

FIND STRENGTH

STRATEGIES FOR **UNSTABLE** TIMES.



LINCOLN BENEFIT LIFE
AN ALLSTATE COMPANY

How should you invest when the economy is unpredictable?

The answer for most people is, “very carefully.” Stable investments, with strong secure companies, can be the way to go.

When the going gets tough, the tough can remain strong.

When will economic recovery begin? Next month? Or next year? We can listen to what the experts say. But no one really knows. Although these may not be the greatest of times, they do not have to be the worst either. It's possible to give yourself some feelings of security by going with names you can trust.

You know us.

Both Allstate Life and Lincoln Benefit Life are subsidiaries of the Allstate Corporation, a Fortune 100 company that provides insurance protection to approximately 17 million U.S. families, with more than 120 years of combined experience.

Together, we offer retirement and life insurance solutions — some of which have a guaranteed rate of return even during unstable times.¹ When planning for your family's financial future, you want companies that have been around for a long time. Companies that may have already done business with your family for generations and known for being financially sound and stable. Those companies are Allstate Life and Lincoln Benefit Life.

¹ Guarantees based on the claims-paying ability of issuing insurance company

Numbers speak for themselves.

During times like these, it's good to know something about the financial strength of the company you're investing with.

Allstate Life Insurance Group of Companies had \$58.0 billion* in investments, as of June 30, 2009. Allstate Life continues its commitment to our policyholders to provide benefits regardless of what happens with the economy. At June 30, 2009, 94.2% of our fixed income securities portfolio were rated investment grade. This allows us to continue to conduct business as usual to serve our policyholders.

Our report card.

How can you tell if an insurance company is a good company to do business with? Many people rely on the ratings made by independent rating agencies. These agencies act as consumer watchdogs in evaluating and reporting insurance companies' financial strength and abilities to pay claims.

* Based on accounting principles generally accepted in the United States of America. Values from the Statement of Financial Position as of June 30, 2009.

More about us.

The Allstate Corporation is the nation's largest publicly held personal lines insurer providing insurance products to more than 17 million households.

For more than 70 years, Lincoln Benefit Life Company has been an innovator in bringing insurance and annuity products to policyholders nationwide.

Lincoln Benefit Life was acquired in 1984 by Allstate Life Insurance Company for its ability to develop competitively priced insurance and annuity products for distribution through independent agents.

Independent rating agencies grade insurance companies based on profitability, adequacy of capital, liquidity, company management and investment risk.

A.M. Best

A+ Superior – Allstate Life Insurance Company

A+(r) Superior – Lincoln Benefit Life Company

2nd highest of 13 company ratings²

- Ranging from A++ (superior) to D (poor)
 - A.M. Best's rating is for insurer financial strength
 - The A+(r) rating indicates that Lincoln Benefit Life automatically reinsures all net new business with Allstate Life Insurance Company
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Standard & Poor's

AA-³ Very strong

4th highest of 20 ratings²

- Ranging from AAA (extremely strong) to CC (currently highly vulnerable)
 - S&P's rating is for insurer financial strength
-

Moody's

A1³ Good

5th highest of Moody's 21 company ratings²

- Ratings range from Aaa (exceptional) to C (extremely poor)
 - Moody's rating is for insurer financial strength
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Substantially all of Lincoln Benefit Life Company's contract-related assets are transferred under reinsurance agreements to Allstate Life and such assets are owned and managed by Allstate Life. Allstate Life's commitments under the reinsurance agreements support our general account obligations, but provide no direct contractual relationship between you and Allstate Life.

² Ratings are as of July 2009 and are subject to change without notice.

³ For Lincoln Benefit Life, the rating from Standard & Poor's and Moody's reflect the relationship of Lincoln Benefit Life Company to its parent company, Allstate Life Insurance Company.

There can be safer places for your money.

You may be tempted to hide all your money away until things get back to normal. Here are other ideas:

Continue investing.

It's still one of the better options to save for retirement over the long-term.

Invest with who you know.

When the economic forecast is stormy, it may not be the time to act on a hot tip you overheard. Continue with investments and companies that have a good reputation.

Protect your assets with asset allocation.

