

ALLEGHANY CORP /DE  
Form S-4/A  
December 23, 2011  
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As filed with the Securities and Exchange Commission on December 23, 2011

Registration No. 333-178353

# SECURITIES AND EXCHANGE COMMISSION

Washington, D.C. 20549

## Amendment No. 2 to FORM S-4 REGISTRATION STATEMENT

*Under*

*THE SECURITIES ACT OF 1933*

# ALLEGHANY CORPORATION

(Exact name of registrant as specified in its charter)

Delaware  
(State or other jurisdiction of

6331

51-0283071  
(I.R.S. Employer

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incorporation or organization) (Primary Standard Industrial Classification Code Number) Identification Number)  
7 Times Square Tower, 17<sup>th</sup> Floor  
New York, NY 10036  
(212) 752-1356

(Address, Including Zip Code, and Telephone Number, including Area Code, of Registrant's Principal Executive Offices)

Christopher K. Dalrymple, Esq.  
Vice President, General Counsel and Secretary

7 Times Square Tower  
New York, NY 10036  
(212) 752-1356

(Name, Address, Including Zip Code, and Telephone Number, Including Area Code, of Agent for Service)

*Copies to:*

David E. Shapiro, Esq.	Gary A. Schwartz, Esq.	Lois Herzeca, Esq.
Alison M. Zieske, Esq.	Transatlantic Holdings, Inc.	Eduardo Gallardo, Esq.
Wachtell, Lipton, Rosen & Katz	80 Pine Street	Gibson, Dunn & Crutcher LLP
51 West 52nd Street	New York, NY 10005	200 Park Avenue
New York, NY 10019	(212) 365-2200	New York, NY 10166
(212) 403-1000		(212) 351-4000

**Approximate date of commencement of the proposed sale of the securities to the public:** As soon as practicable after this registration statement becomes effective and upon completion of the merger described in the enclosed document.

If the securities being registered on this Form are being offered in connection with the formation of a holding company and there is compliance with General Instruction G, check the following box. "

If this Form is filed to register additional securities for an offering pursuant to Rule 462(b) under the Securities Act of 1933, as amended, check the following box and list the Securities Act registration statement number of the earlier effective registration statement for the same offering. "

If this Form is a post-effective amendment filed pursuant to Rule 462(d) under the Securities Act, check the following box and list the Securities Act registration statement number of the earlier effective registration statement for the same offering. "

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Indicate by check mark whether the registrant is a large accelerated filer, an accelerated filer, a non-accelerated filer, or a smaller reporting company. See the definitions of large accelerated filer, accelerated filer and smaller reporting company in Rule 12b-2 of the Exchange Act (check one):

Large accelerated filer  Accelerated filer   
 Non-accelerated filer  (Do not check if a smaller reporting company) Smaller reporting company

If applicable, place an X in the box to designate the appropriate rule provision relied upon in conducting this transaction:

Exchange Act Rule 13e-4(i) (Cross-Border Issuer Tender Offer)

Exchange Act Rule 14d-1(d) (Cross-Border Third-Party Tender Offer)

### CALCULATION OF REGISTRATION FEE

Title of Each Class of Securities to Be Registered	Amount to Be Registered(1)	Proposed Maximum Offering Price per Share	Proposed Maximum Aggregate Offering Price(2)	Amount of Registration Fee (3)(4)
Common stock, par value \$1.00 per share	8,410,012	N/A	\$2,314,836,907.36	\$265,280.31

- (1) The maximum number of shares of Alleghany common stock estimated to be issuable upon the completion of the merger described herein. This number is based on the exchange of 8,410,012 shares of Alleghany common stock for 58,000,082 shares of Transatlantic common stock (which is the sum of 57,386,934 shares of Transatlantic common stock outstanding as of December 1, 2011 and 613,148 shares of Transatlantic common stock expected to be issued in settlement of equity awards prior to closing after such date) pursuant to the formula set forth in the Agreement and Plan of Merger (the merger agreement), dated as of November 20, 2011, by and between Alleghany, Shoreline Merger Sub, LLC and Transatlantic, assuming the Alleghany Closing Price (as defined in the merger agreement) was \$283.72, which was the average of the closing sales prices of Alleghany common stock on the New York Stock Exchange for the five trading days beginning November 28, 2011 and ending December 2, 2011.
- (2) Estimated solely for purposes of calculating the registration fee required by Section 6(b) of the Securities Act, and calculated pursuant to Rules 457(f)(1), 457(f)(3) and 457(c) under the Securities Act, the proposed maximum aggregate offering price of the registrant's common stock was calculated based upon the market value of shares of Transatlantic common stock (the securities to be cancelled in the merger) in accordance with Rule 457(c) under the Securities Act as follows: (A) the product of (1) \$53.98, the average of the high and low prices per shares of Transatlantic common stock on December 2, 2011, as quoted on the New York Stock Exchange, multiplied by (2) 58,000,082, the estimated maximum number of shares of Transatlantic common stock which may be exchanged in the merger, less (B) the estimated aggregate amount of cash paid by the Registrant in exchange for shares of Transatlantic common stock (which equals \$816,007,519).
- (3) Determined in accordance with Section 6(b) of the Securities Act by multiplying the proposed maximum aggregate offering price by 0.00011460.
- (4) Previously paid.

**The Registrant hereby amends this Registration Statement on such date or dates as may be necessary to delay its effective date until the Registrant shall file a further amendment which specifically states that this Registration Statement shall thereafter become effective in accordance with Section 8(a) of the Securities Act of 1933, or until the Registration Statement shall become effective on such dates as the Securities and Exchange Commission, acting pursuant to said Section 8(a), may determine.**

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**Information contained herein is subject to completion or amendment. A registration statement relating to these securities has been filed with the Securities and Exchange Commission. These securities may not be sold nor may offers to buy be accepted prior to the time the registration statement becomes effective. This document shall not constitute an offer to sell or the solicitation of any offer to buy nor shall there be any sale of these securities in any jurisdiction in which such offer, solicitation or sale would be unlawful prior to registration or qualification under the securities laws of any such jurisdiction.**

**PRELIMINARY SUBJECT TO COMPLETION DATED DECEMBER 23, 2011**

**PROPOSED MERGER YOUR VOTE IS VERY IMPORTANT**

Alleghany Corporation and Transatlantic Holdings, Inc. have entered into a merger agreement under which Transatlantic will merge with and into Shoreline Merger Sub, Inc. (which we refer to as Merger Sub), a wholly owned subsidiary of Alleghany, with Merger Sub surviving the merger. Upon completion of the merger, Alleghany will be the parent company of Transatlantic and Merger Sub's name will be changed to Transatlantic Holdings, Inc.

Transatlantic stockholders will have the right to elect to receive merger consideration in the form of cash or shares of Alleghany common stock, subject to proration in the circumstances described in the enclosed joint proxy statement/prospectus. The stock consideration is expected to be tax free to Transatlantic stockholders. Alleghany stockholders will continue to own their existing shares of Alleghany common stock after the merger.

The value of the merger consideration will fluctuate with the market price of the Alleghany common stock and will be determined based on the five-day average of the closing sales prices on the NYSE of Alleghany common stock ending on the day before the completion of the merger. Subject to the election, proration and adjustment procedures described in the enclosed document, Transatlantic stockholders will be entitled to receive, in exchange for each share of Transatlantic common stock they hold at the effective time of the merger, either stock or cash consideration with a value equal to the sum of (i) 0.145 multiplied by the average of the closing sales prices on the NYSE for Alleghany common stock during the five trading days ending the day before the completion of the merger and (ii) \$14.22. As explained in more detail in the enclosed document, whether a Transatlantic stockholder makes a cash election, a stock election or no election, the value of the consideration that such stockholder receives as of the date of completion of the merger will be approximately equivalent based on the average Alleghany closing sales price used to calculate the merger consideration. As an example, based on the average of the closing prices of Alleghany common stock for the five trading days ending on December 22, 2011, the most recent practicable trading day before filing of this joint proxy statement/prospectus, for each share of Transatlantic common stock held, a Transatlantic stockholder would receive approximately either \$55.73 in cash or 0.1947 shares of Alleghany common stock, subject to proration in the circumstances described in the enclosed document.

Based upon the number of outstanding shares on the record date for the Transatlantic special meeting, we anticipate that Alleghany will issue [ ] shares of common stock in connection with the merger, although this number may change based on the number of outstanding shares of Transatlantic common stock on the closing date. Alleghany will pay aggregate cash consideration of \$816,007,519 to Transatlantic stockholders in connection with the merger. Upon completion of the merger, we estimate that, on a fully diluted basis, current Alleghany stockholders will continue to own approximately 51% of the Alleghany common stock and current Transatlantic stockholders will own approximately 49% of the Alleghany common stock.

A chart showing the cash and stock merger consideration at various hypothetical closing prices of Alleghany common stock is provided on page 4 of this document. The market prices of both Alleghany common stock and Transatlantic common stock will fluctuate before the merger. You should obtain current stock price quotations for Alleghany common stock and Transatlantic common stock. Alleghany common stock, par value \$1.00 per share, trades on the NYSE under the symbol Y and Transatlantic common stock, par value \$1.00 per share, trades on the NYSE under the symbol TRH.

Alleghany and Transatlantic will each hold a meeting of its respective stockholders in connection with the merger. Alleghany stockholders will be asked to vote on a proposal to approve the issuance of shares of Alleghany common stock to Transatlantic stockholders in connection with the merger (which we refer to as the

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stock issuance ) and certain other related proposals. The Alleghany board of directors has approved the merger agreement, has determined that the merger agreement and the transactions contemplated thereby, including the merger and the stock issuance, are advisable and in the best interests of Alleghany and its stockholders, and **recommends that Alleghany stockholders vote (i) FOR the stock issuance and (ii) FOR the proposal to adjourn the Alleghany special meeting, if necessary or appropriate, to solicit additional proxies in favor of the stock issuance.**

Transatlantic stockholders will be asked to vote on the adoption of the merger agreement and certain other related proposals. The Transatlantic board of directors has unanimously approved the merger agreement, and determined that the merger agreement and the transactions contemplated thereby, including the merger, are in the best interests of Transatlantic and its stockholders, and **unanimously recommends that Transatlantic stockholders vote (i) FOR the adoption of the merger agreement, (ii) FOR the proposal to adjourn the Transatlantic special meeting, if necessary or appropriate, to solicit additional proxies in favor of the adoption of the merger agreement and (iii) FOR the proposal to approve, on an advisory (non-binding) basis, the compensation that may be paid or become payable to Transatlantic s named executive officers in connection with the merger and the agreements and understandings pursuant to which such compensation may be paid or become payable.**

We cannot complete the merger unless the stockholders of each company approve the proposals related to the merger. **Your vote is very important, regardless of the number of shares you own. Whether or not you expect to attend your special meeting in person, please submit a proxy to vote your shares as promptly as practicable so that your shares may be represented and voted at the Alleghany or Transatlantic special meeting, as applicable.**

We urge you to read the enclosed joint proxy statement/prospectus carefully. The obligations of Alleghany and Transatlantic to complete the merger, and the transactions contemplated thereby, are subject to the satisfaction or waiver of several conditions set forth in the merger agreement. More information about Alleghany, Transatlantic, the special meetings and the merger is included in the enclosed joint proxy statement/prospectus. **You should also consider carefully the risks that are described in the Risk Factors section beginning on page 27.**

We look forward to the successful transaction involving Alleghany and Transatlantic.

Sincerely,

Weston M. Hicks

Richard S. Press

President and Chief Executive Officer

Chairman of the Board of Directors

Alleghany Corporation

Transatlantic Holdings, Inc.

**Neither the Securities and Exchange Commission nor any state securities commission has approved or disapproved of the securities to be issued under the enclosed joint proxy statement/prospectus or determined if the enclosed joint proxy statement/prospectus is truthful or complete. Any representation to the contrary is a criminal offense.**

The enclosed joint proxy statement/prospectus is dated [ ] and is first being mailed to the stockholders of Alleghany and Transatlantic on or about [ ].

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**ALLEGHANY CORPORATION**

**7 Times Square Tower**

**17<sup>th</sup> Floor**

**New York, NY 10036**

**NOTICE OF SPECIAL MEETING OF STOCKHOLDERS**

**To Be Held On February 6, 2012**

Dear Stockholders of Alleghany Corporation:

We are pleased to invite you to attend a special meeting of stockholders of Alleghany Corporation, a Delaware corporation. The meeting will be held at the Harvard Club of New York City, 35 West 44<sup>th</sup> Street, New York, New York, on February 6, 2012, at 10:00 a.m., New York City time, to consider and vote upon the following matters:

a proposal to issue shares of Alleghany common stock to Transatlantic stockholders in connection with the merger; and

a proposal to adjourn the Alleghany special meeting, if necessary or appropriate, to solicit additional proxies in favor of the stock issuance if there are insufficient votes at the time of such adjournment to approve such proposal.

Completion of the merger is conditioned on, among other things, approval by our stockholders of the proposal to issue shares of Alleghany common stock to Transatlantic stockholders in connection with the merger.

Alleghany will transact no other business at the meeting except such business as may properly be brought before the Alleghany special meeting or any adjournment or postponement thereof. Please refer to the joint proxy statement/prospectus of which this notice forms a part for further information with respect to the business to be transacted at the Alleghany special meeting.

The Alleghany board of directors has approved the merger agreement and has determined that the merger agreement and the transactions contemplated thereby, including the merger and the stock issuance, are advisable and in the best interests of Alleghany and its stockholders. **The Alleghany board of directors recommends that Alleghany stockholders vote FOR each of the proposals set forth above.**

The Alleghany board of directors has fixed the close of business on January 4, 2012 as the record date for determination of Alleghany stockholders entitled to receive notice of, and to vote at, the Alleghany special meeting and any adjournments or postponements of the special meeting. Only holders of record of Alleghany common stock at the close of business on the record date are entitled to receive notice of, and to vote at, the special meeting of Alleghany stockholders. A list of stockholders of Alleghany will be available for review for any purpose germane to the Alleghany special meeting at Alleghany's headquarters, at 7 Times Square Tower, New York, New York, 10036 during regular business hours for a period of ten days before the Alleghany special meeting. The list will also be available at the Alleghany special meeting during the whole time thereof for examination by any stockholder of record present at the Alleghany special meeting.

The approval of the stock issuance proposal requires the affirmative vote of holders of a majority of the Alleghany common stock, present in person or represented by proxy, at the Alleghany special meeting and entitled to vote on the proposal, assuming a quorum is present. Approval of the Alleghany adjournment proposal requires the affirmative vote of the holders of a majority of the shares of Alleghany common stock entitled to vote and present in person or represented by proxy, whether or not a quorum is present.

