

2005

The Allstate Corporation

Corporate Social Responsibility Report

How does Corporate Social Responsibility:

- Protect and prepare customers?
- Bring out the best in employees?
- Help communities thrive?
- Enhance our company's value?



Allstate
You're in good hands.

Corporate Social Responsibility Report

Brian Rodriguez, Fla. (left), Rochelle Roberts, N.Y. (middle), and Lorraine Radcliffe, Ill. (right), members of the Teen Advisory Panel for The Allstate Foundation Teen Safe Driving Program, chalk stencil safe driving messages in Santa Monica, Calif., at the Foundation's National Teen Driving Summit last year. Radcliffe, Roberts, and Rodriguez are committed to addressing a chronic public health issue and the number one killer of teens: motor vehicle crashes. Roberts alone has lost nine friends in car crashes. Each year nearly 6,000 teens die and another 300,000 are injured in largely preventable

crashes that have a tragic impact on individuals, families and communities. Launched in 2005, The Allstate Foundation Teen Safe Driving Program focuses on empowering teens to develop and lead grassroots, peer-to-peer activities that foster safer teen driving attitudes and behaviors. These teens, along with 40 other members of the Teen Advisory Panel, hope to jumpstart a teen safe driving movement and help protect generations of new drivers.



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Allstate's Promise

At the heart of our business are people and capital. Every day, we help protect and prepare our customers, support the personal and professional growth of our employees and agencies, create value for our shareholders and give back to the communities that we serve. Our corporate social responsibility practices are based on these commitments. At Allstate, we believe that strategic, socially responsible initiatives not only create strong and vital communities—they also help manage our risks and enhance our company's performance.

Helping People is our Business

For 75 years, generations of Americans have been depending on Allstate to give them peace of mind. Our promise is to help our customers rebuild their lives in times of loss and help prepare them for a more financially secure future. Today, Allstate protects more than 17 million American households. As 70 million U.S. consumers approach retirement, we are here to help provide security and peace of mind through Allstate Financial annuities, life insurance and other protection and financial products. And when severe weather damages homes and communities, we have the scale and resources to act fast and meet our commitments—we settle some 6 million claims every year, not including catastrophes.

Taking a Stand

We are focused on the future. As an industry leader, we take a strong stand on important safety and security issues that affect our customers and communities. New laws and vehicle safety features such as airbags are now standard because nearly four decades ago Allstate took a stand to make cars safer and reduce serious injury and death on our nation's roads. For the last 30 years, Allstate has been sharing our auto research and repair knowledge with vehicle manufacturers to provide consumers with safer cars that are more affordable to repair. In the 1990s, we helped create the Florida Hurricane Catastrophe

Fund and the California Earthquake Authority, which were needed to help protect millions of consumers and businesses from severe catastrophe losses.

And today, we're taking a stand to protect families, communities and the American economy from the impact of large catastrophes by advocating a more comprehensive solution that includes the creation of privately funded, government-sponsored catastrophe funds at the state and national levels. We want to help customers lead safer, more secure lives.

Important Accomplishments

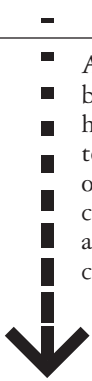
Allstate faced significant challenges in 2005. We emerged financially strong and positioned for continued success. We upheld the high standards for integrity and transparency that are the foundation of our success. We also continued our strategic focus on people and communities, working hard to help them reach their full potential.

We are proud to share with you our many corporate and community initiatives—and the values that lie behind them. In this report, we also showcase the results we achieved in 2005 for our customers, employees, agencies, communities and shareholders. We will continue to build on this record of accomplishment and find new ways to help create a more secure future for all Americans.



Edward M. Liddy
Edward M. Liddy
Chairman and
Chief Executive Officer

At Allstate, corporate responsibility means using our scale, resources and strong values to balance the interests of customers, employees, agencies, communities and shareholders. We're implementing a deliberate strategy focused on managing our risks, empowering our employees and creating economic value. And we're living our core values of caring, integrity, initiative and innovation at work and in the communities we serve.



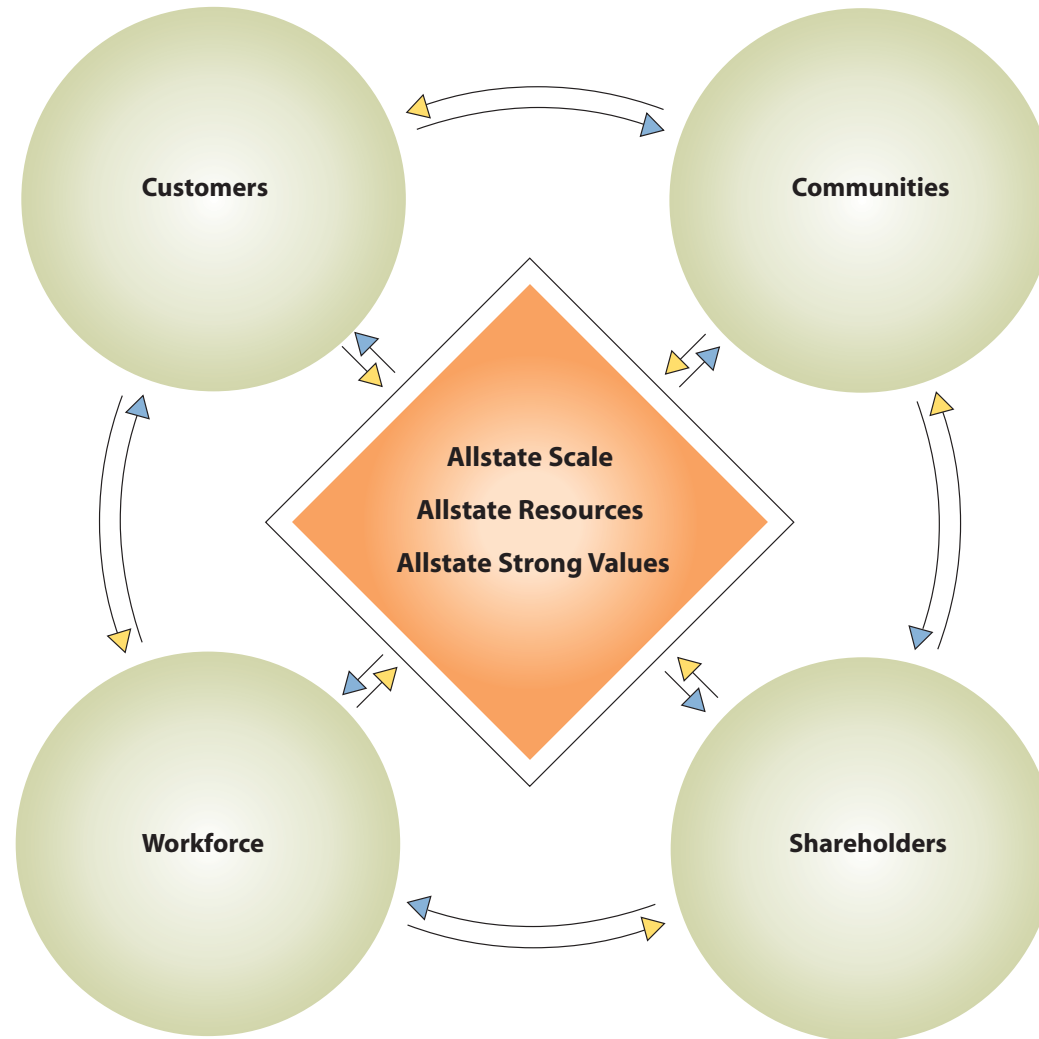
- Allstate carefully balances stakeholder interests to manage risks, optimize financial performance and strengthen communities.

