

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

Form 13F
Form 13F COVER PAGE

Report for the Calendar Year or Quarter Ended: 12/31/2009
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 investment 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.

Persons 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:

/s/ PAUL SCHUTT NORTHBROOK, IL. 2/11/2010

[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: 1
Form 13F Information Table Entry Total: 43
Form 13F Information Table Value Total: \$ 294,425

(In Thousands)

List of Other Included Managers:

Provide a numbered list of the name(s) and 13F file number(s) of all institutional investment managers with respect to which this report is filed, other than the manager filing this report.

No. Form 13F File Number Name
1 028-10298 ALLSTATE INVESTMENTS LLC

FORM 13F INFORMATION TABLE

COLUMN 1	COLUMN 2	COLUMN 3	COLUMN 4	COLUMN 5	COLUMN 6	COLUMN 7	COLUMN 8			
NAME OF ISSUER	TITLE OF CLASS	CUSIP	VALUE (x\$1000)	SHRS OR PRN AMT	SH/ PUT/ PRN CALL	INVESTMENT DISCRETION	OTHER MANAGERS	VOTING SOLE	AUTHORITY SHARED	NONE
3M COMPANY 0% 11/21/2032	DEBT	88579YAB7	9,924	11,198,000	PRN	DEFINED	1	X	0	0
AFFILIATED MANAGERS GROU 3.950000% 08/15/2038	DEBT	008252AL2	11,095	11,250,000	PRN	DEFINED	1	X	0	0
ALLEGHENY TECHNOLOGIES 4.250000% 06/01/2014	DEBT	01741RAD4	10,608	7,750,000	PRN	DEFINED	1	X	0	0
ALLERGAN INC 1.500000% 04/01/2026	DEBT	018490AL6	13,815	12,000,000	PRN	DEFINED	1	X	0	0
ALZA CORP 0% 07/28/2020	DEBT	02261WAB5	9,494	10,250,000	PRN	DEFINED	1	X	0	0
AMGEN INC .375000% 02/01/2013	DEBT	031162AQ3	13,081	13,000,000	PRN	DEFINED	1	X	0	0
ARCHER DANIELS .875000% 02/15/2014	DEBT	039483AW2	13,460	12,850,000	PRN	DEFINED	1	X	0	0
BECKMAN COULTER INC 2.500000% 12/15/2036	DEBT	075811AD1	11,450	10,000,000	PRN	DEFINED	1	X	0	0
BEST BUY 2.250000% 01/15/2022	DEBT	086516AF8	3,589	3,350,000	PRN	DEFINED	1	X	0	0
CAMERON INTL CORP 2.500000% 06/15/2026	DEBT	13342BAB1	16,155	12,000,000	PRN	DEFINED	1	X	0	0
CARNIVAL CORP 2.000000% 04/15/2021	DEBT	143658AN2	9,281	9,000,000	PRN	DEFINED	1	X	0	0
CHESAPEAKE ENERGY CORP 2.250000% 12/15/2038	DEBT	165167CB1	1,134	1,500,000	PRN	DEFINED	1	X	0	0
CMS ENERGY CORP 2.875000% 12/01/2024	DEBT	125896AW0	1,841	1,500,000	PRN	DEFINED	1	X	0	0
COSTCO WHOLESALE CORP 0% 08/19/2017	DEBT	22160QAC6	428	320,000	PRN	DEFINED	1	X	0	0
DANAHER CORP 0% 01/22/2021	DEBT	235851AF9	11,605	10,550,000	PRN	DEFINED	1	X	0	0
DOMINION RES INC VA	COMMON	25746U109	1,197	30,745	SH	DEFINED	1	X	0	0