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**Your vote is very important. Whether or not you expect to attend the Alleghany special meeting in person, we urge you to submit a proxy to vote your shares as promptly as possible by either: (1) logging onto [www.envisionreports.com/YAL](http://www.envisionreports.com/YAL) and following the instructions on your proxy card; (2) dialing 1-800-652-VOTE (8683) and listening for further directions; or (3) signing and returning the enclosed proxy card in the postage-paid envelope provided, so that your shares may be represented and voted at the Alleghany special meeting. If your shares are held in the name of a bank, brokerage firm or other nominee, please follow the instructions on the voting instruction card furnished by the record holder, as appropriate.**

The enclosed joint proxy statement/prospectus provides a detailed description of the merger, the stock issuance and the merger agreement. We urge you to read the joint proxy statement/prospectus of which this notice forms a part, including any documents incorporated by reference, and the Annexes carefully and in their entirety. If you have any questions concerning the merger, the stock issuance or this joint proxy statement/prospectus, would like additional copies or need help voting your shares of Alleghany common stock, please contact Alleghany's proxy solicitor:

**D.F. King & Co., Inc.**

48 Wall Street, 22<sup>nd</sup> Floor

New York, NY 10005

Banks and Brokers call collect: (212) 269-5550

All others call toll-free: (800) 290-6429

E-mail: [Alleghany@dfking.com](mailto:Alleghany@dfking.com)

By Order of the Board of Directors,

CHRISTOPHER K. DALRYMPLE, ESQ.

Vice President, General Counsel and Secretary

[ ]

New York, NY

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**TRANSATLANTIC HOLDINGS, INC.**

**80 Pine Street**

**New York, NY 10005**

**NOTICE OF SPECIAL MEETING OF STOCKHOLDERS**

**To Be Held On February 6, 2012**

Dear Stockholders of Transatlantic Holdings, Inc.:

We are pleased to invite you to attend a special meeting of stockholders of Transatlantic Holdings, Inc., a Delaware corporation. The meeting will be held at The Down Town Association, 60 Pine Street, New York, New York, on February 6, 2012, at 10:00 a.m., New York City time, to consider and vote upon the following matters:

a proposal to adopt the Agreement and Plan of Merger, dated as of November 20, 2011, as it may be amended from time to time (which we refer to as the merger agreement), by and among Alleghany, Transatlantic and Shoreline Merger Sub, LLC, a copy of which is included as Annex A to the joint proxy statement/prospectus of which this notice forms a part;

a proposal to adjourn the Transatlantic special meeting, if necessary or appropriate, to solicit additional proxies in favor of the proposal to adopt the merger agreement if there are insufficient votes at the time of such adjournment to approve such proposal; and

a proposal, on an advisory (non-binding) basis, to approve the compensation that may be paid or become payable to Transatlantic's named executive officers in connection with the merger, and the agreements and understandings pursuant to which such compensation may be paid or become payable, as described in the section entitled "The Merger Interests of Transatlantic's Directors and Executive Officers in the Merger Golden Parachute Compensation."

Completion of the merger is conditioned on, among other things, adoption of the merger agreement.

Transatlantic will transact no other business at the Transatlantic special meeting except such business as may properly be brought before the Transatlantic special meeting or any adjournment or postponements thereof. Please refer to the joint proxy statement/prospectus of which this notice forms a part for further information with respect to the business to be transacted at the Transatlantic special meeting.

The Transatlantic board of directors has unanimously approved the merger agreement and determined that the merger agreement and the transactions contemplated thereby, including the merger, are advisable and in the best interests of Transatlantic and its stockholders. **The Transatlantic board of directors unanimously recommends that Transatlantic stockholders vote FOR each of the proposals set forth above.**

The Transatlantic board of directors has fixed the close of business on January 4, 2012 as the record date for determination of Transatlantic stockholders entitled to receive notice of, and to vote at, the Transatlantic special meeting or any adjournments or postponements thereof. Only holders of record of Transatlantic common stock at the close of business on the record date are entitled to receive notice of, and to vote at, the Transatlantic special meeting. A list of the names of Transatlantic stockholders of record will be available for ten days prior to the Transatlantic special meeting for any purpose germane to the Transatlantic special meeting between the regular business hours of 9:00 a.m. and 5:00 p.m., New York City time, at Transatlantic's headquarters, 80 Pine Street, New York, New York 10005. The Transatlantic stockholder list will also be available at the Transatlantic special meeting during the whole time thereof for examination by any stockholder present at such meeting.

Adoption of the merger agreement requires the affirmative vote of holders of a majority of the outstanding shares of Transatlantic common stock entitled to vote thereon. Approval of the proposal to adjourn the Transatlantic special meeting, if necessary or appropriate, to solicit additional proxies in favor of the proposal to



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adopt the merger agreement if there are insufficient votes at the time of such adjournment to approve such proposal requires the affirmative vote of the holders of a majority of the shares of Transatlantic common stock entitled to vote and present in person or represented by proxy, whether or not a quorum is present. Approval, on an advisory (non-binding) basis, of the compensation that may be paid or become payable to Transatlantic's named executive officers in connection with the merger, and the agreements and understandings pursuant to which such compensation may be paid or become payable, requires the affirmative vote of the holders of a majority of the shares of Transatlantic common stock present in person or represented by proxy and entitled to vote thereon, assuming a quorum is present.

Holders of Transatlantic common stock who comply with the requirements of Section 262 of the General Corporation Law of the State of Delaware may be entitled to appraisal rights as described in the joint proxy statement/prospectus of which this notice forms a part.

**Your vote is very important. Whether or not you expect to attend the Transatlantic special meeting in person, we urge you to submit a proxy to vote your shares as promptly as possible by either: (1) logging onto <http://proxy.georgeson.com> and following the instructions on your proxy card; (2) dialing 1-800-652-VOTE (8683) and listening for further directions; or (3) signing and returning the enclosed proxy card in the postage-paid envelope provided, so that your shares may be represented and voted at the Transatlantic special meeting. If your shares are held in the name of a bank, brokerage firm or other nominee, please follow the instructions on the voting instruction card furnished by the record holder, as appropriate.**

The enclosed joint proxy statement/prospectus provides a detailed description of the merger and the merger agreement. We urge you to read the joint proxy statement/prospectus of which this notice forms a part, including any documents incorporated by reference, and the Annexes carefully and in their entirety. If you have any questions concerning the merger or this joint proxy statement/prospectus, would like additional copies or need help voting your shares of Transatlantic common stock, please contact Transatlantic's proxy solicitor:

**Georgeson Inc.**

199 Water Street

New York, NY 10038

Banks and brokers call: (212) 440-9800

Call toll-free: (888) 613-9817

E-mail: [transatlantic@georgeson.com](mailto:transatlantic@georgeson.com)

By Order of the Board of Directors of

Transatlantic Holdings, Inc.,

Amy M. Cinquegrana

Secretary

[ ]

New York, NY

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**ADDITIONAL INFORMATION**

This joint proxy statement/prospectus incorporates by reference important business and financial information about Alleghany and Transatlantic from other documents that are not included in or delivered with this joint proxy statement/prospectus. This information is available to you without charge upon your request. You can obtain the documents incorporated by reference into this joint proxy statement/prospectus by requesting them in writing or by telephone from the appropriate company at the following addresses and telephone numbers:

**Alleghany Corporation**

7 Times Square Tower

New York, NY 10036

(212) 752-1356

Attn: Investor Relations

or

**D.F. King & Co., Inc.**

48 Wall Street, 22<sup>nd</sup> Floor

New York, NY 10005

Banks and Brokers call: (212) 269-5550

Call toll-free: (800) 290-6429

E-mail: [Alleghany@dfking.com](mailto:Alleghany@dfking.com)

Investors may also consult Alleghany's or Transatlantic's websites for more information concerning the merger described in this joint proxy statement/prospectus. Alleghany's website is [www.alleghany.com](http://www.alleghany.com) and Transatlantic's website is [www.transre.com](http://www.transre.com). Information included on these websites is not incorporated by reference into this joint proxy statement/prospectus.

**Transatlantic Holdings, Inc.**

80 Pine Street

New York, NY 10005

(212) 365-2200

Attn: Investor Relations

or

**Georgeson Inc.**

199 Water Street

New York, NY 10038

Banks and Brokers Call: (212) 440-9800

Call toll-free: (888) 867-6963

E-mail: [transatlantic@georgeson.com](mailto:transatlantic@georgeson.com)

**If you would like to request any documents, please do so by [ ] in order to receive them before the meetings.**

*For more information, see Where You Can Find More Information.*

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**ABOUT THIS JOINT PROXY STATEMENT/PROSPECTUS**

This joint proxy statement/prospectus, which forms part of a registration statement on Form S-4 filed with the United States Securities and Exchange Commission (which we refer to as the "SEC") by Alleghany, constitutes a prospectus of Alleghany under Section 5 of the Securities Act of 1933, as amended (which we refer to as the "Securities Act"), with respect to the shares of Alleghany common stock to be issued to the Transatlantic stockholders pursuant to the merger. This joint proxy statement/prospectus also constitutes a joint proxy statement for both Alleghany and Transatlantic under Section 14(a) of the Securities Exchange Act of 1934, as amended (which we refer to as the "Exchange Act"). It also constitutes a notice of meeting with respect to the special meeting of Alleghany stockholders and a notice of meeting with respect to the special meeting of Transatlantic stockholders.

You should rely only on the information contained in or incorporated by reference into this joint proxy statement/prospectus. No one has been authorized to provide you with information that is different from that contained in, or incorporated by reference into, this joint proxy statement/prospectus. This joint proxy statement/prospectus is dated [ ]. You should not assume that the information contained in this joint proxy statement/prospectus is accurate as of any date other than that date. You should not assume that the information incorporated by reference into this joint proxy statement/prospectus is accurate as of any date other than the date of the incorporated document. Neither our mailing of this joint proxy statement/prospectus to Alleghany stockholders or Transatlantic stockholders nor the issuance by Alleghany of shares of Alleghany common stock to Transatlantic stockholders in connection with the merger will create any implication to the contrary.

**This joint proxy statement/prospectus does not constitute an offer to sell, or a solicitation of an offer to buy, any securities, or the solicitation of a proxy, in any jurisdiction to or from any person to whom it is unlawful to make any such offer or solicitation. Information contained in this joint proxy statement/prospectus regarding Alleghany has been provided by Alleghany and information contained in this joint proxy statement/prospectus regarding Transatlantic has been provided by Transatlantic.**

All references in this joint proxy statement/prospectus to "Alleghany" refer to Alleghany Corporation, a Delaware corporation, and/or its consolidated subsidiaries, unless the context requires otherwise; all references in this joint proxy statement/prospectus to "Transatlantic" refer to Transatlantic Holdings, Inc., a Delaware corporation, and/or its consolidated subsidiaries, unless the context requires otherwise; all references to "Merger Sub" refer to Shoreline Merger Sub, Inc., a Delaware corporation and wholly owned subsidiary of Alleghany formed for the sole purpose of effecting the merger; unless otherwise indicated or as the context requires, all references in this joint proxy statement/prospectus to "we," "our" and "us" refer to Alleghany and Transatlantic collectively; and, unless otherwise indicated or as the context requires, all references to the "merger agreement" refer to the Agreement and Plan of Merger, dated as of November 20, 2011, as it may be amended from time to time, by and among Alleghany, Shoreline Merger Sub, LLC and Transatlantic, a copy of which is included as Annex A to this joint proxy statement/prospectus. Also, in this joint proxy statement/prospectus, "\$" and "USD" refer to U.S. dollars and "New York City time" means the local time in New York City.

At the request of Transatlantic, Alleghany converted Shoreline Merger Sub, LLC into a Delaware corporation which has been assigned the rights and assumed the obligations of "Merger Sub" under the merger agreement, and as such, all references to "Merger Sub" in the merger agreement and in this joint proxy statement/prospectus shall be deemed to refer to such corporation.

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**QUESTIONS AND ANSWERS**

The following are some questions that you, as a stockholder of Alleghany Corporation (which we refer to as Alleghany ) or Transatlantic Holdings, Inc. (which we refer to as Transatlantic ), may have regarding the merger and the other matters being considered at the contemplated meetings and the answers to those questions. Alleghany and Transatlantic urge you to carefully read the remainder of this joint proxy statement/prospectus because the information in this section does not provide all the information that might be important to you with respect to the merger and the other matters being considered at the special meetings. Additional important information is also contained in the Annexes to, and the documents incorporated by reference into, this joint proxy statement/prospectus.

**Q: Why am I receiving this joint proxy statement/prospectus?**

A: Alleghany and a newly formed, direct wholly owned subsidiary, Shoreline Merger Sub, LLC (which has been converted into Shoreline Merger Sub, Inc., a Delaware corporation, and which we refer to as Merger Sub ), have entered into an Agreement and Plan of Merger, dated as of November 20, 2011 (which we refer to as the merger agreement ) with Transatlantic. Under the merger agreement, Transatlantic will be merged with and into Merger Sub (which we refer to as the merger ), with Merger Sub continuing as the surviving company and a wholly owned subsidiary of Alleghany. After the merger, Alleghany intends to operate Transatlantic as an independent standalone subsidiary of Alleghany, which will be renamed Transatlantic Holdings, Inc. A copy of the merger agreement is included in this joint proxy statement/prospectus as Annex A.

The merger cannot be completed unless, among other things:

holders of a majority of the shares of Alleghany common stock present in person or represented by proxy at the Alleghany special meeting vote to approve the issuance of shares of Alleghany common stock to Transatlantic stockholders in connection with the merger (which we refer to as the stock issuance ); and

holders of a majority of the shares of the outstanding Transatlantic common stock vote to adopt the merger agreement.

In addition, Alleghany is soliciting proxies from its stockholders with respect to one additional proposal; completion of the merger is not conditioned upon receipt of this approval:

a proposal to adjourn the Alleghany special meeting, if necessary or appropriate, to solicit additional proxies in favor of the stock issuance if there are insufficient votes at the time of such adjournment to approve such proposal (which we refer to as the Alleghany adjournment proposal ).

Furthermore, Transatlantic is soliciting proxies from its stockholders with respect to two additional proposals; completion of the merger is not conditioned upon receipt of these approvals:

a proposal to adjourn the Transatlantic special meeting, if necessary or appropriate, to solicit additional proxies in favor of the proposal to adopt the merger agreement if there are insufficient votes at the time of such adjournment to approve such proposal (which we refer to as the Transatlantic adjournment proposal ); and

a proposal (which we refer to as the golden parachute proposal ) to approve, on an advisory (non-binding) basis, the compensation that may be paid or become payable to Transatlantic s named executive officers in connection with the merger, and the agreements and understandings pursuant to which such compensation may be paid or become payable.

Each of Alleghany and Transatlantic will hold separate special meetings to obtain these approvals (which we refer to as the Alleghany special meeting and the Transatlantic special meeting, respectively). This joint proxy statement/prospectus contains important information about the

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merger and the proposals being voted on at the special meetings, and you should read it carefully. It is a joint proxy statement because

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both the Alleghany and Transatlantic boards of directors are soliciting proxies from their respective stockholders. It is a prospectus because Alleghany will issue shares of Alleghany common stock to holders of Transatlantic common stock in connection with the merger. The enclosed materials allow you to have your shares voted by proxy without attending your respective meeting. **Your vote is important. We encourage you to submit your proxy as soon as possible.**

**Q: What will I receive in the merger?**

A: *Alleghany Stockholders:* If the merger is completed, Alleghany stockholders will not receive any merger consideration and will continue to hold the shares of Alleghany common stock which they currently hold. Following the merger, shares of Alleghany common stock will continue to be traded on the New York Stock Exchange (which we refer to as the NYSE) under the symbol Y.