Customers

Across America, 17 million households depend on Allstate to manage our business with efficiency and integrity. Our strong balance sheet enables us to keep our promises when customers need us most, find new ways to protect their assets today, and help them build financial security for tomorrow.

Workforce

We respect the commitment and cultivate the talent of the employees, exclusive agents, agency staff and personal financial representatives who serve Allstate and our customers. We are widely recognized for a high-performance, diverse environment that creates opportunities for our people to grow both personally and professionally.



Communities

Strong communities keep our company and our economy growing. Allstate enhances the quality of life for Americans in many ways. We invest in community development. Our employees and agencies support local organizations by volunteering their time and expertise. And The Allstate Foundation funds national and local nonprofit organizations that promote safety, economic education and diversity.

Shareholders

Allstate's deep commitment to ethics, integrity and sound business management contributes to a strong corporate reputation that—over time—helps drive our growth and protect our company's value as business, legislative and regulatory environments change.

Forward Thinking, Quick to Respond

Customers value our innovative products and fast, professional service. But that's just the beginning. We train and prepare ourselves to respond quickly and compassionately when catastrophe strikes. We also address the broader risks customers and communities face to protect their quality of life.

Building Long-term Relationships

One key measure of corporate citizenship is how companies treat their customers and honor their commitments. We're examining every point of customer interaction and improving processes that affect a customer's decision to choose Allstate. For example, we're speeding up response times by sending agents instant e-mail messages when customers call after working hours. We also closely monitor our claim requirement index, a series of measures that correlate closely with claims satisfaction. And in the last few years, we've been working to re-engineer how we manage claims to integrate people, processes, information and technology in a way that directly benefits customers, employees, agencies and shareholders.

Built-in Rewards

We listen carefully to our customers, and their insights help us develop products that deliver practical benefits to customers and society. For example, customers want fair, competitively priced insurance and financial services products that give them flexibility and choice. So, we've introduced products like Allstate® Your Choice Auto insurance, which breaks the mold of products traditionally offered by many insurers by presenting consumers even more choices, innovative features and enhanced rewards for safe drivers. It includes options such as accident forgiveness, new car replacement and safe driving incentives that can reduce customers' premiums and deductibles.

Restoring Hope

In 2005, Hurricane Katrina destroyed 90,000 square miles of the Gulf Coast, causing damages that could reach \$150 billion. Allstate met the challenge. Led by a catastrophe team of 500 specially trained personnel, we mobilized thousands of dedicated catastrophe specialists and deployed 24 mobile response vehicles. When the storm hit, we were ready to act. In the weeks that followed, the integrated efforts of agents, claim personnel, call center employees and communicators helped more than 200,000 customers begin to rebuild their lives.

Thinking Ahead

For Allstate, corporate citizenship means anticipating the needs of customers and society and taking action to help create a better future. We see some troubling trends on the horizon, which may place the financial futures of many Americans at risk. Recent data confirms that hurricanes are becoming more frequent and severe. What's more, Americans face greater exposure as our population shifts to vulnerable coastal areas and locations prone to earthquakes. And consumers are facing higher insurance premiums and declining coverage, because the current patchwork system leaves many with insufficient protection.

We believe consumers who are severely affected by natural disasters should have help rebuilding their lives.

To that end, we support prevention and mitigation programs that include stronger building codes and better enforcement, combined with education programs that teach consumers how to respond before, during and after catastrophes. We're working with ProtectingAmerica.org to advocate a comprehensive solution that establishes integrated state and national catastrophe funds that cover very large catastrophes. Catastrophe funds would benefit consumers by providing more certain protection at the lowest possible cost. A stronger, coordinated public/private partnership will help victims recover and reduce the human, as well as economic, toll of major catastrophes.

Protecting Those in Need

Allstate employees and agents demonstrated true compassion in the wake of the 2005 hurricanes. Working around the clock out of Allstate Mobile Response Units,

nearly 5,000 Allstate catastrophe specialists were assisting customers with immediate needs and rebuilding their lives after the devastating storms.



Aiming High, Reaching Out

When people come to work at Allstate, they receive more than a job opportunity. We support the careers of nearly 70,000 employees, agents and agency staff countrywide. We also encourage them to lead healthy, balanced lives and be productive members of their communities. This approach has helped us attract and retain a highly talented, motivated and productive workforce.

Partners in Excellence

Allstate strives to create a safe, flexible workplace where employees are presented with opportunities to grow personally and professionally.

We count on them to live the values of hard work, personal accountability, integrity and customer commitment that help our company stand out in the marketplace. In turn, they look to Allstate to treat them with respect and provide a stimulating and supportive work environment. These mutual expectations are expressed in The Allstate Partnership.

Allstate shows its commitment by combining attractive and competitive total compensation packages with programs that support balance and good health. We encourage work/life balance by offering telecommuting options, on-site daycare, paid time off banks and

partial paid time off days. Employees can also access the LifeWorks website, a resource for work/life balance and personal growth. We promote good health through on-site health screenings and health and fitness seminars, as well as access to fitness facilities. And our conflict resolution program gives employees a constructive and supportive channel for overcoming work-related concerns. Together, these programs demonstrate we value the people who commit themselves to our success.

The Tools to Excel

Responsible companies understand that individuals and communities thrive when workers expand their knowledge and acquire new skills. We offer employees flexible ways to learn new skills and position themselves for new career opportunities. Our Learning Resource Network provides easy, direct workstation access to more than 6,000 learning activities that help them develop new business, interpersonal, technical and leadership skills. We also offer on-site and distance learning programs and provide tuition reimbursement to help employees earn new degrees and professional designations. In 2005, Allstate Protection created the Talent Acceleration Program, which is designed to expose participants to leadership development activities early in their careers.

