



August 14, 2015

Susan M. Coper
Technical Director
Financial Accounting Standards Board
401 Merritt 7
PO Box 5116
Norwalk, CT 06856-5116

Re: File Reference No. 2015-280, Simplifying the Equity Method of Accounting

The Allstate Corporation (“Allstate” or “we”) appreciates the opportunity to comment on the Financial Accounting Standards Board’s (“FASB”) exposure draft addressing the simplification of equity method of accounting. Allstate is the largest publicly held personal lines property-casualty insurance company in the U.S. with an investment portfolio of approximately \$80 billion, including approximately \$3.5 billion of limited partnerships to which we apply the equity method of accounting (“EMA”).

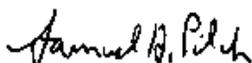
We support the FASB’s objective to reduce accounting and reporting complexity while improving the usefulness of information provided to financial statement users. We believe the exposure draft meets this objective by eliminating the need for an investor to account for the difference (i.e., basis) between the cost of an investment and the investor’s proportionate share of the investee’s net assets. Current accounting guidance requires an investor to allocate this basis difference to the investee’s assets and liabilities and subsequently account for the difference through periodic amortization or accretion adjustments. We believe the proposal avoids a very costly and judgmental process as an EMA investor in many instances may have a very minor interest in an LP and have very limited or no ability to obtain the information necessary to record the appropriate basis adjustments.

While we support the proposal to eliminate the need to allocate acquisition basis differences for EMA investments, we would like to offer an alternative for how basis differences could be recognized in income after acquisition without having to allocate to specific assets and/or liabilities. Specifically, we analogize the purchase of a limited partnership where the cost differs from the investor’s proportionate share of the net assets to a premium or discount implicit in

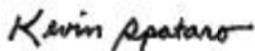
the acquisition of a bond. In this situation we recommend amortizing the premium or accreting the discount over the expected life of the limited partnership. If this approach is not permitted, the mechanics of EMA would produce an impairment loss when the basis difference is no longer recoverable.

We also support the proposal to eliminate the need to apply EMA retrospectively to a cost method investment when the level of ownership increases resulting in the need to apply EMA. However, we similarly recommend a reporting entity be allowed to amortize the basis difference over the remaining life of the limited partnership so the investment is reported more consistent with its economics.

Should you have any questions or wish to discuss Allstate's views related to this topic, please do not hesitate to contact us.



Sam Pilch
Senior Group Vice-President and Controller
Allstate Insurance Company



Kevin Spataro
Senior Vice President, Accounting Policy and Research
Allstate Insurance Company