

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

FORM 8-K

CURRENT REPORT
PURSUANT TO SECTION 13 OR 15 (d) OF THE
SECURITIES EXCHANGE ACT OF 1934

Date of report (Date of earliest event reported): November 1, 2021

THE ALLSTATE CORPORATION
(Exact name of registrant as specified in its charter)

Delaware
(State or other
jurisdiction of incorporation)

1-11840
(Commission
File Number)

36-3871531
(IRS Employer
Identification No.)

2775 Sanders Road, Northbrook, Illinois 60062

(Address of principal executive offices) (Zip Code)

Registrant's telephone number, including area code **(847) 402-5000**

Check the appropriate box below if the Form 8-K filing is intended to simultaneously satisfy the filing obligation of the registrant under any of the following provisions:

- Written communications pursuant to Rule 425 under the Securities Act (17 CFR 230.425)
- Soliciting material pursuant to Rule 14a-12 under the Exchange Act (17 CFR 240.14a-12)
- Pre-commencement communications pursuant to Rule 14d-2(b) under the Exchange Act (17 CFR 240.14d-2(b))
- Pre-commencement communications pursuant to Rule 13e-4(c) under the Exchange Act (17 CFR 240.13e-4(c))

Securities registered pursuant to Section 12(b) of the Act:

Title of each class	Trading Symbols	Name of each exchange on which registered
Common Stock, par value \$0.01 per share	ALL	New York Stock Exchange Chicago Stock Exchange
5.100% Fixed-to-Floating Rate Subordinated Debentures due 2053	ALL.PR.B	New York Stock Exchange
Depository Shares represent 1/1,000th of a share of 5.625% Noncumulative Preferred Stock, Series G	ALL PR G	New York Stock Exchange
Depository Shares represent 1/1,000th of a share of 5.100% Noncumulative Preferred Stock, Series H	ALL PR H	New York Stock Exchange
Depository Shares represent 1/1,000th of a share of 4.750% Noncumulative Preferred Stock, Series I	ALL PR I	New York Stock Exchange

Indicate by check mark whether the registrant is an emerging growth company as defined in Rule 405 of the Securities Act of 1933 (§230.405 of this chapter) or Rule 12b-2 of the Securities Exchange Act of 1934 (§240.12b-2 of this chapter).

Emerging growth company

If an emerging growth company, indicate by check mark if the registrant has elected not to use the extended transition period for complying with any new or revised financial accounting standards provided pursuant to Section 13(a) of the Exchange Act. _____

Section 2 – Financial Information

Section 2.01. Completion of Acquisition or Disposition of Assets.

On November 1, 2021, pursuant to the Stock Purchase Agreement (the “Purchase Agreement”), dated January 26, 2021, by and among Allstate Insurance Company (“ALIC Seller”), an indirect wholly owned subsidiary of The Allstate Corporation (the “Registrant”), and Allstate Financial Insurance Holdings Corporation (“AAC Seller” and, together with ALIC Seller, each a “Seller” and, together, the “Sellers”), a direct wholly owned subsidiary of the Registrant and Everlake US Holdings Company (f/k/a Antelope US Holdings Company) (the “Buyer”), a corporation incorporated under the laws of the State of Delaware and an affiliate of an investment fund associated with Blackstone Inc., the Sellers completed the previously announced sale of all of the shares of capital stock of Allstate Life Insurance Company, a wholly owned subsidiary of ALIC Seller (“ALIC”), and Allstate Assurance Company, a wholly owned subsidiary of AAC Seller (“AAC”) to the Buyer (together with the other transactions contemplated by the Purchase Agreement, the “Transaction”) for total proceeds of approximately \$4 billion, which is inclusive of Blackstone’s approximately \$2.8 billion of purchase price, as well as increases in statutory surplus since March 31, 2020. The Purchase Agreement also provides for potential contingent consideration payable to ALIC Seller of \$25 million each year from 2025 through and including 2034, for up to \$250 million in the aggregate, based on the monthly average of the daily 10-year treasury rate for the trailing three year period to each such year.

The following unaudited *pro forma* condensed consolidated statement of financial position of the Registrant, giving effect to the Transaction and to the sale of Allstate Life Insurance Company of New York to Wilton Reassurance Company (together with the Transaction, the “Divestitures”) as if the Divestitures occurred on June 30, 2021, is attached as Exhibit 99.1 to this report and is incorporated herein by reference:

- (i) The unaudited *pro forma* condensed consolidated statement of financial position as of June 30, 2021; and
- (ii) notes to unaudited *pro forma* condensed consolidated statement of financial position.

