

Form 13F

FORM 13F COVER PAGE

Report for the Calendar Year or Quarter Ended: SEPTEMBER 30, 2005

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: JAMES ZILS
Title: VICE PRESIDENT INVESTMENT OPERATIONS
Phone: 847-402-3073

Signature, Place, and Date of Signing:

/s/ JAMES ZILS NORTHBROOK, IL. 11/10/2005

[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 hgoldings 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: 86
Form 13F Information Table Value Total: 316,693 (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	INVTMT DSCRETN	OTHER MANAGERS	VOTING AUTHORITY		
									SOLE	SHARED	NONE
3M COMPANY	COMMON	88579Y101	917	12,500			DEFINED	1			X
COMMERCE BANCORP INC	COMMON	200519106	614	20,000			DEFINED	1			X
GENERAL MOTORS	REDEEMABLE										
	P/S	370442741	2,145	90,000			DEFINED	1			X
JOHNSON & JOHNSON	COMMON	478160104	1,044	16,500			DEFINED	1			X
NORTHROP GRUMMAN CORP	COMMON	666807102	1,087	20,000			DEFINED	1			X
TRAVELERS PPTY CASUALTY	REDEEMABLE										
	P/S	89420G307	8,577	356,500			DEFINED	1			X
3M COMPANY 0% 11/21/2032	DEBT	88579YAB7	3,708	4,262,000			DEFINED	1			X
AFFILIATED MANAGERS GRP 0% 05/07/2021	DEBT	008252AC2	1,251	1,000,000			DEFINED	1			X
AFFILIATED MANAGERS GRP 2.793750% 02/25/2033	DEBT	008252AE8	1,169	700,000			DEFINED	1			X
ALLERGAN INC 0% 11/06/2022	DEBT	018490AE2	633	600,000			DEFINED	1			X
ALZA CORP 0% 07/28/2020	DEBT	02261WAB5	3,562	4,100,000			DEFINED	1			X
AMDOCS LIMITED .500000% 03/15/2024	DEBT	02342TAD1	3,878	4,250,000			DEFINED	1			X
AMERICAN EXPRESS 1.850000% 12/01/2033	DEBT	025816AS8	6,594	6,250,000			DEFINED	1			X
AMERICAN INTL GROUP .500000% 05/15/2007	DEBT	026874AN7	3,286	3,500,000			DEFINED	1			X
AMERICAN INTL GROUP 0% 11/09/2031	DEBT	026874AP2	6,990	10,375,000			DEFINED	1			X
AMGEN INC 0% 03/01/2032	DEBT	031162AL4	5,934	7,500,000			DEFINED	1			X
AON CORP 3.500000% 11/15/2012	DEBT	037389AT0	458	300,000			DEFINED	1			X
ARROW ELECTRONIC INC 0% 02/21/2021	DEBT	042735AY6	3,789	7,000,000			DEFINED	1			X
AXCAN PHARMA INC 4.250000% 04/15/2008	DEBT	054923AB3	382	350,000			DEFINED	1			X
CARNIVAL CORP 0% 10/24/2021	DEBT	143658AS1	1,038	1,250,000			DEFINED	1			X
CARNIVAL CORP 1.132000% 04/29/2033	DEBT	143658AV4	3,713	5,000,000			DEFINED	1			X
CARNIVAL CORP 2.000000% 04/15/2021	DEBT	143658AN2	3,002	2,300,000			DEFINED	1			X
CBRL GROUP INC 0% 04/03/2032	DEBT	12489VAB2	1,601	3,500,000			DEFINED	1			X
CENTURYTEL INC 4.750000% 08/01/2032	DEBT	156700AH9	2,085	2,000,000			DEFINED	1			X
CHIRON CORP 1.625000% 08/01/2033	DEBT	170040AG4	2,933	3,000,000			DEFINED	1			X
COOPER CAMERON CORP 1.500000% 05/15/2024	DEBT	216640AE2	1,203	1,000,000			DEFINED	1			X
COSTCO WHOLESALE CORP 0% 08/19/2017	DEBT	221600AC6	4,900	5,000,000			DEFINED	1			X
CSX CORP 0% 10/30/2021	DEBT	126408GA5	6,424	7,050,000			DEFINED	1			X
