



Political Transparency and Accountability Profile (2011)

Allstate (ALL)

www.allstate.com

Sector: Financials

Recent Corporate Political Spending Developments

The January 2010 U.S. Supreme Court decision in *Citizens United v. Federal Election Commission* overturned several long-standing restrictions on corporate political spending activities. The Court's decision struck down part of the Tillman Act of 1907 that first limited corporate political spending. Under the new ruling companies may spend unlimited corporate funds on independent expenditures to support or oppose a candidate as long as they do not coordinate their efforts with the candidates, although they are still prohibited from contributing directly to federal candidates. Third-party groups such as trade associations also may use unlimited general purposes funds for independent expenditures.

Companies may also continue to contribute at the state and local level and to 527 groups. These groups—named for the section of the tax code under which they are organized—raise money for political purposes and may significantly impact federal, state and local elections. Companies also engage in political spending indirectly through their payments to trade associations, organized as 501(c)(6) organizations and other tax-exempt groups, which include social welfare organizations known as 501(c)(4)s. Trade associations and 501(c)(4) groups gained popularity during the 2008 election cycle in the wake of the Federal Election Commission's crackdown on 527 groups for violating campaign finance law during 2004 elections.¹ Another way companies can contribute to the political process is by supporting events such as Presidential inauguration celebrations and the Republican or Democratic Party conventions, a growing source of corporate support in recent years.² Company funds are also used to pay for trade associations' grassroots lobbying communications.

Allstate Political Spending Policy and Activity: Overview

Allstate requires its board to review political spending at the end of each year, but it does not publicly disclose the details of its spending. The company has contributed approximately \$6 million in corporate funds to political activities since 2002.³ The exact figure is difficult to determine because reporting at the state level is incomplete and can be misleading. This estimate also excludes payments the company has made to trade associations or other tax-exempt organizations that fund political activities. Allstate does not disclose its memberships in trade associations and the portions of payments it makes to them that are used for

¹ See *Soft Money in the 2006 Election and the Outlook for 2008: The Changing Nonprofits Landscape*, Campaign Finance Institute, 2007. Approximately \$90 million in 501(c) spending on federal election activities was reported in 2006. T.W. Farnam & Brody Mullins, "Interest-Group Campaign Spending Nears Record", *Wall Street Journal*, Feb. 5, 2008.

² See "Inside Fundraising for the 2008 Party Conventions: Party Surrogates Gather Soft Money While Federal Regulators Turn a Blind Eye," The Campaign Finance Institute, 2008. See: "The Inauguration: Brought to you by the Few, the Wealthy," Public Citizen, Jan. 14, 2009 available at <http://www.citizen.org/pressroom/release.cfm?ID=2799>, and "Lawmakers and Lobbyists Celebrate Inauguration," *The Washington Independent*, Jan. 20, 2009, available at <http://washingtonindependent.com/26340/lawmakers-celebrate-inauguration-with-lobbyists>.

³ See Institute for Money in State Politics, www.followthemoney.org and CQMoneymline <http://moneymline.cq.com/pml/home.do>. The CPA used these databases to conduct searches on the company's political giving. The search results do not always distinguish between contributions made with corporate funds and those made by the company PAC. Though the CPA made every effort to exclude any PAC contributions, the figure cited in this report may include contributions made with employee funds.

political purposes. These gaps in transparency and accountability may expose the company to reputational and business risks that could threaten shareholder value.⁴

A growing number of companies have adopted disclosure and oversight of their political spending. Currently 85 companies in the S&P 500, including more than half in the S&P 100, have committed to disclosure of their political spending policies, the details of the spending, and oversight. Among sector-related companies, the following have committed to or currently disclose the above information pursuant to this model:

Insurance Sector-Related Companies With Model Disclosure and Oversight	
The Hartford	Prudential Financial

