element are driven by the design of our compensation program, his experience, his 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.

Mr. Wilson's performance as Chairman and CEO is evaluated under five categories which are determined by the Nominating and Governance Committee: delivering planned operating results, developing and implementing long-term strategy, maintaining and motivating a high performance team, corporate stewardship and Board effectiveness. Performance is assessed over one- and three-year time periods.

During the 2014 annual review, the committee determined that Mr. Wilson's base salary should be increased to align with Allstate's practice of targeting compensation at the median of its insurance industry peer group. Mr. Wilson's annual cash incentive target of 300% of salary, and long-term equity incentive target of 700% of salary, remained unchanged.

Salary. In 2014, the Board approved an increase from $1,100,000 to $1,150,000 effective March 2014. Mr. Wilson's last salary increase was four years earlier in March 2010.

Annual Cash Incentive Award. Mr. Wilson's target annual incentive payment of 300% of base salary with a maximum funding opportunity for the award pool of 200% of target was unchanged in 2014.

Under Mr. Wilson's leadership, Allstate grew across brands and customer segments in 2014 while generating excellent profitability despite a significant increase in losses from severe weather from historically low levels in 2013. The combination of a unique strategy and strong operational results improved Allstate's competitive position and created value for stockholders. The Allstate brand increased both auto and homeowners policies, reflecting the execution of a comprehensive growth plan. Both Esurance and Encompass realized positive policy growth. Written premiums grew 5.1% for Allstate Protection.

Allstate Financial recorded a net income of $631 million although premiums declined due to the sale of Lincoln Benefit Life Company.

Allstate continued to evolve its agency force into a trusted advisor model by enabling agencies to more fully deliver on the customer value proposition, implementing processes and standards to elevate the level and consistency of the customer experience and enhancing technology to improve customer service.

Stockholders continued to realize excellent returns with $2.78 billion of dividends and share repurchases.

The committee approved an annual cash incentive award of $4,073,075 for Mr. Wilson based on 2014 performance. This was consistent with the overall pool funding payout at 118.9% of target.

Equity Incentive Awards. In February 2014, based on its assessment of Mr. Wilson's performance in delivering strong business results in 2013, the committee granted him equity awards of stock options with a grant date fair value of $3,850,001 and performance stock awards with a grant date fair value of $3,849,997, which is equal to Mr. Wilson's target equity incentive award opportunity.

Other Named Executives

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

Mr. Shebik, *Served as Executive Vice President and Chief Financial Officer during 2014*

Salary. In 2014, the committee awarded an increase from $600,000 to $630,000 effective March 2014. Based on a review of CFO base salary benchmarking, Mr. Shebik received an additional increase to $750,000 in October 2014 to align with the median of the insurance industry peer group.

Incentive Targets. Based on the review of CFO compensation benchmarking, Mr. Shebik's annual incentive target was increased to 125% of salary from 110% of salary in October 2014. His target equity incentive opportunity remained at 300% of salary.

Annual Cash Incentive Award. The committee approved an annual cash incentive award of $883,619 for Mr. Shebik based on an assessment of his performance in leading Allstate's strategic and financial planning efforts, improving the financial strength of the company and helping drive operating performance.

Equity Incentive Awards. In February 2014, based on a review of Mr. Shebik's performance during 2013, the committee granted him equity awards with a grant date fair value of $1,799,999, which is aligned with his target equity incentive award opportunity.

Mr. Civgin, *Served as President and Chief Executive Officer, Allstate Financial during 2014*

Salary. The committee did not adjust Mr. Civgin's annual salary of $700,000 during 2014.

Incentive Targets. No changes were made to Mr. Civgin's incentive targets during 2014. Mr. Civgin's annual incentive target was 125% of salary and his target equity incentive opportunity was 300% of salary.

Annual Cash Incentive Award. The committee approved an annual cash incentive award of $1,000,000 for Mr. Civgin based on an assessment of his performance in the successful execution of the Lincoln Benefit Life transaction, and his progress in lowering the overall Allstate Financial cost structure.

