Date: July 7, 2011

To: James Kroeker, Chief Accountant
U.S. Securities and Exchange Commission
100 F Street N.E.
Washington, DC

Subject: Opening Remarks Re: Roundtable on International Financial Reporting Standards in the United States

The Allstate Corporation ("Allstate") appreciates the opportunity to provide opening remarks to the Securities and Exchange Commission ("SEC") concerning the potential incorporation of International Financial Reporting Standards ("IFRS") into U.S. financial reporting.

Allstate is a large, sophisticated institutional investor with over $100 billion of invested assets of both foreign and domestic origin. The opening remarks and other accompanying observations provided herein about the potential incorporation of IFRS into U.S. financial reporting are provided from an investor's perspective.

Allstate has actively participated in the development of IFRS and supports efforts to converge U.S. GAAP and IFRS with the goal of developing a single set of high-quality global accounting and reporting standards; with IFRS filling that role.

U.S. investors' current knowledge of IFRS and preparedness for potential incorporation

We believe the accounting standards (e.g., U.S. GAAP or IFRS) applied by an issuer can be significant to an investor's decision to invest. Investors typically focus on the financial performance of an issuer where performance is evaluated using measures such as earnings before interest, taxes, depreciation and amortization ("EBITDA") and financial stability ratios. The measures, which are evaluated against comparable companies and against other financial statement information (e.g., EBITDA is evaluated against cash flows), are most effective when the financial statements from which they are derived are understandable, comparable, and prepared on a basis consistent with the issuer's business model.

It is currently too early to tell to what extent, and in what ways, an investor's decision-making processes would change if financial statements were prepared using IFRS because many important decisions in IFRS are incomplete and remain on the Convergence agenda. Certain U.S. based investors have, however, suggested that some tentative decisions would make their job more difficult, but we have yet to see the IASB and FASB reaction to these concerns. For example, insurance analysts have made it clear in recent reports to clients that proposals in the IASB's Exposure Draft for insurance would render information reported by insurance companies less understandable, less comparable, and as a result would increase their cost of capital as compared to existing U.S. GAAP accounting. U.S. investors do not see the benefit in abandoning the separate yet fully operational accounting and financial reporting models for life and non-life insurance that were refined by the FASB over decades, in favor of a largely untested, complicated (i.e., unnecessarily complex), and theoretical model. In situations where major modifications are considered, the benefits of the proposals should be clear and the proposals fully vetted, field-tested and operational given the substantial costs of accounting changes.

We believe if certain tentative proposals remain unchanged (i.e., insurance contracts proposals) investors will require information outside of the proposed IFRS to perform their analysis. More specifically, investors require understandable, reliable, and comparable information about the financial performance of an issuer and if that information is not available through the basic financial statements it will be obtained supplementally. We believe financial statements should faithfully represent the issuer's performance and clearly illustrate how it generates profits through the application of its business model. In contrast, investors should not have to forensically decompose unnecessarily complex accounting information to understand the performance of the issuer.

We believe investors have a general awareness of the potential impact of incorporating IFRS into the financial reporting system for U.S. issuers. However, with limited time available for research, investors tend to focus on events that affect them in the near-term. Accordingly, until there is a clear plan for implementation, investors will expend limited time understanding IFRS as even those who follow the issues professionally have a difficult time dealing with multiple drafts from two major standard setters.

The significance of change from U.S. GAAP to IFRS depends on the ultimate decisions of the Boards. Banks and insurance companies face the most significant changes resulting from development-stage guidance. For these industries, the Financial Instruments, Insurance Contracts, and Reporting Financial Performance standards are all of particular concern. However, there are cross-cutting issues that also arise in Revenue Recognition and Leases that could impact the preceding statements depending on the timing of their adoption. On July 20, the IASB will consider a common timeline for these issues. If they pursue a common timeline, it will greatly improve the ability of investors to review and consider the impact of these standards on a coordinated basis. Regardless, comprehensive field testing will be necessary before the standards can be finalized.

Potential Methods of Incorporation

The SEC is considering various potential methods of transition to IFRS if it decides to incorporate IFRS into the U.S. financial reporting system. One potential transition approach would retain U.S. GAAP, adopt the joint FASB / IASB projects, and have the FASB address the remaining differences between U.S. GAAP and IFRS through convergence.

We are reviewing the transition methods outlined in the SEC request for comments. As other major countries and the European Commission have determined, a full handover of standard setting powers to the IASB is unlikely. In contrast, some method of review, analysis, and consideration is used almost universally by those countries that have brought IFRS into their financial reporting framework. We believe a similar system of review would need to be established in the U.S. However, for this to be effective, the IASB would need to greatly improve its outreach and cost analysis process. The current method of ex post facto (i.e., retrospective) outreach and cost analysis should be revised. More specifically, we believe interaction with affected parties needs to be formal and continuous. The method used by the Consultative Advisory Group to the International Auditing and Assurance Standards Board provides a good example of continuous feedback.

In addition, the current IASB practice of creating artificial deadlines, and affecting due process actions (e.g., field-testing) needs to be eliminated from the standards development process. Rather, the adoption of standards needs to simply be a function of adopting standards once they are adequately vetted, field-tested and complete.