*Transatlantic Stockholders:* If the merger is completed, Transatlantic stockholders will be entitled to receive, in exchange for each share of Transatlantic common stock they hold at the effective time of the merger, either stock or cash consideration with a value equal to the sum of (i) 0.145 multiplied by the average of the closing sales prices on the NYSE for Alleghany common stock during the five trading days ending the day before the completion of the merger (which we refer to as the average five-day Alleghany closing price) and (ii) \$14.22. Transatlantic stockholders will have the right to elect to receive merger consideration for each of their shares of Transatlantic common stock in the form of cash or shares of Alleghany common stock, subject to proration in the circumstances described below. In the event of proration, a Transatlantic stockholder may receive merger consideration in respect of some or all of the Transatlantic shares held by such stockholder in a form other than that which such stockholder elected.

The value of the merger consideration will fluctuate with the market price of Alleghany common stock and will be determined based on the average five-day Alleghany closing price. **We urge you to obtain current market quotations of shares of Alleghany and Transatlantic common stock.** As explained in more detail in this document, whether a Transatlantic stockholder makes a cash election, a stock election or no election, the value of the consideration that such stockholder receives as of the date of completion of the merger will be approximately equivalent based on the average five-day Alleghany closing price used to calculate the merger consideration. A Transatlantic stockholder may specify different elections with respect to different shares that such stockholder holds (*e.g.*, if a Transatlantic stockholder owns 100 shares of Transatlantic common stock, that stockholder could make a cash election with respect to 50 shares and a stock election with respect to the other 50 shares).

The aggregate amount of cash to be paid to Transatlantic stockholders is fixed in the merger agreement at \$816,007,519. As a result, if the cash election is oversubscribed or undersubscribed, then certain adjustments will be made to the merger consideration to proportionately reduce the cash or stock amounts received by the Transatlantic stockholders in the manner described below in the section entitled *The Merger Agreement Consideration to be Received in the Merger*. To the extent that the number of outstanding shares of Transatlantic increases between the date of the merger agreement and the effective time of the merger, due to the vesting of stock-settled awards or as otherwise permitted by the merger agreement, the aggregate number of shares of Alleghany common stock to be issued as consideration in the merger will be increased accordingly, but the aggregate amount of cash to be paid as consideration will not change. In addition, if the aggregate consideration to be paid to any holder of Transatlantic common stock would result in such holder receiving a fractional share of Alleghany common stock, cash shall be paid in lieu of such fractional share.

As an example, based on the average of the closing sales prices of Alleghany common stock for the five trading days ending on November 18, 2011 (the last trading date before announcement of the merger), for each share of Transatlantic common stock held, a Transatlantic stockholder would receive either approximately \$59.51 in cash or 0.1905 shares of Alleghany common stock, subject to proration if cash was oversubscribed or undersubscribed. As another example, based on the average of the closing prices of Alleghany common stock for the five trading days ending on December 22, 2011 (the most recent



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practicable trading date before filing of this joint proxy statement/prospectus), for each share of Transatlantic common stock held, a Transatlantic stockholder would receive either approximately \$55.73 in cash or 0.1947 shares of Alleghany common stock, subject to proration if cash was oversubscribed or undersubscribed.

The exact amount of cash and number of shares of Alleghany common stock you receive will depend on the election you and other Transatlantic stockholders make and the formula in the merger agreement, including its election, proration and adjustment provisions. For a summary of the formula contained in the merger agreement, see The Merger Agreement.

**Q: What are some of the details of the election process?**

A: You will be allowed to make a cash election with respect to any or all of your shares of Transatlantic common stock and/or a stock election with respect to any or all of your other shares of Transatlantic common stock (subject to proration if cash is oversubscribed or undersubscribed):

A cash election with respect to a share of Transatlantic common stock means a request to receive cash in the amount (which we refer to as the per share cash amount ) of (1) \$14.22 plus (2) the product, rounded to the nearest one tenth of a cent, of 0.145 multiplied by the average five-day Alleghany closing price.

A stock election with respect to a share of Transatlantic common stock means a request to receive that number of shares of Alleghany common stock equal to (1) the per share cash amount divided by (2) the average five-day Alleghany closing price. The exact amount of cash and number of shares of Alleghany common stock you receive will depend on the election you and other Transatlantic stockholders make and the formula in the merger agreement, including its election, proration and adjustment provisions. In addition, if the aggregate consideration to be paid to any holder of Transatlantic common stock would result in such holder receiving a fractional share of Alleghany common stock, cash shall be paid in lieu of such fractional share. For a summary of the formula contained in the merger agreement, see The Merger Agreement.

**Q: How do I make an election?**

A: If you are the record holder of shares of Transatlantic common stock on January 4, 2012, the record date for the Transatlantic special meeting (which we refer to as the Transatlantic record date ), you will receive an election form enclosed with this joint proxy statement/prospectus (which we refer to as the election form ) in which you may specify the number of shares of Transatlantic common stock, if any, you desire to convert into the right to receive merger consideration in the form of cash or shares of Alleghany common stock. You must deliver a completed election form by 5:00 p.m., New York City time, on a date to be mutually determined by Alleghany and Transatlantic (which we refer to as the election deadline ) to [ ], as exchange agent (who we refer to as the exchange agent ). The election deadline shall be a date prior to the effective time of the merger which date Alleghany and Transatlantic shall publicly announce by joint press release at least five business days prior to such date. The election form must be accompanied by the certificates representing the shares of Transatlantic common stock (or guarantee of delivery), unless such shares are in book-entry form (which we refer to as book-entry shares ), in which case you should follow the instructions set forth in the election form. If you hold your shares of Transatlantic common stock through a bank, broker or other nominee, your bank, broker or other nominee, as applicable, will provide you with instructions on how to make an election. If your election form is received after the election deadline or you fail to comply with your bank s, broker s or nominee s instructions, your election will be disregarded, and you will receive consideration in whatever form or mix that remains after taking into account other Transatlantic stockholders preferences.

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**Q: How can I change my election?**

A: If you are a record holder of Transatlantic common stock, you may (i) change your election by written notice received by the exchange agent prior to the election deadline, accompanied by a properly completed and signed revised election form or (ii) revoke your election by written notice received by the exchange agent prior to the election deadline or by withdrawal, prior to the election deadline, of the certificates representing your shares of Transatlantic common stock, or of the guarantee of delivery of such certificates, previously deposited with the exchange agent. If your election form is revoked, the certificate(s) (or guarantees of delivery, as appropriate), if any, for the shares of Transatlantic common stock to which such election form relates will be promptly returned to you.

**Q: Am I required to make an election in order to receive the merger consideration?**

A: No. If you do not make an election, you will still receive the merger consideration. However, if you have a preference for a specific form of merger consideration and do not make an election, the exchange agent will not take your preference into consideration. If you do not make an election, you will receive merger consideration in whatever form or mix remains after giving effect to the preferences of the Transatlantic stockholders that do make elections.

**Q: When and where will the special meetings be held?**

A: *Alleghany Stockholders:* The Alleghany special meeting will be held at the Harvard Club of New York City, 35 West 44<sup>th</sup> Street, New York, New York, on February 6, 2012, at 10:00 a.m., New York City time.

*Transatlantic Stockholders:* The Transatlantic special meeting will be held at The Down Town Association, 60 Pine Street, New York, New York, on February 6, 2012, at 10:00 a.m., New York City time.

**Q: What are the proposals on which I am being asked to vote?**

A: *Alleghany Stockholders:* Alleghany is soliciting proxies from its stockholders with respect to two proposals:

a proposal to approve the stock issuance, approval of which is a condition to completion of the merger; and

the Alleghany adjournment proposal, approval of which is not a condition to completion of the merger.

*Transatlantic Stockholders:* Transatlantic is soliciting proxies from its stockholders with respect to three proposals:

a proposal to adopt the merger agreement, approval of which is a condition to completion of the merger;

the Transatlantic adjournment proposal, approval of which is not a condition to completion of the merger; and

the golden parachute proposal, approval of which is not a condition to completion of the merger.

**Q: What constitutes a quorum at the meetings?**

A: *Alleghany Stockholders*: Stockholders who hold a majority of the Alleghany common stock outstanding on January 4, 2012, the record date for the Alleghany special meeting (which we refer to as the Alleghany record date ) and who are entitled to vote must be present in person or represented by proxy to constitute a quorum at the Alleghany special meeting. The Alleghany stockholders, by a majority vote at the meeting by the holders of Alleghany common stock entitled to vote and present in person or represented by proxy, whether or not a quorum is present, may adjourn the meeting to another time or place without further notice.

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If the adjournment is for more than 30 days or, if after the adjournment, a new record date is fixed for the adjourned meeting, a new notice of the adjourned meeting shall be given to each stockholder of record entitled to vote at the adjourned meeting. Failures to vote will not be included in the calculation of the number of shares of Alleghany common stock represented at the Alleghany special meeting for purposes of determining whether a quorum has been achieved. Abstentions will be included in the calculation of the number of shares of Alleghany common stock represented at the Alleghany special meeting for purposes of determining whether a quorum has been achieved. Under NYSE rules, if brokers do not have discretion to vote on any of the proposals at a stockholders' meeting, broker non-votes will not count toward the calculation of a quorum. As each of the proposals to be voted on at the Alleghany special meeting is considered non-routine under NYSE rules, brokers do not have discretion to vote on such proposals and, as such, broker non-votes will not be included in the calculation of the number of shares of Alleghany common stock represented at the Alleghany special meeting for purposes of determining whether a quorum has been achieved.

*Transatlantic Stockholders:* Stockholders who hold shares representing at least a majority of the aggregate voting power of the outstanding capital stock entitled to vote at the Transatlantic special meeting must be present in person or represented by proxy to constitute a quorum for the transaction of business at the Transatlantic special meeting. The Transatlantic stockholders, by a majority vote at the meeting by the holders of Transatlantic common stock entitled to vote and present in person or represented by proxy, whether or not a quorum is present, may adjourn the meeting to another time or place without further notice. If the adjournment is for more than 30 days or, if after the adjournment, a new record date is fixed for the adjourned meeting, a new notice of the adjourned meeting shall be given to each stockholder of record entitled to vote at the adjourned meeting.

Failures to vote will not be included in the calculation of the number of shares of Transatlantic common stock represented at the Transatlantic special meeting for purposes of determining whether a quorum has been achieved. Abstentions will be included in the calculation of the number of shares of Transatlantic common stock represented at the Transatlantic special meeting for purposes of determining whether a quorum has been achieved. Under NYSE rules, if brokers do not have discretion to vote on any of the proposals at a stockholders' meeting, broker non-votes will not count toward the calculation of a quorum. As each of the proposals to be voted on at the Transatlantic special meeting is considered non-routine under NYSE rules, brokers do not have discretion to vote on such proposals and, as such, broker non-votes will not be included in the calculation of the number of shares of Transatlantic common stock represented at the Transatlantic special meeting for purposes of determining whether a quorum has been achieved.

**Q: How do I vote?**

A: *Alleghany Stockholders:* If you are a stockholder of record of Alleghany as of the close of business on the Alleghany record date, you may vote in person by attending the Alleghany special meeting or, to ensure your shares are represented at the Alleghany special meeting, you may authorize a proxy to vote by:

logging onto [www.envisionreports.com/YAL](http://www.envisionreports.com/YAL) and following the instructions on your proxy card to submit a proxy via the internet anytime up to 12:00 a.m., New York City time, on February 6, 2012 and following the instructions provided on that site;

dialing 1-800-652-VOTE (8683) and listening for further directions to submit a proxy by telephone anytime up to 12:00 a.m., New York City time, on February 6, 2012 and following the instructions provided in the recorded message; or

signing and returning the accompanying proxy card in the enclosed postage-paid envelope. Alleghany stockholders of record may submit their proxies through the mail by completing their proxy card, and signing, dating and returning it in the enclosed, pre-addressed, postage-paid envelope. To be valid, a returned proxy card must be signed and dated.

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*Transatlantic Stockholders:* If you are a stockholder of record of Transatlantic as of the close of business on the Transatlantic record date, you may vote in person by attending the Transatlantic special meeting or, to ensure your shares are represented at the Transatlantic special meeting, you may authorize a proxy to vote by:

logging onto <http://proxy.georgeson.com> and following the instructions on your proxy card to submit a proxy via the internet anytime up to 11:00 p.m., New York City time, on February 5, 2012 and following the instructions provided on that site;

dialing 1-800-652-VOTE (8683) and listening for further directions to submit a proxy by telephone anytime up to 11:00 p.m., New York City time, on February 5, 2012 and following the instructions provided in the recorded message; or

signing and returning the accompanying proxy card in the enclosed postage-paid envelope. Transatlantic stockholders of record may submit their proxies through the mail by completing their proxy card, and signing, dating and returning it in the enclosed, pre-addressed, postage-paid envelope. To be valid, a returned proxy card must be signed and dated.

**Q: Have any stockholders already agreed to vote in favor of the transactions?**

A: Yes. Certain members of the Kirby family with longstanding ownership interests in Alleghany common stock have entered into voting agreements with Transatlantic. The voting agreements provide, among other things, that these Alleghany stockholders have irrevocably agreed, on the terms and subject to the conditions specified in the voting agreements, to vote all shares of Alleghany common stock owned by such stockholders in favor of the stock issuance, against competing proposals and against any action or agreement that would be expected to materially impair the ability of Alleghany or Merger Sub to complete the merger. A form of voting agreement entered into by these Alleghany stockholders is included as Annex F hereto. As of November 18, 2011, the last trading day before announcement of the merger, these stockholders held an aggregate of approximately 1,594,958 shares of Alleghany common stock (representing approximately 18.65% of the outstanding shares of Alleghany common stock as of November 18, 2011, and [ ]% of the outstanding shares of Alleghany common stock as of the Alleghany record date).

In addition, on November 21, 2011, Transatlantic stockholder Davis Selected Advisers, L.P. (which we refer to as Davis Advisors ) publicly stated its current intention to vote in support of the merger but reserves the right to change its mind. As of November 21, 2011, Davis Advisors was the beneficial holder of approximately 14,278,940 shares of Transatlantic common stock (representing approximately 24.9% of the outstanding shares of Transatlantic common stock as of November 21, 2011 and [ ]% of the outstanding shares of Transatlantic common stock as of the Transatlantic record date). To satisfy the requirements of the Department of Financial Services of the State of New York (which we refer to as the New York DFS ), on June 8, 2009, Davis Advisors, entered into an agreement with Transatlantic whereby Davis Advisors agreed to vote the number of shares of Transatlantic common stock owned by Davis Advisors in excess of 9.9% of Transatlantic s outstanding shares in a manner proportionate to the vote of the owners of the shares (excluding Davis Advisors, stockholders beneficially owning more than 10% of Transatlantic s outstanding shares of common stock, and directors and officers of Transatlantic) voting on such matters.

