ALLSTATE CORP
Form 424B5
December 13, 2002

QuickLinks -- Click here to rapidly navigate through this document

Filed Pursuant to Rule 424(b)(5)
Registration Number 333-39640

P R O S P E C T U S S U P P L E M E N T
(To Prospectus Dated June 19, 2000)

$250,000,000

The Allstate Corporation

6.125% Senior Notes due 2032

The notes will bear interest at the rate of 6.125% per year. Interest on the notes is payable on June 15 and December 15 of each year, beginning on June 15, 2003. The notes will mature on December 15, 2032. We may redeem some or all of the notes at any time at the redemption prices discussed under the caption "Description of the Notes Optional Redemption."

The notes will be senior obligations of our company and will rank equally with all of our other existing and future senior unsecured and unsubordinated indebtedness.

Neither the Securities and Exchange Commission nor any state securities commission has approved or disapproved of these securities or determined if this prospectus supplement or the related prospectus is truthful or complete. Any representation to the contrary is a criminal offense.

	Per Senior Note	Total
Public Offering Price	99.660%	$ 249,150,000
Underwriting Discount	0.875%	$ 2,187,500
Proceeds to The Allstate Corporation (before expenses)	98.785%	$ 246,962,500

The underwriters expect to deliver the notes to purchasers on or about December 17, 2002.

Banc One Capital Markets, Inc. **UBS Warburg**
Banc of America Securities LLC

Goldman, Sachs & Co.

JPMorgan

Lehman Brothers

Morgan Stanley

The date of this prospectus supplement is December 12, 2002.

You should rely only on the information contained or incorporated by reference in this prospectus supplement and the accompanying prospectus. We have not authorized anyone to provide you with different information. We are not making an offer of these securities in any state where the offer is not permitted. You should not assume that the information contained in this prospectus supplement or the accompanying prospectus is accurate as of any date other than the date on the front of this prospectus supplement.

TABLE OF CONTENTS

Prospectus Supplement

Prospectus

THE ALLSTATE CORPORATION

The Allstate Corporation is a holding company that conducts most of its business through its subsidiaries Allstate Insurance Company, or AIC, and Allstate Life Insurance Company. The Allstate Corporation is the nation's largest publicly held personal lines insurance company and the second largest personal property and casualty insurer. Our main business segments include Allstate Protection (formerly referred to as the Allstate Personal Property and Casualty segment) and Allstate Financial. Allstate Protection has approximately 12,500 exclusive agents and financial specialists in the United States and Canada. It also includes our Ivantage unit that sells personal property and casualty insurance exclusively through approximately 14,000 independent agents across the country. Allstate Financial provides life insurance, retirement and investment products through Allstate agents, workplace marketing, independent agents, banks and securities firms and is the nation's 10th largest life insurance business based on ordinary life insurance in force.

The Allstate Corporation was incorporated in Delaware on November 5, 1992. Our executive offices are located at 2775 Sanders Road, Northbrook, Illinois 60062, and at Corporation Trust Center, 1209 Orange Street, Wilmington, Delaware 19801. Our telephone number is (847) 402-5000.

As a holding company with no significant business operations of our own, we rely on dividends from AIC as the principal source of cash to pay dividends to our stockholders and to meet our obligations, including the payment of principal of and any interest on the notes and our other debt obligations. AIC is regulated as an insurance company in Illinois. Under Illinois law, AIC may not pay a dividend without notifying the Illinois Department of Insurance and providing specified financial information. Furthermore, Illinois law requires AIC to notify and receive approval from the Director of the Illinois Department of Insurance for the declaration or payment of any dividend which, together with other dividends or distributions made within the preceding twelve months, exceeds the greater of:

- 10% of AIC's statutory surplus as of December 31 of the prior year; or
- AIC's statutory net income for the twelve-month period ending December 31 of the prior year.

As of December 31, 2001, 10% of AIC's year-end statutory surplus was greater than its statutory net income. Ten percent of statutory surplus as of December 31, 2001 was $1.377 billion and, as of October 31, 2002, dividends paid by AIC during the preceding twelve month period totaled $675 million. As of October 31, 2002, AIC had the capacity to pay additional dividends of $702 million without seeking the prior approval of the Illinois Department of Insurance.

The laws of other jurisdictions that generally govern our insurance subsidiaries contain similar limitations on the payment of dividends; however, in some jurisdictions the laws may be somewhat more restrictive.

USE OF PROCEEDS

We estimate that the net proceeds, after expenses, from the sale of the notes will be approximately $246.6 million. We will use the net proceeds to fund the redemption of $250,000,000 aggregate principal amount of our $7^1/_8$% Senior Quarterly Interest Bonds due 2097. Pending such use, we will invest the net proceeds in income-producing securities or cash equivalents such as money market instruments.

