

The document is a comprehensive financial statement from Allstate Insurance Company as of September 30, 2008, detailing its financial condition and operations. It includes information about the company's assets, which consist of various categories such as bonds, stocks (both preferred and common), mortgage loans, real estate, cash and equivalents, and receivables. The statement affirms that all assets are free from liens or claims, except as noted, and reflects a true account of the company's financial status as of the reporting date. The officers of the company, including President Thomas Joseph Wilson II and Treasurer Steven Carl Verney, affirm the accuracy of the statement, which has been prepared in accordance with the NAIC Annual Statement Instructions.

The statement outlines the company's liabilities, surplus, and income, detailing key liabilities such as losses from the current accident year, reinsurance payable on paid losses, loss adjustment expenses, and unearned premiums adjusted for ceded reinsurance. The surplus section provides information on common and preferred capital stock, surplus notes, and unassigned funds, leading to a calculated surplus as regards policyholders. Underwriting income is reported, including premiums earned, losses incurred, and other underwriting expenses, which determine the net underwriting gain or loss. Investment income is also detailed, contributing to the overall net income before dividends to policyholders.

The document highlights various financial and operational changes related to Allstate, including provisions for reinsurance, changes in surplus notes, and adjustments to surplus related to policyholders. It reports cumulative effects of changes in accounting principles and capital changes, including paid-in surplus and transfers between surplus and capital. The cash flow section details cash from operations, including premiums collected and payments for benefits, losses, and taxes. The company recognized impairment write-downs on partnership investments totaling \$14 million and adjusted its pension and postretirement benefit plans, resulting in a decrease of \$29 million to beginning surplus.

The income tax section provides details on deferred tax assets and liabilities, showing total deferred tax assets of \$1,963 million, with \$1,456 million admitted and \$507 million nonadmitted. The total deferred tax liabilities amounted to \$134 million, resulting in a net admitted deferred tax asset of \$1,322 million. The document also discusses significant transactions with its parent, The Allstate Corporation, including cash dividends and intercompany loans.

The company is involved in various legal and regulatory proceedings, including class action lawsuits and administrative actions regarding its rate practices. The outcomes of these legal matters are uncertain and could materially impact the company's financial position, but management believes that the overall effect will not be materially adverse. The document emphasizes the importance of compliance with regulatory requirements and the company's commitment to maintaining its financial integrity.

Overall, the document serves as a detailed financial report that outlines the company's obligations, asset valuations, and necessary procedures for reporting and compliance with regulatory requirements, while also providing insights into its operational performance and financial health as of the specified date.