Equity Incentive Awards. In February 2014, based on a review of Mr. Civgin's performance in 2013, the committee granted him equity awards with a grant date fair value of $2,100,014, which is aligned with his target equity incentive award opportunity.

Ms. Greffin, *Served as Executive Vice President and Chief Investment Officer of Allstate Insurance Company during 2014*

Salary. The committee approved an increase from $640,000 to $670,000 effective March 2014, based on Ms. Greffin's performance in 2013.

Incentive Targets. No changes were made to Ms. Greffin's incentive targets during 2014. Ms. Greffin's annual incentive target was 110% of salary and her target equity incentive opportunity was 300% of salary.

Annual Cash Incentive Award. The committee approved an annual cash incentive award of $1,000,000 for Ms. Greffin based on an assessment of her performance in exceeding expected net investment income results through strong limited partnership income and solid returns in our actively managed and total portfolios.

Equity Incentive Awards. In February 2014, based on a review of Ms. Greffin's performance in 2013, the committee granted her equity awards with a grant date fair value of $1,930,017, which is aligned with her target equity incentive award opportunity.

Mr. Winter, *Served as President, Allstate Personal Lines of Allstate Insurance Company during 2014*

Salary. The committee awarded an increase from $750,000 to $770,000, effective March 2014, based on Mr. Winter's performance in 2013.

Incentive Targets. No changes were made to Mr. Winter's incentive targets during 2014. Mr. Winter's annual incentive target was 150% of salary, and his target equity incentive opportunity was 350% of salary.

Annual Cash Incentive Award. The committee approved an annual cash incentive award of $1,500,000 for Mr. Winter based on an assessment of his performance in contributing to the growth of the Allstate brand policies in force, a strong underlying combined ratio and the progress made in shifting Allstate agencies to a trusted advisor model.

Equity Incentive Awards. In February 2014, based on a review of Mr. Winter's performance during 2013, the committee granted him equity awards with a grant date fair value of $2,624,988, which is 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 28-46 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 (Chair)

Michael L. Eskew
Herbert L. Henkel
Andrea Redmond
John W. Rowe

SUMMARY COMPENSATION TABLE

The following table summarizes the compensation of the named executives for the last three fiscal years. The positions listed for each named executive are as of December 31, 2014. The titles and responsibilities for Messrs. Wilson, Civgin, and Winter changed effective January 2015. See Appendix C for their current titles.

Name and Principal Position	Year	Salary ($)	Bonus ($)	Stock Awards ($)[1]	Option Awards ($)[2]	Non-Equity Incentive Plan Compensation ($)	Change in Pension Value and Non-qualified Deferred Compensation Earnings ($)[3]	All Other Compensation ($)[4]	Total ($)
Thomas J. Wilson									
Chairman, President	2014	1,141,346		3,849,997	3,850,001	4,073,075	2,632,215	94,751	15,641,385
and Chief Executive	2013	1,100,000		3,849,986	4,350,006	6,600,000	2,720,160	53,571	18,673,723
Officer	2012	1,100,000		3,850,014	3,850,000	6,164,730	1,982,607	111,204	17,058,555
Steven E. Shebik									
Executive Vice	2014	652,500		900,001	899,998	883,619	827,696	26,960	4,190,774
President and Chief	2013	600,000		900,022	900,000	2,100,000	1,070,582	34,165	5,604,769
Financial Officer	2012	545,330		531,099	531,108	1,175,994	563,812	33,904	3,381,247
Don Civgin									
President and Chief	2014	700,000		1,050,018	1,049,996	1,000,000	135,885	26,560	3,962,459
Executive Officer,	2013	700,000		1,049,988	1,049,996	2,000,000	69,422	27,902	4,897,308
Allstate Financial	2012	690,000		949,995	949,998	2,000,000	48,581	28,302	4,666,876
Judith P. Greffin									
Executive Vice	2014	664,807		965,017	965,000	1,000,000	1,165,174	27,187	4,787,185
President and Chief	2013	634,807		914,982	914,999	1,400,000	271,815	33,580	4,170,183
Investment Officer	2012	606,538		899,992	899,998	1,700,000	952,989	25,450	5,084,967
Matthew E. Winter									
President,	2014	766,539		1,312,484	1,312,504	1,500,000	139,076	39,016	5,069,619
Allstate Personal	2013	745,673		1,268,733	1,268,748	3,000,000	102,174	35,150	6,420,478
Lines	2012	721,154		1,250,013	1,249,997	3,000,000	52,425	37,400	6,310,989

