

UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
Washington, D.C. 20549

Form 13F

FORM 13F COVER PAGE

Report for the Calendar Year or Quarter Ended: DECEMBER 31, 2008

Check here if Amendment ; Amendment Number: _____

This Amendment (Check only one.): is a restatement.
 adds new holdings entries.

Institutional Investment Manager Filing this Report:

Name: ALLSTATE LIFE INSURANCE COMPANY
Address: 3075 SANDERS ROAD, SUITE G4A
NORTHBROOK, IL. 60062-7127

Form 13F File Number: 28-01037

The institutional manager filing this report and the person by whom it is signed hereby represent that the person signing the report is authorized to submit it, that all information contained herein is true, correct and complete, and that it is understood that all required items, statements, schedules, lists, and tables, are considered integral parts of this form.

Person Signing this Report on Behalf of Reporting Manager:

Name: PAUL SCHUTT
Title: ASSISTANT VICE PRESIDENT INVESTMENT OPERATIONS
Phone: 847-402-5169

Signature, Place, and Date of Signing:

/s/ PAUL SCHUTT NORTHBROOK, IL. 02/11/09

[Signature] [City, State] [Date]

Report Type (Check only one.):

- 13F HOLDINGS REPORT. (Check here if all holdings of this reporting manager are reported in this report.)
- 13F NOTICE. (Check here if no holdings reported are in this report, and all holdings are reported by other reporting manager(s).)
- 13F COMBINATION REPORT. (Check here if a portion of the holdings for this reporting manager are reported in this report and a portion are reported by other reporting manager(s).)

List of Other Managers Reporting for this Manager:

FORM 13F SUMMARY PAGE

Report Summary:

Number of Other Included Managers: ONE
Form 13F Information Table Entry Total: 38
Form 13F Information Table Value Total: 224,779 (THOUSAND)

List of Other Included Managers:

Provide a numbered list of the name(s) and Form 13F file number(s) of all institutional investment managers with respect to which this report is filed, other than the manager filing this report.

[If there are no entries in this list, state "NONE" and omit the column headings and list entries.]