DANAHER CORP 0% 01/22/2021	DEBT	235851AF9	5,591	7,000,000			DEFINED	1			X
DEVON ENERGY CORPORATION 4.900000% 08/15/2008	DEBT	25179MAA1	7,073	5,750,000			DEFINED	1			X
DEVON ENERGY CORPORATION 4.950000% 08/15/2008	DEBT	25179MAB9	1,353	1,100,000			DEFINED	1			X
DIAMOND OFFSHORE DRILL 1.500000% 04/15/2031	DEBT	25271CAE2	3,945	3,000,000			DEFINED	1			X
DOMINION RESOURCES INC 2.125000% 12/15/2023	DEBT	25746UAT6	4,425	3,750,000			DEFINED	1			X
DUKE ENERGY CORP 1.750000% 05/15/2023	DEBT	264399EJ1	5,848	4,750,000			DEFINED	1			X
EASTMAN KODAK CO 3.375000% 10/15/2033	DEBT	277461BE8	1,466	1,500,000			DEFINED	1			X
ELECTRONCIS FOR IMAGING 1.500000% 06/01/2023	DEBT	286082AA0	2,055	2,000,000			DEFINED	1			X
FLUOR CORP 1.500000% 02/15/2024	DEBT	343412AA0	2,485	2,000,000			DEFINED	1			X
FOUR SEASONS HTL 1.875000% 07/30/2024	DEBT	35100EAE4	1,028	1,000,000			DEFINED	1			X
FRANKLIN RESOURCES INC 0% 05/11/2031	DEBT	354613AC5	4,324	5,500,000			DEFINED	1			X
GATX CORP 7.500000% 02/01/2007	DEBT	361448AC7	623	500,000			DEFINED	1			X
GENERAL MILLS INC 0% 10/28/2022	DEBT	370334AU8	1,778	2,500,000			DEFINED	1			X
GENZYME CORP 1.250000% 12/01/2023	DEBT	372917AN4	3,152	2,750,000			DEFINED	1			X
GREATER BAY BANCORP 0% 03/23/2024	DEBT	391648AP7	1,790	2,000,000			DEFINED	1			X
HARRIS CORP 3.500000% 08/15/2022	DEBT	413875AH8	1,031	550,000			DEFINED	1			X
HASBRO INC 2.750000% 12/01/2021	DEBT	418056AN7	1,068	1,000,000			DEFINED	1			X
HCC INSURANCE HOLDINGS 1.300000% 04/01/2023	DEBT	404132AB8	4,772	3,750,000			DEFINED	1			X
HEALTH MANAGEMENT ASSOC 1.500000% 08/01/2023	DEBT	421933AF9	3,098	3,000,000			DEFINED	1			X
HEWLETT-PACKARD CO 0% 10/14/2017	DEBT	428236AC7	3,238	5,500,000			DEFINED	1			X
HILTON HOTELS CORP 3.375000% 04/15/2023	DEBT	432848AZ2	5,421	4,750,000			DEFINED	1			X
INCO LTD 1.000000% 03/14/2023	DEBT	453258AT2	4,568	3,000,000			DEFINED	1			X
INTL GAME TECHNOLOGY 0% 01/29/2033	DEBT	459902AL6	5,715	9,000,000			DEFINED	1			X
INTL PAPER CO 0% 06/20/2021	DEBT	460146BM4	6,910	12,450,000			DEFINED	1			X
IVAX CORP 4.500000% 05/15/2008	DEBT	465823AG7	8,489	8,500,000			DEFINED	1			X
KELLWOOD CO 3.500000% 06/15/2034	DEBT	488044AF5	2,531	3,000,000			DEFINED	1			X
LEAR CORP 0% 02/20/2022	DEBT	521865AG0	1,122	2,500,000			DEFINED	1			X
LEHMAN BROTHERS HOLDINGS .250000% 05/08/2010	DEBT	524908FN5	1,735	2,000,000			DEFINED	1			X
LEHMAN BROTHERS HOLDINGS .750000% 02/11/2011	DEBT	524908LS7	1,901	2,000,000			DEFINED	1			X
LIBERTY MEDIA CORP 3.250000% 03/15/2031	DEBT	530715AR2	2,414	3,115,000			DEFINED	1			X
LOCKHEED MARTIN CORP 3.018130% 08/15/2033	DEBT	539830AP4	5,844	5,600,000			DEFINED	1			X
LOWE'S COMPANIES INC .861000% 10/19/2021	DEBT	548661CG0	7,636	6,750,000			DEFINED	1			X
LOWE'S COMPANIES INC 0% 02/16/2021	DEBT	548661CF2	2,653	2,500,000			DEFINED	1			X
MASCO CORP 0% 07/20/2031	DEBT	574599BB1	6,193	13,500,000			DEFINED	1			X