**Q: If my shares are held in street name by my broker, will my broker automatically vote my shares for me?**

A: No. If you hold your shares in a stock brokerage account or if your shares are held by a bank or nominee (that is, in street name ), you must provide the record holder of your shares with instructions on how to vote your shares. Please follow the voting instructions provided by your bank, broker or other nominee. Please note that you may not vote shares held in street name by returning a proxy card directly to Alleghany or Transatlantic or by voting in person at your special meeting unless you provide a legal proxy, which you must obtain from your bank, broker or other nominee. Further, brokers who hold shares of Alleghany or Transatlantic common stock on behalf of their customers may not give a proxy to Alleghany or Transatlantic to vote those shares without specific instructions from their customers.

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**Q: What if I return my proxy card without indicating how to vote?**

A: If you sign and return your proxy card without indicating how to vote on any particular proposal, your shares will be voted in accordance with the recommendation of the Alleghany or Transatlantic board of directors, as applicable, with respect to such proposal.

**Q: If I am a Transatlantic stockholder, should I send in my Transatlantic stock certificates with my proxy card?**

A: No. Please **DO NOT send your Transatlantic stock certificates with your proxy card**. You are being provided an election form and instructions regarding the surrender of your stock certificates. If you wish to make an election with respect to your shares of Transatlantic common stock, you should, prior to the election deadline, send your Transatlantic stock certificates (if any) to the exchange agent, together with your completed, signed election form.

**Q: How many votes do I have?**

A: *Alleghany Stockholders:* Holders of Alleghany common stock are entitled to one vote for each share of Alleghany common stock that you owned as of the Alleghany record date. As of the close of business on the Alleghany record date, there were [ ] shares of Alleghany common stock outstanding and entitled to vote at the Alleghany special meeting, approximately [ ]% of which were beneficially owned by the directors and executive officers of Alleghany and their affiliates.

*Transatlantic Stockholders:* Holders of Transatlantic common stock are entitled to one vote for each share of Transatlantic common stock that you owned as of the close of business on the Transatlantic record date. However, to satisfy the requirements of the New York DFS, on June 8, 2009, Davis Advisors entered into an agreement with Transatlantic whereby Davis Advisors agreed to vote the number of shares of Transatlantic common stock owned by Davis Advisors in excess of 9.9% of Transatlantic's outstanding shares in a manner proportionate to the vote of the owners of the shares (excluding Davis Advisors, stockholders beneficially owning more than 10% of Transatlantic's outstanding shares, and directors and officers of Transatlantic) voting on such matters. As of the close of business on the Transatlantic record date, there were [ ] shares of Transatlantic common stock outstanding and entitled to vote at the Transatlantic special meeting, approximately [ ]% of which were beneficially owned by the directors and executive officers of Transatlantic and their affiliates.

**Q: What vote is required to approve each proposal?**

A: *Alleghany Stockholders:* Approval of the stock issuance requires the affirmative vote of holders of a majority of shares of Alleghany common stock present in person or represented by proxy at the Alleghany special meeting and entitled to vote thereon, assuming a quorum is present. Approval of the Alleghany adjournment proposal requires the affirmative vote of the holders of a majority of the shares of Alleghany common stock entitled to vote and present in person or represented by proxy, whether or not a quorum is present. Approval of the Alleghany adjournment proposal is not a condition to completion of the merger.

*Transatlantic Stockholders:* Adoption of the merger agreement requires the affirmative vote of the holders of a majority of the outstanding shares of Transatlantic common stock entitled to vote thereon. Approval of the Transatlantic adjournment proposal requires the affirmative vote of the holders of a majority of the shares of Transatlantic common stock entitled to vote and present in person or represented by proxy, whether or not a quorum is present. Approval of the golden parachute proposal requires the affirmative vote of holders of a majority of shares of Transatlantic common stock present in person or represented by proxy and entitled to vote thereon, assuming a quorum is present. Neither approval of the Transatlantic adjournment proposal nor the golden parachute proposal is a condition to completion of the merger.

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### **Q: What will happen if I fail to vote or I abstain from voting?**

A: *Alleghany Stockholders:* If you are an Alleghany stockholder and you fail to vote, it will have no effect on the Alleghany adjournment proposal or, assuming a quorum is present, on the stock issuance proposal. If you abstain from voting, your shares will be counted as represented at the meeting, and it will have the same effect as a vote AGAINST the stock issuance proposal and AGAINST Alleghany adjournment proposal.

*Transatlantic Stockholders:* If you are a Transatlantic stockholder and you fail to vote, it will have the same effect as a vote AGAINST the proposal to adopt the merger agreement, but it will have no effect on the Transatlantic adjournment proposal or, assuming a quorum is present, on the golden parachute proposal. If you abstain from voting, your shares will be counted as represented at the meeting, and it will have the same effect as a vote AGAINST the proposal to adopt the merger agreement, AGAINST the Transatlantic adjournment proposal and AGAINST the golden parachute proposal.

### **Q: What will happen if I fail to instruct my broker, bank or nominee how to vote?**

A: *Alleghany Stockholders:* If you are an Alleghany stockholder and you do not instruct your broker, bank or nominee on how to vote your shares, your broker may not vote your shares at the special meeting. This will have no effect on the Alleghany adjournment proposal or, assuming a quorum is present, on the stock issuance proposal.

*Transatlantic Stockholders:* If you are a Transatlantic stockholder and you do not instruct your broker, bank or nominee on how to vote your shares, your broker may not vote your shares at the special meeting. This will have the same effect as a vote AGAINST the adoption of the merger agreement, but will have no effect on the Transatlantic adjournment proposal or, assuming a quorum is present, on the golden parachute proposal.

### **Q: Can I change my vote after I have returned a proxy or voting instruction card?**

A: *Alleghany Stockholders:* Yes. You can change your vote at any time before your proxy is voted at your special meeting. You can do this in one of three ways:

you can send a signed notice of revocation;

you can grant a new, valid proxy bearing a later date including by telephone or via the internet; or

if you are a holder of record, you can attend the Alleghany special meeting and vote in person, which will automatically cancel any proxy previously given, or you may revoke your proxy in person, but your attendance alone will not revoke any proxy that you have previously given.

If you choose either of the first two methods, you must submit your notice of revocation or your new proxy to the secretary of Alleghany no later than the beginning of the Alleghany special meeting. If you have submitted a proxy for your shares by telephone or via the internet, you may revoke your prior telephone or internet proxy by any manner described above. If your shares are held in street name by your broker, bank or nominee, you should contact your broker, bank or nominee to change your vote.

*Transatlantic Stockholders:* Yes. You can change your vote at any time before your proxy is voted at your special meeting. You can do this in one of three ways:

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you can send a signed notice of revocation;

you can grant a new, valid proxy bearing a later date including by telephone or via the internet; or

if you are a holder of record, you can attend the Transatlantic special meeting and vote in person, which will automatically cancel any proxy previously given, or you may revoke your proxy in person, but your attendance alone will not revoke any proxy that you have previously given.

If you choose either of the first two methods, you must submit your notice of revocation or your new proxy to the secretary of Transatlantic no later than the beginning of the Transatlantic special meeting. If you have



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submitted a proxy for your shares by telephone or via the internet, you may revoke your prior telephone or internet proxy by any manner described above. If your shares are held in street name by your broker, bank or nominee, you should contact your broker, bank or nominee to change your vote.

**Q: How does the Alleghany board of directors recommend that Alleghany stockholders vote?**

A: The Alleghany board of directors has determined that the merger agreement and the transactions contemplated by the merger agreement, including the merger and the stock issuance, are advisable and in the best interests of Alleghany and its stockholders. **The Alleghany board of directors recommends that the Alleghany stockholders vote (i) FOR the stock issuance proposal and (ii) FOR the Alleghany adjournment proposal.**

**Q: How does the Transatlantic board of directors recommend that Transatlantic stockholders vote?**

A: The Transatlantic board of directors has unanimously determined that the merger agreement and the transactions contemplated by the merger agreement, including the merger, are advisable and in the best interests of Transatlantic and its stockholders. **The Transatlantic board of directors unanimously recommends that Transatlantic stockholders vote (i) FOR the adoption of the merger agreement, (ii) FOR the Transatlantic adjournment proposal and (iii) FOR the golden parachute proposal.**

**Q: When do you expect the merger to be completed?**

A: Alleghany and Transatlantic expect to complete the merger as soon as reasonably practicable and expect the closing of the merger to occur in the first quarter of 2012. However, the merger is subject to various regulatory clearances and the satisfaction or waiver of other conditions, and it is possible that factors outside the control of Alleghany and Transatlantic could result in the merger being completed at an earlier time, a later time or not at all. There may be a substantial amount of time between the date on which the special meetings are held and the date of the completion of the merger.

**Q: Are stockholders entitled to appraisal rights?**

A: *Alleghany Stockholders:* No. Under Delaware law, you are not entitled to appraisal rights in connection with the merger.  
*Transatlantic Stockholders:* Depending upon the elections made by holders of shares of Transatlantic common stock with respect to the form of consideration to be received in the merger, Delaware law may entitle the holders of shares of Transatlantic common stock, who comply with the procedures specified in Section 262 of the General Corporation Law of the State of Delaware (which we refer to as the "DGCL"), to have their shares appraised by the Delaware Court of Chancery. Specifically, holders, if any, of shares of Transatlantic common stock who make a stock election (as more fully explained below under "The Merger Agreement Consideration To Be Received in the Merger Stock Election"), but are forced to accept cash consideration in respect of such shares by reason of proration (and not simply cash in lieu of fractional shares) (as more fully explained below under "The Merger Agreement Consideration To Be Received in the Merger Proration"), would be entitled to have the fair value of such shares appraised by the Delaware Court of Chancery if they otherwise comply with the procedures of Section 262. Under Delaware law, holders of shares of Transatlantic common stock who choose not to make an election with respect to the form of merger consideration to be received for their shares will not be entitled to appraisal rights.

As of the date of the mailing of this joint proxy statement/prospectus, we cannot definitively state whether appraisal rights will be available as a result of the merger because (i) the availability of appraisal rights depends on whether and the extent to which the cash consideration is undersubscribed, and (ii) we will not know whether the cash consideration is undersubscribed to the extent that appraisal rights would be available until the election deadline (as more fully explained below under "The Merger Agreement Consideration To Be Received in the Merger"). In the event that the cash consideration is undersubscribed



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to the extent that appraisal rights would be available, Transatlantic stockholders who have otherwise complied with the requirements of Section 262 will be advised of the availability of appraisal rights within ten days of the merger in the notice of the effective date of the merger required by Section 262. If the cash consideration is not undersubscribed to the extent that appraisal rights would be available, Alleghany will issue a public announcement and file a Current Report on Form 8-K with the SEC informing Transatlantic stockholders that appraisal rights will not be available in connection with the merger.

Because Transatlantic stockholders may be entitled to appraisal rights under certain circumstances, we urge you to read the summary of appraisal rights contained in this joint proxy statement/prospectus under the section entitled **The Merger Appraisal Rights** as well as Section 262, which is attached hereto as Annex G. If you wish to preserve the ability to exercise appraisal rights, you must make a written demand for appraisal of your shares as described in the section entitled **The Merger Appraisal Rights** and in Section 262.

**Q: Who can help answer my questions?**

A: Alleghany stockholders or Transatlantic stockholders who have questions about the merger or the stock issuance, the other matters to be voted on at the special meetings, how to submit a proxy, or desire additional copies of this joint proxy statement/prospectus or additional proxy cards should contact:

**If you are an Alleghany stockholder:**

**D.F. King & Co., Inc.**

48 Wall Street, 22<sup>nd</sup> Floor

New York, NY 10005

Banks and Brokers call: (212) 269-5550

Call toll-free: (800) 290-6429

E-mail: [Alleghany@dfking.com](mailto:Alleghany@dfking.com)

or

**Alleghany Corporation**

7 Times Square Tower

New York, NY 10036

Attn: Investor Relations

(212) 752-1356

**If you are a Transatlantic stockholder:**

**Georgeson Inc.**

199 Water Street

New York, NY 10038

Banks and brokers call: (212) 440-9800

Call toll-free: (888) 613-9817

E-mail: [transatlantic@georgeson.com](mailto:transatlantic@georgeson.com)

or

**Transatlantic Holdings, Inc.**

80 Pine Street

New York, NY 10005

Attn: Investor Relations

(212) 365-2200

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**SUMMARY**

*This summary highlights information contained elsewhere in this joint proxy statement/prospectus and may not contain all the information that is important to you with respect to the merger, the stock issuance and the other matters being considered at the Alleghany and Transatlantic special meetings. Alleghany and Transatlantic urge you to read the remainder of this joint proxy statement/prospectus carefully, including the attached Annexes, and the other documents to which we have referred you. See also the section entitled "Where You Can Find More Information." We have included page references in this summary to direct you to a more complete description of the topics presented below.*

**The Companies**

***Alleghany Corporation (See page 36)***

Alleghany is a Delaware corporation engaged in the property and casualty and surety insurance business through its wholly owned subsidiary Alleghany Insurance Holdings LLC (which we refer to as "AIHL"). AIHL's insurance business is conducted through its wholly owned subsidiaries RSUI Group, Inc. (which we refer to as "RSUI"), Capitol Transamerica Corporation and Platte River Insurance Company (which we refer to collectively as "CATA"), and Pacific Compensation Corporation (which we refer to as "PCC"). AIHL Re LLC (which we refer to as "AIHL Re"), a captive reinsurance subsidiary of AIHL, has in the past provided reinsurance to Alleghany operating units and affiliates. Alleghany's equity investments, including those held by AIHL's insurance operating units, are managed primarily by Alleghany Capital Partners LLC, an indirect, wholly owned subsidiary of Alleghany. Alleghany also owns and manages properties in the Sacramento, California region through its subsidiary Alleghany Properties Holdings LLC (which we refer to as "Alleghany Properties"). In addition, Alleghany owns approximately 33 percent of the outstanding shares of common stock of Homesite Group Incorporated (which we refer to as "Homesite"), a national, full-service, mono-line provider of homeowners insurance, and approximately 38 percent of ORX Exploration, Inc. (which we refer to as "ORX"), a regional oil and gas exploration and production company. Alleghany also makes strategic investments in operating companies and conducts other activities.

Shares of Alleghany common stock are traded on the NYSE under the symbol "Y". Following the merger, shares of Alleghany common stock will continue to be traded on the NYSE under the symbol "Y".

The principal executive offices of Alleghany are located at 7 Times Square Tower, New York, NY 10036 and its telephone number is (212) 752-1356.

***Transatlantic Holdings, Inc. (See page 36)***

Transatlantic Holdings, Inc. is a holding company incorporated in the State of Delaware. Transatlantic, through its wholly owned subsidiaries, Transatlantic Reinsurance Company<sup>®</sup> (which we refer to as "TRC"), Trans Re Zurich Reinsurance Company Ltd., acquired by TRC in 1996 (which we refer to as "TRZ"), and Putnam Reinsurance Company (which we refer to as "Putnam") (contributed by Transatlantic to TRC in 1995), offers reinsurance capacity for a full range of property and casualty products, directly and through brokers, to insurance and reinsurance companies, in both the domestic and international markets on both a treaty and facultative basis. One or both of TRC and Putnam is licensed, accredited, authorized or can serve as a reinsurer in 50 states and the District of Columbia in the United States and in Puerto Rico and Guam. Through its international locations, Transatlantic has operations worldwide, including Bermuda, Canada, seven locations in Europe, three locations in Central and South America, two locations in Asia (excluding Japan), and one location in each of Japan, Australia and Africa. TRC is licensed in Bermuda, Canada, Japan, the United Kingdom, the Dominican Republic, the Hong Kong Special Administrative Region, the People's Republic of China and Australia. Transatlantic was originally formed in 1986 under the name PREINCO Holdings, Inc. as a holding

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company for Putnam. Transatlantic's name was changed to Transatlantic Holdings, Inc. on April 18, 1990 following the acquisition on April 17, 1990 of all of the common stock of TRC in exchange for shares of Transatlantic common stock.

