

ALLEGHANY CORP /DE
Form S-4/A
January 03, 2012
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As filed with the Securities and Exchange Commission on January 3, 2012

Registration No. 333-178353

SECURITIES AND EXCHANGE COMMISSION

Washington, D.C. 20549

Amendment No. 3 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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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 JANUARY 3, 2012

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 30, 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 \$55.67 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

17th 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 44th 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 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, 22nd 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

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

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, 22nd Floor

New York, NY 10005

Banks and Brokers call: (212) 269-5550

Call toll-free: (800) 290-6429

E-mail: 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 and Transatlantic's website is 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

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 30, 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 \$55.67 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 44th 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 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:

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, 22nd Floor

New York, NY 10005

Banks and Brokers call: (212) 269-5550

Call toll-free: (800) 290-6429

E-mail: 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

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® (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 30, 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 \$55.67 in cash or 0.1947 shares of Alleghany common stock, having a market value of \$55.67 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 30, 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		Illustrative Effect of Proration Assuming 50% Cash Electing Shares 50% Stock Electing Shares				
		Value of the Merger Consideration*	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 44th 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 30, 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 30, 2011	\$ 285.29	\$ 285.84	\$ 54.73	\$ 55.67

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)							
Summary Statement of Earnings Data:							
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
Per Share Data(1):							
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
Selected Ratios:							
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)							
Summary Balance Sheet Data:							
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	\$ 102,254	\$ 487,141	\$ 428,152

Per Common Share:

Net (loss) income:

Basic	\$ (0.67)	\$ 4.04	\$ 6.28	\$ 7.20	\$ 1.54	\$ 7.37	\$ 6.49
Diluted	(0.67)	3.99	6.19	7.15	1.53	7.31	6.46
Cash dividends declared	0.65	0.62	0.83	0.79	0.73	0.62	0.53

Share Data:Weighted average
common shares
outstanding:

Basic	62,447	64,520	64,092	66,381	66,270	66,124	65,955
Diluted	62,447	65,284	64,930	66,802	66,722	66,654	66,266

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Ratios:(3)							
Loss ratio	86.1%	70.8%	69.5%	66.3%	71.5%	67.6%	68.3%
Commission ratio	23.6	23.9	24.1	23.3	23.9	24.7	24.7
Other underwriting expense ratio	4.3	4.6	4.6	3.9	3.2	2.9	2.9
Underwriting expense ratio	27.9	28.5	28.7	27.2	27.1	27.6	27.6
Combined ratio	114.0%	99.3%	98.2%	93.5%	98.6%	95.2%	95.9%

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	As of September 30,		As of December 31,				
	2011	2010	2010	2009	2008	2007	2006
	(\$ in thousands, except per share amounts)						
Total investments	\$ 13,517,462	\$ 13,128,869	\$ 12,972,739	\$ 12,315,395	\$ 10,229,557	\$ 12,500,540	\$ 11,130,832
Cash and cash equivalents	384,574	223,818	284,491	195,723	288,920	255,432	205,264
Total assets	16,594,820	15,884,026	15,705,354	14,943,659	13,376,938	15,484,327	14,268,464
Unpaid losses and loss adjustment expenses	9,729,925	8,959,011	9,020,610	8,609,105	8,124,482	7,926,261	7,467,949
Unearned premiums	1,396,541	1,247,223	1,212,535	1,187,526	1,220,133	1,226,647	1,144,022
Senior notes	1,005,890	1,030,409	1,030,511	1,033,087	722,243	746,930	746,633
Total stockholders equity	4,294,893	4,360,854	4,284,459	4,034,380	3,198,220	3,349,042	2,958,270
Book value per common share(4)	\$ 69.67	\$ 68.96	\$ 68.83	\$ 60.77	\$ 48.19	\$ 50.56	\$ 44.80

- (1) Includes pre-tax net catastrophe (costs) of (\$683) million in the first nine months of 2011, (\$180) million in the first nine months of 2010, (\$202) million in the full year 2010, \$6 million in the full year 2009, (\$170) million in the full year 2008, (\$55) million in the full year 2007 and (\$29) million in the full year 2006.
- (2) Includes other-than-temporary impairment write-downs charged to earnings of (\$3) million in the first nine months of 2011, (\$7) million in the first nine months of 2010, (\$8) million in the full year 2010, (\$83) million in the full year 2009, (\$318) million in the full year 2008, (\$27) million in the full year 2007 and (\$1) million in the full year 2006.
- (3) The loss ratio represents the absolute value of net losses and loss adjustment expenses incurred expressed as a percentage of net premiums earned. The underwriting expense ratio represents the sum of the commission ratio and the other underwriting expense ratio. The commission ratio represents the absolute value of the sum of net commission and the (decrease) increase in deferred policy acquisition costs expressed as a percentage of net premiums earned. The other underwriting expense ratio represents the absolute value of other underwriting expenses expressed as a percentage of net premiums earned. The combined ratio represents the sum of the loss ratio and the underwriting expense ratio.
- (4) Book value per common share is stockholders equity divided by common shares outstanding.

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Summary Unaudited Pro Forma Condensed Consolidated

Financial Information of Alleghany and Transatlantic

The following tables present unaudited pro forma condensed consolidated financial information about Alleghany's consolidated balance sheet and statements of earnings, after giving effect to the merger with Transatlantic. The information under Pro Forma Condensed Consolidated Statements of Earnings in the table below gives effect to the merger as if it had been consummated on January 1, 2010, the beginning of the earliest period presented. The information under Pro Forma Condensed Consolidated Balance Sheet in the table below assumes the merger had been consummated on September 30, 2011. This unaudited pro forma condensed consolidated financial information was prepared using the acquisition method of accounting, with Alleghany considered the acquirer of Transatlantic for accounting purposes. See Accounting Treatment.

In addition, the unaudited pro forma condensed consolidated financial information includes adjustments which are preliminary and may be revised. There can be no assurance that such revisions will not result in material changes. The unaudited pro forma condensed consolidated financial information is presented for illustrative purposes only and is not necessarily indicative of results that actually would have occurred or that may occur in the future had the merger been completed on the dates indicated, nor is it necessarily indicative of the future operating results or financial position of Alleghany after the merger.

The information presented below should be read in conjunction with the historical consolidated financial statements of Alleghany and Transatlantic including the related notes, filed by each of them with the SEC, and with the pro forma condensed consolidated financial information of Alleghany and Transatlantic, including the related notes, appearing elsewhere in this document. See Where You Can Find More Information and Unaudited Pro Forma Condensed Consolidated Financial Information.