Helping Agencies Grow

As Allstate's exclusive agencies grow larger and more prosperous, they support communities by creating new jobs, paying taxes and contributing to community organizations. We support their profitable growth by investing in the technology, education, marketing and consulting support they need to win in the marketplace.

In 2005, we launched a new field leader structure designed to provide agency owners with specialized support. New agency owners benefit from a systematic "on boarding" experience designed to improve their success rate. Consultants also work with some existing agents to help them identify growth opportunities and learn to take advantage of new support systems.

Leveraging Diversity

Diversity is a cornerstone of Allstate's success. This business strategy helps us meet our growth and profitability goals. Diversity strengthens our workforce, drives higher performance, connects us to our customers and enhances our brand and corporate reputation.

We gain strength from the backgrounds, perspectives and experiences of our people.

In a workforce of more than 37,000 Allstate employees, almost 60 percent are women and nearly 30 percent are minorities. Among officers and managers, more than 40 percent are women and nearly 20 percent come from one of five minority groups.

Our overall diversity performance has been recognized by a broad base of publications and associations that monitor diversity and workplace issues.



Maryann Matias
Exclusive Agent

Community volunteer work and marketing support from Allstate are helping Maryann build a successful agency in Chicago. Volunteerism gives her an opportunity to gain visibility for her agency and build valuable contacts, while providing much-needed community services.

Community events are also an ideal forum to market products like Your Choice Auto® insurance. Maryann is working with a local organization to help prepare area youth to enter the job market. She also volunteers in Allstate-sponsored events such as the Auto Dismantling Demonstration and the annual event for underprivileged children held at the Healthworld Museum.



Christine Ieuter
Director of Accounting

Christine and her husband considered several daycare options when they had their first child 18 months ago. They chose the Little Hands Childcare Center, located at the Allstate Northbrook Campus, for several reasons.

Each day at work, Christine knows her daughter is only minutes away—right across the parking lot. Her toddler spends the day in a structured program that includes breakfast and lunch, activities such as art and reading, rest periods and access to age-appropriate toys. And at the end of the day, Christine enjoys her contact with other Allstate parents who actively support the Center.



Jim Osmon
Portfolio/Program
Management Analyst

As a visually impaired professional, Jim relies on the Allstate Center for Assistive Technology team to bring him new technologies that enhance his job performance. Allstate supplies him with special Job Access With Speech software that “reads” him the words on his computer screen.

Each time a new feature is added to Jim’s desktop environment, the team makes sure it works seamlessly with his screen reader, so he can stay focused on helping Allstate’s underwriting, pricing and product professionals bring together the languages of technology and business.



Firoz Vohra
Direct Sales Professional

At Allstate, many employees choose flexible work plans that allow them to balance work with other responsibilities such as families, school and daycare. Because our Customer Information Centers operate 24 hours a day, seven days a week, we offer a variety of different work schedules. The Woodridge CIC where Firoz works offers 22 different schedules.

Firoz has personal commitments on Fridays, so he works longer hours four days a week and takes Fridays off. This flexibility enables him to support his family, pursue outside interests and serve Allstate customers.



Jennifer Clark
Assistant Actuary

As an Actuary, Jennifer studies Allstate’s current and historical loss experience in several states and develops rates that are adequate and competitive. Over the next two years, she will broaden her exposure to Allstate’s business while participating in Allstate’s Talent Acceleration Program.

Jennifer’s first assignment will be at the Customer Information Center in Charlotte, NC, where she will gain first-hand knowledge of how her pricing decisions affect customers and agents. She will also cultivate new leadership skills and expand her network of professional contacts.



Eleanor Alandy
Human Resources Consultant

In her 18 years at Allstate, Eleanor has fueled her passion for learning by participating in the company’s tuition reimbursement program. She used the skills she acquired in her Masters in Education program to design an eight-week executive development program that helps Allstate employees develop new leadership skills.

Today, flexible hours and tuition reimbursement are helping her earn a second advanced degree—this time an MBA. This program is giving her a better grounding in Allstate’s business.

Better Lives, Brighter Futures

Allstate enhances community life by investing in municipal projects and encouraging employee and agency volunteerism and charitable giving. And our economic impact—through taxes paid, jobs created and dollars spent with local businesses—also contributes to the vitality of local communities. These actions are good business for Allstate—and vital to the communities we serve.

Helping Communities Grow

Allstate uses its balance sheet to help communities build stronger infrastructures and deliver vital services. Our investments in municipal bonds have funded new assisted living facilities, day care centers, libraries and hospitals. As of December 31, 2005, Allstate had municipal bond holdings of \$27 billion.

We also strengthen communities by assisting with low-interest loans that support affordable housing and community redevelopment. We've invested almost \$40 million to support the NeighborWorks system, which helps families purchase and renovate homes. We make possible below-market-rate portfolio loans that bring communities new affordable housing developments, commercial properties

and community centers. And through Allstate Bank, we support local organizations that work to rebuild neighborhoods and fund childcare facilities and housing for homeless adults, families and people at risk.

Allstate also contributes significantly to the tax base of the communities we serve. In 2004 Allstate paid more than \$550 million in state and local premium, income, use, real estate and personal property taxes. Finally, Allstate contributes to local economies through business-to-business spending. In 2005, we spent some \$8 billion with more than 400,000 businesses countrywide.

Employees and Agencies in Action

Communities benefit from the same values and skills that make Allstate a strong and successful competitor. We lead community change by encouraging our people to support local charitable organizations and participate in volunteer activities. In 2005, Allstate and our employees and agencies contributed more than \$9.5 million to community organizations through the Corporate Giving Campaign, including the Allstate company match.

Employees also volunteer their time through Allstate's Helping Hands® program. In 2005 more than 4,500 employees worked with Chicago-based charitable organizations to support their missions.

A Diverse Supplier Network

Small businesses are the engine of the American economy. When they succeed, communities gain economic strength and benefit from the jobs, training and support they provide. Allstate believes strongly in creating opportunities for diverse businesses—including enterprises owned by women and minorities—and we proactively invite them to participate in our purchasing process. Over the past three years we've nearly doubled the number of women and minority-owned businesses represented within our total sourced expenditures. Using a broader definition of diversity, which includes all small

enterprises, Allstate spent \$1 billion with these suppliers in 2005. We continue to streamline our processes and measurement systems to allow small enterprises to compete for our business. In the spirit of inclusion, we also invite diverse suppliers to join service networks created to meet the needs of our customers at a competitive price.