Transatlantic's common stock is traded on the NYSE under the symbol TRH. Upon completion of the merger, shares of Transatlantic common stock currently listed on the NYSE will cease to be listed on the NYSE and will subsequently be deregistered under the Exchange Act.

The principal executive offices of Transatlantic are located at 80 Pine Street, New York, New York 10005 and its telephone number is (212) 365-2200.

***Shoreline Merger Sub, Inc. (See page 37)***

Shoreline Merger Sub, Inc., or Merger Sub, is a wholly owned subsidiary of Alleghany and a Delaware corporation. Merger Sub was originally formed on November 10, 2011 as a Delaware limited liability company called Shoreline Merger Sub, LLC for the sole purpose of effecting the merger. At the request of Transatlantic, Alleghany converted Shoreline Merger Sub, LLC into a Delaware corporation which has been assigned the rights and assumed the obligations of Merger Sub under the merger agreement, and as such all references to Merger Sub in the merger agreement and in this joint proxy statement/prospectus shall be deemed to refer to such corporation. In the merger, Transatlantic will be merged with and into Merger Sub, with Merger Sub surviving as a wholly owned subsidiary of Alleghany. Upon completion of the merger, Alleghany intends to operate Transatlantic as an independent standalone subsidiary of Alleghany, which will be renamed Transatlantic Holdings, Inc.

The principal executive offices of Merger Sub are located at 7 Times Square Tower, New York, NY 10036 and its telephone number is (212) 752-1356.

**Risk Factors (See page 27)**

Before voting at the Alleghany special meeting or the Transatlantic special meeting, you should carefully consider all of the information contained in or incorporated by reference into this joint proxy statement/prospectus, as well as the specific factors under the heading Risk Factors, including the risks that:

Because the market price of Alleghany common stock will fluctuate, Transatlantic stockholders cannot be sure of the value of the merger consideration they will receive at closing;

Transatlantic stockholders may receive a form of consideration different from what they elect, depending on the elections of other Transatlantic stockholders;

The merger is subject to a number of conditions, including certain governmental and regulatory conditions that may not be satisfied, or may not be completed on a timely basis, or at all; and

Alleghany and Transatlantic may be unable to successfully integrate their businesses in order to realize the anticipated benefits of the merger or do so within the intended timeframe.

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### **The Merger**

#### ***The Merger Agreement (See page 126)***

Alleghany and Transatlantic have entered into the merger agreement attached as Annex A to this joint proxy statement/prospectus. Alleghany and Transatlantic encourage you to read the entire merger agreement carefully because it is the principal document governing the merger and the stock issuance.

#### ***Effects of the Merger (See page 54)***

Subject to the terms and conditions of the merger agreement, at the effective time of the merger, Transatlantic will be merged with and into Merger Sub, with Merger Sub surviving the merger as a wholly owned subsidiary of Alleghany. Upon completion of the merger, Alleghany intends to operate Transatlantic as an independent standalone subsidiary of Alleghany. We expect that, on a fully diluted basis, the existing stockholders of Alleghany and the former stockholders of Transatlantic will own approximately 51% and 49%, respectively, of the outstanding Alleghany common stock following the merger.

#### ***Consideration to be Received in the Merger (See page 127)***

If the merger is completed, Transatlantic stockholders will have the right to elect to receive merger consideration for each of their shares of Transatlantic common stock in the form of cash or shares of Alleghany common stock, subject to proration in the circumstances described below. In the event of proration, a Transatlantic stockholder may receive merger consideration in respect of some or all of the Transatlantic shares held by such stockholder in a form other than that which such stockholder elected. If the aggregate consideration to be paid to any holder of Transatlantic common stock would result in such holder receiving a fractional share of Alleghany common stock, cash shall be paid in lieu of such fractional share.

The value of the merger consideration will fluctuate with the market price of the Alleghany common stock and will be determined based on the average five-day Alleghany closing price. As explained in more detail in this document, whether a Transatlantic stockholder makes a cash election, a stock election or no election, the value of the consideration that such stockholder receives as of the date of completion of the merger will be approximately equivalent based on the average five-day Alleghany closing price used to calculate the merger consideration. A Transatlantic stockholder may specify different elections with respect to different shares that such stockholder holds (*e.g.*, if a Transatlantic stockholder owns 100 shares of Transatlantic common stock, that stockholder could make a cash election with respect to 50 shares and a stock election with respect to the other 50 shares).

The aggregate amount of cash to be paid to Transatlantic stockholders is fixed in the merger agreement at \$816,007,519. As a result, if the cash election is oversubscribed or undersubscribed, then certain adjustments will be made to the merger consideration to proportionately reduce the cash or stock amounts received by the Transatlantic stockholders in the manner described below in the section entitled "The Merger Agreement Consideration to be Received in the Merger Proration." To the extent that the number of outstanding shares of Transatlantic increases between the date of the merger agreement and the effective time of the merger, due to the vesting of stock-settled awards or as otherwise permitted by the merger agreement, the aggregate number of shares of Alleghany common stock to be issued as consideration in the merger will be increased accordingly, but the aggregate amount of cash to be paid as consideration will not change.

As an example, based on the average of the closing prices of Alleghany common stock for the five trading days ending on November 18, 2011 (the last trading day before announcement of the merger), for each share of Transatlantic common stock held, a Transatlantic stockholder would receive either approximately \$59.51 in cash or 0.1905 shares of Alleghany common stock, having a market value of \$59.51 based on such average five-day Alleghany closing price, subject to proration if cash was oversubscribed or undersubscribed. As another example, based on the average of the closing prices of Alleghany common stock for the five trading days ending on

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December 22, 2011 (the most recent practicable trading date before filing of this joint proxy statement/prospectus), for each share of Transatlantic common stock held, a Transatlantic stockholder would receive either approximately \$55.73 in cash or 0.1947 shares of Alleghany common stock, having a market value of \$55.73 based on such average five-day Alleghany closing price, subject to proration if cash was oversubscribed or undersubscribed. We will compute the actual amount of cash and number of shares of Alleghany common stock that each Transatlantic stockholder will receive in the merger using the formula contained in the merger agreement. For a summary of the formula contained in the merger agreement, see The Merger Agreement.

The following table illustrates the value of the merger consideration for different hypothetical five-day average closing prices of the Alleghany common stock on the NYSE for the five trading days immediately preceding the day on which the merger is completed and, for illustrative purposes only, the effects of proration assuming that 50% of Transatlantic shares elect cash consideration and 50% of Transatlantic shares elect stock consideration. For simplicity, the table assumes that there are 57,386,934 shares of Transatlantic common stock outstanding (which represents the number of shares of Transatlantic common stock outstanding on December 22, 2011, the most recent practicable day before filing of this joint proxy statement/prospectus), that all Transatlantic stockholders make elections and that no Transatlantic stockholders have exercised appraisal rights.

5-day Average Alleghany Closing Stock Price	Value of the Merger Consideration*	Illustrative Effect of Proration Assuming 50% Cash Electing Shares 50% Stock Electing Shares			
		A stockholder electing 1,000 shares for cash will receive approximately		A stockholder electing 1,000 shares for stock will receive approximately	
		Cash**	Shares	Cash**	Shares
\$275	\$ 54.10	\$ 28,522	93	\$ 193	196
280	54.82	28,495	94	224	195
285	55.55	28,468	95	257	194
290	56.27	28,439	96	0	194
295	57.00	28,675	96	59	193
300	57.72	28,619	97	120	192
305	58.45	28,561	98	183	191
310	59.17	28,470	99	279	190
315	59.90	28,723	99	32	190
320	60.62	28,631	100	128	189
325	61.35	28,504	101	260	188

\* Market value per share of Transatlantic common stock based on hypothetical five-day average Alleghany closing price.

\*\* Cash amounts reflect that stockholders will receive cash in lieu of fractional shares.

The table above is illustrative only. The value of the merger consideration that a Transatlantic stockholder actually receives will be based on the actual average five-day Alleghany closing price, as described below. The actual average five-day Alleghany closing price may be outside the range of the amounts set forth above, and as a result, the actual value of the merger consideration per share of Transatlantic common stock may not be shown in the above tables.

**Election Form (See page 131)**

Record holders of shares of Transatlantic common stock on January 4, 2012, the Transatlantic record date, are receiving an election form enclosed with this joint proxy statement/prospectus with instructions for making cash and/or stock elections. Transatlantic stockholders must properly complete and deliver to the exchange agent an election form by the election deadline (which will be announced in a press release by Alleghany and Transatlantic at least five business days prior to such deadline), accompanied by their Transatlantic stock





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certificates (or a properly completed notice of guaranteed delivery). The election form also includes delivery instructions with respect to book-entry shares. Transatlantic stockholders **should NOT send in their stock certificates with their proxy card**. Once Transatlantic stockholders have tendered their Transatlantic stock certificates to the exchange agent, they may not transfer their shares of Transatlantic common stock represented by those stock certificates until the merger is completed, unless they revoke their election by written notice to the exchange agent that is received prior to the election deadline. If the merger is not completed and the merger agreement is terminated, stock certificates will be returned by the exchange agent.

If Transatlantic stockholders fail to submit a properly completed election form, together with their Transatlantic stock certificates (or a properly completed notice of guaranteed delivery), if any, prior to the election deadline, they will be deemed not to have made an election. As non-electing holders, they will be paid merger consideration in an amount per share that is approximately equivalent in value to the amount paid per share to holders making elections, but they may be paid all in cash, all in Alleghany common stock, or in part cash and in part Alleghany common stock, depending on the remaining pool of cash and Alleghany common stock available for paying merger consideration after honoring the cash elections and stock elections that other stockholders have made, and without regard to the preferences of such non-electing holders.

***Treatment of Transatlantic Stock Options and Other Long-Term Incentive Awards (See page 119)***

Each outstanding stock option to acquire Transatlantic common stock, whether vested or unvested, will be converted into the right to receive a cash payment equal to the value of such stock option based on an amount determined using the Black-Scholes valuation methodology based on assumptions that are agreed upon by Transatlantic and Alleghany.

Each outstanding Transatlantic restricted stock unit (including each performance-based Transatlantic restricted stock unit) held by an employee or former employee of Transatlantic will be converted into a right to receive cash in an amount equal to the per share merger consideration, with the same terms and conditions as were applicable under such restricted stock unit prior to the conversion, with (i) the cash value of the converted Transatlantic restricted stock units held by employees or former employees of Transatlantic who were designated as participants in the Transatlantic Senior Partners Plan or Partners Plan (collectively, the Partners Plans ) to be deemed to be notionally invested in common units of the surviving company or (ii) the cash value of the converted Transatlantic restricted stock units held by employees or former employees of Transatlantic who were not designated as participants in a Partners Plan may, if so elected by such employee or former employee, be deemed to be notionally invested in common units of the surviving company. For outstanding Transatlantic restricted stock units that are subject to performance goals for which the performance period is not completed as of the closing date of the merger, the level of achievement of the performance goals relating to such performance-based Transatlantic restricted stock units will either be determined based on (i) actual performance as of the closing date of the merger for performance periods that end on or prior to the date that is nine months following the closing date of the merger or (ii) the target level for any performance-based Transatlantic restricted stock unit with a performance period that ends more than nine months following the closing date of the merger.

Each outstanding Transatlantic restricted stock unit held by a non-employee director of Transatlantic will be converted into a fully vested right to receive cash in an amount equal to the per share merger consideration and will be paid in cash at the time specified under the Transatlantic 2008 Non-Employee Directors Stock Plan, with amounts in respect of Transatlantic restricted stock units held by non-employee directors who serve on the Alleghany board of directors following the closing date of the merger to be deemed notionally invested in common stock of Alleghany until the date of distribution to such non-employee director.

***Recommendation of the Board of Directors of Alleghany (See page 38)***

In reaching its decision to approve the merger agreement and recommend approval by Alleghany stockholders of the stock issuance proposal, the Alleghany board of directors consulted with Alleghany s

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management, as well as with Alleghany's legal and financial advisors, and also considered a number of factors that the Alleghany board of directors views as supporting its decision, including, but not limited to, the following:

the fact that the merger will create a company with a greater size and economies of scale, which should enable it to have incremental excess capital, greater capital flexibility, the ability to respond to competitive pressures and an increased opportunity to compete profitably;

that the transaction is accretive to Alleghany's September 30, 2011 book value per share (after adjusting for subsequent share repurchases prior to the transaction announcement) by approximately 7% and tangible book value per share by approximately 10%;

that Alleghany will continue to have, after the merger, conservative financial leverage and will not need to issue any incremental debt in connection with the merger;

that the merger is expected to provide the flexibility to allocate capital to drive superior, risk-adjusted return opportunities in insurance, reinsurance, investments and capital management;

that the addition of Transatlantic is intended to create a more diversified pool of underwriting risk by product and geography and that Transatlantic and Alleghany have compatible underwriting discipline;

that it is expected that Transatlantic will maintain its current financial strength ratings of A+ from Standard & Poor's and A from A.M. Best, which will help Transatlantic preserve its franchise;

the fact that the amount of cash consideration to be issued in the merger is fixed and that the value of the merger consideration will fluctuate based on the market price of Alleghany's common stock;

the provisions in the merger agreement relating to termination of the merger agreement, payment of termination fees (and amounts thereof) and Transatlantic's agreement not to solicit alternative proposals and its obligation to hold a special meeting of its stockholders to vote on approval of the merger agreement regardless of whether the Transatlantic board of directors changes its recommendation FOR adoption of the merger agreement; and

that Davis Advisors, Transatlantic's largest stockholder, is supportive of the merger and has made public statements to this effect. After careful consideration, the Alleghany board of directors approved the merger agreement and the transactions contemplated thereby, including the merger and the stock issuance, and determined that the merger agreement and the transactions contemplated thereby, including the merger and the stock issuance, are advisable and in the best interests of Alleghany and its stockholders. For more information regarding the factors considered by the Alleghany board of directors in reaching its decision to approve the merger agreement and the transactions thereby contemplated, see the section entitled "The Merger - Alleghany's Reasons for the Merger; Recommendation of the Alleghany Board of Directors. **The Alleghany board of directors recommends that the Alleghany stockholders vote (i) FOR the stock issuance proposal and (ii) FOR the Alleghany adjournment proposal.**

### *Recommendation of the Board of Directors of Transatlantic (See page 45)*

In reaching its decision to approve the merger agreement and recommend adoption of the merger agreement by the Transatlantic stockholders, the Transatlantic board of directors consulted with Transatlantic's management, as well as with Transatlantic's legal and financial advisors, and also considered a number of factors that the Transatlantic board of directors views as supporting its decision, including, but not limited to, the

following:

the review of strategic alternatives conducted by the Transatlantic board of directors and the board of directors' belief, following such review, that the merger would provide greater value to Transatlantic stockholders than other potential strategic alternatives available to Transatlantic;

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the belief of the Transatlantic board of directors and management that the merger has the potential to create a leading, diversified, specialty-focused insurance and reinsurance franchise with over 60% of the combined premiums derived from specialty insurance and reinsurance;

the fact Transatlantic's largest stockholder, Davis Advisors, expressed support for the merger between Transatlantic and Alleghany during its discussion with the Transatlantic board of directors on November 19, 2011;

the belief of the Transatlantic board of directors and management that the combined company would have a strengthened balance sheet with estimated \$7.2 billion of total capital;

the belief of the Transatlantic board of directors and management that the combined company would have meaningful excess capital and flexibility to allocate capital to the highest risk-adjusted return opportunities, including insurance, reinsurance, investments and capital management;

confirmation from the ratings agencies that Transatlantic would be able to maintain its current financial strength ratings as a subsidiary of Alleghany, especially at S&P, which the Transatlantic board of directors believes is a significant asset to Transatlantic's international business;

the belief of the Transatlantic board of directors and management that property catastrophe exposure of the combined company would remain below Transatlantic's stated tolerances, allowing for future growth;

the fact that Transatlantic stockholders would have the right to elect to receive the merger consideration either in cash or shares of Alleghany common stock, subject to proration; and

the financial terms of the merger, including the fact that, based on the closing price on the NYSE of Alleghany common stock on November 18, 2011 (the last trading day prior to the execution and announcement of the merger agreement), the merger consideration as of November 20, 2011 represented an approximate 36% premium over the closing price of Transatlantic common stock on the NYSE as of June 10, 2011 (the last trading day before public announcement of the since-terminated Agreement and Plan of Merger, dated as of June 12, 2011, by and among Allied World Assurance Company Holdings, AG (which we refer to as Allied World), GO Sub, LLC and Transatlantic).