Table of Contents**Pro Forma Condensed Consolidated Balance Sheet**

As of September 30, 2011

(dollars in thousands)

(Unaudited)

	Pro Forma (as of September 30, 2011)
Assets	
Available for sale securities at fair value:	
Equity securities	\$ 1,240,905
Debt securities	15,406,640
Short-term investments	264,679
	16,912,224
Other invested assets	452,625
Total investments	17,364,849
Cash	153,309
Premium balances receivable	881,454
Reinsurance recoverables	1,655,781
Ceded unearned premium reserves	256,738
Deferred acquisition costs	72,351
Property and equipment at cost, net of amortization	24,922
Goodwill	48,095
Intangible assets, net of amortization	462,883
Current taxes receivable	158,628
Deferred tax assets	491,230
Other assets	260,393
Total assets	\$ 21,830,633
Liabilities and Common Stockholders Equity	
Losses and loss adjustment expenses	\$ 12,002,338
Unearned premiums	1,966,430
Reinsurance payable	106,803
Senior Notes	1,401,785
Other liabilities	494,982
Total liabilities	15,972,338
Common stock	17,439
Contributed capital	3,285,094
Accumulated other comprehensive income	71,757
Treasury stock, at cost	(123,404)
Retained earnings	2,607,409
Total stockholders equity	5,858,295
	\$ 21,830,633

Table of Contents**Pro Forma Condensed Consolidated Statements of Earnings****For the Nine Months Ended September 30, 2011 and Year Ended December 31, 2010**

	Nine Months Ended September 30, 2011	Year Ended December 31, 2010 (Unaudited)
	(in thousands, except shares outstanding and per share data)	
Revenues:		
Net premiums earned	\$ 3,412,582	\$ 4,626,754
Net investment income	411,984	574,514
Net realized capital gains	134,899	135,447
Other than temporary impairment	(5,896)	(20,328)
Loss on extinguishment of debt	(1,179)	(115)
Other income	1,454	7,188
Total revenues	3,953,844	5,323,460
Costs and Expenses:		
Loss and loss adjustment expenses	2,775,917	3,059,711
Commissions, brokerage & other underwriting expenses	995,731	1,366,881
Salaries, administrative & other operating expenses	102,213	113,360
Corporate administration	14,030	28,854
Interest expense	53,651	60,622
Total costs and expenses	3,941,542	4,629,428
Earnings before income taxes	12,302	694,032
Income taxes (benefits)	(48,066)	133,418
Net earnings	\$ 60,368	\$ 560,614
Net earnings per common share: *		
Basic	\$ 3.51	\$ 32.22
Diluted	3.51	32.18
Weighted average common shares outstanding: *		
Basic	17,202,000	17,402,060
Diluted	17,212,000	17,419,400

* Amounts reflect subsequent stock dividends (applicable to Alleghany)

Table of Contents**Unaudited Comparative Per Share Data**

Presented below are Alleghany's and Transatlantic's historical per share data as of or for the nine months ended September 30, 2011 and the year ended December 31, 2010 and unaudited pro forma per share data as of or for the nine months ended September 30, 2011 and the year ended December 31, 2010. This information should be read together with the consolidated financial statements and related notes of Alleghany and Transatlantic that are incorporated by reference in this document and with the unaudited pro forma financial data included under Unaudited Pro Forma Condensed Consolidated Financial Information. The pro forma information is presented for illustrative purposes only and is not necessarily indicative of the operating results or financial position that would have occurred if the merger had been completed as of the beginning of the periods presented, nor is it necessarily indicative of the future operating results or financial position of Alleghany after the merger.

The historical book value per share is computed by dividing total stockholders' equity by the number of shares of common stock outstanding at the end of the period. The pro forma income (loss) per share of Alleghany after the merger is computed by dividing the pro forma income (loss) by the pro forma weighted average number of shares outstanding. The pro forma book value per share of Alleghany after the merger is computed by dividing total pro forma stockholders' equity (deficit) by the pro forma number of shares of common stock outstanding at the end of the period.

The information listed as equivalent pro forma per share for Transatlantic was obtained by multiplying the pro forma per share amounts listed by Alleghany by 0.1947, which is the fraction of a share of Alleghany common stock that Transatlantic stockholders who only receive stock in the merger would receive for each share of Transatlantic common stock, assuming no proration and assuming the average of the closing prices of Alleghany common stock on the NYSE for the five trading days immediately preceding the date on which the merger is consummated was \$285.84, which was the average closing price of Alleghany common stock for the five days ending on December 30, 2011, the most recent practicable date before filing of this joint proxy statement/prospectus. The actual fraction of a share of Alleghany common stock that Transatlantic stockholders who receive stock in the merger will receive may differ depending on the average of the closing stock prices for Alleghany common stock during the five trading days immediately preceding the effective time of the merger.

	Alleghany				Transatlantic			
	Historical		Pro Forma	Pro Forma	Historical		Pro	Pro Forma
	Nine	Year Ended	Nine	Year	Nine	Year Ended	Forma	Forma
	Months	December 31,	Months	Ended	Months	December 31,	Equivalent	Equivalent
Ended	2010	Ended	2010	Ended	2010	Nine	Year	
September 30,	2011	September 30,	2011	September 30,	2011	Months	Ended	
2011	2010	2011	2010	2011	2010	September 30,	December 31,	
						2011	2010	
Basic earnings per share	\$ 11.89	\$ 21.85	\$ 3.51	\$ 32.22	(\$ 0.67)	\$ 6.28	\$ 0.68	\$ 6.27
Diluted earnings per share	\$ 11.76	\$ 21.85	\$ 3.51	\$ 32.18	(\$ 0.67)	\$ 6.19	\$ 0.68	\$ 6.27
Cash dividends declared per common share	\$	\$	(1)	(1)	\$ 0.65	\$ 0.83	(1)	(1)
Book value per common share at period end	\$ 327.34	\$ 325.31	\$ 344.20	(2)	\$ 69.67	\$ 68.83	\$ 67.02	(2)

- (1) For the purpose of this pro forma, no dividends are assumed to be paid. The holders of Alleghany common stock will receive cash dividends if and when declared by the Alleghany board of directors out of legally available funds.
- (2) Not Applicable.

Table of Contents**RISK FACTORS**

*In addition to the other information included and incorporated by reference in this joint proxy statement/prospectus, including the matters addressed in the section entitled **Special Note Regarding Forward-Looking Statements**, you should carefully consider the following risks before deciding whether to vote for the adoption of the merger agreement, the Transatlantic adjournment proposal and the golden parachute proposal, in the case of Transatlantic stockholders, or for the stock issuance proposal and the Alleghany adjournment proposal, in the case of Alleghany stockholders. In addition, you should read and consider the risks associated with each of the businesses of Alleghany and Transatlantic because these risks will also affect Alleghany after the merger. These risks can be found in the Annual Reports on Form 10-K for the fiscal year ended December 31, 2010, and any amendments thereto, for each of Alleghany and Transatlantic, as such risks may be updated or supplemented in each company's subsequently filed Quarterly Reports on Form 10-Q or Current Reports on Form 8-K, which are incorporated by reference into this joint proxy statement/prospectus. You should also read and consider the other information in this joint proxy statement/prospectus and the other documents incorporated by reference in this joint proxy statement/prospectus. See the section entitled **Where You Can Find More Information**.*

Risk Factors Relating to the Merger

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.

Upon completion of the merger, each share of Transatlantic common stock will be converted into the right to receive merger consideration consisting of shares of Alleghany common stock or cash pursuant to the terms of the merger agreement. The value of the merger consideration to be received by Transatlantic stockholders will be based on the average five-day Alleghany closing price. This average price may vary from the closing price of Alleghany common stock on the date we announced the merger, on the date that this document was mailed to Alleghany stockholders and Transatlantic stockholders and on the date of the special meetings of the Alleghany and Transatlantic stockholders. Any change in the market price of Alleghany common stock prior to completion of the merger will affect the value of the merger consideration that Transatlantic stockholders will receive upon completion of the merger. Accordingly, at the time of the Transatlantic special meeting and prior to the election deadline, Transatlantic stockholders will not necessarily know or be able to calculate the amount of the cash consideration they would receive or the exchange ratio used to determine the number of any shares of Alleghany common stock they would receive upon completion of the merger. Neither company is permitted to terminate the merger agreement or resolicit the vote of either company's stockholders solely because of changes in the market prices of either company's stock. Stock price changes may result from a variety of factors, including general market and economic conditions, changes in our respective businesses, operations and prospects, and regulatory considerations. Many of these factors are beyond our control. **You should obtain current market quotations for shares of Alleghany common stock and for shares of Transatlantic common stock.**

Transatlantic stockholders may receive a form of consideration different from what they elect.