No.	Form 13F File Number	Name
1	028-10298	ALLSTATE INVESTMENTS LLC

FORM 13F REPORT

NAME OF REPORTING MANAGER: ALLSTATE LIFE INSURANCE COMPANY

NAME OF ISSUER	TITLE OF CLASS	CUSIP	VALUE (x1000)	SHARES/ PRN AMT	SH/ PUT/ PRN CALL	INVSTMT DSCRETN	OTHER MANAGERS	VOTING AUTHORITY		
								SOLE	SHARED	NONE
DOMINION RESOURCES, INC.	COMMON	25746U109	1,102	30,745	SH	DEFINED	1	X		
3M COMPANY 0% 11/21/2032	DEBT	88579YAB7	7,463	10,223,000	PRN	DEFINED	1	X		
ALLERGAN INC 1.500000% 04/01/2026	DEBT	018490AL6	5,507	5,500,000	PRN	DEFINED	1	X		
ALZA CORP 0% 07/28/2020	DEBT	02261WAB5	9,148	10,250,000	PRN	DEFINED	1	X		
AMDOCS LIMITED .500000% 03/15/2024	DEBT	02342TAD1	9,134	9,250,000	PRN	DEFINED	1	X		
AMGEN INC .375000% 02/01/2013	DEBT	031162AQ3	8,086	8,500,000	PRN	DEFINED	1	X		
ARCHER DANIELS .875000% 02/15/2014	DEBT	039483AW2	975	1,000,000	PRN	DEFINED	1	X		
AVNET INC 2.000000% 03/15/2034	DEBT	053807AL7	11,313	11,500,000	PRN	DEFINED	1	X		
BECKMAN COULTER INC 2.500000% 12/15/2036	DEBT	075811AD1	936	1,000,000	PRN	DEFINED	1	X		
BEST BUY 2.250000% 01/15/2022	DEBT	086516AF8	9,818	11,000,000	PRN	DEFINED	1	X		
CAMERON INTL CORP 2.500000% 06/15/2026	DEBT	13342BAB1	8,493	8,600,000	PRN	DEFINED	1	X		
CARNIVAL CORP 2.000000% 04/15/2021	DEBT	143658AN2	8,123	9,000,000	PRN	DEFINED	1	X		
CHESAPEAKE ENERGY CORP 2.250000% 12/15/2038	DEBT	165167CB1	673	1,500,000	PRN	DEFINED	1	X		
CMS ENERGY CORP 2.875000% 12/01/2024	DEBT	125896AW0	1,299	1,500,000	PRN	DEFINED	1	X		
COSTCO WHOLESALE CORP 0% 08/19/2017	DEBT	22160QAC6	381	320,000	PRN	DEFINED	1	X		
DANAHER CORP 0% 01/22/2021	DEBT	235851AF9	9,258	10,550,000	PRN	DEFINED	1	X		
EMC CORP 1.750000% 12/01/2013	DEBT	268648AM4	1,730	1,850,000	PRN	DEFINED	1	X		
FISHER SCIENTIFIC INTL 3.250000% 03/01/2024	DEBT	338032AX3	9,362	8,350,000	PRN	DEFINED	1	X		
FLUOR CORP 1.500000% 02/15/2024	DEBT	343412AA0	285	175,000	PRN	DEFINED	1	X		
HCC INSURANCE HOLDINGS 1.300000% 04/01/2023	DEBT	404132AB8	11,802	9,825,000	PRN	DEFINED	1	X		
HOLOGIC INC 2.000000% 12/15/2037	DEBT	436440AA9	581	1,000,000	PRN	DEFINED	1	X		
INTEL CORP 2.950000% 12/15/2035	DEBT	458140AD2	5,284	6,100,000	PRN	DEFINED	1	X		
INTL GAME TECHNOLOGY 2.600000% 12/15/2036	DEBT	459902AP7	16,774	17,750,000	PRN	DEFINED	1	X		
LABORATORY CORP AMERICA HOLDINGS	DEBT	50540RAG7	11,125	12,500,000	PRN	DEFINED	1	X		
LIBERTY MEDIA CORP 3.250000% 03/15/2031	DEBT	530715AR2	315	1,000,000	PRN	DEFINED	1	X		
LIBERTY MEDIA LLC 3.125000% 03/30/2023	DEBT	530718AF2	1,076	1,500,000	PRN	DEFINED	1	X		
MEDTRONIC INC 1.625000% 04/15/2013	DEBT	585055AM8	7,501	8,500,000	PRN	DEFINED	1	X		
MYLAN LABORATORIES INC 1.250000% 03/15/2012	DEBT	628530AG2	735	1,000,000	PRN	DEFINED	1	X		
NABORS INDUSTRIES INC .940000% 05/15/2011	DEBT	629568AP1	7,414	9,000,000	PRN	DEFINED	1	X		
OMNICOM GROUP	DEBT	681919AK2	4,444	4,500,000	PRN	DEFINED	1	X		
OMNICOM GROUP INC 0% 07/01/2038	DEBT	681919AT3	8,586	9,500,000	PRN	DEFINED	1	X		
RAYONIER TRS HOLDINGS IN 3.750000% 10/15/2012	DEBT	75508AAB2	3,570	4,000,000	PRN	DEFINED	1	X		
SCHLUMBERGER LIMITED 2.125000% 06/01/2023	DEBT	806857AD0	249	200,000	PRN	DEFINED	1	X		
TEVA PHARMACEUT FIN BV 1.750000% 02/01/2026	DEBT	88165FAA0	8,131	7,400,000	PRN	DEFINED	1	X		
TEVA PHARMACEUT FIN LLC .250000% 02/01/2024	DEBT	88164RAB3	3,324	2,700,000	PRN	DEFINED	1	X		
TJX COMPANIES INC 0% 02/13/2021	DEBT	872540AL3	7,651	10,150,000	PRN	DEFINED	1	X		
US BANCORP 1.231250% 12/11/2035	DEBT	902973AM8	8,669	9,500,000	PRN	DEFINED	1	X		
WYETH 2.390000% 01/15/2024	DEBT	983024AD2	14,464	14,600,000	PRN	DEFINED	1	X		
"STOCK"		1	1,102	30,745						
DEBT		37	223,677	240,793,000						
REPORT TOTALS		38	224,779	240,823,745						