

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, 2004

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: DOUG WELCH
Title: ASSISTANT VICE PRESIDENT INVESTMENT OPERATIONS
Phone: 847-402-2170

Signature, Place, and Date of Signing:

/s/ Doug Welch	NORTHBROOK, IL.	2/9/2005
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[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: 80
Form 13F Information Table Value Total: 275,208 (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 (x\$1000)	SHARES/ PRN AMT	SH/ PRN	PUT/ CALL	INVSTMT DSCRETN	OTHER MANAGERS	VOTING AUTHORITY		
									SOLE	SHARED	NONE
DANAHER CORP.	COMMON	235851102	1,722	30,000		SH	DEFINED	1	X		
GENERAL MOTORS CORP	REDEEMABLE P/S	370442717	3,999	150,000		SH	DEFINED	1	X		
GENERAL MOTORS SERIES A	REDEEMABLE P/S	370442741	3,513	140,000		SH	DEFINED	1	X		
GENERAL MOTORS SERIES B	REDEEMABLE P/S	370442733	1,730	75,000		SH	DEFINED	1	X		
JOHNSON & JOHNSON	COMMON	478160104	1,903	30,000		SH	DEFINED	1	X		
3M COMPANY	DEBT	88579YAB7	3,640	4,050,000		PRN	DEFINED	1	X		
AFFILIATED MANAGERS	DEBT	008252AC2	1,191	1,000,000		PRN	DEFINED	1	X		
ALLERGAN INC	DEBT	018490AE2	587	600,000		PRN	DEFINED	1	X		
ALZA CORP.	DEBT	02261WAB5	3,572	4,100,000		PRN	DEFINED	1	X		
AMDOCS LIMITED	DEBT	02342TAD1	2,138	2,250,000		PRN	DEFINED	1	X		
AMERICAN EXPRESS	DEBT	025816AS8	6,789	6,250,000		PRN	DEFINED	1	X		
AMERICAN INTERNATIONAL GROUP	DEBT	026874AN7	3,299	3,500,000		PRN	DEFINED	1	X		
AMERICAN INTL GROUP	DEBT	026874AP2	4,877	7,375,000		PRN	DEFINED	1	X		
AMGEN INC	DEBT	031162AE0	2,784	3,750,000		PRN	DEFINED	1	X		
AON CORP	DEBT	037389AT0	370	300,000		PRN	DEFINED	1	X		
ARROW ELECTRONIC	DEBT	042735AY6	3,736	7,000,000		PRN	DEFINED	1	X		
AXCAN PHARMA INC	DEBT	054923AB3	759	500,000		PRN	DEFINED	1	X		
BJ SERVICES CO	DEBT	055482AF0	3,735	4,500,000		PRN	DEFINED	1	X		
BRINKER INTERNATIONAL	DEBT	109641AC4	1,285	2,000,000		PRN	DEFINED	1	X		
CARNIVAL CORP	DEBT	143658AN2	3,470	2,300,000		PRN	DEFINED	1	X		
CARNIVAL CORP	DEBT	143658AS1	4,326	4,500,000		PRN	DEFINED	1	X		
CBRL GROUP INC	DEBT	12489VAB2	3,299	6,500,000		PRN	DEFINED	1	X		
CENTURYTEL INC	DEBT	156700AH9	2,235	2,000,000		PRN	DEFINED	1	X		
CHIRON CORP	DEBT	170040AG4	2,805	3,000,000		PRN	DEFINED	1	X		
COMPUTER ASSOCIATES INC	DEBT	204912AR0	646	500,000		PRN	DEFINED	1	X		
COSTCO	DEBT	22160QAC6	5,488	5,000,000		PRN	DEFINED	1	X		
CSX CORP	DEBT	126408GA5	6,525	7,500,000		PRN	DEFINED	1	X		
DEVON ENERGY CORP	DEBT	25179MAA1	7,691	7,000,000		PRN	DEFINED	1	X		
DEVON ENERGY CORP.	DEBT	25179MAB9	2,527	2,300,000		PRN	DEFINED	1	X		
DIAMOND OFFSHORE DRILL	DEBT	25271CAE2	3,180	3,000,000		PRN	DEFINED	1	X		
DUKE ENERGY CORP	DEBT	264399EJ1	3,368	3,000,000		PRN	DEFINED	1	X		
EASTMAN KODAK CO	DEBT	277461BE8	6,256	5,000,000		PRN	DEFINED	1	X		
ELECTRONICS FOR IMAGING	DEBT	286082AA0	1,448	1,500,000		PRN	DEFINED	1	X		
FLUOR CORP	DEBT	343412AA0	2,280	2,000,000		PRN	DEFINED	1	X		
FRANKLIN RESOURCES INC	DEBT	354613AC5	3,167	4,500,000		PRN	DEFINED	1	X		
GATX CORP	DEBT	361448AC7	584	500,000		PRN	DEFINED	1	X		
GENERAL MILLS INC	DEBT	370334AU8	1,063	1,500,000		PRN	DEFINED	1	X		
GREATER BAY BANCORP	DEBT	391648AP7	1,798	2,000,000		PRN	DEFINED	1	X		