The aggregate amount of cash to be paid to Transatlantic stockholders is fixed at \$816,007,519. As a result, if the cash elections are oversubscribed or undersubscribed, then certain adjustments will be made to the merger consideration to be paid to Transatlantic stockholders to proportionately reduce the cash or stock amounts received by such holders, 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 common stock 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. Thus, you might receive a portion of your consideration in the form you did not elect and that may have different tax

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consequences from the form of consideration you elected. 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.

If you are a Transatlantic stockholder and you tender your shares of Transatlantic common stock to make an election, you will not be able to sell those shares, unless you revoke your election prior to the election deadline.

If you are a registered Transatlantic stockholder and want to make a valid cash or stock election, you will have to deliver your stock certificates (or follow the procedures for guaranteed delivery) and a properly completed and signed form of election to the exchange agent. Since the actual election deadline is not currently known, Alleghany and Transatlantic will issue a press release announcing the date of the election deadline at least five business days before that deadline. For further details on the determination of the election deadline, see The Merger Agreement Conversion of Shares; Exchange of Certificates; Elections as to Form of Consideration Election Form. The election deadline may be significantly in advance of the closing of the merger. You will not be able to sell any shares of Transatlantic common stock that you have delivered as part of your election unless you revoke your election before the deadline by providing written notice to the exchange agent. If you do not revoke your election, you will not be able to liquidate your investment in Transatlantic common stock for any reason until you receive cash and/or common stock in the merger. In the time between the election deadline and the closing of the merger, the trading price of Transatlantic or Alleghany common stock may decrease, and you might otherwise want to sell your shares of Transatlantic common stock to gain access to cash, make other investments, or reduce the potential for a decrease in the value of your investment. The date that you will receive your merger consideration depends on the completion date of the merger, which is uncertain. The completion date of the merger might be later than expected due to unforeseen events, such as delays in obtaining regulatory approvals.

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. Failure to complete the transactions could have material and adverse effects on Alleghany and Transatlantic.

Completion of the merger is conditioned upon, among other matters, the receipt of certain governmental authorizations, consents, orders or other approvals, including the approval of the New York DFS and such other consents and approvals, the failure of which to be received or made would 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). In deciding whether to grant antitrust, insurance or other regulatory clearances, the relevant governmental entities will consider the effect of the merger within their relevant jurisdictions. The governmental agencies from which Alleghany and Transatlantic will seek the approvals have broad discretion in administering the governing regulations. The terms and conditions of the approvals that are granted may impose requirements, limitations or costs or place restrictions on the conduct of Alleghany's business after the merger. There can be no assurance that regulators will not impose conditions, terms, obligations or restrictions and that such conditions, terms, obligations or restrictions will not have the effect of delaying completion of the merger or imposing additional material costs on, or materially limiting the revenues of, Alleghany following the merger. In addition, neither Alleghany nor Transatlantic can provide assurances that any such conditions, terms, obligations or restrictions will not result in the delay or abandonment of the merger. For a more detailed description of the regulatory review process, see the section entitled The Merger Regulatory Clearances Required for the Merger.

If the merger is not completed on a timely basis, or at all, Alleghany's and Transatlantic's respective ongoing businesses may be adversely affected. Additionally, in the event the merger is not completed, Alleghany and Transatlantic will be subject to a number of risks without realizing any of the benefits of having completed the merger, including (i) the payment of certain fees and costs relating to the merger, such as legal, accounting,

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financial advisor and printing fees, (ii) the potential decline in the market price of Alleghany's and Transatlantic's shares of common stock, (iii) the risk that the parties may not find a party willing to enter into a merger agreement on terms equivalent to or more attractive than the terms set forth in the merger agreement and (iv) the loss of time and resources.

Uncertainties associated with the merger may cause a loss of management personnel and other key employees which could adversely affect the future business, operations and financial results of Alleghany following the merger.

Whether or not the merger is completed, the announcement and pendency of the merger could disrupt the businesses of Alleghany and Transatlantic. Alleghany and Transatlantic are dependent on the experience and industry knowledge of their senior management and other key employees to execute their business plans. Alleghany's success after the merger will depend in part upon the ability of Alleghany and Transatlantic to retain key management personnel and other key employees. Current and prospective employees of Alleghany and Transatlantic may experience uncertainty about their roles within Alleghany following the merger, which may have an adverse effect on the ability of each of Alleghany and Transatlantic to attract or retain key management personnel and other key personnel. Accordingly, no assurance can be given that Alleghany will be able to attract or retain key management personnel and other key employees of Alleghany and Transatlantic to the same extent that such companies have previously been able to attract or retain employees. In addition, Alleghany following the merger might not be able to locate suitable replacements for any such key employees who leave Alleghany or offer employment to potential replacements on reasonable terms.

Several lawsuits have been filed against Transatlantic and/or Alleghany challenging the merger, and an adverse ruling may prevent the merger from being completed.

Alleghany and/or Transatlantic, as well as the members of the Transatlantic board of directors, have been named as defendants in several lawsuits brought by purported stockholders of Transatlantic challenging the Transatlantic board of directors' actions in connection with the merger agreement and seeking, among other things, injunctive relief to enjoin the defendants from completing the merger on the agreed-upon terms. See *The Merger Litigation Related to the Merger* for more information about the lawsuits that have been filed related to the merger. Transatlantic, as well as the members of the Transatlantic board of directors, have also been named as defendants in several lawsuits brought by Validus and purported stockholders of Transatlantic challenging the Transatlantic board of directors' actions in connection with the since-terminated Agreement and Plan of Merger, dated as of June 12, 2011, by and among Allied World, GO Sub, LLC and Transatlantic.

One of the conditions to the closing of the merger is that no order, injunction, decree or other legal restraint or prohibition shall be in effect that prevents completion of the merger. Consequently, if a settlement or other resolution is not reached in the lawsuits referenced above and the plaintiffs secure injunctive or other relief prohibiting, delaying or otherwise adversely affecting Alleghany and Transatlantic's ability to complete the merger, then such injunctive or other relief may prevent the merger from becoming effective within the expected timeframe or at all.

The merger agreement contains provisions that could discourage a potential competing acquiror of either Alleghany or Transatlantic.

The merger agreement contains no shop provisions that, subject to limited exceptions, restrict each of Alleghany's and Transatlantic's ability to solicit, initiate, or knowingly encourage and facilitate competing third-party proposals for the acquisition of its company's shares or assets. Further, even if the Alleghany board of directors or the Transatlantic board of directors, respectively, withdraws or qualifies its recommendation with respect to the merger, Alleghany or Transatlantic, as the case may be, will still be required to submit each of their merger-related proposals to a vote at their stockholder meeting. In addition, the other party generally has an opportunity to offer to modify the terms of the merger in response to any competing acquisition proposals before the board of directors of the company that has received a third-party proposal may withdraw or qualify its

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recommendation with respect to the merger. In some circumstances, upon termination of the merger agreement, one of the parties will be required to pay a termination fee of \$115 million or \$35 million to the other party, and/or an expense reimbursement up to a maximum of \$35 million. See The Merger Agreement No Solicitation of Alternative Proposals, The Merger Agreement Termination of the Merger Agreement and The Merger Agreement Expenses and Termination Fees; Liability for Breach.