CAPITALIZATION

The following table sets forth our consolidated short term debt and capitalization as of September 30, 2002 and as adjusted to give effect to this offering and the expected use of proceeds. The following data should be read in connection with our consolidated financial statements and notes, which are incorporated by reference.

	As of September 30, 2002 (unaudited)	
	Actual	**As Adjusted**
	(in millions)	

	As of September 30, 2002	
Short-term debt	$ 247	$ 247
6.125% Senior Notes due 2032	$	$ 250
Other long-term debt	3,958	3,708
Mandatorily redeemable preferred securities of subsidiary trusts	200	200
Common stock and additional capital paid-in	2,606	2,606
Unrealized net capital gains and net gains on derivative financial instruments	2,446	2,446
Unrealized foreign currency translation adjustments	(49)	(49)
Minimum pension liability adjustment	(83)	(83)
Retained income	19,285	19,285
Deferred compensation expense	(188)	(188)
Treasury stock, at cost	(6,251)	(6,251)
Total shareholders' equity	17,766	17,766
Total capitalization	$ 21,924	$ 21,924

SELECTED CONSOLIDATED FINANCIAL INFORMATION

The following table sets forth selected consolidated statement of operations and financial position data and other data for the periods indicated. The financial data for each of the five years in the period ended December 31, 2001 are derived from our audited consolidated financial statements. The financial data for the nine months ended September 30, 2002 and 2001 are derived from our unaudited condensed consolidated financial statements. The unaudited financial statements include all adjustments, consisting of normal recurring accruals, that management considers necessary for a fair presentation of our financial position and results of operations as of such dates and for such periods. The results for the nine months ended September 30, 2002 are not necessarily indicative of full year results. The following amounts should be read in conjunction with the consolidated financial statements and notes thereto contained in our other filings with the Securities and Exchange Commission available as described under "Where You Can Find More Information" in the accompanying prospectus.

	As of or for the nine months ended September 30,		As of or for the year ended December 31,				
	(unaudited) 2002	(unaudited) 2001	2001	2000	1999	1998	1997
	(Dollars in millions, except per share data)						
Consolidated Statements of Operations Data:							
Insurance premiums and contract charges	$ 19,043	$ 18,218	$ 24,427	$ 24,076	$ 21,735	$ 20,826	$ 20,106
Net investment income	3,624	3,615	4,796	4,633	4,112	3,890	3,861
Realized capital gains and losses	(675)	(326)	(358)	425	1,112	1,163	982
Total revenues	21,992	21,507	28,865	29,134	26,959	25,879	24,949
Benefits, claims, expenses and other	20,866	20,454	27,517	26,087	23,062	21,221	20,577
Gain (loss) on disposition of operations	7	(63)	(63)		10	87	62
Income before income tax expense, dividends on preferred securities, cumulative effect of change in accounting principle and equity in net income of unconsolidated subsidiary	1,133	990	1,285	3,047	3,907	4,745	4,434

	As of or for the nine months ended September 30,		As of or for the year ended December 31,				
Income tax expense	108	58	73	795	1,148	1,422	1,324
Dividends on preferred securities of subsidiary trusts, cumulative effect of change in accounting principle and equity in net income of unconsolidated subsidiary	(338)	(38)	(54)	(41)	(39)	(29)	(5)
Net income	$ 687	$ 894	$ 1,158	$ 2,211	$ 2,720	$ 3,294	$ 3,105
Per common share data (1):							
Net income per share basic	$ 0.97	$ 1.24	$ 1.61	$ 2.97	$ 3.40	$ 3.96	$ 3.58
Net income per share diluted	$ 0.97	$ 1.23	$ 1.60	$ 2.95	$ 3.38	$ 3.94	$ 3.56
Cash dividends per common share	$ 0.63	$ 0.57	$ 0.76	$ 0.68	$ 0.60	$ 0.54	$ 0.48
Consolidated Financial Position Data:							
Investments	$ 89,888	$ 80,271	$ 79,876	$ 74,483	$ 69,645	$ 66,525	$ 62,548
Total assets	116,732	108,606	109,175	104,808	98,119	87,691	80,918
Reserve for claims and claims expenses, contract benefits and contractholder funds	65,822	58,524	59,194	54,197	50,610	45,615	44,874
Debt:							
Short-term	247	359	227	219	665	393	199
Long-term	3,958	3,123	3,694	3,112	2,186	1,353	1,497
Mandatorily redeemable preferred securities of subsidiary trusts	200	750	200	750	964	750	750
Shareholders' equity	17,766	17,293	17,196	17,451	16,601	17,240	15,610
Other Data:							
Ratio of earnings to fixed charges before interest credited to contractholder funds (2)	5.3	4.4	4.3	9.7	17.2	18.6	19.3
Ratio of earnings to fixed charges (3)	1.7	1.6	1.6	2.6	3.4	4.1	4.0

(1) Per common share data have been restated for the effects of a two-for-one stock split effective July 1, 1998.