Creating New Opportunities

Allstate and football great Gale Sayers share a commitment to diversity that underpins our successful 16-year relationship. Sayers Inc., a provider of computer products and technology solutions, built the unique electronic procurement system that more than 13,000 Allstate agents countrywide rely on for all of their tech-

nology needs. Sayers' products and solutions are helping Allstate boost efficiency, save money and better serve its customers. And in turn, Allstate's business is helping Sayers create jobs, provide career growth paths to hundreds of high-quality people with diverse backgrounds, and contribute to local communities by supporting schools, hospitals and charitable organizations.

The Allstate Foundation

Since 1952, The Allstate Foundation has worked with thousands of nonprofit organizations countrywide to help make life better for Americans. The Foundation strives to foster stronger communities and empower individuals and families to lead better, richer and more fulfilling lives.

Improving Community Life

The Allstate Foundation helps communities advance the economic and educational interests of their residents. Each year it awards grants to organizations that address three strategic areas of community life. Foundation grants help with neighborhood revitalization projects; help residents acquire the economic literacy to help them manage financial risks, and teach the value of acceptance and inclusion as a foundation for a better America. In addition, the Foundation supports disaster recovery by helping community groups reach out to low-income homeowners, children, the disabled and the elderly.

Focused Signature Programs

In 2005 The Allstate Foundation embraced new signature programs that will link the Foundation to two critical social issues that threaten personal and community safety.

The Foundation's Domestic Violence program offers integrated services and support to victims of domestic violence and those who work on their behalf. It addresses and has a positive impact on survivors' financial options, so that they can prepare for futures of economic autonomy and opportunity.

The Teen Safe Driving program encourages teens to develop safe driving attitudes and behaviors through grassroots, peer-to-peer activities and other community-based initiatives. It aims to foster safe driving attitudes and behaviors, and help reduce the unacceptable number of teen motor-vehicle-related deaths.

Last year The Allstate Foundation invested \$2.6 million to support these programs.

Putting Values to Work

Allstate exclusive agents, personal financial representatives and employees are highly committed to community service and education. Many support the communities where they live and work by volunteering their time to local nonprofit organizations. In 2005, The Allstate Foundation recognized distinguished community service by awarding nearly \$1 million in Agency Hands in the Community and Helping Hands Grants to select community organizations.

The Allstate Foundation also supports employee gifts to post-secondary educational institutions with matching donations of up to \$1,000 through its Matching Grant for Higher Education program. In addition, children of agents, personal financial representatives

and employees can qualify for \$500 honorariums or needs-based awards of up to \$2,500 in college tuition through the Foundation's Scholarship Program for Higher Education.

Each year The Allstate Foundation bestows the Ray Lynch Community Service Award on an Allstate agent who demonstrates exceptional commitment to community service. In 2005 this award recognized Tom Moore of Cary, N.C., for many years of global humanitarian efforts. Most recently, Tom and his wife Karan supported a fundraiser for the homeless, generated donations for tsunami disaster relief and helped build classrooms and homes in remote mountain villages of Costa Rica.



Stories of Acceptance

The Allstate Foundation and Facing History and Ourselves are co-sponsoring a series of public conversations that promote greater understanding, acceptance and tolerance. At a recent event in New York City, community members met South African Constitutional Court Justice Albie Sachs, a human rights activist recognized around the world for his role in creating South Africa's

constitution. Sachs shared his personal stories about decades of struggling against apartheid. He also took the audience behind the scenes of South Africa's peaceful political transformation and discussed new opportunities in this democratic society. Before the event, he sat down with a small group of students from the newly formed Facing History School and inspired them with stories of freedom and opportunity.

Solid Values, Strong Leadership

Allstate believes in integrity and transparency. That means supporting the interests of our shareholders by embracing values and policies that protect our business, enhance our corporate reputation and create long-term value.

Reaching Out to Stakeholders

As a responsible corporate citizen, Allstate holds itself accountable to a broad base of constituents. Our stakeholders expect current, accurate information about Allstate, our business and community activities and our financial performance. We also value their opinions and use multiple channels to engage them in ongoing dialogue.

Shareholders and other interested parties can access financial performance information through annual and quarterly reports, posted on the Investor Relations section of our corporate website, www.allstate.com. Other information available on our website includes executive speeches, news releases and other company communications.

Allstate's culture is built on frequent com-

munication. Employees attend open town hall meetings with members of the senior management team. We encourage feedback through employee satisfaction surveys, a dedicated intranet site and a conflict resolution system that provides a confidential channel to address workplace issues. Allstate reaches out to agents through the National Advisory Board, the annual agency satisfaction survey, an agency website and sales leader meetings.

We also maintain open dialogue with government officials and regulators. Our leadership regularly meets with insurance regulators and legislators to share positions on issues that affect our company, industry and nation.

A Voice for Change

Companies can't afford to be neutral when it comes to public policy issues that affect the business of insurance. Allstate advocates for or against public policy issues carefully and thoughtfully, and works aggressively to effect changes that serve to benefit Allstate's business performance, customers, shareholders and society. Allstate strongly supported the Class Action Fairness Act, which closed loopholes in the law and now serves to better protect businesses from costly lawsuit abuse and add value to consumers and society. We are actively engaged in advancing solutions on such issues as asbestos legislation, credit-based insurance scoring, modernization of the insurance regulatory

system and many other issues critical to achieving the objectives of the corporation. In 2005, we took the lead in advocating a strong public/private partnership that would better prepare and protect Americans and their communities from the economic consequences of mega-catastrophes.

Good Governance, Detailed Disclosure

Shareholders expect Allstate's board and management team to protect their interests and manage their assets responsibly.

Allstate is led by an independent and engaged board that represents the highest level of integrity and corporate stewardship. Our governance guidelines, which are available on the Corporate Governance section of www.allstate.com, mandate rigorous evaluation of CEO and board performance, responsible stewardship of shareholder assets and unimpeded board access to company managers and information.

Our practices and policies consistently earn high marks from third-party governance organizations.

- We protect the interests of stakeholders by addressing a broad array of risks that affect our company, our customers and communities, and our society.



Environmental Stewardship

Allstate believes that all corporations can play a role in managing and reducing environmental risks in the communities in which they do business. We are committed to ensuring that our policies and programs conserve and enhance the environment as well as promote the safety and health of our employees. We do so by complying with all applicable government safety, health and environmental laws and regulations; establishing programs and policies that protect the environment in the communities that we serve; and providing a safe, healthy workplace for our employees.

One way Allstate Headquarters conserves natural energy sources and reduces greenhouse gas emissions is by implementing energy saving initiatives for our building operation and maintenance. For example, we optimize energy use in heating, air conditioning, computers and other essentials. We also help manage energy usage through procurement of energy efficient supplies. Another is by encouraging large-scale recycling initiatives. For example, we operate the largest in-plant printing operation in the country, where we use 100 percent soybean-based ink and recycle 100 percent of paper that contains no private or secure information. Allstate also

implements responsible procurement practices as yet another way to reduce waste, greenhouse gas emissions and costs. We strive to identify environmentally responsible opportunities within Allstate's supply chain and encourage business partnerships with suppliers who implement environmental policies of their own.