These provisions could discourage a potential third-party acquiror that might have an interest in acquiring all or a significant portion of Alleghany or Transatlantic from considering or proposing that acquisition, at a higher per share cash or market value than the market value proposed to be received or realized in the merger or might result in a potential third-party acquiror proposing to pay a lower price to the stockholders than it might otherwise have proposed to pay because of the added expense of the termination fee and/or expense reimbursement that may become payable in certain circumstances.

The fairness opinions delivered by UBS, Morgan Stanley, Goldman Sachs and Moelis will not reflect changes in circumstances between signing the merger agreement and the completion of the merger.

Neither the Alleghany board of directors nor the Transatlantic board of directors has obtained an updated fairness opinion as of the date of this joint proxy statement/prospectus from UBS or Morgan Stanley, Alleghany's financial advisors, or Goldman Sachs or Moelis, Transatlantic's financial advisors.

Changes in the operations and prospects of Alleghany or Transatlantic, general market and economic conditions and other factors that may be beyond their control, and on which the fairness opinions were based, may alter the value of Alleghany or Transatlantic or the prices of shares of Alleghany common stock or Transatlantic common stock by the time the merger is completed. The opinions do not speak as of the time the merger will be completed or as of any date other than the dates of such opinions. Because neither company anticipates asking its financial advisor to update its opinion, these opinions only address the fairness of the merger consideration, from a financial point of view, at the time the merger agreement was executed. The opinions are included as Annexes B, C, D and E to this joint proxy statement/prospectus. For a description of the opinions and a summary of the material financial analyses performed in connection with rendering such opinions, please refer to The Merger Opinions of Alleghany's Financial Advisors Opinion of UBS Securities LLC, The Merger Opinions of Alleghany's Financial Advisors Opinion of Morgan Stanley & Co., The Merger Opinion of Transatlantic's Financial Advisor Goldman, Sachs & Co., and The Merger Opinion of Transatlantic's Financial Advisor Moelis & Company LLC.

Transatlantic's counterparties may acquire certain rights upon the merger, which could negatively affect Alleghany following the merger.

Transatlantic is party to numerous contracts, agreements, licenses, permits, authorizations and other arrangements that contain provisions giving counterparties certain rights (including, in some cases, termination rights) in the event of a change in control of Transatlantic or its subsidiaries. The definition of change in control varies from contract to contract, ranging from a narrow to a broad definition, and in some cases, the change in control provisions may be implicated by the merger. If a change in control occurs, a ceding company may be permitted to cancel contracts on a cut-off or run-off basis, and Transatlantic may be required to provide collateral to secure premium and reserve balances or may be required to cancel and commute a contract, subject to an agreement between the parties that may be settled in arbitration. If a contract is cancelled on a cut-off basis, Transatlantic may be required to return unearned premiums, net of commissions. In addition, contracts may provide a ceding company with multiple options, such as collateralization or commutation, that would be triggered by a change in control. Collateral requirements may take the form of trust agreements or be funded by securities held or letters of credit. Upon commutation, the amount to be paid to settle the liability for gross loss reserves would typically consider a discount to the financial statement loss reserve value, reflecting the time value of money resident in the ultimate settlement of such loss reserves. In certain instances, contracts contain dual triggers, such as a change in control and a ratings downgrade, both of which must be satisfied for the contractual right to be exercisable.

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Whether a ceding company would have cancellation rights in connection with the merger depends upon the language of its agreement with Transatlantic. Whether a ceding company exercises any cancellation rights it has would depend on, among other factors, such ceding company's views with respect to the financial strength and business reputation of Alleghany following the merger, the extent to which such ceding company currently has reinsurance coverage with Alleghany's affiliates, the prevailing market conditions, the pricing and availability of replacement reinsurance coverage and Alleghany's ratings following the merger. Transatlantic cannot presently predict the effects, if any, if the merger is deemed to constitute a change in control under certain of its contracts and other arrangements, including the extent to which cancellation rights would be exercised, if at all, or the effect on Alleghany's financial condition, results of operations, or cash flows following the merger, but such effect could be material.

Risk Factors Relating to Alleghany Following the Merger

Although Alleghany and Transatlantic expect to realize certain benefits as a result of the merger, there is the possibility that Alleghany following the merger may be unable to integrate successfully the businesses of Alleghany and Transatlantic in order to realize the anticipated benefits of the merger or do so within the intended timeframe.

The merger involves Transatlantic being operated as a wholly owned subsidiary of Alleghany. Alleghany will be required to devote significant management attention and resources to integrating the business practices and operations of Transatlantic with Alleghany. Due to legal restrictions, Alleghany and Transatlantic have been able to conduct limited planning regarding the integration of Transatlantic into Alleghany after completion of the merger and have not yet determined the exact nature of how the businesses and operations of Transatlantic will be run following the merger. Potential difficulties Alleghany may encounter as part of the integration process include the following:

the consequences of a change in tax treatment, including the costs of integration and compliance and the possibility that the full benefits anticipated to result from the merger will not be realized;

any delay in the integration of management teams, strategies, operations, products and services;

diversion of the attention of each company's management as a result of the merger;

differences in business backgrounds, corporate cultures and management philosophies that may delay successful integration;

the ability to retain key employees;

the ability to create and enforce uniform standards, controls, procedures, policies and information systems;

complexities associated with managing Transatlantic as a subsidiary of Alleghany, including the challenge of integrating complex systems, technology, networks and other assets of Transatlantic into those of Alleghany in a seamless manner that minimizes any adverse impact on customers, suppliers, brokers, employees and other constituencies;

potential unknown liabilities and unforeseen increased expenses or delays associated with the merger, including one-time cash costs to integrate Transatlantic beyond current estimates; and

the disruption of, or the loss of momentum in, each company's ongoing businesses or inconsistencies in standards, controls, procedures and policies,

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any of which could adversely affect each company's ability to maintain relationships with customers, suppliers, brokers, employees and other constituencies or Alleghany's and Transatlantic's ability to achieve the anticipated benefits of the merger or could reduce each company's earnings or otherwise adversely affect the business and financial results of Alleghany after the merger.

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Current Alleghany stockholders and Transatlantic stockholders will have a reduced ownership and voting interest after the merger and will exercise less influence over management.

Current Alleghany stockholders have the right to vote in the election of the Alleghany board of directors and on other matters affecting Alleghany. Current Transatlantic stockholders have the right to vote in the election of the Transatlantic board of directors and on other matters affecting Transatlantic. Immediately after the merger is completed, it is expected that, on a fully diluted basis, current Alleghany stockholders will own approximately 51%, and current Transatlantic stockholders will own approximately 49%, of the outstanding shares of Alleghany common stock. As a result of the merger, current Alleghany stockholders and current Transatlantic stockholders will have less influence on the management and policies of Alleghany post-merger than they now have on the management and policies of Alleghany and Transatlantic, respectively.

The results of Alleghany after the merger may suffer if Alleghany does not effectively manage its expanded operations following the merger.

Following the merger, the size of the business of Alleghany will increase significantly beyond the current size of either Alleghany's or Transatlantic's existing business. Alleghany's future success depends, in part, upon its ability to manage this expanded business, which will pose substantial challenges for management, including challenges related to the management and monitoring of new global operations and associated increased costs and complexity. There can be no assurances that Alleghany will be successful after completion of the merger or that it will realize the expected benefits currently anticipated from the merger.

The financial analyses and forecasts considered by Alleghany and Transatlantic and their respective financial advisors may not be realized, which may adversely affect the market price of Alleghany common stock following the merger.