(2) For purposes of this computation, earnings consist of income (loss) from continuing operations before income taxes and fixed charges. Fixed charges consist of interest expense, amortization of financing costs, that portion of rental expense that is representative of the interest factor and dividends on redeemable preferred securities.

(3) For purposes of this computation, earnings consist of income (loss) from continuing operations before income taxes and fixed charges. Fixed charges consist of interest expense (including interest credited to contractholder funds), amortization of financing costs, that portion of rental expense that is representative of the interest factor and dividends on redeemable preferred securities.

DESCRIPTION OF THE NOTES

We have summarized provisions of the notes below. This summary supplements and replaces (if inconsistent with) the description of debt securities and the general terms and provisions of debt securities under the caption "Description of Debt Securities" in the accompanying prospectus. The summary does not purport to be complete and is qualified in its entirety by reference to the indenture referred to below.

General

The notes will be issued under an indenture dated as of December 16, 1997, as amended by a third supplemental indenture dated as of July 23, 1999, as amended by a sixth supplemental indenture dated as of June 12, 2000 and as supplemented by a ninth supplemental indenture to be dated as of December 17, 2002, with respect to the issuance of the notes, between us and State Street Bank and Trust Company, as trustee.

The notes will initially be limited to a total principal amount of $250,000,000. We may, without the consent of the holders of the notes, issue additional notes having the same interest rate, maturity date and other terms as described in this prospectus supplement and in the accompanying prospectus. Any additional notes, together with the notes offered by this prospectus supplement, will constitute a single series of notes under the indenture. No additional notes may be issued if an event of default under the indenture has occurred and is continuing with respect to the notes.

The notes will mature on December 15, 2032 and will bear interest at 6.125% per year. Interest on the notes will accrue from December 17, 2002. The notes provide that we will:

- pay interest semiannually on June 15 and December 15 of each year, commencing June 15, 2003,
- pay interest to the person in whose name a note is registered at the close of business on June 1 or December 1 preceding the interest payment date,
- compute interest on the basis of a 360-day year consisting of twelve 30-day months,
- make payments on the notes at the offices of the trustee, and
- either make payments by wire transfer for notes held in book-entry form or by check mailed to the address of the person entitled to the payment as it appears on the register of the notes.

In the event that any date on which interest is payable is not a business day, then payment of interest payable on that date will be made on the next business day (and without any interest or other payment in respect of any delay).

We will issue the notes only in fully registered form, without coupons, in denominations of $1,000 and any integral multiple of $1,000. The notes will not be subject to any sinking fund.

Ranking

The notes will be senior unsecured obligations of The Allstate Corporation and will rank equally in right of payment with all of our other existing and future senior unsecured and unsubordinated indebtedness. The notes will rank senior to any subordinated indebtedness.

All existing and future liabilities of our subsidiaries will be effectively senior to the notes. Since all of our operations are conducted through subsidiaries, our cash flow and subsequent ability to service debt, including the notes, are dependent on the earnings of our subsidiaries and the distribution of those earnings, or upon loans or other payments of funds by the subsidiaries, to us. The subsidiaries are separate and distinct legal entities and have no obligation to pay any amount pursuant to the notes or otherwise, whether by dividends, loans or other payments. In addition, since our subsidiaries are insurance companies, their ability to pay dividends to us is subject to regulatory limitations. See

"Business Regulation" in our Annual Report on Form 10-K for the year ended December 31, 2001, which is incorporated in this prospectus supplement by reference.

Optional Redemption

The notes are redeemable, in whole or in part, at any time at a redemption price equal to the greater of:

100% of the principal amount of the notes to be redeemed; or

as determined by an Independent Investment Banker, the sum of the present values of the remaining scheduled payments of principal and interest on the notes to be redeemed (not including any portion of such payments of interest accrued to the date of redemption) discounted to the redemption date on a semiannual basis (assuming a 360-day year consisting of twelve 30-day months) at the Adjusted Treasury Rate, plus 20 basis points.

plus, in either of the above cases, accrued and unpaid interest thereon to the redemption date.

"Adjusted Treasury Rate" means, with respect to any redemption date:

the yield, under the heading which represents the average for the immediately preceding week, appearing in the most recently published statistical release designated "H.15(519)" published by the Board of Governors of the Federal Reserve System (or any successor publication which is published weekly by the Board of Governors of the Federal Reserve System and which establishes yields on actively traded United States Treasury securities adjusted to constant maturity) under the caption "Treasury Constant Maturities," for the maturity corresponding to the Comparable Treasury Issue. If no maturity is within three months before or after the Remaining Life, yields for the two published maturities most closely corresponding to the Comparable Treasury Issue shall be determined and the Adjusted Treasury Rate shall be interpolated or extrapolated from such yields on a straight line basis, rounding to the nearest month; or

if such release (or any successor release) is not published during the week preceding the calculation date or does not contain such yields, the rate per year equal to the semiannual equivalent yield to maturity of the Comparable Treasury Issue, calculated using a price for the Comparable Treasury Issue (expressed as a percentage of its principal amount) equal to the Comparable Treasury Price for such redemption date.