After careful consideration, the Transatlantic board of directors unanimously approved the merger agreement and determined that the merger agreement and the transactions contemplated thereby, including the merger, are advisable and in the best interests of Transatlantic and its stockholders. For more information regarding the factors considered by the Transatlantic board of directors in reaching its decision to approve the merger agreement and the merger, see the section entitled *The Merger Transatlantic's Reasons for the Merger; Recommendation of the Transatlantic Board of Directors*. **The Transatlantic board of directors unanimously recommends that Transatlantic stockholders vote (i) FOR the adoption of the merger agreement, (ii) FOR the Transatlantic adjournment proposal and (iii) FOR the golden parachute proposal.**

### *Opinions of Alleghany's Financial Advisors (See page 78)*

In connection with a meeting of the Alleghany board of directors held to evaluate the proposed merger, each of UBS Securities LLC (which we refer to as UBS) and Morgan Stanley & Co. LLC (which we refer to as Morgan Stanley) delivered to Alleghany's board of directors written opinions, dated November 20, 2011, to the effect that, as of that date and based on and subject to various assumptions, matters considered, qualifications and limitations described in their respective opinions, the merger consideration, to be paid by Alleghany in the merger was fair, from a financial point of view, to Alleghany.



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The full texts of the written opinions of UBS and Morgan Stanley, each dated November 20, 2011, which set forth, among other things, the assumptions made, procedures followed, matters considered, and limitations, qualifications and conditions to the review undertaken by each of UBS and Morgan Stanley in connection with their opinions, are attached as Annex B and Annex C, respectively, to this joint proxy statement/prospectus and are incorporated herein by reference. Holders of Alleghany common stock are encouraged to read each opinion carefully in its entirety. The opinions were directed to, and provided for the benefit of, the Alleghany board of directors (in its capacity as such), in connection with, and for the purpose of, its evaluation of the merger consideration to be paid by Alleghany in the Transaction, and do not address any other aspect of the merger. Neither opinion addresses the prices at which the Alleghany common stock will trade following consummation of the merger or at any time. Neither opinion addresses the relative merits of the merger as compared to other business strategies or transactions that might be available to Alleghany or Alleghany's underlying business decision to effect the merger. Neither opinion constitutes a recommendation to any stockholder as to how such stockholder should vote or act with respect to the merger.

***Opinion of Transatlantic's Financial Advisor Goldman, Sachs & Co. (See page 94)***

Goldman, Sachs & Co. (which we refer to as Goldman Sachs) delivered its opinion to the board of directors of Transatlantic that, as of November 20, 2011 and based upon and subject to the limitations and assumptions set forth therein, the merger consideration to be paid to the holders (other than Alleghany and its affiliates) of the outstanding shares of Transatlantic common stock pursuant to the merger agreement was fair from a financial point of view to such holders. The merger consideration is subject to certain procedures and limitations contained in the merger agreement, as to which procedures and limitations Goldman Sachs expressed no opinion.

The full text of the written opinion of Goldman Sachs, dated as of November 20, 2011, which sets forth assumptions made, procedures followed, matters considered and limitations on the review undertaken in connection with the opinion, is attached to this joint proxy statement/prospectus as Annex D. Goldman Sachs provided its opinion for the information and assistance of the board of directors of Transatlantic in connection with its consideration of the merger. The Goldman Sachs opinion is not a recommendation as to how any holder of shares of Transatlantic common stock should vote or make any election with respect to the merger or any other matter. Pursuant to an engagement letter between Transatlantic and Goldman Sachs, Transatlantic will pay Goldman Sachs a transaction fee of \$21,000,000, which is contingent upon consummation of the merger.

For a more complete description, see The Merger Opinion of Transatlantic's Financial Advisor Goldman, Sachs & Co. in this joint proxy statement/prospectus. See also Annex D to this joint proxy statement/prospectus.

***Opinion of Transatlantic's Financial Advisor Moelis & Company LLC (See page 101)***

Moelis & Company LLC (which we refer to as Moelis) delivered its opinion to the Transatlantic board of directors that, as of November 20, 2011 and based upon and subject to the conditions and limitations set forth therein, the merger consideration pursuant to the merger agreement was fair, from a financial point of view, to the holders of Transatlantic common stock.

The full text of the written opinion of Moelis, dated November 20, 2011, which sets forth the assumptions made, procedures followed, matters considered and limitations on the review undertaken in connection with its opinion, is attached to this joint proxy statement/prospectus as Annex E. The summary of Moelis' opinion contained in this joint proxy statement/prospectus is qualified in its entirety by reference to the full text of the opinion. Moelis provided its opinion for the information and assistance of

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the Transatlantic board of directors in connection with its consideration of the merger. Moelis' opinion does not constitute a recommendation to any holder of Transatlantic common stock as to how such stockholder should vote with respect to the merger or as to which election to make with respect to the merger consideration or any other matter. In addition, Moelis was not requested to opine as to, and its opinion does not in any manner address, Transatlantic's underlying business decision to effect the merger or the relative merits of the merger as compared to any alternative business strategies or transactions that might be available to Transatlantic. See also **The Merger Opinion of Transatlantic's Financial Advisor Moelis & Company LLC.**

***Interests of Alleghany's Directors and Executive Officers in the Merger (See page 112)***

Executive officers of Alleghany have interests in the merger that may be different from, or in addition to, the interests of Alleghany stockholders generally. The Alleghany board of directors was aware of these interests and considered them, among other matters, in approving the merger agreement and the transactions contemplated by the merger agreement, including the merger and the stock issuance, and in recommending that Alleghany stockholders vote to approve the stock issuance and Alleghany adjournment. For additional information regarding the interests of Alleghany directors and executive officers in the merger, please see the section entitled **The Merger Interests of Alleghany's Directors and Executive Officers in the Merger.**

***Interests of Transatlantic's Directors and Executive Officers in the Merger (See page 112)***

Executive officers and members of the Transatlantic board of directors have interests in the merger that may be in addition to, or different from, the interests of Transatlantic stockholders generally.

As detailed below under **The Merger Alleghany Board of Directors and Management Following the Merger**, certain of Transatlantic's executive officers and members of the Transatlantic board of directors will continue to serve as officers or directors of the combined company or Transatlantic (as a subsidiary of Alleghany) upon completion of the merger. Specifically, upon completion of the merger, the Alleghany board of directors will be expanded to 14 members and will include three directors who currently serve on the Transatlantic board of directors. In addition, Mr. Michael C. Sapnar will be appointed as President and Chief Executive Officer of Transatlantic following the merger.

Transatlantic has various equity programs that provide for double trigger payments (*i.e.*, payments upon certain termination events in proximity to a change in control). The merger will constitute a change in control for purposes of such arrangements. Transatlantic, however, does not currently expect the employment of Transatlantic's executive officers to be terminated at or following the closing of the merger. As such, double trigger vesting under Transatlantic's equity programs are not expected to be triggered with respect to any executive officers. Further, pursuant to the merger agreement, Transatlantic and Alleghany will each use their respective reasonable best efforts to agree to terms of retention agreements for certain executives, including each of Transatlantic's executive officers other than Robert F. Orlich.

Each outstanding option to acquire Transatlantic common stock held by an executive officer of Transatlantic, whether vested or unvested, will be converted into the right to receive a cash payment equal to the value of such stock option based on an amount determined using the Black-Scholes valuation methodology based on assumptions that are agreed upon by Transatlantic and Alleghany. Each outstanding restricted stock unit held by an executive officer of Transatlantic (including each performance-based Transatlantic restricted stock unit) will be converted into a right to receive cash in an amount equal to the per share merger consideration, with the terms and conditions as were applicable under such restricted stock unit prior to the conversion (including vesting or forfeiture provisions), with the cash value of the converted Transatlantic restricted stock units deemed to be notionally invested in the common units of the surviving company. Outstanding Transatlantic restricted

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stock units held by an executive officer of Transatlantic that are subject to performance goals will be treated as follows: (i) the level of achievement of the applicable performance goal for any performance based Transatlantic restricted stock unit with a performance period that ends on or prior to the date that is nine months following the closing date of the merger will be determined based on actual performance through the closing date of the merger and (ii) the level of achievement of the applicable performance goal for any performance-based Transatlantic restricted stock unit with a performance period that ends more than nine months following the closing date of the merger will be deemed to be earned at target level. Each outstanding Transatlantic restricted stock unit held by a non-employee director of Transatlantic will be converted into a fully vested right to receive cash in an amount equal to the per share merger consideration and will be paid in cash at the time specified under the Transatlantic 2008 Non-Employee Directors Stock Plan, with amounts in respect of Transatlantic restricted stock units held by non-employee directors who continue service with the Alleghany board of directors following the closing date of the merger to be deemed notionally invested in common stock of Alleghany until the date of distribution to such non-employee director. For additional information regarding the interests of Transatlantic directors and executive officers in the merger, please see the section entitled "The Merger: Interests of Transatlantic's Directors and Executive Officers in the Merger."

The Transatlantic board of directors was aware of and considered these potential interests, among other matters, in evaluating and negotiating the merger agreement and in recommending that Transatlantic stockholders adopt the merger agreement.

### ***Governance Matters Following the Merger (See page 140)***

Alleghany has agreed to take all necessary action to cause, effective at the effective time of the merger, the number of directors on the Alleghany board of directors to be increased from 11 to 14 and three persons who were members of the Transatlantic board of directors immediately prior to the effective time of the merger as mutually agreed by Alleghany and Transatlantic to be elected to the Alleghany board of directors. The Alleghany board of directors has three classes of directors, with one of such classes elected each year. One of the three Transatlantic directors shall become a Class I director, another a Class II director and the third a Class III director.

In addition, Alleghany and Transatlantic have agreed to cause the board of directors of Alleghany after the merger to adopt a written consent (i) appointing Robert F. Orlich as a senior advisor to Transatlantic, (ii) appointing Michael C. Sapnar as President and Chief Executive Officer of Transatlantic and (iii) appointing Weston M. Hicks, Roger B. Gorham, Michael C. Sapnar, Robert F. Orlich and Joseph P. Brandon to the board of directors of Transatlantic Holdings, Inc. following the merger. In addition, following completion of the merger, Joseph P. Brandon, former chief executive of Berkshire Hathaway's wholly owned subsidiary General Re Corporation, will serve as President of AIHL, Executive Vice President of Alleghany, and Chairman of the board of directors of Transatlantic Holdings, Inc.

Transatlantic has also agreed, prior to the effective time of the merger, to cause all directors of Transatlantic to resign effective as of the effective time of the merger.

In the event that the merger is not completed, the foregoing director elections, officer appointments and director resignations will not take effect.

### ***Regulatory Clearances Required for the Merger (See page 118)***

Alleghany and Transatlantic have each agreed to take certain actions in order to obtain regulatory clearance required to consummate the merger. Regulatory clearance required to complete the merger includes expiration or termination of the required waiting period under the Hart-Scott-Rodino Antitrust Improvements Act of 1976, as amended, and the rules and regulations promulgated thereunder (which we refer to as the "HSR Act"), following



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required notifications and review by the Antitrust Division of the U.S. Department of Justice (which we refer to as the Antitrust Division ) or the Federal Trade Commission (which we refer to as the FTC ). The parties filed the required notifications with the Antitrust Division and the FTC on December 8, 2011, and the FTC granted early termination of the applicable waiting period on December 16, 2011. Alleghany and Transatlantic have also filed notifications with the relevant competition authorities in Italy and Turkey.

In addition, certain insurance regulatory filings will also be required to be made in connection with the merger. State insurance laws in the United States generally require that, prior to the acquisition of an insurance company, the acquiring party must obtain approval from the insurance commissioner of the insurance company's state of domicile, and the parties have and will make the required filings in accordance with such laws. In addition, applications or notifications have been or will be filed with various insurance regulatory authorities outside of the United States in connection with the changes in control that may be deemed to occur as a result of the transactions contemplated by the merger agreement. Receipt of approval by the New York DFS is a condition to completion of the merger. It is also a condition to completion of the merger that all other consents of or filings with insurance regulators shall have been obtained or made except where the failure to obtain such consents or make such filings would not reasonably be expected to be materially adverse to Alleghany and its subsidiaries, taken as a whole, or Transatlantic and its subsidiaries, taken as a whole (after giving effect to the merger).

While Alleghany and Transatlantic expect to obtain all required regulatory clearances, we cannot assure you that these regulatory clearances will be obtained or that the granting of these regulatory clearances will not involve the imposition of additional conditions on the completion of the merger, including the requirement to divest assets, or require changes to the terms of the merger agreement. These conditions or changes could result in the conditions to the merger not being satisfied.

### ***Effective Time and Completion of the Merger (See page 127)***

Alleghany and Transatlantic hope to complete the merger as soon as reasonably practicable and expect the closing of the merger to occur in the first quarter of 2012. However, the merger is subject to various regulatory clearances and the satisfaction or waiver of other conditions, and it is possible that factors outside the control of Alleghany and Transatlantic could result in the merger being completed at an earlier time, a later time or not at all. There may be a substantial amount of time between the dates on which the special meetings are held and the date on which the merger is completed.

