

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

Form 13F

FORM 13F COVER PAGE

Report for the Calendar Year or Quarter Ended: JUNE 30, 2007

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:

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/s/ PAUL SCHUTT                      NORTHBROOK, IL.                      08/14/2007  
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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: 63  
Form 13F Information Table Value Total: 456,136 (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
DIAMOND OFFSHORE DRILLING INC	COMMON	25271C102	609.36	6,000.00	SH		DEFINED	1	X		
REINSURANCE GROUP AMERICA INC	COMMON	759351109	4,740.89	78,700.00	SH		DEFINED	1	X		
SVB FINANCIAL GROUP	COMMON	78486Q101	2,974.16	56,000.00	SH		DEFINED	1	X		
TRAVELERS COMPANIES INC	COMMON	89417E109	2,675.00	50,000.00	SH		DEFINED	1	X		
3M COMPANY 0% 11/21/2032	DEBT	88579YAB7	14,960.75	16,600,000.00	PRN		DEFINED	1	X		
AFFILIATED MANAGERS GRP 2.793750% 02/25/2033	DEBT	008252AE8	1,143.94	350,000.00	PRN		DEFINED	1	X		
ALLERGAN INC 1.500000% 04/01/2026	DEBT	018490AL6	4,230.00	4,000,000.00	PRN		DEFINED	1	X		
ALZA CORP 0% 07/28/2020	DEBT	02261WAB5	5,077.50	6,000,000.00	PRN		DEFINED	1	X		
AMDOCS LIMITED .500000% 03/15/2024	DEBT	02342TAD1	8,001.88	7,750,000.00	PRN		DEFINED	1	X		
AMERICAN FINANCIAL GROUP 1.486100% 06/02/2033	DEBT	025932AD6	7,778.13	13,100,000.00	PRN		DEFINED	1	X		
AMGEN INC .375000% 02/01/2013	DEBT	031162AQ3	3,993.75	4,500,000.00	PRN		DEFINED	1	X		
AON CORP 3.500000% 11/15/2012	DEBT	037389AT0	744.84	375,000.00	PRN		DEFINED	1	X		
BEST BUY 2.250000% 01/15/2022	DEBT	086516AF8	10,307.50	9,500,000.00	PRN		DEFINED	1	X		
BLACKROCK INC 2.625000% 02/15/2035	DEBT	09247XAB7	7,510.94	4,750,000.00	PRN		DEFINED	1	X		
BRISTOL-MYERS SQUIBB 2.510000% 09/15/2023	DEBT	110122AN8	15,693.75	15,500,000.00	PRN		DEFINED	1	X		
CAMERON INTL CORP 2.500000% 06/15/2026	DEBT	13342BAB1	13,986.88	11,500,000.00	PRN		DEFINED	1	X		
CARNIVAL CORP 1.132000% 04/29/2033	DEBT	143658AV4	9,932.50	14,500,000.00	PRN		DEFINED	1	X		
CARNIVAL CORP 2.000000% 04/15/2021	DEBT	143658AN2	6,312.50	5,000,000.00	PRN		DEFINED	1	X		
CENTERPOINT ENERGY INC 3.750000% 05/15/2023	DEBT	15189TAM9	11,031.63	7,100,000.00	PRN		DEFINED	1	X		
CENTURYTEL INC 4.750000% 08/01/2032	DEBT	156700AH9	3,106.25	2,500,000.00	PRN		DEFINED	1	X		
COSTCO WHOLESALE CORP 0% 08/19/2017	DEBT	22160QAC6	425.20	320,000.00	PRN		DEFINED	1	X		
DANAHER CORP 0% 01/22/2021	DEBT	235851AF9	12,527.56	11,350,000.00	PRN		DEFINED	1	X		
DEVON ENERGY CORPORATION 4.900000% 08/15/2008	DEBT	25179MAA1	10,221.25	6,500,000.00	PRN		DEFINED	1	X		
DEVON ENERGY CORPORATION 4.950000% 08/15/2008	DEBT	25179MAB9	1,729.75	1,100,000.00	PRN		DEFINED	1	X		
DOMINION RESOURCES INC 2.125000% 12/15/2023	DEBT	25746UAT6	6,983.28	5,975,000.00	PRN		DEFINED	1	X		
FISHER SCIENTIFIC INTL 3.250000% 03/01/2024	DEBT	338032AX3	10,706.25	7,500,000.00	PRN		DEFINED	1	X		
FLUOR CORP 1.500000% 02/15/2024	DEBT	343412AA0	698.69	350,000.00	PRN		DEFINED	1	X		
GENZYME CORP 1.250000% 12/01/2023	DEBT	372917AN4	11,970.00	11,400,000.00	PRN		DEFINED	1	X		
HARRIS CORP 3.500000% 08/15/2022	DEBT	413875AH8	724.13	300,000.00	PRN		DEFINED	1	X		
HASBRO INC 2.750000% 12/01/2021	DEBT	418056AN7	7,214.63	4,950,000.00	PRN		DEFINED	1	X		
HCC INSURANCE HOLDINGS 1.300000% 04/01/2023	DEBT	404132AB8	10,813.53	7,325,000.00	PRN		DEFINED	1	X		
HENRY SCHEIN INC 3.000000% 08/15/2034	DEBT	806407AB8	448.00	350,000.00	PRN		DEFINED	1	X		
HEWLETT-PACKARD CO 0% 10/14/2017	DEBT	428236AC7	6,813.63	9,100,000.00	PRN		DEFINED	1	X		
INTEL CORP 2.950000% 12/15/2035	DEBT	458140AD2	5,817.88	6,100,000.00	PRN		DEFINED	1	X		
INTL GAME TECHNOLOGY 2.600000% 12/15/2036	DEBT	459902AP7	18,014.38	18,500,000.00	PRN		DEFINED	1	X		
IVAX CORP 4.500000% 05/15/2008	DEBT	465823AG7	3,048.75	3,000,000.00	PRN		DEFINED	1	X		
LABORATORY CORP AMERICA HOLDINGS	DEBT	50540RAG7	12,998.38	12,350,000.00	PRN		DEFINED	1	X		
LEHMAN BROTHERS HOLDINGS .250000% 05/08/2010	DEBT	524908FN5	1,480.05	1,500,000.00	PRN		DEFINED	1	X		
LIBERTY MEDIA CORP 3.250000% 03/15/2031	DEBT	530715AR2	1,278.75	1,500,000.00	PRN		DEFINED	1	X		
LOCKHEED MARTIN CORP 3.018130% 08/15/2033	DEBT	539830AP4	13,434.00	10,000,000.00	PRN		DEFINED	1	X		
LOWE'S COMPANIES INC .861000% 10/19/2021	DEBT	548661CG0	12,572.50	11,750,000.00	PRN		DEFINED	1	X		
MANOR CARE INC 2.125000% 08/01/2035	DEBT	564055AM3	13,361.13	8,900,000.00	PRN		DEFINED	1	X		
MEDTRONIC INC 1.625000% 04/15/2013	DEBT	585055AM8	6,300.00	6,000,000.00	PRN		DEFINED	1	X		
MERRILL LYNCH & CO 0% 03/13/2032	DEBT	590188W46	11,042.10	9,000,000.00	PRN		DEFINED	1	X		
NABORS INDUSTRIES INC .940000% 05/15/2011	DEBT	629568AP1	6,337.50	6,500,000.00	PRN		DEFINED	1	X		
NABORS INDUSTRIES INC 0% 06/15/2023	DEBT	629568AL0	1,071.25	1,000,000.00	PRN		DEFINED	1	X		
NEXTEL COMMUNIC OMNICOM GROUP 0%	DEBT	65332VAY9	13,167.19	13,250,000.00	PRN		DEFINED	1	X		