Shareholder Engagement Overview

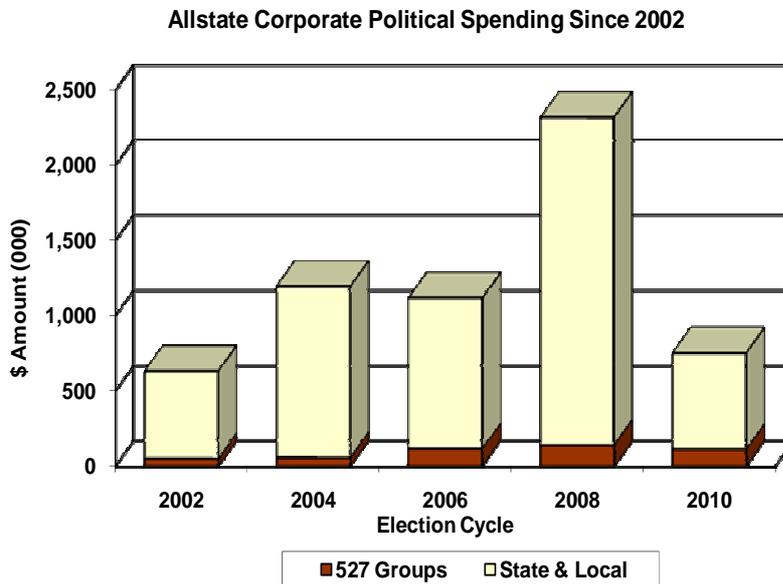
Allstate has received two shareholder resolutions asking for disclosure and oversight of its corporate-funded political spending since 2009.

Year	Lead Shareholder	Votes in Support (Percent)
2010	Kansas City Firefighters	39.7
2009	Kansas City Firefighters	31

Election Cycle Spending

Allstate has contributed approximately nearly \$500,000 to 527 groups and \$5.5 million to state level recipients since the 2002 election cycle. See Figure 1.

Figure 1



⁴ *The Green Canary: Alerting Shareholders and Protecting Their Investments*, Center for Political Accountability, Feb. 2005. See also *Hidden Rivers: How Trade Associations Conceal Corporate Political Spending, Its Threat to Companies, and What Shareholders Can Do*, Center for Political Accountability, May 2006.

527 Spending

The Republican State Leadership Committee and the Republican National State Elections Committee were among the primary 527 groups in receipt of company funds during these years. Similar groups that received significant contributions from the company include the Democratic Governors Association, the Democratic Legislative Campaign Committee, and the Democratic Attorneys General Association.

527 Groups in Receipt of Allstate Contributions Since 2002⁵

Group	Total Amount Contributed
Republican State Leadership Committee	\$369,000
RNC Republican National State Elections Committee	\$35,000
Democratic Governors Association	\$25,000
Democratic Legislative Campaign Committee	\$24,000
Democratic Attorneys General Association, Inc.	\$20,000

State Level Activity

At the state level, Allstate was politically active in Washington, California, and Illinois, contributing to individual candidates, parties, and ballot measure committees. The table below lists the top state recipients.

Allstate State Level Spending Since 2002⁶

State	Total Amount Contributed*
Washington	\$1,564,000
California	\$1,205,000
Illinois	\$627,000
Oregon	\$450,000
Nevada	\$428,000

Insurance companies, including Allstate, came under criticism for their substantial contributions to a California insurance commissioner candidate's 2010 campaign, alleging a conflict of interest.⁷ In 2005, a media account revealed that the company had issued a \$20,000 check, labeled "political contribution," to the Texas Association of Business (TAB). The TAB faced a criminal investigation and civil lawsuits for using corporate dollars to fund political candidates friendly to the insurance industry,⁸ and in 2009, pleaded guilty to campaign finance law violations.⁹

Ballot Measures

⁵ CQ PoliticalMoneyline, www.politicalmoneyline.com. The CPA used CQ's database to conduct searches on the company's 527 committee political giving. The search results do not always distinguish contributions made with corporate funds from contributions made by the company PAC. Though the CPA made efforts to eliminate any PAC contributions, the figure cited in this report may include donations made with employee funds.