HARRIS CORP	DEBT	413875AH8	590	400,000		PRN	DEFINED	1	X		
HCC INSURANCE HOLDINGS	DEBT	404132AB8	4,325	4,000,000		PRN	DEFINED	1	X		
HEALTH MANAGEMENT ASSOC	DEBT	421933AF9	786	750,000		PRN	DEFINED	1	X		
HEWLETT PACKARD CO CONV	DEBT	428236AC7	3,114	5,500,000		PRN	DEFINED	1	X		
HILTON HOTELS CORP	DEBT	432848AZ2	3,589	3,000,000		PRN	DEFINED	1	X		
HORACE MANN EDUCATORS	DEBT	440327AG9	1,330	2,800,000		PRN	DEFINED	1	X		
INCO LTD	DEBT	453258AT2	4,903	3,750,000		PRN	DEFINED	1	X		
INCO LTD.	DEBT	453258AM7	1,001	1,000,000		PRN	DEFINED	1	X		
INTL GAME TECHNOLOGY	DEBT	459902AL6	5,270	6,900,000		PRN	DEFINED	1	X		
INTL PAPER CO	DEBT	460146BM4	6,879	12,450,000		PRN	DEFINED	1	X		
IVAX CORP	DEBT	465823AG7	8,500	8,500,000		PRN	DEFINED	1	X		
KERR-MCGEE	DEBT	492386AP2	2,118	2,000,000		PRN	DEFINED	1	X		
LEGG MASON INC	DEBT	524901AG0	2,984	3,500,000		PRN	DEFINED	1	X		
LEHMAN BROTHERS HOLDINGS	DEBT	524908LS7	2,020	2,000,000		PRN	DEFINED	1	X		
LEHMAN BROTHERS HOLDINGS	DEBT	524908ML1	3,083	3,000,000		PRN	DEFINED	1	X		
LIBERTY MEDIA	DEBT	530715AR2	3,498	3,565,000		PRN	DEFINED	1	X		
LIBERTY MEDIA / AT&T CORP	DEBT	530715AG6	3,108	4,250,000		PRN	DEFINED	1	X		
LIBERTY MEDIA CORP	DEBT	530715AN1	2,123	2,250,000		PRN	DEFINED	1	X		
LOCKHEED MARTIN CORP	DEBT	539830AP4	5,173	5,000,000		PRN	DEFINED	1	X		
LOWES COMPANIES	DEBT	548661CF2	3,329	3,500,000		PRN	DEFINED	1	X		
LOWE'S COMPANIES INC	DEBT	548661CG0	7,104	6,750,000		PRN	DEFINED	1	X		
MANPOWER INC	DEBT	56418HAC4	1,393	2,000,000		PRN	DEFINED	1	X		
MEDIMMUNE INC	DEBT	584699AE2	3,825	4,000,000		PRN	DEFINED	1	X		
MEDTRONIC INC	DEBT	585055AB2	11,427	11,300,000		PRN	DEFINED	1	X		
MORGAN STANLEY	DEBT	617446GR4	2,294	2,500,000		PRN	DEFINED	1	X		
ODYSSEY RE HOLDINGS	DEBT	67612WAB4	2,423	2,000,000		PRN	DEFINED	1	X		
OMNICOM GROUP	DEBT	681919AR7	6,508	6,500,000		PRN	DEFINED	1	X		
PLACER DOME INC	DEBT	725906AK7	920	750,000		PRN	DEFINED	1	X		
PMI GROUP INC	DEBT	69344MAE1	4,912	4,450,000		PRN	DEFINED	1	X		
PPL ENERGY SUPPLY LLC	DEBT	69352JAE7	2,803	2,500,000		PRN	DEFINED	1	X		
RADIAN GROUP INC	DEBT	750236AF8	1,523	1,500,000		PRN	DEFINED	1	X		
REEBOK INTL LTD	DEBT	758110AH3	3,806	3,500,000		PRN	DEFINED	1	X		
TEVA PHARMACEUT FIN BV	DEBT	88164MAB4	5,374	3,700,000		PRN	DEFINED	1	X		
TEVA PHARMACEUT FIN BV	DEBT	88164RAB3	2,030	2,000,000		PRN	DEFINED	1	X		
TJX COMPANIES	DEBT	872540AL3	1,755	2,000,000		PRN	DEFINED	1	X		
TRANSOCEAN SEDCO FOREX	DEBT	893830AD1	4,015	4,050,000		PRN	DEFINED	1	X		
TYCO INTL GROUP SA	DEBT	902118BF4	9,431	5,950,000		PRN	DEFINED	1	X		
UNIV HEALTH SVCS	DEBT	913903AL4	4,437	7,700,000		PRN	DEFINED	1	X		
WALT DISNEY COMPANY	DEBT	254687AU0	11,125	10,000,000		PRN	DEFINED	1	X		
WATSON PHARMACEUTICALS	DEBT	942683AC7	1,288	1,250,000		PRN	DEFINED	1	X		
WEATHERFORD INT'L	DEBT	947074AB6	4,288	6,700,000		PRN	DEFINED	1	X		
WORLD COLOR PRESS, INC., CONVERTIBLE	DEBT	981443AA2	1,025	1,000,000		PRN	DEFINED	1	X		

"STOCK"	5	12,867	425,000
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DEBT	75	262,341	280,990,000
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REPORT TOTALS	80	275,208	281,415,000
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