February 2, 2018

Technical Director
Financial Accounting Standards Board
401 Merritt 7
P.O. Box 5116
Norwalk, Connecticut 06856-5116

By E-Mail: director@fasb.org

**File Reference No. 2018-210:** Proposed Accounting Standards Update, *Reclassification of Certain Tax Effects from Accumulated Other Comprehensive Income* (Proposed ASU)

Dear Technical Director,

The Allstate Corporation (Allstate) appreciates the opportunity to comment on the Proposed ASU and support the Board's efforts to expedite issuance of the proposal to address certain accounting implications arising from the Tax Cuts and Jobs Act enacted on December 22, 2017.

Under existing U.S. generally accepted accounting principles (U.S. GAAP), reporting entities are required to account for the effects of changes in tax legislation in the period of enactment. Current U.S. GAAP requires the adjustment of deferred tax assets and liabilities for the effect of changes in tax laws or rates with the effect recorded in income from continuing operations in the period that includes the enactment date. In contrast, for items included in accumulated other comprehensive income (AOCI) such as fair value changes in fixed income securities classified as available for sale, tax effects are reported in AOCI on a net of tax basis at the tax rate in effect when the amounts were originally recorded in AOCI. As existing U.S. GAAP does not permit the adjustment of tax amounts included in AOCI for changes in tax rates, those impacts become "stranded" in AOCI.

Allstate supports the Board's proposal to address the impact of changes in tax rates that would otherwise be "stranded" in AOCI by reclassifying from AOCI to retained earnings, the difference between the new and previously existing tax rate applied to amounts included in AOCI.

Consistent with the transition provisions, we support the ability to early adopt the Proposed ASU for periods for which financial statements have not yet been issued including December 31, 2017. We believe a final standard should be issued no later than February 19, 2018 to provide Companies with an appropriate amount of time to early adopt.

We support a project to assess the merits of backwards tracing as a comprehensive solution to the accounting for changes in tax rates and would be happy to share our thoughts on practical approaches.

We again appreciate the opportunity to provide feedback to the Board on the Proposed ASU and sincerely appreciate the expediency with which this issue was addressed. If there are any questions regarding our comments, please contact me at (847) 402-0929.

Sincerely,

Kevin Spataro
Senior Vice-President
Accounting Policy and Research

Eric Ferren
Senior Vice-President
Controller