(1) The aggregate grant date fair value of PSAs granted in 2014, 2013, and 2012 and restricted stock unit awards granted in 2012 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 common stock on the grant date, which in part reflects the payment of expected future dividends. (See note 18 to our audited financial statements for 2014.) 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 2014 to each named executive is provided in the *Grants of Plan-Based Awards* table on page 49. The value of the PSAs granted in 2014 at grant date share price if maximum

corporate performance were to be achieved is as follows: Mr. Wilson $7,699,994, Mr. Shebik $1,800,002, Mr. Civgin $2,100,036, Ms. Greffin $1,930,034, and Mr. Winter $2,624,968.

(2)

The aggregate grant date fair value of option awards is 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 18 to our audited financial statements for 2014) as set forth in the following table:

	2014	**2013**	**2012**
Weighted average expected term	6.5 years	8.2 years	9.0 years
Expected volatility	16.8 42.2%	19.1 48.1%	20.2 53.9%
Weighted average volatility	28.3%	31.0%	34.6%
Expected dividends	1.7 2.2%	1.9 2.2%	2.2 3.0%
Weighted average expected dividends	2.1%	2.2%	2.8%
Risk-free rate	0.0 3.0%	0.0 2.9%	0.0 2.2%

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 2014 to each named executive is provided in the *Grants of Plan-Based Awards* table on page 49.

(3)

Amounts reflect the aggregate increase in actuarial value of the pension benefits as set forth in the *Pension Benefits* table, accrued during 2014, 2013, and 2012. 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 17 to our audited financial statements for 2014.) Beginning in 2014, all eligible employees earn pension benefits under a new cash balance formula only.

The following table reflects the respective change in the actuarial value of the benefits provided to the named executives in 2014:

Name	**ARP ($)**	**SRIP ($)**
Mr. Wilson	190,510	2,441,705
Mr. Shebik	218,748	608,948
Mr. Civgin	14,334	121,551
Ms. Greffin	218,955	946,219
Mr. Winter	10,011	129,065

Interest rates and other assumptions can have a significant impact on the change in pension value from one year to another. The Change in Pension Value for Mr. Wilson would have been $1,701,000 if the interest rate from 2013 had remained unchanged.

(4)

The following table describes the incremental cost of other benefits provided in 2014 that are included in the "All Other Compensation" column.

All Other Compensation for 2014 Supplemental Table

Name	**Personal Use of Aircraft[1] ($)**	**401(k) Match[2] ($)**	**Other[3] ($)**	**Total All Other Compensation ($)**
Mr. Wilson	59,865	10,400	24,486	94,751
Mr. Shebik	0	10,400	16,560	26,960
Mr. Civgin	0	10,400	16,160	26,560
Ms. Greffin	0	10,400	16,787	27,187
Mr. Winter	0	10,400	28,616	39,016

(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 2014. 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 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 2014, and therefore, no incremental cost is reflected in the table.

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GRANTS OF PLAN-BASED AWARDS AT FISCAL YEAR-END 2014

The following table provides information about non-equity incentive plan awards and equity awards granted to our named executives during fiscal year 2014.