The Adjusted Treasury Rate shall be calculated on the third business day preceding the redemption date.

"Comparable Treasury Issue" means the United States Treasury security selected by an Independent Investment Banker as having a maturity comparable to the remaining term of the securities to be redeemed that would be used, at the time of selection and in accordance with customary financial practice, in pricing new issues of corporate debt securities of comparable maturity to the remaining term of such securities ("Remaining Life").

"Comparable Treasury Price" means (1) the average of five Reference Treasury Dealer Quotations for such redemption date, after excluding the highest and lowest Reference Treasury Dealer Quotations, or (2) if the Independent Investment Banker obtains fewer than five such Reference Treasury Dealer Quotations, the average of all such quotations.

"Independent Investment Banker" means one of the Reference Treasury Dealers appointed by us.

"Reference Treasury Dealer" means:

each of Banc One Capital Markets, Inc. and UBS Warburg LLC, and their respective successors; provided, however, that if any of the foregoing shall cease to be a primary U.S. Government securities dealer in the United States (a "Primary Treasury Dealer"), we shall substitute therefore another Primary Treasury Dealer; and

any three other Primary Treasury Dealers selected by us.

"Reference Treasury Dealer Quotations" means, with respect to each Reference Treasury Dealer and any redemption date, the average, as determined by the Independent Investment Banker, of the bid and asked prices for the Comparable Treasury Issue (expressed in each case as a percentage of its principal amount) quoted in writing to the Independent Investment Banker at 5:00 p.m., New York City Time, on the third business day preceding such redemption date.

We will mail a notice of redemption at least 30 days but not more than 60 days before the redemption date to each holder of the notes to be redeemed. If less than all of the notes are to be redeemed, the trustee will select, by such method as it will deem fair and appropriate, including pro rata or by lot, the securities to be redeemed in whole or in part.

Unless we default in payment of the redemption price, on and after the redemption date, interest will cease to accrue on the notes or portions thereof called for redemption.

Defeasance

The defeasance and covenant defeasance provisions of the indenture described under the caption "Description of Debt Securities Defeasance and Covenant Defeasance" in the accompanying prospectus will apply to the notes.

Notices

We will mail notices and communications to the holder's address shown on the register of the notes.

The Trustee; Paying Agents and Transfer Agents

State Street Bank and Trust Company is the trustee under the indenture. The trustee and its affiliates also perform certain commercial banking services for us for which they receive customary fees. The trustee will be the paying agent and transfer agent for the notes.

Book-Entry Delivery and Settlement

We will issue the notes in the form of one or more permanent global notes in definitive, fully registered, book-entry form. The global notes will be deposited with or on behalf of The Depository Trust Company, or DTC, and registered in the name of Cede & Co., as nominee of DTC, or will remain in the custody of the trustee in accordance with the FAST Balance Certificate Agreement between DTC and the trustee.

DTC has advised us as follows:

- DTC is a limited-purpose trust company organized under the New York Banking Law, a "banking organization" within the meaning of the New York Banking Law, a member of the Federal Reserve System, a "clearing corporation" within the meaning of the New York Uniform Commercial Code and a "clearing agency" registered under Section 17A of the Securities Exchange Act of 1934, as amended.

- DTC holds securities that its participants deposit with DTC and facilitates the settlement among participants of securities transactions, such as transfers and pledges, in deposited securities through electronic computerized book-entry changes in participants' accounts, thereby eliminating the need for physical movement of securities certificates.

- Direct participants include securities brokers and dealers, trust companies, clearing corporations and other organizations.

- DTC is owned by a number of its direct participants and by the New York Stock Exchange, Inc., the American Stock Exchange, Inc. and the NASD, Inc.

- Access to the DTC system is also available to others such as securities brokers and dealers, banks and trust companies that clear through or maintain a custodial relationship with a direct participant, either directly or indirectly.

- The rules applicable to DTC and its participants are on file with the SEC.

We have provided the following descriptions of the operations and procedures of DTC solely as a matter of convenience. These operations and procedures are solely within the control of DTC and are subject to change by them from time to time. We, the underwriters and the trustee do not take any responsibility for these operations or procedures, and you are urged to contact DTC or its participants directly to discuss these matters.

We expect that under procedures established by DTC:

- Upon deposit of the global notes with DTC or its custodian, DTC will credit on its internal system the accounts of direct participants designated by the underwriters with portions of the principal amounts of the global notes.

- Ownership of the notes will be shown on, and the transfer of ownership thereof will be effected only through, records maintained by DTC or its nominee, with respect to interests of direct participants, and the records of direct and indirect participants, with respect to interests of persons other than participants.