⁶ The Institute for Money in State Politics, www.followthemoney.org/. The amounts listed for state level spending are approximate because state campaign finance reporting is often incomplete and in many cases contributions from the corporation and its political action committee (PAC) are combined, even though the latter are employee-funded. The CPA makes every effort to exclude donations that appear to come from a company PAC or from an individual employee.

⁷ See Don Thompson. "Insurance industry gives \$1.4M for GOP candidate." *Associated Press*, October 20, 2010.

⁸ See Laylan Copelin. "Insurers were business group's biggest donors; As inquiry, lawsuits continue, study of records reveals contributors to 2002 election efforts." *Austin American-Statesman*. July 22, 2005; NEWS; Pg. A1

⁹ Corrie MacLaggan. "Business group pleads guilty to campaign finance charge: Texas Association of Business pays \$10,000 fine for misdemeanor after six-year investigation by Travis County district attorney." *Austin American-Statesman*. Nov. 13, 2009, available at <http://www.statesman.com/news/texas-politics/business-group-pleads-guilty-to-campaign-finance-charge-56996.html?printArticle=y>.

Allstate has contributed to several ballot measure committees in California and other states in recent years, including a committee opposing Referendum 67 regarding fair conduct related to insurance claims. The participation of out-of-state insurance companies in the coalition opposing this ballot measure drew some controversy¹⁰ when a member of another group in the coalition, Consumers Against Higher Insurance Rates, sent a “threatening” letter pushing policyholders to vote against Insurance Fair Conduct Act.¹¹

In 2008, the company gave \$6,000 to a committee supporting Proposition 8, which proposed to restrict the legally accepted definition of marriage.¹² Four years earlier, Allstate contributed \$100,000 to Californians to Stop Shakedown Lawsuits, a committee formed to support a tort reform referendum.

Allstate Contributions to Ballot Measure Committees¹³

Year	State	Recipient	Amount
2007	WA	Consumers Against Higher Insurance Rates	\$1,501,000
2006	OR	Oregonians Against Insurance Rate Increases	\$435,000
2004	NV	Nevadans Against Frivolous Lawsuits	\$422,000
2004	CA	Yes On 64 Californians To Stop Shakedown Lawsuits	\$100,000
2004	CA	Californians Against Higher Taxes No On 56	\$88,000
2008	IL	Alliance To Protect The Illinois Constitution	\$50,000
2008	CA	Yes On 11 - Hold Politicians Accountable	\$25,000
2005	CA	Governor Schwarzenegger’s California Recovery Team	\$25,000
2009	CA	Budget Reform Now	\$20,000
2004	CA	Californians For A Balanced Budget Yes On 57 & 58	\$10,000
2008	CA	ProtectMarriage.com	\$6,000

Independent Expenditures

The *Citizens United* decision allows corporations to fund independent expenditures using unlimited corporate treasury funds. In July 2010, the CPA and its investor partners surveyed the S&P 500, asking whether the companies intended to engage in independent expenditure activity, and if so, whether they planned on disclosing the expenditures and adopting appropriate oversight procedures. A majority of the responding companies stated that they do not intend to engage in this type of activity, while many respondents declined to state their position or commit to additional disclosure. Others noted that their policies were under review. Allstate responded to the letter, stating, “[A]ny corporation that exercises its constitutional right to support, or oppose, any candidate does so at some peril... It must ...take into account the interests of its shareholders and customers. This was Allstate’s stand prior to Citizens United, and it remains so today. We therefore believe our existing policy on political contributions...remains responsive and robust and provides the appropriate guidance to the Corporation when it contemplates exercising its constitutional right to engage in political speech on behalf of its shareholders and customers.”

Trade Association Activity

Trade associations serve a variety of purposes. Some engage in political activity through contributions at the state and local level, grassroots lobbying, issue advocacy, and independent expenditures. These activities are funded by dues and other payments from member companies. While not all trade associations are politically active, several major industry groups carry significant political weight.