In performing their financial analyses and rendering their opinions regarding the fairness, from a financial point of view, of the merger consideration set forth in the merger agreement, each of the respective financial advisors to Alleghany and Transatlantic independently reviewed and relied on, among other things, internal standalone and pro forma financial analyses and forecasts as separately provided to each respective financial advisor by Alleghany or Transatlantic. See the sections entitled "The Merger - Certain Alleghany Prospective Financial Information" and "The Merger - Certain Transatlantic Prospective Financial Information." The financial advisors assumed, at the direction of the board of directors of Transatlantic (in the case of Goldman Sachs and Moelis) and of Alleghany (in the case of UBS and Morgan Stanley), that such financial information was reasonably prepared on a basis reflecting the best currently available estimates and judgments of the management of Transatlantic and Alleghany as to the future performance of their respective companies and that such future financial results will be achieved at the times and in the amounts projected by management of Transatlantic and Alleghany. These analyses and forecasts were prepared by, or as directed by, the managements of Alleghany and Transatlantic and were also considered by the Alleghany board of directors and the Transatlantic board of directors. None of these analyses or forecasts was prepared with a view towards public disclosure or compliance with the published guidelines of the SEC, GAAP, SAP, international financial reporting standards (which we refer to as "IFRS") or the guidelines established by the American Institute of Certified Public Accountants for preparation and presentation of financial forecasts. These projections are inherently based on various estimates and assumptions that are subject to the judgment of those preparing them. These projections are also subject to significant economic, competitive, industry and other uncertainties and contingencies, all of which are difficult or impossible to predict and many of which are beyond the control of Alleghany and Transatlantic. Accordingly, there can be no assurance that Alleghany's or Transatlantic's financial condition or results of operations will be consistent with those set forth in such analyses and forecasts. Significantly worse financial results could have a material adverse effect on the market price of Alleghany common stock following the merger.

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Alleghany is expected to incur substantial expenses related to the merger.

Alleghany is expected to incur substantial expenses in connection with the merger. While Alleghany and Transatlantic have assumed that a certain level of expenses would be incurred, there are many factors beyond the control of either Alleghany or Transatlantic that could affect the total amount or the timing of the expenses. Moreover, many of the expenses that will be incurred are, by their nature, difficult to estimate accurately.

There can be no assurance that the merger will not result in a ratings downgrade of Alleghany's or Transatlantic's insurance or reinsurance operating companies, which may result in an adverse effect on the business, financial condition and operating results of Alleghany following the merger.

Ratings with respect to claims paying ability and financial strength are important factors in establishing the competitive position of insurance and reinsurance companies and will also impact the cost and availability of capital to an insurance and reinsurance holding company. The combined operations of Alleghany and Transatlantic will compete with other insurance and reinsurance companies, financial intermediaries and financial institutions on the basis of a number of factors, including the ratings assigned by internationally recognized rating organizations. Ratings will represent an important consideration in maintaining customer confidence in Alleghany following the merger and in its ability to market insurance and reinsurance products. Rating organizations regularly analyze the financial performance and condition of insurers. Any ratings downgrade, or the potential for a ratings downgrade, of Alleghany or Transatlantic following the merger or any of their insurance or reinsurance subsidiaries could adversely affect their ability to market and distribute products and services, which could have an adverse effect on Alleghany's or Transatlantic's, as applicable, business, financial condition and operating results. There is a risk that Alleghany and/or Transatlantic is subject to being downgraded, and there can be no assurance that the ratings of Alleghany's insurance and reinsurance operating companies will not be downgraded, following the merger.

Ratings are not in any way a measure of protection afforded to investors and should not be relied upon in making an investment or voting decision. Although no assurances can be given, we currently expect that the current ratings of Alleghany, Transatlantic and Alleghany's insurance and reinsurance operating companies, as the case may be, will be maintained.

Some of the executive officers and directors of Alleghany and Transatlantic have interests in seeing the merger completed that are different from, or in addition to, those of the other Alleghany and Transatlantic stockholders. Therefore, some of the executive officers and directors of Alleghany may have a conflict of interest in recommending the proposals being voted on at the Alleghany special meeting and some of the executive officers and directors of Transatlantic may have a conflict of interest in recommending the proposals being voted on at the Transatlantic special meeting.

Certain of the executive officers of Alleghany and Transatlantic may have arrangements that provide them with interests in the merger that are different from, or in addition to, those of stockholders of Alleghany and Transatlantic generally. These interests include, among others, continued service as an executive officer of Alleghany following the merger, and payments and equity grants, in connection with the merger. These interests may influence the executive officers of Alleghany to support or approve the proposals to be presented at the Alleghany special meeting and/or the executive officers of Transatlantic to support or approve the proposals to be presented at the Transatlantic special meeting.

In addition, certain directors of Transatlantic may have interests in the merger that are different from, or in addition to, those of stockholders of Transatlantic generally, including the accelerated vesting of certain equity awards and service as a director of Alleghany following the merger. These interests may influence the directors of Transatlantic to support or approve the proposals to be presented at the Transatlantic special meeting.

See "The Merger - Interests of Alleghany's Directors and Executive Officers in the Merger" and "The Merger - Interests of Transatlantic's Directors and Executive Officers in the Merger" for a more detailed description of these interests.

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The shares of Alleghany common stock to be received by Transatlantic stockholders as a result of the merger will have different rights from the shares of Transatlantic common stock.

Upon completion of the merger, Transatlantic stockholders will become stockholders of Alleghany, and their rights as stockholders will be governed by the Alleghany charter and the Alleghany bylaws. The rights associated with Transatlantic common stock are different from the rights associated with shares of Alleghany common stock. See [Comparison of Stockholders' Rights](#).

The occurrence of severe catastrophic events may cause Alleghany's financial results after completion of the merger to be volatile and may affect the financial results of Alleghany after completion of the merger differently than such an event would have affected the financial results of either Alleghany or Transatlantic on a standalone basis.

Because Alleghany expects that it will, after completion of the merger, among other things, underwrite property catastrophe insurance and reinsurance and have large aggregate exposures to natural and man-made disasters, management expects that Alleghany's loss experience generally will include infrequent events of great severity. Consequently, the occurrence of losses from catastrophic events is likely to cause substantial volatility in Alleghany's financial results after completion of the merger. In addition, because catastrophes are an inherent risk of Alleghany's business after completion of the merger, a major event or series of events can be expected to occur from time to time and to have a material adverse effect on Alleghany's financial condition and results of operations, possibly to the extent of eliminating Alleghany's stockholders equity. Upon completion of the transactions, Alleghany's exposure to natural and man-made disasters will be different from the exposure of either Alleghany or Transatlantic prior to the completion of the transaction. Accordingly, the transactions may exacerbate the exposure described above.

Other Risk Factors of Alleghany and Transatlantic

Alleghany's and Transatlantic's businesses are and will be subject to the risks described above. In addition, Alleghany and Transatlantic are, and will continue to be, subject to the risks described in Alleghany's and Transatlantic's Annual Reports on Form 10-K for the fiscal year ended December 31, 2010, as updated by subsequent Quarterly Reports on Form 10-Q and Current Reports on Form 8-K, all of which are filed with the SEC and incorporated by reference into this joint proxy statement/prospectus. See [Where You Can Find More Information](#) for the location of information incorporated by reference in this joint proxy statement/prospectus.

