

Allstate shareholders back executive pay

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<http://www.chicagotribune.com/business/breaking/chi-allstate-shareholders-back-executive-pay-20120522,0,2217585.story>

Allstate Corp. executives got 92 percent approval on the say-on-pay vote at their annual shareholders meeting Tuesday, up from the 58 percent last year.

Also, Chief Executive Tom Wilson received almost 97 percent of the votes cast as he sought re-election as a director, up from 69 percent last year.

As reported, Allstate has made several compensation and corporate governance changes to appease shareholders.

Allstate stock started the day trading at \$33.20, up from about \$31 at last year's annual meeting, and it closed Tuesday at \$32.84, down 1.1 percent. Recently, Allstate stock has outperformed its peers.

Still, at least four shareholders expressed concerns at the meeting, which lasted about an hour at the home and auto insurer's Northbrook headquarters.

One shareholder asked about a chart in the annual report which showed that \$100 invested in Allstate stock on Dec. 31, 2006, would be worth \$49 as of Dec. 31, 2011, versus \$75 for Standard & Poor's property and casualty group. "This kind of performance is very sad," he said.

Wilson said that Allstate's stock might have been hit harder than other insurers in the S&P because, as the nation's No. 2 home insurer, it has more exposure to natural catastrophes around the country.

Another shareholder complained about Allstate's falling earnings per share. "We're paying management to price product properly," the investor said.

Jim Fish, executive director of the National Association of Professional Allstate Agents, and his wife, Nancy, said they are concerned about Allstate's treatment of its agents. They listed items ranging from pay to their dwindling ranks to admitted errors made on compensation reports and tax forms.

Wilson said that total agent compensation under a new agency program will be at the same level or higher than an existing program. He also said that of 1,000 agencies that responded to a survey after attending a recent forum in Las Vegas, 92 percent felt satisfied or very satisfied with their relationship with the company. Allstate had about 10,000 agents at the end of 2011.

Nancy Fish said Allstate has been trying to trim agent ranks by more than 25 percent, with as many as 4,000 agents fired. She estimates that Allstate will be down to 9,000 agents next year.

Wilson disputed her statements and said there are no specific goals for agency numbers. "We do have performance standards around agencies," he said.

Wilson noted that Allstate has lent \$250 million for people to buy agencies, proof of its confidence in the agency model.

Jim Fish also said that although Allstate has made some compensation and governance changes, Wilson still got a 20 percent raise to \$11.2 million even as Allstate's stock closed down in 2011.

Wilson referred him to the proxy and encouraged him to vote how he feels.

Fish's agent group has asked for an independent audit into how errors on compensation reports and tax forms occurred.

Wilson said the audit committee is looking into it.