### ***Conditions to Completion of the Merger (See page 141)***

The obligations of Alleghany and Transatlantic to complete the merger are subject to the satisfaction of the following conditions:

approval by the Alleghany stockholders of the stock issuance proposal;

adoption by the Transatlantic stockholders of the merger agreement;

authorization of the listing on the NYSE of the shares of Alleghany common stock to be issued in the merger, subject to official notice of issuance;

the waiting period (and any extension thereof) applicable to the merger under the HSR Act having expired or been earlier terminated;

approval by the New York DFS;

all other consents and approvals of, and filings with, governmental agencies and applicable insurance regulatory authorities having been made, having been received, or having been terminated or expired, other than those that would not reasonably be expected to be materially adverse to Alleghany and its



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subsidiaries, taken as a whole, or Transatlantic and its subsidiaries, taken as a whole, after giving effect to the merger;

effectiveness of the registration statement of which this joint proxy statement/prospectus forms a part and the absence of a stop order or proceedings threatened or initiated by the SEC for that purpose; and

the absence of any order, injunction, decree, statute, rule or regulation by a court or other governmental entity that makes illegal or prohibits the completion of the merger or the other transactions contemplated by the merger agreement.

In addition, each of Alleghany's and Transatlantic's obligations to effect the merger is subject to the satisfaction or waiver of the following additional conditions:

the representations and warranties of each party, other than the representations related to the shares issued and outstanding or reserved for issuance, the necessary corporate power and authority to execute and deliver the merger agreement, and the brokers' and finders' fees, will be true and correct (without giving effect to any materiality qualifications contained in such representations and warranties) as of the date of the merger agreement and as of the closing date (other than those representations and warranties that were made only as of a specified date, which need only be true and correct as of such specified date), except where the failure of such representations and warranties to be so true and correct (without giving effect to any limitation as to materiality or to material adverse effect set forth therein), individually or in the aggregate, has not had, and would not reasonably be expected to have, a material adverse effect on such party;

the representations and warranties of each party relating to the shares issued and outstanding or reserved for issuance, the necessary corporate power and authority to execute and deliver the merger agreement, and the brokers' and finders' fees, will be true and correct in all material respects as of the date of the merger agreement and as of the closing date (except to the extent such representations or warranties were made as of an earlier date, in which case, as of such earlier date);

each party having performed or complied with, in all material respects, all its obligations under the merger agreement at or prior to the effective time of the merger;

receipt of a certificate executed by each party's chief executive officer or chief financial officer as to the satisfaction of the conditions described in the preceding three bullet points; and

each party having received from its respective counsel a written opinion to the effect that the merger will qualify as a reorganization within the meaning of the Internal Revenue Code of 1986, as amended (which we refer to as the Code). This condition is not waivable after receipt of approval of the transaction by such party's stockholders.

Transatlantic's obligation to effect the merger is also subject to the Alleghany board of directors having taken the actions described in the section entitled "The Merger Agreement Governance Matters Following the Merger." See the section entitled "The Merger Agreement Conditions to Completion of the Merger" for a further discussion of the conditions to closing of the merger.

***No Solicitation of Alternative Proposals (See page 137)***

The merger agreement precludes Alleghany and Transatlantic from soliciting or engaging in discussions or negotiations with a third party with respect to a proposal for a competing transaction, including the acquisition of a significant interest in Alleghany's or Transatlantic's common stock or assets. However, if Alleghany or Transatlantic receives an unsolicited proposal from a third party for a competing transaction that Alleghany's or Transatlantic's board of directors, as applicable, among other things, determines in good faith (after consultation



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with its outside legal advisors and financial advisors) (i) constitutes or is reasonably likely to lead to a proposal that is superior to the merger and (ii) with respect to which the failure to enter into discussions would result in a breach of its fiduciary duties under applicable law, Alleghany or Transatlantic, as applicable, may, subject to certain conditions, furnish non-public information to and enter into discussions with, and only with, that third party regarding such competing transaction.

See the section entitled "The Merger Agreement - No Solicitation of Alternative Proposals" for a further discussion of each party's covenant not to solicit alternative acquisition proposals.

***Termination of the Merger Agreement (See page 142)***

Generally, the merger agreement may be terminated and the merger may be abandoned at any time prior to the completion of the merger (except as specified below, including after the required Alleghany stockholder approvals or Transatlantic stockholder approvals are obtained):

by mutual written consent of Alleghany and Transatlantic;

by either the Alleghany or Transatlantic board of directors:

if any governmental entity issues a final and nonappealable order permanently enjoining or otherwise prohibiting the completion of the merger, except that no party may terminate the merger agreement if such party's breach of its obligations proximately contributed to the issuance of such order;

if the Alleghany stockholders fail to approve the stock issuance at an Alleghany special meeting;

if the Transatlantic stockholders fail to adopt the merger agreement at a Transatlantic special meeting; or

if the merger is not consummated by June 30, 2012 (which we refer to as the "end date"), subject to extension by mutual agreement of the parties, provided that no party may terminate the merger agreement if such party's breach of its obligations proximately contributed to the failure to close by the end date;

by the Alleghany board of directors upon a breach of any covenant or agreement on the part of Transatlantic, or if any representation or warranty of Transatlantic fails to be true, in either case such that the conditions to Alleghany's obligations to complete the merger would not then be satisfied and such failure is not reasonably capable of being cured or Transatlantic is not using its reasonable best efforts to cure such failure;

by the Transatlantic board of directors upon a breach of any covenant or agreement on the part of Alleghany, or if any representation or warranty of Alleghany fails to be true, in either case such that the conditions to Transatlantic's obligations to complete the merger would not then be satisfied and such failure is not reasonably capable of being cured or Alleghany is not using its reasonable best efforts to cure such failure;

by the Alleghany board of directors if, prior to obtaining the approval of the Transatlantic stockholders, the Transatlantic board of directors makes an adverse recommendation change; or

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by the Transatlantic board of directors if, prior to obtaining the approval of the Alleghany stockholders, the Alleghany board of directors makes an adverse recommendation change.

See the section entitled "The Merger Agreement Termination of the Merger Agreement" for a further discussion of the rights of each of Alleghany and Transatlantic to terminate the merger agreement.

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### ***Expenses and Termination Fees; Liability for Breach (See page 143)***

Generally, all fees and expenses incurred in connection with the merger agreement and the transactions contemplated by the merger agreement will be paid by the party incurring those expenses, subject to the specific exceptions discussed in this joint proxy statement/prospectus whereby Alleghany or Transatlantic, as the case may be, may be required to pay a termination fee of \$115 million or \$35 million and/or the reimbursement of expenses up to a maximum amount of \$35 million.

See the section entitled *The Merger Agreement Expenses and Termination Fees; Liability for Breach* for a further discussion of the circumstances under which such termination fees and/or expense reimbursement will be required to be paid.

### ***Accounting Treatment (See page 152)***

Alleghany and Transatlantic each prepare its financial statements in accordance with accounting principles generally accepted in the United States of America (which we refer to as *GAAP*) and any statutory accounting principles prescribed or permitted by the domiciliary state insurance department of the applicable subsidiary (which we refer to as *SAP*). The merger will be accounted for using the acquisition method of accounting. Alleghany will be treated as the acquirer for accounting purposes.

See the section entitled *Accounting Treatment* for a further discussion of the accounting treatment of the transaction.

### ***Appraisal Rights (See page 120)***

Depending upon the elections made by holders of shares of Transatlantic common stock with respect to the form of consideration to be received in the merger, Delaware law may entitle the holders of shares of Transatlantic common stock, who comply with the procedures specified in Section 262, to have their shares appraised by the Delaware Court of Chancery. Specifically, holders, if any, of shares of Transatlantic common stock who make a stock election (as more fully explained below under *The Merger Agreement Consideration To Be Received in the Merger Stock Election*), but are forced to accept cash consideration in respect of such shares by reason of proration (and not simply cash in lieu of fractional shares) (as more fully explained below under *The Merger Agreement Consideration To Be Received in the Merger Proration*), would be entitled to have the fair value of such shares appraised by the Delaware Court of Chancery if they otherwise comply with the procedures set forth in Section 262. Under Delaware law, holders of shares of Transatlantic common stock who choose not to make an election with respect to the form of merger consideration to be received for their shares will not be entitled to appraisal rights.

As of the date of the mailing of this joint proxy statement/prospectus, we cannot definitively state whether appraisal rights will be available as a result of the merger because (i) the availability of appraisal rights depends on whether the cash consideration is undersubscribed to the extent that appraisal rights would be available, and (ii) we will not know whether the cash consideration is undersubscribed to the extent that appraisal rights would be available until the election deadline (as more fully explained below under *The Merger Agreement Consideration To Be Received in the Merger*). In the event that the cash consideration is undersubscribed to the extent that appraisal rights would be available, Transatlantic stockholders who have otherwise complied with the requirements of Section 262 will be advised of the availability of appraisal rights within ten days of the merger in the notice of the effective date of the merger required by Section 262. If the cash consideration is not undersubscribed to the extent that appraisal rights would be available, Alleghany will issue a public announcement and file a Current Report on Form 8-K with the SEC informing Transatlantic stockholders that appraisal rights will not be available in connection with the merger.

Because Transatlantic stockholders may be entitled to appraisal rights under certain circumstances, we urge you to read the summary of appraisal rights contained in this joint proxy statement/prospectus under the section

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entitled *The Merger Appraisal Rights* as well as Section 262, which is attached hereto as Annex G. If you wish to preserve the ability to exercise appraisal rights, you must make a written demand for appraisal of your shares as described in the section entitled *The Merger Appraisal Rights* and in DGCL Section 262.

***Litigation Related to the Merger (See page 124)***

On November 22, 2011, a putative stockholder class action lawsuit was filed against Transatlantic, Transatlantic's directors, Alleghany, and Shoreline Merger Sub, LLC in New York State court in connection with the merger agreement: *Clark v. Transatlantic Holdings, et al.*, Index No. 653256/2011 (Supreme Court of the State of New York, County of New York). The lawsuit asserts that the members of the Transatlantic board of directors breached a fiduciary duty in connection with the approval of the merger and that Transatlantic, Alleghany and Shoreline Merger Sub, LLC aided and abetted the alleged breaches of fiduciary duty. Transatlantic, Alleghany and their respective directors believe this lawsuit is without merit and intend to defend it vigorously. In addition, Transatlantic is party to a number of lawsuits relating to (i) the since-terminated Agreement and Plan of Merger, dated as of June 12, 2011, by and among Allied World, GO Sub, LLC and Transatlantic and (ii) the terminated exchange offer and solicitation of written consents commenced by Validus Holdings, Ltd. (which we refer to as *Validus*). For further information regarding the litigation related to the merger, see the section entitled *The Merger Litigation Related to the Merger*.

***Listing of Alleghany Shares; De-listing and Deregistration of Shares of Transatlantic Common Stock (See page 120)***

It is a condition to the completion of the merger that the shares of Alleghany common stock to be issued to Transatlantic stockholders pursuant to the merger be authorized for listing on the NYSE at the effective time of the merger, subject to official notice of issuance. Upon completion of the merger, shares of Transatlantic common stock currently listed on the NYSE will cease to be listed on the NYSE and will subsequently be deregistered under the Exchange Act.

See the sections entitled *The Merger Listing of Alleghany Shares* and *The Merger De-listing and Deregistration of Transatlantic Common Stock* for a further discussion of the listing of Alleghany shares and de-listing of Transatlantic common stock in connection with the merger.

***The Merger Will Generally Be Tax-Free to Holders of Transatlantic Common Stock That Receive Only Alleghany Common Stock and Taxable to Holders That Receive Cash (See page 149)***

Neither Alleghany nor Transatlantic will be required to complete the merger unless it receives a legal opinion to the effect that the merger will qualify as a reorganization within the meaning of Section 368(a) of the Code. These opinion conditions will not be waivable by a party after such party's stockholders have approved the stock issuance proposal (in the case of Alleghany) or the proposal to adopt the merger agreement (in the case of Transatlantic), unless further approval of the stockholders of Alleghany or Transatlantic, as applicable, is obtained with appropriate disclosure. Accordingly, we expect the transaction to generally be tax-free to holders of Transatlantic common stock for United States federal income tax purposes to the extent that such holders receive only shares of Alleghany common stock pursuant to the merger. Those holders receiving solely cash for their Transatlantic common stock will generally recognize gain or loss equal to the difference between the amount of cash received and their tax basis in their shares of Transatlantic common stock. Those holders receiving both Alleghany common stock and cash for their Transatlantic common stock will generally recognize gain, but not loss, equal to the lesser of (1) the amount of cash received and (2) the excess of the amount realized in the transaction (*i.e.*, the fair market value of the Alleghany common stock at the effective time of the merger plus the amount of cash received) over their tax basis in their Transatlantic common stock. In certain circumstances, such gain or, in the case of recipients of cash only, the entire amount of cash received, could be



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taxable as a dividend rather than capital gain. For a further summary of the United States federal income tax consequences of the merger to holders of Transatlantic common stock, please see Material U.S. Federal Income Tax Consequences.

*The U.S. federal income tax consequences described above may not apply to all holders of Transatlantic common stock. Your tax consequences will depend on your individual situation. Accordingly, we strongly urge you to consult your tax advisor for a full understanding of the particular tax consequences of the merger to you.*

### **The Meetings**

#### ***The Alleghany Special Meeting (See page 38)***

The Alleghany special meeting will be held at the Harvard Club of New York City, 35 West 44<sup>th</sup> Street, New York, New York, on February 6, 2012, at 10:00 a.m., New York City time, to consider and vote upon the following matters:

the stock issuance proposal; and

the Alleghany adjournment proposal.

Completion of the merger is conditioned on, among other things, approval of the stock issuance proposal.

The approval of the stock issuance proposal requires the affirmative vote of holders of a majority of the shares of Alleghany common stock, present in person or represented by proxy, at the Alleghany special meeting and entitled to vote on the proposal, assuming a quorum is present. Approval of the Alleghany adjournment proposal requires the affirmative vote of the holders of a majority of the shares of Alleghany common stock entitled to vote and present in person or represented by proxy, whether or not a quorum is present.

Only holders of record of Alleghany common stock at the close of business on January 4, 2012, the Alleghany record date, are entitled to notice of, and to vote at, the Alleghany special meeting or any adjournments or postponements thereof. At the close of business on the Alleghany record date, [ ] shares of Alleghany common stock were issued and outstanding, approximately [ ]% of which were held by Alleghany's directors and executive officers and their affiliates. We currently expect that Alleghany's directors and executive officers will vote their shares in favor of each of the proposals to be considered and voted upon at the Alleghany special meeting, although, except as described below, no director or executive officer has entered into any agreement obligating him or her to do so. Certain members of the Kirby family (including Jefferson W. Kirby, the Chairman of the Alleghany board of directors, in his capacity as an Alleghany stockholder) with longstanding ownership interests in Alleghany common stock have entered into voting agreements with Transatlantic. The voting agreements provide, among other things, that these Alleghany stockholders have irrevocably agreed, on the terms and subject to the conditions specified in the voting agreements, to vote all shares of Alleghany common stock owned by such stockholders in favor of the stock issuance proposal, against competing proposals and against any action or agreement that would be expected to materially impair the ability of Alleghany or Merger Sub to complete the merger. A form of voting agreement entered into by these Alleghany stockholders is included as Annex F hereto. As of November 18, 2011, the last trading day before announcement of the merger, these stockholders held an aggregate of approximately 1,594,958 shares of Alleghany common stock (representing approximately 18.65% of the outstanding shares of Alleghany common stock as of November 18, 2011, and [ ]% of the outstanding shares of Alleghany common stock as of the Alleghany record date).

