

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, 2008

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:

/s/ PAUL SCHUTT NORTHBROOK, IL. 8/12/08

[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: 55

Form 13F Information Table Value Total: 361,966 (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 CLASS	CUSIP	VALUE (x\$1000)	SHRS OR PRN AMT	SH/ PRN	PUT/ CALL	INVESTMENT DISCRETION	OTHER MANAGERS	VOTING AUTHORITY SOLE SHARED NONE
AMERICAN FINANCIAL GROUP INC	COMMON	025932104	1,533	57,318	SH		DEFINED	1	X
REINSURANCE GROUP AMERICA INC	COMMON	759351109	3,917	90,000	SH		DEFINED	1	X
RPM INTERNATIONAL INC	COMMON	749685103	5,459	265,000	SH		DEFINED	1	X
TRAVELERS COMPANIES INC	COMMON	89417E109	434	10,000	SH		DEFINED	1	X
WACHOVIA CORP	NON-REDEEM P/S	929903219	8,593	9,750	SH		DEFINED	1	X
ALLERGAN INC 1.500000% 04/01/2026	DEBT	018490AL6	5,796	5,500,000	PRN		DEFINED	1	X
ALZA CORP 0% 07/28/2020	DEBT	02261WAB5	5,818	6,500,000	PRN		DEFINED	1	X
AMDOCS LIMITED .500000% 03/15/2024	DEBT	02342TAD1	7,595	7,750,000	PRN		DEFINED	1	X
AMGEN INC .375000% 02/01/2013	DEBT	031162AQ3	7,395	8,500,000	PRN		DEFINED	1	X
ARCHER DANIELS .875000% 02/15/2014	DEBT	039483AW2	1,006	1,000,000	PRN		DEFINED	1	X
AVNET INC 2.000000% 03/15/2034	DEBT	053807AL7	10,854	10,500,000	PRN		DEFINED	1	X
BECKMAN COULTER INC 2.500000% 12/15/2036	DEBT	075811AD1	1,106	1,000,000	PRN		DEFINED	1	X
BEST BUY 2.250000% 01/15/2022	DEBT	086516AF8	11,468	11,000,000	PRN		DEFINED	1	X
BRISTOL-MYERS SQUIBB 2.510000% 09/15/2023	DEBT	110122AN8	15,413	15,500,000	PRN		DEFINED	1	X
CAMERON INTL CORP 2.500000% 06/15/2026	DEBT	13342BAB1	13,237	7,850,000	PRN		DEFINED	1	X
CARNIVAL CORP 2.000000% 04/15/2021	DEBT	143658AN2	7,131	7,000,000	PRN		DEFINED	1	X
COSTCO WHOLESALE CORP 0% 08/19/2017	DEBT	22160QAC6	510	320,000	PRN		DEFINED	1	X
DANAHER CORP 0% 01/22/2021	DEBT	235851AF9	11,987	10,550,000	PRN		DEFINED	1	X
DOMINION RESOURCES INC 2.125000% 12/15/2023	DEBT	25746UAT6	9,619	7,500,000	PRN		DEFINED	1	X
ELEC DATA SYSTEM	DEBT	285661AF1	1,696	1,700,000	PRN		DEFINED	1	X
EMC CORP 1.750000% 12/01/2013	DEBT	268648AM4	2,111	1,850,000	PRN		DEFINED	1	X
FAIR ISAAC CORP 1.500000% 08/15/2023	DEBT	303250AD6	991	1,000,000	PRN		DEFINED	1	X
FISHER SCIENTIFIC INTL 3.250000% 03/01/2024	DEBT	338032AX3	12,629	8,350,000	PRN		DEFINED	1	X
FLUOR CORP 1.500000% 02/15/2024	DEBT	343412AA0	582	175,000	PRN		DEFINED	1	X
GENZYME CORP 1.250000% 12/01/2023	DEBT	372917AN4	10,399	9,400,000	PRN		DEFINED	1	X
HASBRO INC 2.750000% 12/01/2021	DEBT	418056AN7	9,441	5,700,000	PRN		DEFINED	1	X