¹⁰ See Chris McGann. “Insurers Oppose ‘Jackpot’ Lawsuits Money Pours Into The State To Fight Referendum 67.” *The Seattle Post-Intelligencer*. August 21, 2007; NEWS; Pg. A1. “Out-of-state insurance industry money has been gushing into Washington, fueling a \$5.8 million campaign against a measure that would uphold a law allowing people to sue for triple damages if a company fails to pay a legitimate claim... Consumers Against Higher Insurance Rates, the industry-backed group that is opposing Referendum 67, says the new law is an unfair financial liability that would drive up rates.”

¹¹ See Chris McGann. “R-67 Mailing ‘Felt Like A Threat’ State Farm Letter On Insurance Measure Angers Some Customers.” *The Seattle Post-Intelligencer*. October 20, 2007; NEWS; Pg. B1.

¹² Ibid.

¹³ The Institute for Money in State Politics, www.followthemoney.org/

A complete list of the trade associations or related groups to which Allstate belongs is not publicly available. Most associations only disclose the companies represented on their board of directors, not their entire membership list. Shareholders also do not have access to the amounts Allstate pays to trade associations annually or the portion used for the associations' political spending.

A Center for Political Accountability review of publicly available information found that:

- Allstate CEO Thomas Wilson serves on the **Business Roundtable**¹⁴ and on the **Financial Services Roundtable**;¹⁵
- Wilson also is a board member of the **Financial Services Forum**¹⁶ and serves on the board of the **U.S. Chamber of Commerce**,¹⁷ which has been a major political player over the last decade.¹⁸ In 2010, the Chamber publicly stated its goal of spending \$75 million on electioneering activities to influence the midterm elections.¹⁹ According to *The Atlantic* magazine, the Chamber spent \$145 million on political activities in 2009. This amount far "surpass(ed) that of both the Republican National Committee and the Democratic National Committee for the first time in recent memory."²⁰
- Allstate is a member of the **Financial Services Roundtable**,²¹ and
- The CEO of Allstate Financial, a division of Allstate, is a member of the 2011 board of the **American Council of Life Insurers**.²² Allstate Life Insurance Company²³ and Allstate Life Insurance Company of New York²⁴ are members of the ACLI as well.

These groups have been politically active in recent years. In 2009, the BRT reported receipts of dues of other payments of \$20.1 million, a decline from 2007. However, the portion of lobbying and political expenditures rose from \$8.4 million to \$13.4 million over that same period. The FSR reported dues and other assessments of \$15 million, a 20 percent increase over 2006, but its lobbying and political spending portion increased by only 13 percent over that period. Additional details of these groups as well as the FSF, the Chamber and ACLI are in the tables below.

Business Roundtable	2007	2008	2009
Reported Dues (\$ millions)	22.4	20.9	20.1
Lobbying and Political Expenditures (\$ millions)	8.4	13.3	13.4
<i>Percent of Dues and Payments Used for Lobbying</i>	<i>37.5</i>	<i>63.6</i>	<i>66.7</i>

¹⁴ See Business Roundtable "Members," available at <http://businessroundtable.org/about-us/members/>.

¹⁵ See Financial Services Forum "Forum Members," available at <http://www.financialservicesforum.org/index.php/about-the-forum/forum-members.html>.

¹⁶ See Thomas Wilson bio on Allstate website, available at <http://www.allstatenewsroom.com/channels/Senior-Management-Team/releases/thomas-j-wilson>.

¹⁷ See U.S. Chamber of Commerce Board Of Directors, available at <http://www.uschamber.com/about/board/board-directors>.

¹⁸ Kasel, Shayla. *Show us Your Money: Halting the Use of Trade Organizations as Covert Conduits for Corporate Campaign Contributions*. Journal of Corporation Law. Fall 2007.