DOMINION RESOURCES INC 2.125000% 12/15/2023	DEBT	25746UAT6	2,310	2,000,000	PRN	DEFINED	1	X	0	0
DST SYSTEMS INC 4.125000% 08/15/2023	DEBT	233326AB3	1,566	1,500,000	PRN	DEFINED	1	X	0	0
EMC CORP 1.750000% 12/01/2013	DEBT	268648AM4	14,264	11,400,000	PRN	DEFINED	1	X	0	0
FISHER SCIENTIFIC INTL 3.250000% 03/01/2024	DEBT	338032AX3	11,085	8,350,000	PRN	DEFINED	1	X	0	0
FLUOR CORP 1.500000% 02/15/2024	DEBT	343412AA0	283	175,000	PRN	DEFINED	1	X	0	0
HCC INSURANCE HOLDINGS 1.300000% 04/01/2023	DEBT	404132AB8	7,953	6,600,000	PRN	DEFINED	1	X	0	0
HENRY SCHEIN INC 3.000000% 08/15/2034	DEBT	806407AB8	1,183	1,000,000	PRN	DEFINED	1	X	0	0
HOLOGIC INC 2.000000% 12/01/2037	DEBT	436440AA9	854	1,000,000	PRN	DEFINED	1	X	0	0
INGERSOLL-RAND CO LTD 4.500000% 04/15/2012	DEBT	45687AAD4	2,053	1,000,000	PRN	DEFINED	1	X	0	0
INTEL CORP 2.950000% 12/15/2035	DEBT	458140AD2	13,124	13,600,000	PRN	DEFINED	1	X	0	0
JEFFERIES GROUP INC 3.875000% 11/01/2029	DEBT	472319AG7	2,963	3,000,000	PRN	DEFINED	1	X	0	0
LABORATORY CORP AMERICA HOLDINGS	DEBT	50540RAG7	6,293	6,246,000	PRN	DEFINED	1	X	0	0
LIBERTY MEDIA CORP 3.250000% 03/15/2031	DEBT	530715AR2	595	1,000,000	PRN	DEFINED	1	X	0	0
LIBERTY MEDIA LLC 3.125000% 03/30/2023	DEBT	530718AF2	1,509	1,500,000	PRN	DEFINED	1	X	0	0
MEDTRONIC INC 1.625000% 04/15/2013	DEBT	585055AM8	15,134	14,500,000	PRN	DEFINED	1	X	0	0
MYLAN LABORATORIES INC 1.250000% 03/15/2012	DEBT	628530AG2	1,038	1,000,000	PRN	DEFINED	1	X	0	0
NABORS INDUSTRIES INC .940000% 05/15/2011	DEBT	629568AP1	13,196	13,500,000	PRN	DEFINED	1	X	0	0
NASDAQ STOCK MARKET INC 2.500000% 08/15/2013	DEBT	631103AA6	2,344	2,500,000	PRN	DEFINED	1	X	0	0
OMNICOM GROUP INC 0% 07/01/2038	DEBT	681919AT3	11,299	11,500,000	PRN	DEFINED	1	X	0	0
RAYONIER TRS HOLDINGS IN 3.750000% 10/15/2012	DEBT	75508AAB2	4,250	4,000,000	PRN	DEFINED	1	X	0	0
SCHLUMBERGER LIMITED 2.125000% 06/01/2023	DEBT	806857AD0	327	200,000	PRN	DEFINED	1	X	0	0
SPDR S&P DEP RCPT TRADES AND QUOTES	COMMON	78462F103	2,979	26,729	SH	DEFINED	1	X	0	0
TEVA PHARMACEUT FIN BV 1.750000% 02/01/2026	DEBT	88165FAA0	9,121	7,400,000	PRN	DEFINED	1	X	0	0
TEVA PHARMACEUT FIN LLC .250000% 02/01/2024	DEBT	88164RAB3	4,401	2,700,000	PRN	DEFINED	1	X	0	0
TJX COMPANIES INC	COMMON	872540109	1,828	50,000	SH	DEFINED	1	X	0	0
TRANSOCEAN INC 1.500000% 12/15/2037	DEBT	893830AV1	14,958	15,500,000	PRN	DEFINED	1	X	0	0
US BANCORP 1.231250% 12/11/2035	DEBT	902973AM8	9,358	9,500,000.00	PRN	DEFINED	1	X	0	0