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SPECIAL NOTE REGARDING FORWARD-LOOKING STATEMENTS

This joint proxy statement/prospectus and the documents incorporated by reference into this joint proxy statement/prospectus contain forward-looking statements within the meaning of the safe harbor provisions of the Private Securities Litigation Reform Act of 1995 that are not limited to historical facts, but reflect Alleghany's and Transatlantic's current beliefs, expectations or intentions regarding future events. These statements include forward-looking statements both with respect to Alleghany and Transatlantic and the insurance and reinsurance industry. Statements that are not historical facts, including statements that use terms such as anticipates, believes, expects, intends, plans, projects, and will and that relate to our plans and objectives for future operations, are forward-looking statements. In light of the risks and uncertainties inherent in all forward-looking statements, the inclusion of such statements in this joint proxy statement/prospectus should not be considered as a representation by us or any other person that our objectives or plans will be achieved. These forward-looking statements include, without limitation, Alleghany's and Transatlantic's expectations with respect to the benefits, costs and other anticipated financial impacts of the proposed transaction; future financial and operating results of Alleghany following the merger; Alleghany's plans, objectives, expectations and intentions with respect to future operations and services following the merger; approval of the proposed transaction by stockholders and by governmental regulatory authorities; the satisfaction of the closing conditions to the proposed transaction; and the timing of the completion of the proposed transaction.

All forward-looking statements involve significant risks and uncertainties that could cause actual results to differ materially from those in the forward-looking statements, many of which are generally outside the control of Alleghany and Transatlantic and are difficult to predict. These risks and uncertainties also include those set forth under Risk Factors, as well as, among others, risks and uncertainties relating to: (1) any event, change or other circumstance that could give rise to the termination of the merger agreement; (2) the inability to obtain Transatlantic's or Alleghany's stockholder approval or the failure to satisfy other conditions to completion of the merger, including receipt of regulatory approvals; (3) risks that the proposed transaction disrupts each company's current plans and operations; (4) the ability to retain key personnel; (5) the ability to recognize the benefits of the merger; (6) the amount of the costs, fees, expenses and charges related to the merger; (7) pricing and policy term trends; (8) increased competition; (9) the impact of acts of terrorism and acts of war; (10) greater frequency or severity of unpredictable catastrophic events; (11) negative rating agency actions; (12) the adequacy of each party's loss reserves; (13) changes in regulations or tax laws; (14) changes in the availability, cost or quality of reinsurance or retrocessional coverage; (15) adverse general economic conditions; and (16) judicial, legislative, political and other governmental developments, as well as management's response to these factors, and other factors identified in each company's filings with the SEC. Alleghany and Transatlantic caution that the foregoing list of factors is not exclusive.

Additional information concerning these and other risk factors is contained in Alleghany's and Transatlantic's most recently filed Annual Reports on Form 10-K, subsequent Quarterly Reports on Form 10-Q, recent Current Reports on Form 8-K, and other SEC filings. All subsequent written and oral forward-looking statements concerning Alleghany, Transatlantic, the proposed transaction or other matters attributable to Alleghany or Transatlantic or any person acting on their behalf are expressly qualified in their entirety by the cautionary statements above. You are cautioned not to place undue reliance on these forward-looking statements, which speak only to the date they are made. Alleghany and Transatlantic are under no obligation (and expressly disclaim any such obligation) to update or revise any forward-looking statement that may be made from time to time, whether as a result of new information, future developments or otherwise.

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THE COMPANIES

Alleghany Corporation

Alleghany is a Delaware corporation engaged in the property and casualty and surety insurance business through its wholly owned subsidiary AIHL. AIHL's insurance business is conducted through its wholly owned subsidiaries RSUI, CATA, and PCC. 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. In addition, Alleghany owns approximately 33 percent of the outstanding shares of common stock of Homesite, a national, full-service, mono-line provider of homeowners insurance, and approximately 38 percent of 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. Additional information about Alleghany and its subsidiaries is included in documents incorporated by reference into this joint proxy statement/prospectus. See [Where You Can Find More Information](#).

Transatlantic Holdings, Inc.

Transatlantic is a holding company incorporated in the State of Delaware. Transatlantic, through its wholly owned subsidiaries, TRC, TRZ, acquired by TRC in 1996, and 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 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 common stock of Transatlantic.

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, NY 10005 and its telephone number is (212) 365-2200. Additional information about Transatlantic and its subsidiaries is included in documents incorporated by reference into this joint proxy statement/prospectus. See [Where You Can Find More Information](#).

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Shoreline Merger Sub, Inc.

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 has 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.

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THE ALLEGHANY SPECIAL MEETING

This joint proxy statement/prospectus is being provided to the stockholders of Alleghany as part of a solicitation of proxies by the Alleghany board of directors for use at the Alleghany special meeting to be held at the time and place specified below, and at any properly convened meeting following an adjournment or postponement thereof. This joint proxy statement/prospectus and the documents incorporated herein by reference provide stockholders of Alleghany with the information they need to know to be able to vote or instruct their vote to be cast at the Alleghany special meeting.

Date, Time and Place

The Alleghany special meeting will be held at the Harvard Club of New York City, 35 West 44th Street, New York, New York, on February 6, 2012, at 10:00 a.m.

Purpose of the Alleghany Special Meeting

At the Alleghany special meeting, Alleghany stockholders will be asked to consider and vote on:

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.

Recommendation of the Board of Directors of Alleghany

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 the Alleghany stockholders vote FOR the stock issuance proposal and FOR the Alleghany adjournment proposal.

Alleghany Record Date; Stockholders Entitled to Vote

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. 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, NY 10036 during regular business hours for a period of 10 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.

Voting by Alleghany's Directors and Executive Officers

At the close of business on the Alleghany record date, directors and executive officers of Alleghany and their affiliates were entitled to vote [] shares of Alleghany common stock, or approximately []% of the shares of Alleghany common stock outstanding on that date. 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

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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).

Quorum

In order to transact business at the Alleghany special meeting, a quorum is required. Stockholders who hold a majority of the Alleghany common stock outstanding on the 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 unless the adjournment is for more than 30 days or, if after the adjournment, a new record date is fixed for the adjourned meeting, in which case a 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 special meeting are 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 represented at the Alleghany special meeting for purposes of determining whether a quorum has been achieved.

Required Vote

The approval of the stock issuance 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. Approval of the Alleghany adjournment proposal is not a condition to completion of the merger.

If you are an Alleghany stockholder and you fail to vote, it will have no effect on the stock issuance proposal, assuming a quorum is present, or Alleghany adjournment 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 the Alleghany adjournment proposal.

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 Alleghany special meeting. This will have no effect on the stock issuance proposal, assuming a quorum is present, or on the Alleghany adjournment proposal.

Failures to Vote, Broker Non-Votes and Abstentions

Under the rules of the NYSE, banks, brokerage firms or other nominees holding shares of record may vote those shares in their discretion on certain routine proposals when they do not receive timely voting instructions

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from the beneficial holders. A broker non-vote occurs under these NYSE rules when a bank, brokerage firm or other nominee holding shares of record is not permitted to vote on a non-routine matter without instructions from the beneficial owner of the shares and no instruction is given.

In accordance with these NYSE rules, banks, brokers and other nominees who hold shares of Alleghany common stock in street name for their customers, but do not have discretionary authority to vote the shares, may not exercise their voting discretion with respect to the approval of the stock issuance proposal or the Alleghany adjournment proposal. Accordingly, if banks, brokers or other nominees do not receive specific voting instructions from the beneficial owner of such shares, they may not vote such shares with respect to the stock issuance proposal or the Alleghany adjournment proposal. For shares of Alleghany common stock held in street name, only shares of Transatlantic common stock affirmatively voted FOR the stock issuance proposal and the Alleghany adjournment proposal will be counted as affirmative votes therefor.