The laws of some jurisdictions require that purchasers of securities take physical delivery of those securities in definitive form. Accordingly, the ability to transfer interests in the notes represented by a global note to those persons may be limited. In addition, because DTC can act only on behalf of its participants, who in turn act on behalf of persons who hold interests through participants, the ability of a person having an interest in notes represented by a global note to pledge or transfer those interests to persons or entities that do not participate in DTC's system, or otherwise to take actions in respect of such interest, may be affected by the lack of a physical definitive security in respect of such interest.

So long as DTC or its nominee is the registered owner of a global note, DTC or that nominee will be considered the sole owner or holder of the notes represented by that global note for all purposes under the indenture and under the notes. Except as provided below, owners of beneficial interests in a global note will not be entitled to have notes represented by that global note registered in their names, will not receive or be entitled to receive physical delivery of certificated notes and will not be considered the owners or holders thereof under the indenture or under the notes for any purpose, including with respect to the giving of any direction, instruction or approval to the trustee. Accordingly, each holder owning a beneficial interest in a global note must rely on the procedures of DTC and, if that holder is not a direct or indirect participant, on the procedures of the participant through which that holder owns its interest, to exercise any rights of a holder of notes under the indenture or the global note.

Neither we nor the trustee will have any responsibility or liability for any aspect of the records relating to or payments made on account of notes by DTC, or for maintaining, supervising or reviewing any records of DTC relating to the notes.

Payments on the notes represented by the global notes will be made to DTC or its nominee, as the case may be, as the registered owner thereof. We expect that DTC or its nominee, upon receipt of any payment on the notes represented by a global note, will credit participants' accounts with payments in amounts proportionate to their respective beneficial interests in the global note as shown in the records of DTC or its nominee. We also expect that payments by participants to owners of beneficial interests in the global note held through such participants will be governed by standing instructions and customary practice as is now the case with securities held for the accounts of customers registered in the names of nominees for such customers. The participants will be responsible for those payments.

Payments on the notes represented by the global notes will be made in immediately available funds. Transfers between participants in DTC will be effected in accordance with DTC rules and will be settled in immediately available funds.

Certificated Notes

We will issue certificated notes to each person that DTC identifies as the beneficial owner of the notes represented by the global notes upon surrender by DTC of the global notes if:

- DTC notifies us that it is no longer willing or able to act as a depository for the global notes, and we have not appointed a successor depository within 90 days of that notice;

- an event of default has occurred and is continuing, and DTC requests the issuance of certificated notes; or we determine not to have the notes represented by a global note.

Neither we nor the trustee will be liable for any delay by DTC, its nominee or any direct or indirect participant in identifying the beneficial owners of the related notes. We and the trustee may conclusively rely on, and will be protected in relying on, instructions from DTC or its nominee for all purposes, including with respect to the registration and delivery, and the respective principal amounts, of the notes to be issued.

UNDERWRITING

Subject to the terms and conditions stated in the underwriting agreement dated the date of this prospectus supplement, each underwriter named below has agreed to purchase, and we have agreed to sell to that underwriter, the principal amount of notes set forth opposite the underwriter's name.

Underwriter		Principal Amount of Notes
Banc One Capital Markets, Inc.	$	100,000,000
UBS Warburg LLC	$	50,000,000
Banc of America Securities LLC	$	20,000,000
Goldman, Sachs & Co.	$	20,000,000
J.P. Morgan Securities Inc.	$	20,000,000
Lehman Brothers Inc.	$	20,000,000
Morgan Stanley & Co. Incorporated	$	20,000,000
Total	$	250,000,000

The underwriting agreement provides that the obligations of the underwriters to purchase the notes included in this offering are subject to approval of legal matters by counsel and to other conditions. The underwriters are obligated to purchase all the notes if they purchase any of the notes.

The underwriters propose to offer some of the notes directly to the public at the public offering price set forth on the cover page of this prospectus supplement and to offer some of the notes to dealers at the public offering price less a concession not to exceed 0.50% of the principal amount of the notes. The underwriters may allow, and dealers may reallow a concession not to exceed 0.25% of the principal amount of the notes on sales to other dealers. After the initial offering of the notes to the public, the representatives may change the public offering price and concessions.

The notes are a new issue of securities with no established trading market. We have been advised by the underwriters that they intend to make a market in the notes, but the underwriters are not obligated to do so and may discontinue any market making at any time without notice. No assurance can be given as to the existence or liquidity of any trading market for the notes.

The following table shows the underwriting discounts and commissions that we are to pay to the underwriters in connection with this offering (expressed as a percentage of the principal amount of the notes).