HCC INSURANCE HOLDINGS 1.300000% 04/01/2023	DEBT	404132AB8	7,728	7,325,000	PRN		DEFINED	1	X
HOLOGIC INC 2.000000% 12/15/2037	DEBT	436440AA9	845	1,000,000	PRN		DEFINED	1	X
INTEL CORP 2.950000% 12/15/2035	DEBT	458140AD2	5,940	6,100,000	PRN		DEFINED	1	X
INTL GAME TECHNOLOGY 2.600000% 12/15/2036	DEBT	459902AP7	17,040	17,750,000	PRN		DEFINED	1	X
LABORATORY CORP AMERICA HOLDINGS	DEBT	50540RAG7	11,938	12,500,000	PRN		DEFINED	1	X
LEHMAN BROTHERS HOLDINGS .250000% 05/08/2010	DEBT	524908FN5	1,344	1,500,000	PRN		DEFINED	1	X
LIBERTY MEDIA CORP 3.250000% 03/15/2031	DEBT	530715AR2	640	1,000,000	PRN		DEFINED	1	X
LIBERTY MEDIA LLC 3.125000% 03/30/2023	DEBT	530718AF2	1,564	1,500,000	PRN		DEFINED	1	X
LOCKHEED MARTIN CORP 3.018130% 08/15/2033	DEBT	539830AP4	11,559	8,500,000	PRN		DEFINED	1	X
MEDTRONIC INC 1.625000% 04/15/2013	DEBT	585055AM8	9,084	8,500,000	PRN		DEFINED	1	X
MERRILL LYNCH & CO 0% 03/13/2032	DEBT	590188W46	15,521	15,250,000	PRN		DEFINED	1	X
MYLAN LABORATORIES INC 1.250000% 03/15/2012	DEBT	628530AG2	838	1,000,000	PRN		DEFINED	1	X
NABORS INDUSTRIES INC .940000% 05/15/2011	DEBT	629568AP1	11,070	9,000,000	PRN		DEFINED	1	X
NATIONAL CITY CORP 4.000000% 02/01/2011	DEBT	635405AW3	8,088	10,000,000	PRN		DEFINED	1	X
NEXTEL COMMUNIC	DEBT	65332VAY9	1,930	2,000,000	PRN		DEFINED	1	X
OMNICOM GROUP	DEBT	681919AK2	4,461	4,500,000	PRN		DEFINED	1	X
OMNICOM GROUP INC 0% 07/01/2038	DEBT	681919AT3	9,880	9,500,000	PRN		DEFINED	1	X
PRUDENTIAL FINANCIAL INC 2.940000% 12/12/2036	DEBT	744320AG7	6,818	7,000,000	PRN		DEFINED	1	X
PSS WORLD MEDICAL INC 2.250000% 03/15/2024	DEBT	69366AAB6	535	500,000	PRN		DEFINED	1	X
RAYONIER TRS HOLDINGS IN 3.750000% 10/15/2012	DEBT	75508AAB2	4,020	4,000,000	PRN		DEFINED	1	X
SANDISK CORP 1.000000% 05/15/2013	DEBT	80004CAC5	686	1,000,000	PRN		DEFINED	1	X
SCHLUMBERGER LIMITED 2.125000% 06/01/2023	DEBT	806857AD0	540	200,000	PRN		DEFINED	1	X
ST JUDE MEDICAL INC 1.220000% 12/15/2008	DEBT	790849AD5	1,980	2,000,000	PRN		DEFINED	1	X
TEVA PHARMACEUT FIN BV 1.750000% 02/01/2026	DEBT	88165FAA0	8,223	7,400,000	PRN		DEFINED	1	X
TEVA PHARMACEUT FIN LLC .250000% 02/01/2024	DEBT	88164RAB3	3,605	2,700,000	PRN		DEFINED	1	X
TJX COMPANIES INC 0% 02/13/2021	DEBT	872540AL3	12,118	11,500,000	PRN		DEFINED	1	X
TRANSOCEAN INC 1.500000% 12/15/2037	DEBT	893830AV1	12,430	11,000,000	PRN		DEFINED	1	X
US BANCORP INC 3.600000% 09/20/2036	DEBT	902973AQ9	9,913	10,000,000	PRN		DEFINED	1	X
WYETH 2.390000% 01/15/2024	DEBT	983024AD2	14,910	14,600,000	PRN		DEFINED	1	X

"STOCK" 5 19,937 432,068

DEBT 50 342,029 317,470,000