Abstentions will have the same effect as a vote AGAINST the stock issuance and AGAINST the Alleghany adjournment proposal. Failures to vote and broker non-votes, if any, will have no effect on the approval of the stock issuance proposal, assuming a quorum is present, or on the Alleghany adjournment proposal.

Voting at the Alleghany Special Meeting

Whether or not you plan to attend the Alleghany special meeting, please submit a proxy for your shares. If you are a registered or record holder, you may vote in person at the Alleghany special meeting or by proxy. If your shares are held in street name, which means your shares are held of record in an account with a bank, brokerage firm or other nominee, you must follow the instructions from your bank, brokerage firm or other nominee in order to vote.

Voting in Person

If you plan to attend the Alleghany special meeting and wish to vote in person, you will be given a ballot at the Alleghany special meeting. Please note, however, that if your shares are held in street name, and you wish to vote at the Alleghany special meeting, you must bring to the Alleghany special meeting a proxy executed in your favor from the record holder (your bank, brokerage firm or other nominee) of the shares authorizing you to vote at the Alleghany special meeting.

In addition, if you are a registered or record Alleghany stockholder, please be prepared to provide proper identification, such as a driver's license, in order to be admitted to the Alleghany special meeting. If you hold your shares in street name, you will need to provide proof of ownership, such as a recent account statement or letter from your bank, brokerage firm or other nominee, along with proper identification.

Voting by Proxy

If you are a holder of record, a proxy card is enclosed for your use. Alleghany requests that you submit a proxy by:

logging onto 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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You should submit your proxy in advance of the Alleghany special meeting even if you plan to attend the Alleghany special meeting. You can always change your vote at the Alleghany special meeting.

If you hold your shares of Alleghany common stock in a stock brokerage account or if your shares are held by a bank or other 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, brokerage firm or other nominee. Please note that you may not vote shares of Alleghany common stock held in street name by returning a proxy card directly to Alleghany or by voting in person at the Alleghany special meeting unless you have a legal proxy, which you must obtain from your bank, brokerage firm or other nominee. Further, brokers who hold shares of Alleghany common stock on behalf of their customers may not give a proxy to Alleghany to vote those shares without specific instructions from their customers.

If you are an Alleghany stockholder and you do not instruct your bank, brokerage firm or other nominee on how to vote your shares your bank, brokerage firm broker or other nominee, as applicable, may not vote your shares on any of the proposals to be considered and voted upon at the Alleghany special meeting as all such matters are deemed non-routine matters pursuant to applicable NYSE rules.

If a proxy is returned without an indication as to how the shares of Alleghany common stock represented are to be voted with regard to a particular proposal, the shares of Alleghany common stock represented by the proxy will be voted in accordance with the recommendation of the Alleghany board of directors and, therefore, FOR the stock issuance proposal and FOR the Alleghany adjournment proposal. As of the date hereof, management has no knowledge of any business that will be presented for consideration at the Alleghany special meeting and which would be required to be set forth in this joint proxy statement/prospectus or the related proxy card other than the matters set forth in Alleghany's notice of special meeting. If any other matter is properly presented at the Alleghany special meeting for consideration, it is intended that the persons named in the enclosed form of proxy and acting thereunder will vote in accordance with their best judgment on such matter.

Your vote is important. Accordingly, please sign, date and return the enclosed proxy card whether or not you plan to attend the Alleghany special meeting in person.

How Proxies Are Counted

All shares of Alleghany common stock represented by properly executed proxies received in time for the Alleghany special meeting will be voted at the meeting in the manner specified by the stockholders giving those proxies. Properly executed proxies that do not contain voting instructions will be voted FOR the stock issuance proposal and FOR the Alleghany adjournment proposal.

Only shares of Alleghany common stock affirmatively voted for the applicable proposal, and properly executed proxies that do not contain voting instructions, will be counted as favorable votes for approval of the stock issuance and the Alleghany adjournment proposal. Abstentions will have the same effect as a vote AGAINST the stock issuance proposal and AGAINST the Alleghany adjournment proposal. Failures to vote and broker non-votes, if any, will have no effect on the approval of the stock issuance proposal, assuming a quorum is present, or the Alleghany adjournment proposal.

Revocation of Proxies

If you are the record holder of shares of Alleghany common stock, you can change or revoke your proxy at any time before your proxy is voted at the Alleghany special meeting. You can do this by:

timely delivering a new, valid proxy bearing a later date by submitting instructions via the internet, by telephone or by mail as described on the proxy card;

timely delivering a signed written notice of revocation to the Secretary of Alleghany; or

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attending the Alleghany special meeting and voting in person, which will automatically cancel any proxy previously given, or you can revoke your proxy in person. Simply attending the Alleghany special meeting without voting will not change or revoke any proxy that you have previously given.

A registered Alleghany stockholder may revoke a proxy by any of these methods, regardless of the method used to deliver the Alleghany stockholder's previous proxy. 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.

Written notices of revocation and other communications with respect to the revocation of proxies should be addressed as follows:

Alleghany Corporation

7 Times Square Tower

New York, NY 10036

Attention: Secretary

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.

Solicitation of Proxies

Alleghany is soliciting proxies for the Alleghany special meeting. In accordance with the merger agreement, Alleghany and Transatlantic will share equally all fees and expenses in relation to the printing, filing and distribution of this joint proxy statement/prospectus. Alleghany will pay all of its other costs of soliciting proxies. In addition to solicitation by use of mails, proxies may be solicited by Alleghany directors, officers and employees in person or by telephone or other means of communication. These individuals will not be additionally compensated, but may be reimbursed for out-of-pocket expenses associated with this solicitation.

Alleghany has engaged D.F. King & Co., Inc. to assist in the solicitation of proxies for the Alleghany special meeting. Alleghany estimates that it will pay D.F. King & Co., Inc. a fee of approximately \$16,000. Alleghany will also reimburse D.F. King & Co., Inc. for reasonable out-of-pocket expenses and will indemnify D.F. King & Co., Inc. and its affiliates against certain claims, liabilities, losses, damages and expenses. Alleghany will make arrangements with brokerage houses, custodians, nominees and fiduciaries to forward proxy solicitation materials to beneficial owners of shares held of record by them. Alleghany will also reimburse these brokerage houses, custodians, nominees and fiduciaries for their reasonable expenses incurred in forwarding the proxy materials.

Adjournments or Postponements

Any adjournment of the Alleghany special meeting may be made from time to time by the Alleghany stockholders, by 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, without further notice other than by an announcement made at the Alleghany special meeting. If a quorum is not present at the Alleghany special meeting, or if a quorum is present at the Alleghany special meeting but there are not sufficient votes at the time of the Alleghany special meeting to approve the stock issuance, then Alleghany stockholders may be asked to vote to adjourn the Alleghany special meeting so as to permit the further solicitation of proxies.