		Estimated Possible 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	Exercise or Base Price of Option	Fa
nt Date	Plan Awards(1)	Threshold ($)	Target ($)	Maximum ($)	Threshold (#)	Target (#)	Maximum (#)	Options (#)	Awards ($/Shr)(4)	Sto Awa
	Annual cash incentive	1,712,671	3,425,342	10,000,000						
8/2014	PSAs				0	73,783	147,566			3,84
8/2014	Stock options							309,237	52.18	
	Annual cash incentive	371,526	743,052	5,619,000						
8/2014	PSAs				0	17,248	34,496			90
8/2014	Stock options							72,289	52.18	
	Annual cash incentive	437,500	875,000	5,619,000						
8/2014	PSAs				0	20,123	40,246			1,05
8/2014	Stock options							84,337	52.18	
	Annual cash incentive	365,788	731,575	5,619,000						
8/2014	PSAs				0	18,494	36,988			96
8/2014	Stock options							77,510	52.18	
	Annual cash incentive	575,035	1,150,069	5,619,000						
8/2014	PSAs				0	25,153	50,306			1,31
8/2014	Stock options							105,422	52.18	

(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 (subject to individual performance) if threshold performance is achieved. If the threshold is not achieved, the payment to the 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 42. The maximum amount is based on the maximum amount that could be paid to a named executive to qualify the annual cash incentive award as deductible under section 162(m). The maximum amount payable to any named executive who served as CFO during the year is an amount equal to 15% of the 162(m) award pool described on page 62. 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 $10 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 62-63. For a description of the ranges of performance established by the committee for the 2014 annual incentive, which are lower than the section 162(m) limits, see page 42.

(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 43.

(4) The exercise price of each option is equal to the closing sale price on the New York Stock Exchange 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 ("closing price").

(5) The aggregate grant date fair value of the February 18, 2014 PSAs was $52.18 and stock option award was $12.45, 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 1 and 2 to the *Summary Compensation Table* on page 47.

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. Earned PSAs 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.

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 closing price 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 non-qualified stock options. The options granted to the named executives in 2014 become exercisable over three years. One-third of the stock options will become exercisable on the anniversary of the grant date for each of the three years. The options granted to the named executives prior to 2014 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. The change to the vesting schedule in 2014 was made to reflect current market practice. All of the options expire in ten years from the grant date, unless an earlier date has been approved by the committee in connection with certain change-in-control situations or other special circumstances such as termination, death, or disability.

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OUTSTANDING EQUITY AWARDS AT FISCAL YEAR-END 2014

The following table summarizes the outstanding equity awards of the named executives as of December 31, 2014.

	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[3]	Option Exercise Price ($)	Option Expiration Date	Stock Award Grant Date	Number of Shares or Units of Stock That Have Not Vested (#)[4]	Market Value of Shares or Units of Stock That Have Not Vested ($)[5]	Equity Incentive Plan Awards: Number of Unearned Shares, Units, or Other Rights that Have Not Vested (#)[6]	Equity Incentive Plan Awards Market or Payout Value of Unearned Shares, Units, or Other Rights that Have Not Vested ($)[5]
Mr. Wilson	06/01/2005	100,000	0	$58.47	06/01/2015					
	02/21/2006	66,000	0	$53.84	02/21/2016					
	02/21/2006	124,000	0	$53.84	02/21/2016					
	02/20/2007	262,335	0	$62.24	02/20/2017					
	02/26/2008	338,316	0	$48.82	02/26/2018					
	02/22/2010	417,576	0	$31.41	02/22/2020					
	02/22/2011	335,856	111,952	$31.74	02/22/2021	02/22/2011	18,195	$1,278,199		
	02/21/2012	222,030	222,030	$31.56	02/21/2022	03/06/2012	244,248	$17,158,422		
	02/12/2013	0	363,409	$45.61	02/12/2023	02/12/2013	106,921	$7,511,200	28,137	$1,976,624
	02/18/2014	0	309,237	$52.18	02/18/2024	02/18/2014			73,783	$5,183,256
Mr. Shebik	02/21/2006	15,464	0	$53.84	02/21/2016					
	02/21/2006	9,000	0	$53.84	02/21/2016					
	02/20/2007	15,571	0	$62.24	02/20/2017					
	02/26/2008	25,763	0	$48.82	02/26/2018					
	02/27/2009	38,715	0	$16.83	02/27/2019					
	02/22/2010	33,616	0	$31.41	02/22/2020					
	02/22/2011	26,397	8,800	$31.74	02/22/2021	02/22/2011	886	$62,242		
	02/21/2012	13,223	13,223	$31.56	02/21/2022	02/21/2012	3,633	$255,218		
	03/06/2012	17,507	17,507	$31.00	03/06/2022	03/06/2012	19,147	$1,345,077		
	02/12/2013	0	75,188	$45.61	02/12/2023	02/12/2013	24,994	$1,755,829	6,578	$462,104
	02/18/2014	0	72,289	$52.18	02/18/2024	02/18/2014			17,248	$1,211,672
Mr. Civgin	09/08/2008	65,000	0	$46.48	09/08/2018					
	02/22/2010	111,944	0	$31.41	02/22/2020					
	02/22/2011	86,508	28,836	$31.74	02/22/2021	02/22/2011	4,687	$329,262		
	02/21/2012	54,786	54,787	$31.56	02/21/2022	03/06/2012	60,269	$4,233,897		
	02/12/2013	0	87,719	$45.61	02/12/2023	02/12/2013	29,159	$2,048,420	7,674	$539,098
	02/18/2014	0	84,337	$52.18	02/18/2024	02/18/2014			20,123	$1,413,641

