

**UNITED STATES  
SECURITIES AND EXCHANGE COMMISSION**

Washington, D.C. 20549

**FORM 8-K**

**CURRENT REPORT  
Pursuant to Section 13 or 15(d) of the  
Securities Exchange Act of 1934**

Date of report (Date of earliest event reported): **December 29, 2008**

**ALLSTATE LIFE INSURANCE COMPANY**

(Exact name of Registrant as Specified in Charter)

**Illinois**  
(State or other  
jurisdiction of organization)

**0-31248**  
(Commission  
File Number)

**36-2554642**  
(IRS Employer  
Identification No.)

**3100 Sanders Road**  
**Northbrook, Illinois**  
(Address of Principal Executive Offices)

**60062**  
(Zip)

Registrant's telephone number, including area code: **(847) 402-5000**

Check the appropriate box below if the Form 8-K filing is intended to simultaneously satisfy the filing obligation of the registrant under any of the following provisions:

- Written communications pursuant to Rule 425 under the Securities Act (17 CFR 230.425)
- Soliciting material pursuant to Rule 14a-12 under the Exchange Act (17 CFR 240.14a-12)
- Pre-commencement communications pursuant to Rule 14d-2(b) under the Exchange Act (17 CFR 240.14d-2(b))
- Pre-commencement communications pursuant to Rule 13e-4(c) under the Exchange Act (17 CFR 240.13e-4(c))

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**Section 1 — Registrant's Business and Operations**

**Item 1.02. Termination of a Material Definitive Agreement**

On December 29, 2008, the Registrant's parent, Allstate Insurance Company, agreed to cancel and forgive the principal and any related interest payment obligations associated with the \$400,000,000 surplus note issued on August 29, 2008 by the Registrant and to the conversion of such \$400,000,000 principal amount of such surplus note to contributed surplus for the Registrant.

**SIGNATURE**

Pursuant to the requirements of the Securities Exchange Act of 1934, the Registrant has duly caused this report to be signed on its behalf by the undersigned hereunto duly authorized.

**ALLSTATE LIFE INSURANCE COMPANY**

By: /s/ Mary J. McGinn  
Name: Mary J. McGinn  
Title: Vice President and Assistant Secretary

Date: January 5, 2009