Alleghany may postpone or adjourn the Alleghany special meeting to a date that is no later than 30 days after the date on which the original Alleghany 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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ALLEGHANY PROPOSALS

Alleghany Proposal 1: Approval of the Stock Issuance

The Alleghany board of directors proposes the Alleghany stockholders approve the issuance of the shares of Alleghany common stock to Transatlantic stockholders in connection with the merger and as contemplated by the merger agreement as required by NYSE rules, also referred to herein as the stock issuance proposal. The merger agreement provides that as a condition to the closing of the merger that the shares of Alleghany common stock to be issued to Transatlantic stockholders are authorized for listing on the NYSE, subject to official notice of issuance. NYSE listing policies require prior stockholder approval of issuances of common stock which would constitute more than 20% of the outstanding shares of common stock on a post-transaction basis. Former Transatlantic stockholders are expected to hold approximately 49% of the outstanding shares of Alleghany common stock, on a fully diluted basis, after giving effect to the merger. In addition, in the event that the Alleghany stockholders approve the stock issuance proposal, but Transatlantic stockholders do not approve the proposal to adopt the merger agreement, the stock issuance will not occur and the merger will not be consummated.

Required Vote

The approval of the stock issuance proposal requires the affirmative vote of the holders of a majority of shares entitled to vote on the proposal and present in person or represented by proxy at the Alleghany special meeting, assuming a quorum is present. For purposes of this vote, an abstention will have the same effect as a vote **AGAINST** the proposal, and a failure to vote or broker non-vote will have no effect on the proposal.

The Alleghany board of directors recommends a vote **FOR approval of the stock issuance proposal.**

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Alleghany Proposal 2: Adjournment of the Alleghany Special Meeting

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

If, at the Alleghany special meeting, there are an insufficient number of shares of Alleghany common stock present in person or represented by proxy and voting in favor of the stock issuance proposal, Alleghany may move to adjourn the Alleghany special meeting in order to enable the Alleghany board of directors to solicit additional proxies for approval of such proposal.

Alleghany is asking its stockholders to authorize the holder of any proxy solicited by the Alleghany board of directors to vote in favor of granting discretionary authority to the proxy holders, and each of them individually, to adjourn the Alleghany special meeting to another time and place for the purpose of soliciting additional proxies. If the Alleghany stockholders approve this proposal, Alleghany could adjourn the Alleghany special meeting and any adjourned session of the Alleghany special meeting and use the additional time to solicit additional proxies, including the solicitation of proxies from Alleghany stockholders who have previously voted. 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.

Required Vote

The 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. For the purposes of this vote, an abstention will have the same effect as a vote **AGAINST** the proposal, and a failure to vote or broker non-vote will have no effect on the proposal.

The Alleghany board of directors recommends that Alleghany stockholders vote **FOR the Alleghany adjournment proposal.**

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THE TRANSATLANTIC SPECIAL MEETING

This joint proxy statement/prospectus is being provided to the stockholders of Transatlantic as part of a solicitation of proxies by the Transatlantic board of directors for use at the Transatlantic special meeting to be held at the time and place specified below, and at any properly convened meeting following an adjournment or postponement thereof. This joint proxy statement/prospectus and the documents incorporated herein by reference provide stockholders of Transatlantic with the information they need to know to be able to vote or instruct their vote to be cast at the Transatlantic special meeting.

Date, Time and Place

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.

Purpose of the Transatlantic Special Meeting

At the Transatlantic special meeting, Transatlantic stockholders will be asked to consider and vote on:

the adoption of 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.

Recommendation of the Board of Directors of Transatlantic

The Transatlantic board of directors has unanimously approved the merger agreement and has 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 recommends that the Transatlantic stockholders vote FOR the adoption of the merger agreement, FOR the Transatlantic adjournment proposal, and FOR the golden parachute proposal.

Transatlantic Record Date; Stockholders Entitled to Vote

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 and held by [] holders of record. Holders of record of Transatlantic common stock on the Transatlantic record date are entitled to one vote per share at the Transatlantic special meeting on each proposal. 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. A list of stockholders of Transatlantic will be available for review for any purpose germane to the Transatlantic special meeting at Transatlantic's headquarters, at 80 Pine Street, New York, NY 10005 during regular business hours for a period of ten days before the Transatlantic special meeting. The list will also be available at the Transatlantic special meeting during the whole time thereof for examination by any stockholder of record present at the Transatlantic special meeting.

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Voting by Transatlantic s Directors and Executive Officers

At the close of business on the Transatlantic record date, directors and executive officers of Transatlantic and their affiliates were entitled to vote [] shares of Transatlantic common stock, or approximately []% of the shares of Transatlantic common stock outstanding on that date, which represents approximately []% of the votes required for the adoption of the merger agreement. 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 none of them has entered into any agreement obligating them to do so.

Quorum

No business may be transacted at the Transatlantic special meeting unless a quorum is present. Attendance in person or by proxy at the Transatlantic special meeting of holders of record of a majority of the aggregate voting power of the outstanding shares of Transatlantic common stock entitled to vote at the meeting will constitute a quorum. If a quorum is not present, or if fewer shares of Transatlantic common stock are voted in favor of the proposal to adopt the merger agreement than the number required for its adoption, the Transatlantic special meeting may be adjourned to allow additional time for obtaining additional proxies or votes. At any subsequent reconvening of the Transatlantic special meeting, all proxies will be voted in the same manner as they would have been voted at the original convening of the Transatlantic special meeting, except for any proxies that have been effectively revoked or withdrawn prior to the subsequent 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 (shares of Transatlantic common stock for which proxies have been received but for which the holders have abstained from voting) 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.

Required Vote

The 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. Failures to vote, abstentions and broker non-votes, if any, will have the effect of a vote AGAINST the proposal.

The 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. The Transatlantic stockholders may so adjourn the Transatlantic special meeting to another time or place without further notice. Abstaining will have the same effect as a vote AGAINST the proposal. Failures to vote and broker non-votes, if any, will not have an effect on the adjournment proposal.

The approval of the golden parachute proposal 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. Abstentions will have the effect of a vote AGAINST the proposal. Failures to vote and broker non-votes, if any, will not have an effect on the proposal, assuming a quorum is present.

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Failures to Vote, Broker Non-Votes and Abstentions

Under the rules of the NYSE, banks, brokerage firms or other nominees holding shares of record may vote those shares in their discretion on certain routine proposals when they do not receive timely voting instructions from the beneficial holders. A broker non-vote occurs under these NYSE rules when a bank, brokerage firm or other nominee holding shares of record is not permitted to vote on a non-routine matter without instructions from the beneficial owner of the shares and no instruction is given.

In accordance with these NYSE rules, banks, brokers and other nominees who hold shares of Transatlantic common stock in street name for their customers, but do not have discretionary authority to vote the shares, may not exercise their voting discretion with respect to the adoption of the merger agreement, the Transatlantic adjournment proposal or the golden parachute proposal. Accordingly, if banks, brokers or other nominees do not receive specific voting instructions from the beneficial owner of such shares, they may not vote such shares with respect to the adoption of the merger agreement, the Transatlantic adjournment proposal or the golden parachute proposal. For shares of Transatlantic common stock held in street name, only shares of Transatlantic common stock affirmatively voted FOR the adoption of the merger agreement, the Transatlantic adjournment proposal and the golden parachute proposal will be counted as affirmative votes therefor.

Abstentions, failures to vote and broker non-votes, if any, will have the same effect as a vote AGAINST the adoption of the merger agreement. Abstentions will have the same effect as a vote AGAINST the adjournment proposal. Failures to vote and broker non-votes, if any, will have no effect on the approval of the adjournment proposal. Abstentions will have the same effect as a vote AGAINST the golden parachute proposal. Failures to vote and broker non-votes, if any, will not have an effect on the golden parachute proposal, assuming a quorum is present.

Voting at the Transatlantic Special Meeting

Whether or not you plan to attend the Transatlantic special meeting, please submit a proxy for your shares. If you are a registered or record holder, which means your shares are registered in your name with American Stock Transfer & Trust Company LLC, Transatlantic