



Illinois Department of Financial and Professional Regulation

Division of Insurance

PAT QUINN
Governor

February 11, 2009

MICHAEL T. MCRAITH
Acting Secretary

MICHAEL T. MCRAITH
Director
Division of Insurance

Mr. Randy Moreau
Accounting Director
Allstate Life Insurance Company
2775 Sanders Road, Suite H1A
Northbrook, Illinois 60062

Re: Request for Permitted Practice for Allstate Insurance Company and Allstate Life Insurance Company in Regards to the Accounting for Deferred Tax Assets

Dear Mr. Moreau:

This is in response to your letter dated February 6, 2009 related to the accounting of deferred taxes. Normally, pursuant to SSAP No. 10 of the *NAIC Accounting Practices and Procedures Manual*, the gross tax asset would result in including the lesser of:

- i. The amount of gross DTAs, after the application of paragraph 10 a. expected to be realized within one year of the balance sheet date; or,
- ii. Ten percent of statutory capital and surplus as required to be shown on the statutory balance sheet of the reporting entity for its most recently filed statement with the domiciliary state commissioner adjusted to exclude any net DTAs, EDP equipment and operation system software and any net positive goodwill.

The DTA issue has been discussed at the NAIC for the year ending 2008. The Division has taken into account these deliberations and other circumstances described in your letter.

We have considered the aforementioned and the review of your request. As a result it has been determined that the Company's will be allowed the lesser of either the gross DTA expected to be realized within three years of the balance sheet date in paragraph (i) or fifteen percent of statutory capital and surplus as required to be shown on the statutory balance sheet of the reporting entity for its most recently filed statement as demonstrated in paragraph (ii).

This permitted practice will be allowed for reporting at December 31, 2008 through December 30, 2009. Any questions regarding this can be addressed to Paul Ebelherr at 217-785-5755 or Jim Hanson at 217-782-6284.

Sincerely,

Michael T. McRaith
Director of Insurance

MTM:pae