MEDIMMUNE INC 1.000000% 07/15/2023	DEBT	584699AE2	3,880	4,000,000	PRN	DEFINED	1	X
MEDTRONIC INC 1.250000% 09/15/2021	DEBT	585055AD8	11,286	11,300,000	PRN	DEFINED	1	X
MERRILL LYNCH & CO 0% 03/13/2032	DEBT	590188W46	10,467	10,300,000	PRN	DEFINED	1	X
MORGAN STANLEY 1.250000% 12/30/2008	DEBT	617446GR4	2,244	2,500,000	PRN	DEFINED	1	X
NABORS INDUSTRIES INC 0% 06/15/2023	DEBT	629568AL0	1,136	1,000,000	PRN	DEFINED	1	X
NEWS AMERICA INC 0% 02/28/2021	DEBT	652482AZ3	7,881	13,500,000	PRN	DEFINED	1	X
NEXTEL COMMUNIC	DEBT	65332VAY9	2,015	2,000,000	PRN	DEFINED	1	X
ODYSSEY RE HOLDINGS 4.375000%								
06/15/2022	DEBT	67612WAB4	2,393	2,000,000	PRN	DEFINED	1	X
OMNICOM GROUP 0% 06/15/2033	DEBT	681919AR7	7,341	7,500,000	PRN	DEFINED	1	X
PLACER DOME INC 2.750000% 10/15/2023	DEBT	725906AK7	1,676	1,500,000	PRN	DEFINED	1	X
PMI GROUP INC 2.500000% 07/15/2021	DEBT	69344MAE1	5,138	5,000,000	PRN	DEFINED	1	X
PPL ENERGY SUPPLY LLC 2.625000%								
05/15/2023	DEBT	69352JAE7	3,250	2,500,000	PRN	DEFINED	1	X
REEBOK INTL LTD 2.000000% 05/01/2024	DEBT	758110AH3	2,235	2,000,000	PRN	DEFINED	1	X
SCHLUMBERGER LIMITED 2.125000%								
06/01/2023	DEBT	806857AD0	1,179	1,000,000	PRN	DEFINED	1	X
SLM CORP 3.110630% 07/25/2035	DEBT	78442PAC0	5,120	5,000,000	PRN	DEFINED	1	X
TEVA PHARMACEUT FIN BV .375000%								
11/15/2022	DEBT	88164MAB4	5,222	3,350,000	PRN	DEFINED	1	X
TEVA PHARMACEUT FIN LLC .250000%								
02/01/2024	DEBT	88164RAB3	2,991	2,900,000	PRN	DEFINED	1	X
TJX COMPANIES INC 0% 02/13/2021	DEBT	872540AL3	4,208	5,500,000	PRN	DEFINED	1	X
TRANSOCEAN INC 1.500000% 05/15/2021	DEBT	893830AD1	3,094	3,000,000	PRN	DEFINED	1	X
TYCO INTL GROUP SA 3.125000%								
01/15/2023	DEBT	902118BG2	10,061	7,600,000	PRN	DEFINED	1	X
UNIVERSAL HEALTH SVCS .426000%								
06/23/2020	DEBT	913903AL4	3,190	5,500,000	PRN	DEFINED	1	X
WALT DISNEY COMPANY 2.125000%								
04/15/2023	DEBT	254687AU0	11,179	11,000,000	PRN	DEFINED	1	X
WORLD COLOR PRESS, INC., CONVERTIBLE	DEBT	981443AA2	999	1,000,000	PRN	DEFINED	1	X
WYETH 2.390000% 01/15/2024	DEBT	983024AD2	2,321	2,250,000	PRN	DEFINED	1	X

"STOCK"		6	14,384	515,500				
DEBT		80	302,309	331,052,000				
REPORT TOTALS		86	316,693	331,567,500				