¹⁹ Eric Lipton, Mike McIntire and Don van Hatt, "Top Corporations Aid U.S. Chamber of Commerce Campaign," *The New York Times*, Oct. 21, 2010. Available at <http://www.nytimes.com/2010/10/22/us/politics/22chamber.html?pagewanted=all>

²⁰ Marc Ambinder, "The Corporations Already Outspend the Parties," *The Atlantic*, Feb. 1, 2010, available at <http://www.politicalaccountability.net/index.php?ht=a/GetDocumentAction/i/2815>. In 2009, the Chamber spent \$144.5 on political expenditures, while the RNC and DNC spent \$97.9 million and \$71.6 million, respectively.

²¹ See Financial Services Roundtable "Member Companies," available at http://www.fsround.org/about/member_companies.htm

²² See American Council of Life Insurers "2011 Board Of Directors," available at http://www.acli.com/About%20ACLI/Board%20of%20Directors/Documents/1ce03b57e2c147f3b092a6ce4089fb02BoardofDirectors2011_updated121610.pdf.

²³ See "Member Detail" on the ACLI website, available at <http://www.acli.com/About%20ACLI/Membership/Member%20List/Pages/MemberDetail.aspx?CompanyID=113>.

²⁴ See "Member Detail" on the New York on ACLI website, available at <http://www.acli.com/About%20ACLI/Membership/Member%20List/Pages/MemberDetail.aspx?CompanyID=2584>.

<i>and Political Purposes</i>				
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(Source: IRS Form 990s, available at Guidestar.org)

Financial Services Roundtable	2006	2007	2008	2009
Reported Dues (\$ millions)	12.1	12.7	15.6	15.0
Lobbying and Political Expenditures (\$ millions)	6.2	7.3	7.6	7.0
<i>Percent of Dues and Payments Used for Lobbying and Political Purposes</i>	51.2	57.5	48.7	46.6

(Source: IRS Form 990s, available at Guidestar.org)

Financial Services Forum	2006	2007	2008	2009
Reported Dues (\$ millions)	4.0	4.0	4.0	3.4
Lobbying and Political Expenditures (\$ millions)	1.1	1.9	1.5	1.7
<i>Percent of Dues and Payments Used for Lobbying and Political Purposes</i>	27.5	47.5	37.5	50.8

(Source: IRS Form 990s, available at Guidestar.org)

U.S. Chamber of Commerce	2006	2007	2008	2009
Reported Dues (\$ millions)	98.9	92.1	118.6	193.3
Lobbying and Political Expenditures (\$ millions)	28.9	30.8	63.1	123.5
<i>Percent of Dues and Payments Used for Lobbying and Political Purposes</i>	29.2	33.4	53.2	63.9

(Source: IRS Form 990s, available at Guidestar.org)

American Council of Life Insurers	2006	2007	2008	2009
Reported Dues (\$ millions)	30.8	31.1	32.9	33.2
Lobbying and Political Expenditures (\$ millions)	9.6	9.3	12.5	12.8
<i>Percent of Dues and Payments Used for Lobbying and Political Purposes</i>	31.2	29.9	38.0	38.5

(Source: IRS Form 990s, available at Guidestar.org)

A portion of the company's payments to these groups likely was used to underwrite some of this political spending. The company could face reputational or business risks from the political activities of trade associations or groups to which it makes payments. This risk is discussed in the *Handbook on Corporate Political Activity*, released by The Conference Board in November 2010. While "corporate leaders are aware that even when their own actions pose little risk," it notes, "the behavior of suppliers, trade associations, and other third parties has the potential to affect how their organizations are viewed."²⁵ Without disclosure of such payments made by the company, shareholders cannot assess these risks.

Allstate has highlighted its placement on 2009 Carbon Disclosure Leadership Index as recognition for its work on energy efficiency and greenhouse gas reduction.²⁶ Allstate also publicizes its policy of raising awareness about climate change and its impact on natural disasters.²⁷

Allstate's CEO, however, is a member of the U.S. Chamber of Commerce's board of directors. The Chamber's position on climate change has been controversial for at least the past decade,²⁸ although it

²⁵ *Handbook on Corporate Political Activity: Emerging Corporate Governance Issues*, The Conference Board, Nov. 2010, p.15. Available at www.politicalaccountability.net

²⁶ See Allstate's "Environmental Impact" webpage, available at <http://www.allstate.com/social-responsibility/business-practices/environmental-impact.aspx>.