The Allstate Corporation Board of Directors

F. Duane Ackerman
Chairman and Chief Executive Officer
BellSouth Corporation
Director since 1999

James G. Andress
Retired Chairman and Chief Executive Officer
Warner Chilcott PLC
Director since 1993

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Sears, Roebuck and Co.
Director since 1993

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Chairman
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Director since 1999

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Retired Chairman and Chief Executive Officer
McDonald's Corporation
Director since 2002

Ronald T. LeMay
Industrial Partner
Ripplewood Holdings
Director since 1999

Edward M. Liddy
Chairman and Chief Executive Officer
The Allstate Corporation
Director since 1999

J. Christopher Reyes
Chairman
Reyes Holdings, L.L.C.
Director since 2002

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Cooper Industries Ltd.
Director since 1998

Joshua I. Smith
Chairman and Managing Partner
The Coaching Group
Director since 1997

Judith A. Sprieser
Former Chief Executive Officer
Transora
Director since 1999

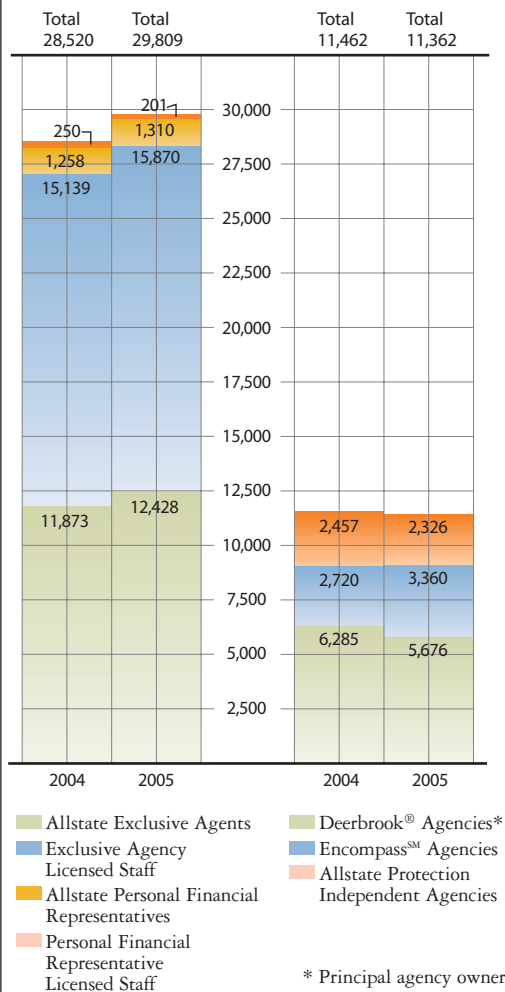
Mary Alice Taylor
Retired Chairman and Chief Executive Officer
HomeGrocer.com
Director since 2000

*Retiring from the board in 2006

Protecting and Preparing Customers

(As of year-end 2005, unless otherwise noted.)

Our Agency Force



Customers Served: Over 17 Million Households Protected

Total autos insured

2005	19,432,927
2004	19,075,017

Total dwellings insured¹

2005	9,334,598
2004	9,019,162

Life policies insured

2005	1,701,537
2004	1,661,667

Commercial policies insured

2005	443,834
2004	453,613

¹Includes homeowners, condos and renters.

Large-scale Operations: Our Claim Organization at Work

Number of Allstate claim professionals countrywide

17,000

Number of dedicated Mobile Response Units

25

Total claims settled in 2005

6,338,674

Total claim payments in 2005

\$21.2 billion

Customer Information Centers: First Line Response for Our Customers

Number of centers countrywide²

2

²Full-time locations in Charlotte, NC and Woodridge, IL

Total number of calls handled

7,152,726

Total number of employees

961

Responding to Catastrophes

Restoring Hope: Our catastrophe response in a typical year

Size of dedicated Allstate National
Catastrophe Team

500

Average number of catastrophes

58

Average number of
catastrophe claims

250,000

Average total of catastrophe
claim payments

\$1.2 billion

The 2005 Hurricanes: Unprecedented actions

Number of dedicated Allstate
catastrophe specialists deployed,
including Agency advocates¹

5,000

¹Claim specialists working out of Allstate
agencies, serving customers who seek assis-
tance with their claim through their agents

Number of Mobile Response
Units deployed²

24

²Allstate was the first insurance company to
reach downtown New Orleans in the wake of
Hurricane Katrina. On September 10, 2005—
two days before the parish reopened on a limited
basis to business owners and residents—Allstate
set up its first MRU to serve customers.

Number of catastrophe claims³

400,000

³Some claims incurred had not yet been
reported.

Percentage of claims settled⁴

Property claims 75%

Auto claims 97%

⁴As of January 30, 2006.

The 2005 Hurricanes: Long-term recovery efforts

Employee and agency donations to the
Red Cross Hurricane Disaster Relief
Fund, including company match

\$4.6 million

The Allstate Foundation
Recovery Fund

\$1.2 million

Additional company donations

\$655,000

Contributions to the Allstate
Family Gift Fund

\$235,000

A Diverse, High-Performance Environment

(As of year-end 2005, unless otherwise noted.)

Partners in Excellence

Healthcare

Allstate invested \$168,494,202 in healthcare benefits for its employees.

Fitness

Allstate invested \$521,000 in a variety of fitness programs for its employees.

Daycare

Allstate invested \$404,300 in daycare services for its employees.

Workplace Flexibility

55 percent of Allstate employees were working flexible hours and 24 percent were telecommuting to work.

Compensation

Allstate paid \$3.3 billion in non-agent employee compensation, payroll taxes, welfare and benefits. Of the total number of eligible employees, 85 percent participated in the employee profit-sharing plan and received \$47 million for the 2005 company contribution, which consisted primarily of Allstate stock.

Tools to Excel

Allstate Investment in Professional Education

Industry designation expenditures	\$6.8 million
Tuition reimbursement	\$8.0 million
Investment in Learning Resource Network	\$1.6 million
ConSern Loan Program ¹	
Total loans disbursed	\$140,446
Total number of benefiting employees	3,191

¹ConSern Loan Assistance program assists any employee or member of their family obtain a loan for private (K-12), undergraduate, graduate and professional education.

Participation in Continuous Learning

<i>Learning Resource Network²</i>	
Course catalogs	75
Learning Activities:	
Online courses	3,705
Workshops	1,664
Offline events	805
Total	6,249

²The Learning Resource Network offers virtually every Allstate employee, agent and agency staff a variety of online courses on business/functional skills, interpersonal skills, technical and leadership development.