	Paid by Allstate
Per note	0.875%

In connection with the offering, Banc One Capital Markets, Inc., on behalf of the underwriters, may purchase and sell notes in the open market. These transactions may include over-allotment, syndicate covering transactions and stabilizing transactions. Over-allotment involves syndicate sales of notes in excess of the principal amount of notes to be purchased by the underwriters in the offering, which creates a syndicate short position. Syndicate covering transactions involve purchases of the notes in the open market after the distribution has been completed in order to cover syndicate short positions. Stabilizing transactions consist of certain bids or purchases of notes made for the purpose of preventing or retarding a decline in the market price of the notes while the offering is in progress.

The underwriters also may impose a penalty bid. Penalty bids permit the underwriters to reclaim a selling concession from a syndicate member when Banc One Capital Markets, Inc., in covering syndicate short positions or making stabilizing purchases, repurchases notes originally sold by that syndicate member.

Any of these activities may have the effect of preventing or retarding a decline in the market price of the notes. They may also cause the price of the notes to be higher than the price that otherwise would exist in the open market in the absence of these transactions. The underwriters may conduct these transactions in the over-the-counter market or otherwise. If the underwriters commence any of these transactions, they may discontinue them at any time.

We estimate that our total expenses for this offering will be $400,000.

Because the underwriters or associated or affiliated persons may, in the aggregate, own an amount of the Senior Quarterly Interest Bonds to be redeemed with the proceeds of this offering such that more than 10% of the proceeds of the offering, not including underwriting compensation, may be deemed to be received by the underwriters or associated or affiliated persons, this offering is being made pursuant to the provisions of Section 2710(c)(8) of the Conduct Rules of the NASD, Inc.

The underwriters and their respective affiliates have performed investment and commercial banking services for us from time to time for which they have received customary fees and expenses. The underwriters may, from time to time, engage in transactions with and perform services for us in the ordinary course of their business.

We have agreed to indemnify the underwriters against certain liabilities, including liabilities under the Securities Act of 1933, or to contribute to payments the underwriters may be required to make because of any of those liabilities.

LEGAL OPINIONS

The validity of the notes will be passed upon for The Allstate Corporation by Michael J. McCabe, Vice President and General Counsel of The Allstate Corporation, and LeBoeuf, Lamb, Greene & MacRae, L.L.P., a limited liability partnership including professional corporations. Certain legal matters will be passed upon for the underwriters by Willkie Farr & Gallagher, New York, New York. LeBoeuf, Lamb, Greene & MacRae, L.L.P. has from time to time represented, and continues to represent, certain of the underwriters on other legal matters. Mr. McCabe is a full-time employee and officer of The Allstate Corporation and owns 282,869 shares of its common stock as of November 30, 2002, 223,509 of which were subject to option.

PROSPECTUS

$2,000,000,000

THE ALLSTATE CORPORATION

Debt Securities
Debt Warrants
Preferred Stock

ALLSTATE FINANCING III	**ALLSTATE FINANCING V**
ALLSTATE FINANCING IV	**ALLSTATE FINANCING VI**

Trust Preferred Securities
Fully and Unconditionally Guaranteed by
THE ALLSTATE CORPORATION

We will provide the specific terms of these securities in supplements to this prospectus. We can only use this prospectus to offer and sell any specific security by also including a prospectus supplement for that security. You should read this prospectus and the prospectus supplements carefully before you invest.

NEITHER THE SEC NOR ANY STATE SECURITIES COMMISSION HAS APPROVED THESE SECURITIES OR DETERMINED THAT THIS PROSPECTUS IS ACCURATE OR COMPLETE. IT IS A CRIMINAL OFFENSE FOR ANYONE TO TELL YOU OTHERWISE.

The date of this prospectus is June 19, 2000

WHERE YOU CAN FIND MORE INFORMATION

We have filed a registration statement on Form S-3 with the Securities and Exchange Commission to register the securities covered by this prospectus. This prospectus forms a part of that registration statement and does not contain all of the information in the registration statement or the exhibits to the registration statement.

We are subject to the informational requirements of the Securities Exchange Act of 1934. Accordingly, we file annual, quarterly and special reports, proxy statements and other information with the Securities and Exchange Commission. You may review a copy of those reports, statements or other information at the Securities and Exchange Commission's public reference rooms at the following locations:

Public Reference Room 450 Fifth Street, N.W. Room 1024 Washington, D.C. 20549	New York Regional Office 7 World Trade Center Suite 1300 New York, NY 10048	Chicago Regional Office Citicorp Center 500 West Madison Street Suite 1400 Chicago, IL 60661-2511

Please call the Securities and Exchange Commission at 1-800-SEC-0330 for further information on the public reference rooms. These Securities and Exchange Commission filings are also available to the public from commercial document retrieval services and at the Internet world wide web site maintained by the Securities and Exchange Commission Corporation at "http://www.sec.gov." Reports, proxy statements and other information concerning us may also be inspected at the offices of the New York Stock Exchange at 20 Broad Street, New York, New York 10005.