Alleghany may postpone or adjourn its special meeting to a date that is no later than 30 days after the date on which the original special meeting was scheduled to be held (i) with the consent of Transatlantic, (ii) in order for a quorum to be present, (iii) to allow reasonable additional time for the filing and mailing of any supplemental disclosure which must be disseminated under applicable law, (iv) to allow reasonable additional time to solicit additional proxies, (v) if required by applicable law, or (vi) if Alleghany intends to make an adverse recommendation change.

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The Alleghany board of directors has approved the merger agreement and determined that the merger agreement and the transactions contemplated thereby, including the merger and the stock issuance, are advisable and in the best interests of Alleghany and its stockholders. The Alleghany board of directors recommends that Alleghany stockholders vote FOR the stock issuance and FOR the Alleghany adjournment proposal. See The Alleghany Special Meeting for further discussion of the Alleghany special meeting.

***The Transatlantic Special Meeting (See page 45)***

The Transatlantic special meeting will be held at The Down Town Association, 60 Pine Street, New York, New York, on February 6, 2012, at 10:00 a.m., New York City time, to consider and vote upon the following matters:

the proposal to adopt the merger agreement;

the Transatlantic adjournment proposal; and

the golden parachute proposal.

Completion of the merger is conditioned on, among other things, adoption of the merger agreement.

You may cast one vote for each share of Transatlantic common stock you own. However, to satisfy the requirements of the New York DFS, on June 8, 2009, Davis Advisors, entered into an agreement with Transatlantic whereby Davis Advisors agreed to vote the number of shares of Transatlantic common stock owned by Davis Advisors in excess of 9.9% of Transatlantic's outstanding shares in a manner proportionate to the vote of the owners of the shares (excluding Davis Advisors, stockholders beneficially owning more than 10% of Transatlantic's outstanding shares, and directors and officers of Transatlantic) voting on such matters. On November 21, 2011, Davis Advisors publicly stated its current intention to vote in support of the merger but reserves the right to change its mind. As of November 21, 2011, Davis Advisors was the beneficial holder of approximately 14,278,940 shares of Transatlantic common stock (representing approximately 24.9% of the outstanding shares of Transatlantic common stock as of November 21, 2011 and [ ]% of the outstanding shares of Transatlantic common stock as of the Transatlantic record date).

Adoption of the merger agreement requires the affirmative vote of the holders of a majority of the outstanding shares of Transatlantic common stock entitled to vote thereon. Approval of the Transatlantic adjournment proposal requires the affirmative vote of the holders of a majority of the shares of Transatlantic common stock entitled to vote and present in person or represented by proxy, whether or not a quorum is present. Approval of the golden parachute proposal requires the affirmative vote of holders of a majority of the shares of Transatlantic common stock present in person or represented by proxy at the Transatlantic special meeting and entitled to vote thereon, assuming a quorum is present. Neither approval of the Transatlantic adjournment proposal nor the golden parachute proposal is a condition to completion of the merger.

Only holders of record of Transatlantic common stock at the close of business on January 4, 2012, the Transatlantic record date, are entitled to notice of, and to vote at, the Transatlantic special meeting or any adjournments or postponements thereof. At the close of business on the Transatlantic record date, [ ] shares of Transatlantic common stock were issued and outstanding, approximately [ ]% of which were held by Transatlantic's directors and executive officers and their affiliates. We currently expect that Transatlantic's directors and executive officers will vote their shares in favor of each of the proposals to be considered and voted upon at the Transatlantic special meeting, although no director or executive officer has entered into any agreement obligating him or her to do so.

Transatlantic may postpone or adjourn its special meeting to a date that is no later than 30 days after the date on which the original special meeting was scheduled to be held (i) with the consent of Alleghany, (ii) in order for a quorum to be present, (iii) to allow reasonable additional time for the filing and mailing of any supplemental

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disclosure which must be disseminated under applicable law, (iv) to allow reasonable additional time to solicit additional proxies, (v) if required by applicable law, or (vi) if Transatlantic intends to make an adverse recommendation change.

The Transatlantic board of directors has unanimously approved the merger agreement and determined that the merger agreement and the transactions contemplated thereby, including the merger, are advisable and in the best interests of Transatlantic and its stockholders. The Transatlantic board of directors unanimously recommends that Transatlantic stockholders vote FOR the adoption of the merger agreement, FOR the Transatlantic adjournment proposal and FOR the golden parachute proposal. See The Transatlantic Special Meeting for further discussion of the Transatlantic special meeting.

### **Comparison of Stockholders Rights (See page 167)**

Transatlantic stockholders, whose rights are currently governed by the Transatlantic restated certificate of incorporation (which we refer to as the Transatlantic charter ) and the Transatlantic amended and restated by-laws (which we refer to as the Transatlantic bylaws ) will, to the extent such holders receive Alleghany common stock in the merger, upon completion of the merger, become stockholders of Alleghany and their rights will be governed by the restated certificate of incorporation of Alleghany (which we refer to as the Alleghany charter ) and the amended and restated by-laws of Alleghany (which we refer to as the Alleghany bylaws ). These differences are described in detail under Comparison of Stockholders Rights.

### **Dividends (See page 120)**

Under the terms of the merger agreement, each of Alleghany and Transatlantic is prohibited from paying dividends on its common stock and from repurchasing shares of its common stock during the pendency of the merger. However, Transatlantic is permitted to pay to its common stockholders of record on November 16, 2011 the \$0.22 per share dividend previously declared, which dividend was paid on December 2, 2011.

**Table of Contents****Comparative Per Share Market Price Information**

The following table presents the closing prices of Alleghany common stock and Transatlantic common stock on the NYSE on November 18, 2011, the last trading day before announcement of the merger, and December 22, 2011, the most recent practicable date prior to the date of this joint proxy statement/prospectus. The table also presents the closing sales prices calculated by averaging the closing sales prices for shares of Alleghany common stock on each of the trading days during the period of five trading days ending on such dates. The table also presents the approximately equivalent value of the per share merger consideration of Transatlantic common stock on those dates, calculated by multiplying the average five-day closing price of Alleghany common stock ending on those dates by 0.145 and adding \$14.22, representing the approximate value that Transatlantic stockholders will be entitled to receive, in exchange for each share of Transatlantic common stock they hold at the effective time of the merger, assuming no proration.

	Alleghany Common Stock (Close)	Alleghany Common Stock (Five-Day Average Close)	Transatlantic Common Stock (Close)	Equivalent Per Share Value
November 18, 2011	\$ 314.26	\$ 312.37	\$ 54.43	\$ 59.51
December 22, 2011	\$ 285.24	\$ 286.24	\$ 54.62	\$ 55.73

The market prices of shares of Alleghany and Transatlantic common stock fluctuate, and the value of the merger consideration will fluctuate with the market price of the Alleghany common stock and will be determined based on the average five-day Alleghany closing price. As a result, we urge you to obtain current market quotations of Alleghany and Transatlantic common stock.

**Table of Contents****Summary Consolidated Historical Financial Data of Alleghany**

The following table sets forth selected historical consolidated financial data of Alleghany. This data is derived from Alleghany's Consolidated Financial Statements as of and for the five years ended December 31, 2010, 2009, 2008, 2007 and 2006, respectively, and the unaudited quarterly financial statements as of and for the nine months ended September 30, 2011 and 2010, which in the opinion of management include all adjustments necessary for a fair statement of the results for the unaudited interim periods. This selected financial data should be read in conjunction with Alleghany's Consolidated Financial Statements and related notes included elsewhere in Alleghany's Annual Report on Form 10-K for the fiscal year ended December 31, 2010, and Alleghany's quarterly report on Form 10-Q for the quarter ended September 30, 2011, each of which is incorporated by reference in this joint proxy statement/prospectus. See [Where You Can Find More Information](#).

	Nine Months Ended September 30,			Year Ended December 31,			
	2011	2010	2010	2009	2008	2007	2006
(\$ in thousands, except shares, per share amounts and ratios)							
<b>Summary Statement of Earnings Data:</b>							
Net premiums earned	\$ 555,067	\$ 574,141	\$ 768,134	\$ 845,015	\$ 948,652	\$ 974,321	\$ 877,750
Net investment income	82,174	93,547	125,012	101,949	130,184	146,082	127,935
Net realized capital gains	63,888	87,023	97,374	320,389	151,713	100,425	32,880
Other than temporary impairment losses	(2,756)	(9,233)	(12,356)	(85,916)	(243,881)	(7,659)	(4,668)
Other income	1,454	6,946	7,188	2,955	2,432	15,427	26,435
Loss and loss adjustment expenses	315,418	286,070	377,937	442,104	570,019	449,052	410,335
Commissions, brokerage and other underwriting expenses	198,899	195,331	259,335	273,722	286,573	257,198	215,533
Other operating expenses	21,514	26,861	37,157	45,615	34,861	55,604	47,361
Corporate administration	14,030	20,111	28,854	26,938	35,895	32,987	41,667
Interest expense	13,049	1,131	4,698	633	700	1,476	5,626
Income tax expense	31,337	61,848	78,869	124,381	20,485	144,737	98,863
Earnings from continuing operations	\$ 105,580	\$ 161,072	\$ 198,502	\$ 270,999	\$ 40,567	\$ 287,542	\$ 240,947
<b>Per Share Data(1):</b>							
Earnings per share from continuing operations:							
Basic	\$ 11.89	\$ 17.67	\$ 21.85	\$ 29.25	\$ 2.65	\$ 30.65	\$ 26.34
Diluted	11.76	17.64	21.85	28.51	2.65	29.07	25.66
Weighted average number of common shares outstanding:							
Basic	8,881,601	9,115,498	9,081,535	9,055,920	8,822,449	8,818,589	8,807,864
Diluted	8,884,693	9,126,984	9,081,535	9,518,478	8,822,449	9,902,423	9,408,961
Cash dividends declared per share	\$	\$	\$	\$	\$	\$	\$

	Nine Months Ended September 30,			Year Ended December 31,			
	2011	2010	2010	2009	2008	2007	2006
<b>Selected Ratios:</b>							
Loss ratio(2)	56.8%	49.8%	49.2%	52.3%	60.1%	46.1%	46.7%
Expense ratio(3)	35.8%	34.0%	33.8%	32.4%	30.2%	26.4%	24.6%
Combined ratio(4)	92.6%	83.8%	83.0%	84.7%	90.3%	72.5%	71.3%

	As of September 30,			As of December 31,			
	2011	2010	2010	2009	2008	2007	2006
(\$ in thousands)							
<b>Summary Balance Sheet Data:</b>							
Cash	\$ 90,479	\$ 103,459	\$ 76,741	\$ 32,526	\$ 18,125	\$ 57,646	\$ 41,458
Total investments	4,713,395	4,749,203	4,805,202	4,414,689	4,276,141	4,251,298	3,658,042
Reinsurance recoverables	858,502	919,056	873,295	976,172	1,056,438	1,018,673	1,159,407

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Total assets	6,412,324	6,494,789	6,431,699	6,192,770	6,181,828	6,942,112	6,178,740
Loss and loss adjustment expenses	2,328,167	2,388,826	2,328,742	2,520,979	2,578,590	2,379,701	2,228,947
Unearned premiums	577,643	568,508	523,927	573,906	614,067	699,409	793,640
Senior notes	299,007	298,896	298,923				
Total stockholders equity	\$ 2,847,655	\$ 2,813,579	\$ 2,908,868	\$ 2,717,521	\$ 2,646,689	\$ 2,784,327	\$ 2,445,964

- (1) All share and per share data have been adjusted to reflect subsequent stock dividends.
- (2) Loss and loss adjustment expenses divided by net premiums earned, all as determined in accordance with GAAP.
- (3) Commissions, brokerage and other underwriting expenses divided by net premiums earned, all as determined in accordance with GAAP.
- (4) The sum of the loss ratio and expense ratio, all as determined in accordance with GAAP, representing the percentage of each premium dollar an insurance company has to spend on loss and loss adjustment expenses, and commissions, brokerage and other underwriting expenses.

**Table of Contents****Summary Consolidated Historical Financial Data of Transatlantic**

The following table sets forth selected historical consolidated financial data of Transatlantic. This data is derived from Transatlantic's Consolidated Financial Statements as of and for the five years ended December 31, 2010, 2009, 2008, 2007 and 2006, respectively, and the unaudited quarterly financial statements as of and for the nine months ended September 30, 2011 and 2010, which in the opinion of management include all adjustments necessary for a fair statement of the results for the unaudited interim periods. This selected financial data should be read in conjunction with Transatlantic's Consolidated Financial Statements and related notes included elsewhere in Transatlantic's Annual Report on Form 10-K for the fiscal year ended December 31, 2010 and Transatlantic's quarterly report on Form 10-Q for the quarter ended September 30, 2011, each of which is incorporated by reference in this joint proxy statement/prospectus. See [Where You Can Find More Information](#).

	Nine Months Ended September 30,		Years Ended December 31, (in thousands, except per share amounts and ratios)				
	2011	2010	2010	2009	2008	2007	2006
Net premiums written	\$ 2,996,144	\$ 2,980,918	\$ 3,881,693	\$ 3,986,101	\$ 4,108,092	\$ 3,952,899	\$ 3,633,440
Net premiums earned	\$ 2,857,515	\$ 2,924,638	\$ 3,858,620	\$ 4,039,082	\$ 4,067,389	\$ 3,902,669	\$ 3,604,094
Net losses and loss adjustment expenses incurred	(2,460,499)	(2,070,923)	(2,681,774)	(2,679,171)	(2,907,227)	(2,638,033)	(2,462,666)
Net commissions	(715,397)	(709,879)	(932,820)	(927,918)	(980,626)	(980,121)	(903,666)
Increase (decrease) in deferred policy acquisition costs	41,443	10,364	2,898	(12,406)	6,956	16,901	13,471
Other underwriting expenses	(122,878)	(133,015)	(177,624)	(158,181)	(131,555)	(115,760)	(102,339)
Underwriting (loss) profit(1)	(399,816)	21,185	69,300	261,406	54,937	185,656	148,894
Net investment income	344,296	352,224	473,547	467,402	440,451	469,772	434,540
Realized net capital gains (losses)(2)	67,871	16,955	30,101	(70,641)	(435,541)	9,389	10,862
(Loss) gain on early extinguishment of debt	(1,179)	(115)	(115)	9,869	10,250		
Interest on senior notes	(50,386)	(51,192)	(68,272)	(43,454)	(43,359)	(43,421)	(43,405)
Other expenses, net	(83,396)	(25,348)	(31,773)	(28,549)	(23,515)	(25,644)	(10,983)
(Loss) income before income taxes	(122,610)	313,709	472,788	596,033	3,223	595,752	539,908
Income (taxes) benefits	80,874	(53,268)	(70,587)	(118,371)	99,031	(108,611)	(111,756)
Net (loss) income	\$ (41,736)	\$ 260,441	\$ 402,201	\$ 477,662	\$		