<i>Participation</i>	
Total Allstate learners	135,813
Employee	28.7%
Non-Employee ³	71.3%
Learners that completed at least one course in 2005:	76,418
Learners that accessed/attended at least one course in 2005:	80,962
Total learning activity completions in 2005	568,274

³Non-employee learners include: Exclusive Agents, Agency Staff, Exclusive Financial Specialists, Allstate Independent Agents, EncompassSM Independent Agents, and Deerbrook[®] Independent Agents.

<i>Online University of Phoenix Program</i>	
Undergraduate participants	140
Graduate participants	45
<i>Onsite Executive MBA Program</i>	
Current participants	43
Graduates, program-to-date	144
<i>Onsite Open Enrollment MBA</i>	
Current participants	131
<i>Talent Acceleration Program, est. 2005</i>	
Selected participants	40
<i>Professional and Industry Designations Achieved</i>	
Senior Claim Law Associate (SCLA)	336
Inter-Industry Conference on Auto Collision Repair (I-CAR)	267
Chartered Financial Consultant (ChFC)	12
Chartered Life Underwriter (CLU)	10
Chartered Property Casualty Underwriter (CPCU)	5

Leveraging Diversity

(As of year-end 2005, unless otherwise noted.)

Employees

Job Category	Total by Category	Total Female	Total White	Total African American	Total Hispanic	Total Asian/Pacific Islander	Total Native American	Total Minority
Officers & managers	5,314	45.0%	80.5%	10.4%	4.6%	4.1%	0.4%	19.5%
Professionals	15,089	51.5%	74.1%	13.2%	5.9%	6.4%	0.4%	25.9%
Technicians	37	13.5%	89.2%	2.7%	5.4%	2.7%	0.0%	10.8%
Sales workers	581	25.0%	74.7%	12.6%	8.1%	3.8%	0.9%	25.3%
Office workers	16,098	72.2%	64.1%	22.7%	9.6%	3.1%	0.5%	35.9%
Other	120	10.8%	57.5%	20.0%	16.7%	5.8%	0.0%	42.5%
Total workforce	37,239	58.9%	70.6%	16.9%	7.4%	4.6%	0.4%	29.4%

Agents^{1,2}

Exclusive agents	12,428	22.5%	80.4%	7.9%	6.9%	4.1%	0.7%	19.6%
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¹Due to the independent contractor status of Allstate Exclusive Agents, response to the demographic survey is strictly voluntary. The percentages listed are based on a response rate of 65 percent (8,277 survey records) in 2005.

²More than 3,200 Allstate agents speak languages other than English for a total of at least 62 different languages.

Measuring the Quality of our Work Environment and Agency Relationship

Employee Satisfaction Survey	Agency Relationship Survey	Exclusive Agents	Personal Financial Representatives	Independent Agent
Response rate 94%	The Agency Relationship Survey measures the business relationship our agents, personal financial representatives and independent agents have with Allstate. The satisfaction rate represents the percentage of questions that were answered "favorably." The survey is anonymous and confidential, and is offered annually to 100 percent of our agency force.	Response rate 69%	Response rate 64%	Response rate 43%
Satisfaction rate 88%		Satisfaction rate 78%	Satisfaction rate 76%	Satisfaction rate 84%
The Employee Satisfaction Survey measures the quality of leadership and the work environment at Allstate. The satisfaction rate represents the percentage of employees who are either "completely satisfied" or "satisfied" with working for Allstate. The survey is anonymous and confidential, and is offered annually to 100 percent of Allstate employees.				

Corporate Initiatives

(As of year-end 2005, unless otherwise noted.)

Community Investments

Municipal bonds ¹	\$27 billion
NHSA Affordable Housing Loans ²	\$40 million
Economically Targeted Investments ³	\$250 million

¹Allstate's investments in municipal bonds help fund projects that improve community infrastructure and extend vital services.

²Allstate's investment in the NeighborWorks system helps families purchase their first homes or complete necessary home renovations.

³Allstate's Economically Targeted Investments are long-term below-market rate portfolio loans extended to established credit-worthy institutions that are driving the redevelopment of communities across America. This total includes NHSA loans.

Supplier Diversity

Total Sourced Spend ¹	\$4.5 billion
Inclusive Diverse Suppliers Spend ²	\$1 billion, or 22.3 percent of sourced spend
Targeted Diverse Suppliers Spend ³	\$163 million, or 3.7 percent of sourced spend

¹Expenditures sourced by an Allstate employee, including expenditures with Supplier Networks which are offered (as a choice/option) to customers and claimants.

²Allstate spend with 12 categories of diverse suppliers. These 12 categories are the inclusive group of suppliers identified by the Small Business Administration as diverse and of special interest. It includes Small Business Concerns, a highly represented category in Allstate spend.

³Allstate spend with: Minority Women-Owned Enterprises, Minority-Owned-Enterprises and Women-Owned-Enterprises. These three categories are among 12 identified by the Small Business Administration as diverse and of special interest.

Corporate Volunteerism Initiatives

Allstate Home Office Helping Hands® volunteer opportunities	8,000
Number of people affected	20,000
Home Office Adopt-a-Family Program, Total families helped	386

Employee and Agency Giving

Participation in the 2005 Giving Campaign	
Employees	23,670
Percentage of total eligible employees	63.8
<hr/>	
Agencies	3,683
Percentage of total eligible agencies	27.4
<hr/>	
Overall	27,353
Percentage of total eligible participants	54.1
<hr/>	
Employee and agency donations*	\$6.7 million
Allstate company match	\$2.8 million
Total	\$9.5 million

2005 Giving Campaign Top 10 Charities	
American Red Cross,	
Hurricane Katrina Relief Fund	\$2.3 million
American Cancer Society, Ill. Chapter	\$100,044
American Cancer Society, National	\$75,688
American Red Cross, National	\$60,153
United Way of Lake County	\$58,692
Alzheimer's Associations, National	\$56,079
Make-A-Wish Foundation of	
America, National	\$55,473
United Way of Metropolitan Chicago	\$51,068
American Diabetes Association,	
National	\$49,475
American Heart Association, National	\$46,140

*In 2005 Allstate matched donations to the Red Cross Katrina Fund dollar for dollar. All other donations were matched 15 percent. Allstate donated an additional 5 percent to the United Way.