²⁷ See Allstate's webpage, "Addressing Climate Change," available at <http://www.allstate.com/environment/climate-change.aspx>.

toned down its language in 2010.²⁹ Several companies, including Apple,³⁰ Exelon and PG&E,³¹ withdrew their memberships from the association because of differences over the issue. Other member companies such as Nike and Johnson & Johnson, which publicly support action on climate change, have expressed concerns about the implications of the conflicting positions.³²

Inadequate disclosure can be problematic for another reason. Shareholders may not be able to evaluate whether the company's political giving aligns with the mission and values of the company. "[G]iven the relative freedom trade associations have to engage in political activity, it may be advisable for companies to inquire about how their own payments to trade associations are spent," the handbook notes. "Without this information about how its contributions are spent, a corporation may unwittingly end up supporting politicians or political causes with which the company may not want to be associated. It may also find its funds being used to promote positions that may not be aligned with its values or business strategies."³³

Transparency and Accountability Checklist

Publicly Disclosed Standards & Procedures Governing Corporate Political Activity

The CPA derived the following checklist from existing legal standards, best practice standards among leading corporations and policies that ensure protection of shareholder value. Some of the standards and best practices are included the *Handbook on Corporate Political Activity*.³⁴ A company that fulfills most of the criteria listed below likely has good governance of its corporate political spending. The CPA relied on information that is disclosed on the company website and therefore publicly available to all investors. A company will not get credit for policies or procedures that are not publicly available.

Industry Comparison

Allstate's peer companies The Hartford and Prudential Financial have committed to disclosure of the full range of their political spending and charge their boards with oversight of their spending.

Positive Practices

Allstate discloses the policies and procedures that regulate its political spending, which include considering how political contributions affect the "best interests of the Corporation, its stockholders, and its customers."³⁵ Additionally, the policy states that the board of directors reviews all political spending annually.³⁶

Room for Improvement

Allstate does not disclose the details of its political spending or the portion of the dues and other payments it makes to trade associations and other tax-exempt groups that are used for political purposes.

Basic Disclosure

²⁸ Ann McFeatters. Pittsburgh Post-Gazette; November 23, 2002, "EPA relaxes clean air rules: Policy move angers environmentalists," available at <http://www.post-gazette.com/healthscience/20021123cleanairenviron2p2.asp>. The U.S. Chamber of Commerce was at odds with environmentalists advocating the prevention of global warming as early as 2002.

²⁹ Chamber of Commerce's current webpage on climate change, accessible at <http://www.uschamber.com/issues/environment/climate-change>, states, "Measures taken to address any stated climate change challenge... must not harm the United States economy... The Chamber will work to discourage ill-conceived climate change... measures that could severely damage the... economy of the United States."

³⁰ See also: David A. Fahrenthold. Washington Post; October 6, 2009, "Apple Leaves U.S. Chamber Over Its Climate Position," available at http://www.washingtonpost.com/wp-dyn/content/article/2009/10/05/AR2009100502744_pf.html.

³¹ Clifford Krauss and Kate Galbraith. New York Times; September 29, 2009, "Climate Bill Splits Exelon and U.S. Chamber," available at http://www.nytimes.com/2009/09/29/business/energy-environment/29chamber.html?_r=1&pagewanted=print.

³² Clifford Krauss and Kate Galbraith. New York Times; September 29, 2009, "Climate Bill Splits Exelon and U.S. Chamber," available at http://www.nytimes.com/2009/09/29/business/energy-environment/29chamber.html?_r=1&pagewanted=print.

³³ Ibid.

³⁴ *Handbook on Corporate Political Activity: Emerging Corporate Governance Issues*, The Conference Board, Nov. 2010. Available at www.politicalaccountability.net

³⁵ See Section F. Additional Policies: 1. Policy on Political Contributions" in the Allstate Corporation "Corporate Governance Guidelines" for the Board of Directors, last updated February 22, 2011, available at <http://phx.corporate-ir.net/External.File?item=UGFyZW50SUQ9ODM4NjJ8Q2hpbGRJRD0tMXxUeXBIPtM=&t=1>.