Ms. Greffin	02/21/2006	19,919	0	$53.84	02/21/2016					
	02/21/2006	4,723	0	$53.84	02/21/2016					
	02/20/2007	21,291	0	$62.24	02/20/2017					
	02/20/2007	4,854	0	$62.24	02/20/2017					
	07/17/2007	3,660	0	$60.42	07/17/2017					
	02/26/2008	68,365	0	$48.82	02/26/2018					
	02/26/2008	28,298	0	$48.82	02/26/2018					
	08/11/2008	14,250	0	$46.56	08/11/2018					
	02/27/2009	36,911	0	$16.83	02/27/2019					
	02/22/2010	91,088	0	$31.41	02/22/2020					
	02/22/2011	77,857	25,953	$31.74	02/22/2021	02/22/2011	4,218	$296,315		
	02/21/2012	51,903	51,903	$31.56	02/21/2022	03/06/2012	57,096	$4,010,994		
	02/12/2013	0	76,441	$45.61	02/12/2023	02/12/2013	25,411	$1,785,123	6,687	$469,762
	02/18/2014	0	77,510	$52.18	02/18/2024	02/18/2014			18,494	$1,299,204
Mr. Winter	11/02/2009	8,385	0	$29.64	11/02/2019					
	02/22/2011	111,951	37,318	$31.74	02/22/2021	02/22/2011	6,065	$426,066		
	02/21/2012	72,087	72,088	$31.56	02/21/2022	03/06/2012	79,302	$5,570,966		
	02/12/2013	0	105,994	$45.61	02/12/2023	02/12/2013	35,234	$2,475,189	9,273	$651,428
	02/18/2014	0	105,422	$52.18	02/18/2024	02/18/2014			25,153	$1,766,998

(1) The options granted in 2014 vest over three years: one-third will become exercisable on the anniversary of the grant date for each of the three years. The options granted in 2013, 2012, 2011, and 2010 vest over four years: 50% on the second anniversary date and 25% on each of the third and fourth anniversary dates. The other options vest in four installments of 25% on each of the first four anniversaries of the grant date. The exercise price of each option is equal to the closing price of Allstate's common stock on the grant date. For options granted prior to 2007, fair market value is equal to the average of the high and low sale prices on the grant date. For options granted in 2007 and thereafter, fair market value is equal to the closing sale price on the grant date. In each case, if there was no sale on the grant date, the closing price is calculated as of the last previous day on which there was a sale.

(2)
The awards granted prior to 2012 are restricted stock units. The awards granted in 2012 and after are PSAs, except for Mr. Shebik's February 21, 2012, restricted stock unit award.

(3)
The aggregate value and aggregate number of exercisable and unexercisable in-the-money options as of December 31, 2014, for each of the named executives are as follows:

	Exercisable		**Unexercisable**	
Name	**Aggregate Number (#)**	**Aggregate Value ($)**	**Aggregate Number (#)**	**Aggregate Value ($)**
Mr. Wilson	1,866,113	51,390,122	1,006,628	27,443,923
Mr. Shebik	195,256	6,667,376	187,007	4,696,530