Strong, Vibrant Communities Foundation Initiatives

The Allstate Foundation Activities 2005		
National Foundation Grants	National programs	\$ 3,512,500
	Other grants	77,000
	Total	\$ 3,589,500
Regional Foundation Grants	Total	\$ 5,407,500
Chicagoland Programming Support ¹	Total	\$ 1,327,500
Signature Programs Initial Investment	Domestic Violence	\$ 1,307,920
	Teen Safe Driving	1,376,387
	Total	\$ 2,684,307
Employee and Agency Programs	Agency Hands in the Community	\$ 971,000
	Matching grants, 409 schools	260,158
	Scholarship programs	400,000
	Helping Hands grants, 271 grants issued	144,000
	Total	\$ 1,775,158
Disaster Recovery Fund	Earmarked for New Orleans	\$ 700,000
	Earmarked for Mississippi Gulf Coast	300,000
	Earmarked for Texas Gulf Coast	200,000
	Total	\$ 1,200,000
Total		\$15,983,965

¹Additional Chicagoland programming dollars are distributed through the Allstate Midwest Regional Foundation and included in the Regional Programming Grants total.

Allstate at a Glance

Allstate Today

The Allstate Corporation is the nation's largest publicly held personal lines insurer. A Fortune 100 company with \$156 billion in assets, Allstate sells 13 major lines of insurance, including auto, property, life and commercial. Allstate also offers retirement and investment products and banking services.

Our People

The Allstate Corporation encompasses nearly 70,000 professionals. Of our employees, 29.4 percent are minorities; 58.9 percent are women. In 2005 Allstate paid \$3.3 billion in employee compensation payroll taxes, welfare and benefits.

Approximately 85 percent of eligible employees participate in the employee profit sharing plan and received \$47 million in the 2005 company contribution, which consisted primarily of Allstate stock.

Our Customers

Allstate provides insurance products to more than 17 million households. We insure one out of every nine autos and one out of every eight homes in the U.S., and are one of the country's leading life insurers.

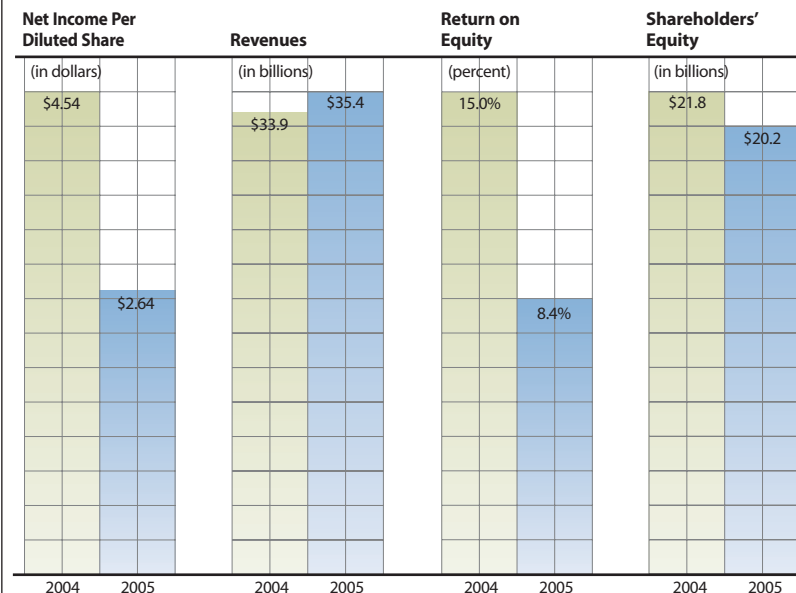
Our Network

Allstate has operations in 49 states and Canada. Customers can access Allstate products and services through Allstate agencies, Allstate.com, and 1-800-Allstate. In addition, the company's EncompassSM and Deerbrook[®] brand insurance products are sold exclusively through independent agents.

Our Economic Impact

In 2005 Allstate paid \$21.2 billion in total Property-Liability insurance claims and claims expense. The Allstate Foundation donated nearly \$16 million to nonprofit organizations including \$400,000 in scholarships. The Allstate Corporation, its employees and agents donated \$9.5 million through the Giving Campaign to nonprofit organizations. Allstate currently holds \$27 billion in municipal bonds, and more than \$250 million in community investments.

Financial Highlights



Financial Strength Ratings

	A.M. Best ¹	Standard & Poor's ²	Moody's Investors ³
Allstate Insurance Company	A+ (Superior)	AA (Very Strong)	Aa2 (Excellent)
Allstate Life Insurance Company	A+ (Superior)	AA (Very Strong)	Aa2 (Excellent)

¹A.M. Best Insurance Financial Strength Rating Superior; Second highest of A.M. Best's 13 active company ratings. Ratings range from A++ to D.

²S&P Insurance Financial Strength Rating Very Strong; Third highest of S&P's 20 active company ratings. Ratings range from AAA to CC.

³Moody's Insurance Financial Strength Rating Excellent; Third highest of Moody's 21 active company ratings. Ratings range from Aaa to C.

Vital Statistics (As of year-end 2005, unless otherwise noted.)