07/01/2038	DEBT	681919AT3	9,211.88	8,500,000.00	PRN	DEFINED	1	X
PRUDENTIAL FINANCIAL INC 2.940000% 12/12/2036	DEBT	744320AG7	12,885.00	12,500,000.00	PRN	DEFINED	1	X
RPM INTERNATIONAL INC. 1.389000% 05/13/2033	DEBT	749685AK9	5,640.38	8,900,000.00	PRN	DEFINED	1	X
SAVVIS INC 3.000000% 05/15/2012	DEBT	805423AA8	507.50	500,000.00	PRN	DEFINED	1	X
SCHLUMBERGER LIMITED 2.125000% 06/01/2023	DEBT	806857AD0	1,278.00	600,000.00	PRN	DEFINED	1	X
SCIELE PHARMA INC 2.625000% 05/15/2027	DEBT	808627AA1	1,020.00	1,000,000.00	PRN	DEFINED	1	X
SLM CORP 3.110630% 07/25/2035	DEBT	78442PAC0	9,990.00	10,000,000.00	PRN	DEFINED	1	X
TEVA PHARMACEUT FIN BV .375000% 11/15/2022	DEBT	88164MAB4	1,917.50	1,000,000.00	PRN	DEFINED	1	X
TEVA PHARMACEUT FIN BV 1.750000% 02/01/2026	DEBT	88165FAA0	2,988.75	3,000,000.00	PRN	DEFINED	1	X
TEVA PHARMACEUT FIN LLC .250000% 02/01/2024	DEBT	88164RAB3	5,357.00	4,400,000.00	PRN	DEFINED	1	X
TJX COMPANIES INC 0% 02/13/2021	DEBT	872540AL3	9,620.63	10,500,000.00	PRN	DEFINED	1	X
TRANSOCEAN INC 1.500000% 05/15/2021	DEBT	893830AD1	12,558.75	8,500,000.00	PRN	DEFINED	1	X
US BANCORP INC 3.600000% 09/20/2036	DEBT	902973AQ9	4,973.00	5,000,000.00	PRN	DEFINED	1	X
WALT DISNEY COMPANY 2.125000% 04/15/2023	DEBT	254687AU0	12,873.13	10,750,000.00	PRN	DEFINED	1	X
WELLS FARGO COMPANY 4.898750% 05/01/2033	DEBT	949746FA4	13,748.63	13,750,000.00	PRN	DEFINED	1	X
WYETH 2.390000% 01/15/2024	DEBT	983024AD2	15,554.00	13,750,000.00	PRN	DEFINED	1	X
"STOCK"			4	10,999				190,700
DEBT			59	445,137				411,545,000
REPORT TOTALS			63	456,136				411,735,700