

**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 27, 2006**

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))

Section 1 — Registrant's Business and Operations

Item 1.01. Entry into a Material Definitive Agreement

On December 27, 2006, the Registrant issued an intercompany note in the amount of \$500,000,000 payable to its parent, Allstate Insurance Company, on demand and, in any event, by March 30, 2007. A copy of the intercompany note is attached as Exhibit 10.1 to this report.

Section 2 — Financial Information

Item 2.03 Creation of a Direct Financial Obligation or an Obligation under an Off-Balance Sheet Arrangement of a Registrant.

On December 27, 2006, the Registrant issued an intercompany note in the amount of \$500,000,000 payable to its parent, Allstate Insurance Company, on demand and, in any event, by March 30, 2007. A copy of the intercompany note is attached as Exhibit 10.1 to this report.

Section 9 — Financial Statements and Exhibits

Item 9.01. Financial Statements and Exhibits.

(d) Exhibits

<u>Exhibit No.</u>	<u>Description</u>
10.1	Intercompany Note

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: December 28, 2006

ALLSTATE LIFE INSURANCE COMPANY
ALLSTATE INSURANCE COMPANY

INTERCOMPANY NOTE

Amount: \$500,000,000.00
Date of Issuance: December 27, 2006
Northbrook, Illinois

Allstate Life Insurance Company (the "Borrower"), for value received, promises to pay to the order of Allstate Insurance Company (the "Lender"), or its assigns, the outstanding balance of the principal sum of FIVE HUNDRED MILLION DOLLARS (\$500,000,000.00) in cash upon demand of the Lender and, in any event, by March 30, 2007, and to pay interest on the unpaid principal amount of this Note outstanding from the date of issuance until this Note is paid in full at a rate equal to the rate that would be paid by The Allstate Corporation on the date of issuance of this Note for 30 day commercial paper. All principal and interest shall be paid at the principal corporate office of the Lender or such other place, which shall be acceptable to the Borrower, as the Lender shall designate in writing to the Borrower, in collected and immediately available funds in the lawful money of the United States of America.

The Borrower shall have the right at any time and from time to time to prepay all or any part of the principal balance of this Note without penalty provided that any and all such prepayments shall include accrued interest on the amount prepaid.

This note shall be governed by and construed in accordance with the laws of the State of Illinois.

IN WITNESS WHEREOF, the Borrower has caused this Note to be executed in its name and attested to by its authorized officer, and its corporate seal to be hereunto affixed, all as of the date first written above.

ALLSTATE LIFE INSURANCE COMPANY

(CORPORATE SEAL)

By: /s/ Steven C. Verney
Name: Steven C. Verney
Title: Treasurer

Attest: Mary J. McGinn