Section 8 – Other Events

Item 8.01. Other Events.

On November 1, 2021, the Registrant issued a press release announcing that it had completed the previously announced sale of ALIC and AAC. A copy of the press release is attached as Exhibit 99.2 to this report and is incorporated herein by reference.

Section 9 – Financial Statements and Exhibits

Item 9.01. Financial Statements and Exhibits.

- (a) Not Applicable
- (b) The Registrant’s unaudited *pro forma* condensed consolidated statement of financial position as of June 30, 2021, is set forth in Exhibit 99.1 hereto and is incorporated herein by reference
- (c) Not Applicable
- (d) Exhibits

<u>Exhibit No.</u>	<u>Description</u>
99.1	The Registrant’s unaudited <i>pro forma</i> condensed consolidated statement of financial position as of June 30, 2021, is set forth in Exhibit 99.1 hereto and is incorporated herein by reference.
99.2	Registrant’s press release dated November 1, 2021
104	Cover Page Interactive Data File (formatted as inline XBRL).

SIGNATURES

Pursuant to the requirements of the Securities Exchange Act of 1934, the registrant has duly caused this report to be signed on its behalf by the undersigned hereunto duly authorized.

THE ALLSTATE CORPORATION
(Registrant)

By: /s/ Daniel G. Gordon
Name: Daniel G. Gordon
Title: Vice President, Assistant General
Counsel and Assistant Secretary

Date: November 1, 2021

The Allstate Corporation and Subsidiaries

Unaudited Pro Forma Condensed Consolidated Financial Statements

On November 1, 2021, the Company completed the sale of Allstate Life Insurance Company ("ALIC") and certain affiliates to Everlake US Holdings Company, an affiliate of an investment fund associated with The Blackstone Group Inc.

On October 1, 2021, the Company completed the sale of Allstate Life Insurance Company of New York ("ALNY") to Wilton Reassurance Company.

The combined divestitures of ALIC and ALNY is herein referred to as "the divestitures". A loss on disposition of \$4 billion, after-tax, was recorded in the first quarter of 2021 related to these transactions. The loss on disposition was \$3.8 billion, after-tax, and reflects purchase price adjustments associated with certain pre-close transactions specified in the stock purchase agreements, changes in statutory capital and surplus prior to the closing dates and the closing date equity of the sold entities determined under GAAP, excluding unrealized gains and losses on fixed income securities.

The unaudited pro forma condensed consolidated statement of financial position has been derived from historical financial statements prepared in accordance with U.S. generally accepted accounting principles and is:

- (1) Presented based on information currently available
- (2) Intended for informational purposes only
- (3) Is not intended to reflect the results of operations or the financial position of the Corporation that would have resulted had the divestitures been effective as of and during the periods presented or the results that may be obtained by the Corporation in the future

The unaudited pro forma condensed consolidated statement of financial position gives effect to the divestitures as if they occurred on June 30, 2021 and are filed as Exhibit 99.1 to the Current Report on Form 8-K and should be read in conjunction with the accompanying notes.

The unaudited pro forma condensed consolidated statement of financial position has been prepared in accordance with Regulation S-X Article 11, Pro Forma Financial Information, as amended by the final rule, Amendments to Financial Disclosures About Acquired and Disposed Businesses, as adopted by the SEC on May 21, 2020. The unaudited pro forma condensed consolidated statement of financial position does not include adjustments to reflect any potential synergies that may be achievable, or dis-synergy costs that may occur, in connection with the divestitures.

The unaudited pro forma condensed consolidated statement of financial position was derived in part from, and should be read in conjunction with the Corporation's:

- Quarterly Reports on Form 10-Q for the three and six months ended March 31, 2021 and June 30, 2021, respectively
- Form 8-K and Exhibit 99.1, filed on April 30, 2021, including the unaudited pro forma condensed consolidated financial statements that give effect to the divestitures as if they occurred on December 31, 2020 for purposes of the unaudited pro forma condensed consolidated statement of financial position and January 1, 2018 for purposes of the unaudited pro forma condensed consolidated statements of operations for the years ended December 31, 2020, 2019 and 2018

As of the first quarter of 2021, the assets and liabilities and the results of operations of the divestitures have been reflected in the Company's historical consolidated financial statements as discontinued operations. As such, the assets and liabilities related to the businesses sold have been segregated and classified in the historical Consolidated Statement of Financial Position as "held for sale," and the operating results have been presented outside of income from continuing operations in the Consolidated Statements of Operations as a part of "Income (loss) from discontinued operations, net of tax."