Balance the risk you take when you invest in assets positioned for potential growth (mutual funds) with more stable investments (fixed annuities, fixed indexed annuities, certificates of deposit, or U.S. Treasuries).⁴

Consider a fixed annuity.⁵

Fixed annuities may be a good investment choice during down markets because they offer stability of principal plus a guaranteed interest rate.⁶

Other benefits include:

- Tax deferred growth, which allows your contract balance to grow more quickly.⁷
- An opportunity to receive income for the rest of your life.^{6,8}

Protection with life insurance

Most life insurance policies offer the benefit of a tax-free, guaranteed death benefit⁶ paid out to your beneficiaries. Life insurance can also provide:

- Guaranteed interest rate for cash accumulation.⁶
- Access to death benefit value for you, if needed for certain emergencies.⁹
- Potential for loans and withdrawals.¹⁰

- ⁴ Fixed annuities are backed by the claims paying ability of the issuing company. Certificates of deposit are backed by FDIC insurance of up to \$250,000 until December 31, 2009. Treasury bonds are backed by the full faith and credit of the U.S. Government.
- ⁵ Not intended as investment advice. Please consult your agent or tax advisor before investing.
- ⁶ Guarantees based on the claims-paying ability of issuing insurance company.
- ⁷ Distributions taken prior to annuitization are generally considered to come from the gain in the contract first. If the contract is tax-qualified, generally all withdrawals are treated as distributions of gain. Withdrawals of gain are taxed as ordinary income and, if taken prior to age 59½, may be subject to an additional 10% federal tax penalty.
- ⁸ A portion of each payment will be considered taxable and the remaining portion will be a nontaxable return of your investment in the contract, which is also called the "basis." Once the investment in the contract is depleted, all remaining payments will be fully taxable. If the contract is tax qualified, generally, all payments will be fully taxable. Payments taken prior to age 59½ may be subject to an additional 10% federal tax penalty.
- ⁹ The Accelerated Death Benefit may or may not qualify for favorable tax treatment under the Internal Revenue Code of 1986. This depends on factors such as your life expectancy at the time benefits are accelerated or whether you use the benefits to pay for required qualified long-term care expenses. If the Accelerated Death Benefit qualifies, it will not be subject to federal income taxation. Tax laws relating to the Accelerated Death Benefit are complex. Consult with a tax advisor about how you could receive the Accelerated Death Benefit excludable from income under federal law. In addition, receipt of the Accelerated Death Benefit may affect your or your family's eligibility for public assistance programs such as medical assistance (Medicaid), Aid to Families with Dependent Children (AFDC), Supplemental Security Income (SSI) and drug assistance programs. Consult with social service agencies concerning how receipt of such a payment will affect eligibility for public assistance. See rider for terms, limitations and conditions. May not be available in all states. Administrative charges may apply, if exercised. Consult your tax advisor for additional information.
- ¹⁰ Charges may apply. Partial withdrawals and surrenders from life policies are generally taxed as ordinary income to the extent the withdrawal exceeds your investment in the contract, which is also called the "basis". In some situations, partial withdrawals during the first 15 policy years may result in taxable income prior to recovery of the investment in the contract. Loans are generally not taxable if taken from a life insurance policy that is not a modified endowment contract. However, when cash values are used to repay a loan, the transaction is treated like a withdrawal and taxed accordingly. If a policy is a modified endowment contract, loans are treated as a taxable distribution to the extent of policy gain. Loans, withdrawals and surrenders are treated first as distributions of the policy gain subject to ordinary income taxation, and may be subject to an additional 10% federal tax penalty if made prior to age 59½. Loans, if not repaid, and withdrawals reduce the contract's death benefit and cash value.

The Allstate family of companies has a strong tradition of being there when people need us.

Today we offer innovative solutions and professional assistance to help you and your family achieve lifelong dreams. With Allstate Life and Lincoln Benefit Life, you can feel more in control of your future than ever before.

Is your financial security in Good Hands®?



LINCOLN BENEFIT LIFE
AN ALLSTATE COMPANY

▪ Not FDIC, NCUA/NCUSIF insured ▪ Not insured by any federal government agency ▪ Not a deposit ▪ Not guaranteed by the bank or credit union ▪ May go down in value

Guarantees are based on the claims-paying ability of the issuing insurance company.

This information is provided for general consumer educational purposes by Allstate Life Insurance Company, Home Office, Northbrook, IL and Lincoln Benefit Life Company, Home Office, Lincoln, NE, and is not intended to provide legal, tax or investment advice.

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