State	Allstate Agents ¹	Allstate Employees	Autos Insured	Dwellings Insured ²	Life Policies Insured	Commercial Policies	Personal Property and Casualty Claim Payments	Personal Property and Casualty Claims Settled	Business to Business Spending	Number of Businesses	Municipal Bond Holdings	The Allstate Corporation Group of Companies State Taxes 2004
AK	33	52	76,229	45,274	6,432	5,019	\$58,223,994	20,589	\$29,747,766	1,415	\$81,847,007	\$3,389,165
AL	201	625	294,341	129,589	26,324	6,529	\$228,884,775	108,452	\$514,556,275	6,610	\$513,653,920	\$10,969,163
AR	99	44	126,250	54,428	10,194	4,607	\$58,616,547	31,979	\$27,130,050	4,038	\$349,190,653	\$4,519,374
AZ	319	464	376,050	221,934	32,990	7,830	\$232,846,673	148,813	\$123,873,990	8,430	\$705,173,292	\$13,041,670
CA	1,241	2,442	2,022,244	1,097,626	194,354	42,628	\$1,228,809,367	583,179	\$735,021,434	39,057	\$3,290,207,480	\$71,183,322
CO	256	329	265,338	136,850	23,333	4,450	\$123,411,857	67,967	\$69,934,905	6,833	\$764,527,779	\$4,032,519
CT	173	351	317,448	154,334	27,072	5,293	\$195,157,921	88,645	\$129,585,513	4,491	\$402,774,844	\$7,414,039
DE	24	9	23,112	21,385	3,300	1,462	\$18,862,093	8,407	\$13,906,288	972	\$187,277,557	\$964,678
DC	11	3	15,918	16,409	414	376	\$13,141,864	8,485	\$14,736,763	885	\$10,401,106	\$638,352
FL	999	2,514	1,629,865	553,271	131,260	62,520	\$1,909,247,615	655,802	\$738,620,415	37,148	\$1,058,738,391	\$53,984,227
GA	423	1,061	693,098	318,193	57,012	11,175	\$420,813,411	201,178	\$296,777,015	13,418	\$277,396,958	\$19,921,515
HI	39	47	59,366	42,665	7,906	1,837	\$28,589,426	13,744	\$13,468,960	1,769	\$181,847,612	\$3,075,636
IA	45	24	64,853	24,849	5,443	1,133	\$20,239,208	11,570	\$13,117,502	2,075	\$98,913,608	\$1,280,294
ID	77	78	129,516	54,610	7,134	2,124	\$44,606,531	31,283	\$19,139,668	2,524	\$11,072,332	\$3,008,243
IL	612	10,175	890,516	549,301	102,776	14,158	\$520,453,765	261,730	\$1,163,619,336	21,786	\$1,759,561,152	\$19,534,325
IN	234	468	295,251	133,080	34,914	3,126	\$148,254,763	71,387	\$61,861,247	7,818	\$927,921,727	\$5,611,111
KS	85	171	99,229	37,462	9,183	4,459	\$37,184,118	22,152	\$18,868,807	3,018	\$229,524,812	\$1,427,127
KY	141	133	198,506	90,986	18,881	3,163	\$95,975,743	43,521	\$78,507,492	6,266	\$173,759,967	\$5,688,270
LA	309	431	422,503	211,587	48,283	10,125	\$1,400,938,738	429,931	\$144,792,862	10,701	\$506,800,765	\$15,303,481
MA ³	N/A	181	N/A	N/A	N/A	N/A	N/A	N/A	\$53,166,219	3,022	\$461,594,715	\$713,418
MD	295	566	461,265	250,742	44,653	7,711	\$288,434,646	174,179	\$138,337,116	6,519	\$116,993,411	\$13,572,288
ME	30	87	98,947	32,167	4,690	1,455	\$37,821,612	24,017	\$17,588,372	2,037	\$102,835,474	\$2,012,006
MI	353	645	367,553	178,125	50,386	5,173	\$286,134,183	132,852	\$170,914,097	14,009	\$558,881,119	\$2,752,893
MN	153	143	190,854	90,924	12,822	1,908	\$122,443,123	58,702	\$92,277,375	5,578	\$334,492,222	\$5,499,101
MO	209	63	188,005	89,988	17,341	3,430	\$99,851,809	48,628	\$51,456,349	5,406	\$582,791,307	\$4,113,443
MS	129	156	126,789	70,677	13,789	2,706	\$489,529,712	142,936	\$25,867,934	4,279	\$166,386,377	\$5,616,465
MT	30	14	39,560	11,093	3,378	3,331	\$20,495,849	8,091	\$10,512,738	1,604	\$39,921,565	\$1,562,095
NC	341	1,719	593,670	235,299	46,311	12,256	\$253,035,809	159,970	\$155,997,230	10,425	\$493,569,115	\$15,424,521
ND	7	3	11,260	3,805	1,079	635	\$6,612,018	3,049	\$1,681,021	518	\$92,742,288	\$272,615
NE	45	1,042	54,429	22,606	6,054	1,734	\$22,925,084	12,604	\$19,701,984	2,748	\$354,403,696	\$1,227,335
NH	49	24	88,356	35,510	8,226	1,599	\$43,537,826	26,195	\$19,508,147	1,663	\$152,750,825	\$2,213,400
NJ	209	949	696,589	306,903	38,955	21,477	\$566,549,870	181,077	\$362,924,272	13,782	\$937,920,467	\$23,117,753
NM	113	104	150,915	72,640	12,851	4,697	\$92,387,003	48,415	\$27,191,707	3,084	\$193,773,450	\$5,467,117
NV	144	161	176,661	90,779	16,904	3,568	\$129,055,005	57,280	\$91,495,796	3,926	\$186,623,419	\$9,858,510
NY	966	2,057	1,567,678	921,779	128,658	51,334	\$1,261,976,056	470,708	\$776,138,547	30,505	\$1,383,257,810	\$56,786,752
OH	483	1,829	715,534	351,138	62,602	6,312	\$307,365,543	176,422	\$130,360,452	15,057	\$904,019,629	\$11,302,268
OK	165	134	207,013	64,285	16,305	3,646	\$104,831,518	45,184	\$34,438,264	3,995	\$184,903,919	\$5,737,796
OR	208	218	259,645	119,010	23,151	5,185	\$107,177,852	61,798	\$56,810,303	6,486	\$511,309,552	\$4,713,489
PA	530	1,386	953,612	489,932	89,015	9,925	\$635,608,031	318,594	\$539,870,313	20,325	\$974,903,566	\$25,997,075
RI	46	17	75,814	34,441	6,458	1,264	\$45,090,249	23,420	\$20,702,808	1,195	\$253,034,170	\$2,101,482
SC	182	260	476,398	183,584	27,567	7,639	\$215,444,196	132,666	\$85,049,828	6,730	\$353,157,759	\$8,974,741
SD	6	4	6,025	2,708	619	445	\$2,840,401	1,258	\$1,403,912	476	\$37,909,860	\$399,634
TN	242	339	298,155	166,821	33,164	5,283	\$145,960,802	73,058	\$77,224,095	7,967	\$264,819,212	\$9,480,423
TX	1,190	3,055	1,989,561	839,367	155,019	54,136	\$1,403,083,922	689,666	\$524,203,765	35,861	\$2,903,410,060	\$48,801,146
UT	175	174	319,077	123,868	18,204	5,755	\$127,406,689	89,286	\$53,740,604	3,844	\$264,074,186	\$6,962,155
VA	329	1,876	587,119	275,501	51,190	11,084	\$266,348,366	169,840	\$108,426,424	8,507	\$520,281,592	\$19,142,663
VT	11	13	46,555	17,571	2,602	634	\$19,201,624	13,064	\$8,336,550	1,036	\$86,757,605	\$1,029,335
WA	324	416	460,801	245,844	44,279	10,885	\$259,061,117	138,560	\$147,177,016	11,422	\$629,070,840	\$11,712,075
WI	86	125	134,728	77,331	10,466	2,736	\$55,406,311	26,812	\$42,282,724	4,477	\$366,095,303	\$2,259,572
WV	43	30	70,047	29,837	5,743	2,234	\$40,434,838	17,344	\$22,323,689	2,024	\$248,729,950	\$4,267,225
WY	14	3	20,679	6,490	1,851	1,643	\$8,528,630	4,185	\$3,405,120	712	\$15,856,851	\$231,596

¹Exclusive Agents ²Includes homeowners, condos and renters ³Allstate does not write Allstate-brand policies in Massachusetts

The Allstate Corporation
2775 Sanders Road
Northbrook, IL
60062-6127
(800) 547-3226
www.allstate.com

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www.allstate.com/csr

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commitment to the community is
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