The unaudited pro forma condensed consolidated statement of financial position should be read in conjunction with the Corporation's Annual report on Form 10-K for the year ended December 31, 2020.

The unaudited pro forma condensed consolidated statement of financial position is presented based on information available upon closing of the divestitures and is not reflective of the Company's financial position had the transactions occurred on June 30, 2021.

Additionally, any unaudited pro forma condensed consolidated financial statements included here or in our previously filed Form 8-K on April 30, 2021 do not reflect future events that are not directly attributable to these divestitures. Actual results during future periods may vary significantly from the results reflected in the unaudited pro forma condensed consolidated financial statements.

The Allstate Corporation and Subsidiaries
Unaudited Pro Forma Condensed Consolidated Statement of Financial Position

As of June 30, 2021

(\$ in millions, except par value data)	Historical Allstate (As reported)	Divestitures	Transaction accounting adjustments	Notes	Pro forma Allstate (As adjusted)
Assets					
Investments					
Fixed income securities, at estimated fair value	\$ 42,825	\$ —	\$ —		\$ 42,825
Equity securities, at estimated fair value	3,059	—	(1,225)	(a)	1,834
Mortgage loans	786	—	—		786
Limited partnership interests	7,073	—	—		7,073
Short-term, at estimated fair value	5,516	—	—		5,516
Other	3,311	—	—		3,311
Total investments	62,570	—	(1,225)		61,345
Cash	656	—	4,384	(b)	5,040
Premium installment receivables, net	8,146	—	—		8,146
Deferred policy acquisition costs	4,374	—	—		4,374
Reinsurance and indemnification recoverables, net	9,497	—	—		9,497
Accrued investment income	350	—	—		350
Property and equipment, net	1,026	—	—		1,026
Goodwill	3,349	—	—		3,349
Other assets	5,706	—	27	(c)	5,733
Assets held for sale	36,969	(41,090)	4,121	(d)	—
Total assets	\$ 132,643	\$ (41,090)	\$ 7,307		\$ 98,860
Liabilities					
Reserve for property and casualty insurance claims and claims expense	\$ 31,637	\$ —	\$ —		\$ 31,637
Reserve for future policy benefits	1,239	—	—		1,239
Contractholder funds	858	—	—		858
Unearned premiums	18,756	—	—		18,756
Claim payments outstanding	1,040	—	—		1,040
Deferred income taxes	758	—	—		758
Other liabilities and accrued expenses	9,392	—	—		9,392
Long-term debt	7,996	—	—		7,996
Liabilities held for sale	32,775	(32,775)	—		—
Total liabilities	104,451	(32,775)	—		71,676
Shareholders' equity					
Preferred stock and additional capital paid-in	2,170	—	—		2,170
Common stock	9	—	—		9
Additional capital paid-in	3,668	—	—		3,668
Retained income	52,464	(7,307)	7,307	(e)	52,464
Treasury stock, at cost	(32,394)	—	—		(32,394)
Accumulated other comprehensive income:					
Unrealized net capital gains and losses	2,164	(1,003)	—		1,161
Unrealized foreign currency translation adjustments	24	(5)	—		19
Unamortized pension and other postretirement prior service credit	102	—	—		102
Total accumulated other comprehensive income	2,290	(1,008)	—		1,282
Noncontrolling interest	(15)	—	—		(15)
Total equity	28,192	(8,315)	7,307		27,184
Total liabilities and equity	\$ 132,643	\$ (41,090)	\$ 7,307		\$ 98,860

See accompanying notes to unaudited pro forma condensed consolidated statement of financial position.