We have not included any separate financial statements for the trusts. They were omitted because the trusts are wholly owned subsidiaries of Allstate, with no independent operations and we guarantee the fee obligations relating to the trust securities. Although the trusts would normally be required to file information with the SEC on an ongoing basis, we expect the SEC to exempt the trusts from this filing obligation for as long as we continue to file our information with the SEC.

The Securities and Exchange Commission allows us to "incorporate by reference" information into this prospectus, which means that we can disclose important information to you by referring you to other documents filed separately with the Securities and Exchange Commission. The information incorporated by reference is considered to be part of this prospectus, except for any information superseded by information contained directly in this prospectus or in later filed documents incorporated by reference in this prospectus. This prospectus incorporates by reference the documents set forth below that we have previously filed with the Securities and Exchange Commission. These documents contain important business and financial information about us that is not included in or delivered with this prospectus.

THE ALLSTATE CORPORATION FILINGS

(File No. 001-11840)	**Period or Date Filed**
Annual Report on Form 10-K	Fiscal Year ended December 31, 1999
Quarterly Reports on Form 10-Q	Quarter ended March 31, 2000
Proxy Statement	2000 Notice of Annual Meeting and Proxy Statement
Current Reports on Form 8-K or Form 8-K/A	

(File No. 001-11840)	Period or Date Filed
	Filed January 13, April 27, May 4, June 14, and June 16, 2000

We are also incorporating by reference additional documents that we will file before the termination of this offering. These include periodic reports, such as Annual Reports on Form 10-K, Quarterly Reports on Form 10-Q and Current Reports on Form 8-K, as well as proxy statements.

You can request a free copy of any or all of these documents, other than the exhibits to those documents, unless those exhibits are specifically incorporated by reference into these documents, by writing to or calling the following address or telephone number:

Investor Relations Department
The Allstate Corporation
3075 Sanders Road
Northbrook, Illinois 60062-7127
Telephone: (800) 416-8803

You should rely only on the information contained or incorporated by reference in this prospectus before deciding whether to purchase the securities being sold by this prospectus. We have not authorized anyone to provide you with information that is different from what is contained or incorporated by reference in this prospectus. This prospectus is dated June 19, 2000. You should not assume that the information contained in this prospectus is accurate as of any date other than that date unless the information specifically indicates that another date applies. If you are in a jurisdiction where it is unlawful to offer to convert or sell or to ask for offers to convert or buy the securities offered by this prospectus, or if you are a person to whom it is unlawful to direct those activities, then the offer presented in this prospectus does not extend to you.

SPECIAL NOTE REGARDING FORWARD-LOOKING STATEMENTS

This prospectus and the documents we incorporate by reference contain "forward-looking statements" that anticipate results based on management's 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.

Forward-looking statements do not relate strictly to historical or current facts and may be identified by their use of words like "plans," "expects," "will," "anticipates," "estimates," "intends," "believes" and other words with similar meanings. These statements may address, among other things, our strategy for growth, product development, regulatory approvals, market position, expenditures, financial results and reserves. Forward-looking statements are based on management's current expectations of future events. We cannot guarantee that any forward-looking statement will be accurate, although we believe that it has been reasonable in its expectations and assumptions. Investors should realize that if underlying assumptions prove inaccurate or that unknown risks or uncertainties materialize, actual results could differ materially from our projections.

We assume no obligation to update any forward-looking statements as a result of new information or future events or developments. Investors are cautioned not to place undue reliance on any forward-looking statements, which speak only as of the date of this prospectus or, in the case of any document we incorporate by reference, the date of that document. Investors also should understand that it is not possible to predict or identify all factors and should not consider this to be a complete statement of all potential risks and uncertainties. If the expectations or assumptions underlying our forward-looking statements prove inaccurate or if risks or uncertainties arise, actual results could differ materially from those predicted in our forward-looking statements. In addition to normal risks of business, Allstate is subject to significant risk factors, including those we incorporate by reference to the section entitled "Forward Looking Statements and Risk Factors Affecting Allstate" contained in our Form 10-K for the year ended December 31, 1999.

THE ALLSTATE CORPORATION

The Allstate Corporation is a holding company for Allstate Insurance Company, or AIC. The Allstate Corporation is the nation's largest publicly held personal lines insurance company. Our main business units include Allstate Personal Property and Casualty, which provides insurance for more than 14 million households and has approximately 15,500 exclusive agencies in the U.S. and Canada, and Allstate Life and Savings, which markets a number of life insurance and savings products under a variety of brands through a number of channels and is the nation's 17th largest life insurance business based on ordinary life insurance in force. Our independent Agency Markets unit sells personal property and casualty insurance through a network of 21,000 independent agencies across the country.

The Allstate Corporation was incorporated in Delaware on November 5, 1992. Our executive offices are located at 2775 Sanders Road, Northbrook, Illinois 60062, and at Corporation Trust Center, 1209 Orange Street, Wilmington, Delaware 19801. Our telephone number is (847) 402-5000.