³⁶ Ibid.

Is the following information disclosed on the company's website?

Policy on corporate political contributions and expenditures	yes ³⁷
The recipients and amounts of its political spending	no ³⁸
Memberships in trade associations and other tax-exempt groups	no
Payments to trade associations and other tax-exempt groups used for political purposes	no

Standards & Oversight Procedures

Do company policies explicitly include the following items?

The use of corporate funds for political purposes is prohibited	no
Political contributions permitted only through voluntary employee-funded PAC contributions	no
No contribution will be given in anticipation of, in recognition of, or in return for an official act	yes ³⁹
Company will not reimburse employees directly or indirectly for political donations or expenses	no
No employees will be pressured to make any personal political expenditures	no
Political contributions policies are included in Code of Conduct	no
Political contributions policies are disclosed elsewhere on the company website	yes ⁴⁰
Political contributions policies include specific criteria for approval of political donations	no
Prior approval required for political contributions	no
Officer or department must approve political contributions	no
General counsel or legal department must approve political contributions	no

³⁷ See Section F. Additional Policies: 1. Policy on Political Contributions” in the Allstate Corporation “Corporate Governance Guidelines” for the Board of Directors, last updated February 22, 2011, available at <http://phx.corporate-ir.net/External.File?item=UGFyZW50SUQ9ODM4NjJ8Q2hpbGRJRD0tMXxUeXBIPtM=&t=1>.

³⁸ Ibid. The policy states, “Corporate political contributions are made in accordance with this policy as permitted... All contributions are publicly disclosed as required by applicable state or federal law.” The company is referring to the required disclosure with state and other agencies. It does not disclose its spending on its website..

³⁹ See the “Integrity And Compliance” section of the “Allstate Code of Ethics,” approved March 23, 2010, available at <http://phx.corporate-ir.net/External.File?item=UGFyZW50SUQ9NjAwMDV8Q2hpbGRJRD0tMXxUeXBIPtM=&t=1>.

The code states, “You may not give any... item of monetary value, bribe, kickback or other illegal or improper payment of any kind to any person with whom Allstate does business or seeks to do business... The Foreign Corrupt Practices Act (FCPA) prohibits U.S. companies and their employees from providing foreign government officials with anything of value in order to obtain or maintain business... The FCPA, and our Company policy, also requires that we provide supporting documentation for any compensation paid to individuals or organizations.”

⁴⁰ See Section F. Additional Policies: 1. Policy on Political Contributions” in the Allstate Corporation “Corporate Governance Guidelines” for the Board of Directors, last updated February 22, 2011, available at <http://phx.corporate-ir.net/External.File?item=UGFyZW50SUQ9ODM4NjJ8Q2hpbGRJRD0tMXxUeXBIPtM=&t=1>.

An executive officer of the company must approve political contributions	no
Board of directors or board committee oversees political contributions	yes ⁴¹
Board of directors or board committee must issue prior approval for political contributions	no
The same standards and oversight procedures apply to payments made to trade associations and other tax-exempt groups that are used for political purposes	no

This checklist relies on the company's publicly disclosed information and reflects only external company standards and procedures. It does not measure compliance with the company's expressed standards and procedures. Any clear violations of the company's standards and procedures of which the CPA is aware will be included in this report.

Report Date: March 31, 2011

⁴¹ See Section F. Additional Policies: 1. Policy on Political Contributions" in the Allstate Corporation "Corporate Governance Guidelines" for the Board of Directors, last updated February 22, 2011, available at <http://phx.corporate-ir.net/External.File?item=UGFyZW50SUQ9ODM4NjJ8Q2hpbGRJRD0tMXxUeXBIPtM=&t=1>. Policy states, "All corporate political contributions are reviewed on an annual basis by the Board of Directors."