The Allstate Corporation and Subsidiaries
Notes to the Unaudited Pro Forma Condensed Consolidated Statement of Financial Position

Transaction accounting adjustments

- (a) Represents additional investments in the divestitures that were sold prior to the sales transactions.
- (b) Represents the cash received as well as cash dividends received from the divestitures prior to the sale.
- (c) Represents the reclassification of the remaining accruals related to the disposed business out of the assets held for sale.
- (d) Represents the reversal of the accrual for loss on disposition.
- (e) Represents the reclassification of retained income included in the divestitures column into the retained income of the Company.

Press release

NEWS

FOR IMMEDIATE RELEASE

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Allstate Completes Sale of Life and Annuity Businesses

NORTHBROOK, Ill., Nov. 1, 2021 – The Allstate Corporation (NYSE: ALL) today announced that it has closed the sale of Allstate Life Insurance Company (ALIC) and certain subsidiaries to entities managed by Blackstone for total proceeds of \$4 billion, which is inclusive of Blackstone’s approximately \$2.8 billion purchase price, as well as increases in statutory surplus since March 31, 2020.

“Allstate’s strategy is to increase personal property-liability market share and expand protection offerings to customers. This sale redeploys capital into highly attractive property-liability and protection service businesses and reduces interest-rate exposure,” said Tom Wilson, chair, president and CEO of The Allstate Corporation.

Gilles Dellaert, Global Head of Blackstone Insurance Solutions, said: “We are pleased to complete this transaction. We believe the investment outperformance we can deliver through our industry-leading private credit origination platforms – while maintaining strong policyholder protections – will play a vital role in helping meet long-term customer obligations, especially at a time of historically low interest rates.”

The sale of ALIC, along with the previously announced sale of Allstate Life Insurance Company of New York (ALNY) to Wilton Re, reduces assets by approximately \$34 billion to \$99 billion and liabilities by approximately \$33 billion to \$72 billion as of June 30, 2021, and resulted in a GAAP book loss of approximately \$3.8 billion in the first quarter of 2021.

Approximately \$1.7 billion of deployable capital was generated by these transactions and was considered when authorizing the current \$5 billion share repurchase program.

Allstate agents and exclusive financial specialists will meet customers’ needs by offering a full suite of life insurance and retirement solutions from third-party providers.

The ALIC business is being renamed Everlake Life Insurance (“Everlake”) under its new ownership by entities managed by Blackstone.

About Allstate

The Allstate Corporation (NYSE: ALL) protects people from life's uncertainties with a circle of protection including cars, homes, electronic devices, benefits and identity theft. Products are available through a broad distribution network including Allstate agents, independent agents, major retailers, online and at the workplace. Allstate is widely known for the slogan "You're in Good Hands with Allstate."

Financial information, including material announcements about The Allstate Corporation, is routinely posted on www.allstateinvestors.com.

About Blackstone

Blackstone is one of the world's leading investment firms. We seek to create positive economic impact and long-term value for our investors, the companies we invest in, and the communities in which we work. We do this by using extraordinary people and flexible capital to help companies solve problems. Our asset management businesses, with \$731 billion in assets under management, include investment vehicles focused on private equity, real estate, public debt and equity, growth equity, opportunistic, non-investment grade credit, real assets and secondary funds, all on a global basis. Further information is available at <https://www.blackstone.com/>.

About Everlake

Everlake is a US-based life insurance company. Our mission is to use our financial strength and experience to provide excellent service to our policyholders and to help meet their needs of income for retirement or financial support to families during the loss of a loved one. Further information is available at www.everlakelife.com.

Forward-Looking Statements

This news release contains "forward-looking statements" that anticipate results based on our estimates, assumptions and plans that are subject to uncertainty. These statements are made subject to the safe-harbor provisions of the Private Securities Litigation Reform Act of 1995. These forward-looking statements do not relate strictly to historical or current facts and may be identified by their use of words like "plans," "seeks," "expects," "will," "should," "anticipates," "estimates," "intends," "believes," "likely," "targets" and other words with similar meanings. We believe these statements are based on reasonable estimates, assumptions and plans. However, if the estimates, assumptions or plans underlying the forward-looking statements prove inaccurate or if other risks or uncertainties arise, actual results could differ materially from those communicated in these forward-looking statements. Factors that could cause actual results to differ materially from those expressed in, or implied by, the forward-looking statements may be found in our filings with the U.S. Securities and Exchange Commission, including the "Risk Factors" section in our most recent annual report on Form 10-K. Forward-looking statements are as of the date on which they are made, and we assume no obligation to update or revise any forward-looking statement.