As a holding company with no significant business operations of our own, we rely on dividends from AIC as the principal source of cash to pay dividends to our stockholders and to meet our obligations, including the payment of principal of and any interest on our debt obligations. AIC is regulated as an insurance company in Illinois. Under Illinois law, AIC may not pay a dividend without notifying the Illinois Department of Insurance and providing specified financial information. Furthermore, Illinois law requires AIC to notify and receive approval from the Director of the Illinois Department of Insurance for the declaration or payment of any dividend which, together with other dividends or distributions made within the preceding twelve months, exceeds the greater of:

10% of AIC's statutory surplus as of December 31 of the prior year; or

AIC's statutory net income for the twelve-month period ending December 31 of the prior year.

The laws of other jurisdictions that generally govern our insurance subsidiaries contain similar limitations on the payment of dividends. However, in some jurisdictions the laws may be somewhat more restrictive.

ABOUT THE TRUSTS

The four trusts, Allstate Financing III, IV, V and VI, are Delaware business trusts formed to raise capital for us by issuing common securities to us and preferred securities issued under this prospectus and a prospectus supplement, and investing the proceeds in subordinated debt securities issued by us.

We will directly or indirectly own all of the common securities of each of our trust subsidiaries. The common securities will rank equally with, and each trust will make payments on the common securities in proportion to, the trust preferred securities, except that if an event of default occurs under the declaration of one of the trusts, our rights, as holder of the common securities, to payments will be subordinated to your rights as holder of the trust preferred securities. We will, directly or indirectly, acquire common securities in an aggregate liquidation amount equal to 3 percent of the total capital of each of our trusts.

Each of our trusts has a term of approximately 55 years, but may terminate earlier as provided in its declaration, each declaration being governed by Delaware law. As holder of the common securities of the trusts, we are entitled to appoint, remove or replace any of, or increase or decrease the number of, the trustees of each of our trusts. Each of our trusts' business and affairs will be conducted by the trustees we appoint. The trustees' duties and obligations are governed by the trusts' declarations. Prior to the issuance of any trust preferred securities, we will ensure that a majority of the trustees of the applicable trust are persons who are our employees or officers or affiliates and that one trustee of each trust is a financial institution that will not be an affiliate of ours and that will act as property trustee, guarantee trustee and indenture trustee for purposes of the Trust Indenture Act of 1939. In addition, unless the property trustee maintains a principal place of business in the State of Delaware and meets the other requirements of applicable law, one other trustee of each of our trusts will have its principal place of business or reside in the State of Delaware.

We will pay all of our trusts' fees and expenses, including those relating to any offering of trust preferred securities. In addition, we guarantee payments on the trust preferred securities to the extent our trusts can themselves make payments on the trust preferred securities.

The office of the Delaware trustee for each trust in the State of Delaware is 1 Rodney Square, 920 King Street, Suite 102, Wilmington, Delaware 19801. The principal place of business of each trust is 2775 Sanders Road, Northbrook, Illinois 60062. The telephone number of each trust in Northbrook, Illinois is (847) 402-5000.

**RATIO OF EARNINGS TO FIXED CHARGES AND
RATIO OF EARNINGS TO FIXED CHARGES AND PREFERRED STOCK DIVIDENDS**

The following table shows the ratio of earnings to fixed charges and the ratio of earnings to fixed charges and preferred stock dividends for Allstate and its subsidiaries for the periods indicated:

	Three Months Ended March 31,		Year Ended December 31,				
	2000	1999	1999	1998	1997	1996	1995
Ratio of earnings to fixed charges(1)(2)	11.1x	27.6x	17.2x	18.6x	19.3x	16.5x	15.5x
Ratio of earnings to fixed charges, including interest credited to contracts(1)(3)	2.8x	5.0x	3.4x	4.1x	4.0x	2.9x	2.8x

(1) Allstate has authority to issue up to 25,000,000 shares of preferred stock, par value $1.00 per share; however, there are currently no shares of preferred stock outstanding and we do not have a preferred stock dividend obligation. Therefore, the ratio of earnings to fixed charges and preferred stock dividends is equal to the ratio of earnings to fixed charges and is not disclosed separately.

(2) For purposes of this computation, earnings consist of income from continuing operations before income taxes plus fixed charges. Fixed charges consist of interest expense, amortization of financing costs, that portion of rental expense that is representative of the interest factor and dividends on redeemable preferred securities.

(3) For purposes of this computation, earnings consist of income from continuing operations before income taxes plus fixed charges. Fixed charges consist of interest expense (including interest credited to investment contracts), amortization of financing costs, that portion of rental expense that is representative of the interest factor and dividends on redeemable preferred securities.

USE OF PROCEEDS

Unless we specify otherwise in the applicable prospectus supplement accompanying this prospectus, we will use the net proceeds from the s