

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

Form 13F

FORM 13F COVER PAGE

Report for the Calendar Year or Quarter Ended: MARCH 31, 2006

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.

5/9/2006

[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: 74

Form 13F Information Table Value Total: 324,438 (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
DUKE ENERGY CORP	COMMON	264399106	2,215	76,000	SH		DEFINED	1	X		
JOHNSON & JOHNSON	COMMON	478160104	977	16,500	SH		DEFINED	1	X		
PPL CORPORATION	COMMON	69351T106	1,764	60,000	SH		DEFINED	1	X		
TRAVELERS PPTY CASUALTY	REDEEMABLE P/S	89420G307	9,152	381,500	SH		DEFINED	1	X		
3M COMPANY 0% 11/21/2032	DEBT	88579YAB7	10,120	11,500,000	PRN		DEFINED	1	X		
AFFILIATED MANAGERS GRP 0% 05/07/2021	DEBT	008252AC2	1,859	1,000,000	PRN		DEFINED	1	X		
AFFILIATED MANAGERS GRP 2.793750% 02/25/2033	DEBT	008252AE8	874	350,000	PRN		DEFINED	1	X		
ALLERGAN INC 0% 11/06/2022	DEBT	018490AE2	743	600,000	PRN		DEFINED	1	X		
ALZA CORP 0% 07/28/2020	DEBT	02261WAB5	3,336	4,100,000	PRN		DEFINED	1	X		
AMDOCS LIMITED .500000% 03/15/2024	DEBT	02342TAD1	4,213	4,250,000	PRN		DEFINED	1	X		
AMERICAN EXPRESS 1.850000% 12/01/2033	DEBT	025816AS8	8,549	8,250,000	PRN		DEFINED	1	X		
AMERICAN INTL GROUP .500000% 05/15/2007	DEBT	026874AN7	2,820	3,000,000	PRN		DEFINED	1	X		
AMERICAN INTL GROUP 0% 11/09/2031	DEBT	026874AP2	7,068	10,375,000	PRN		DEFINED	1	X		
AMGEN INC 0% 03/01/2032	DEBT	031162AL4	3,531	4,700,000	PRN		DEFINED	1	X		
AON CORP 3.500000% 11/15/2012	DEBT	037389AT0	968	500,000	PRN		DEFINED	1	X		
BAUSCH & LOMB INC 4.421880% 08/01/2023	DEBT	071707AM5	2,624	2,000,000	PRN		DEFINED	1	X		
BLACKROCK INC 2.625000% 02/15/2035	DEBT	09247XAB7	2,828	2,000,000	PRN		DEFINED	1	X		
BRISTOL-MYERS SQUIBB 2.510000% 09/15/2023	DEBT	110122AN8	9,988	10,000,000	PRN		DEFINED	1	X		
CAESARS ENTERTAINMENT 3.598750% 04/15/2024	DEBT	127687AB7	4,163	3,100,000	PRN		DEFINED	1	X		
CARNIVAL CORP 1.132000% 04/29/2033	DEBT	143658AV4	6,650	9,500,000	PRN		DEFINED	1	X		
CARNIVAL CORP 2.000000% 04/15/2021	DEBT	143658AN2	2,216	1,800,000	PRN		DEFINED	1	X		
CENTERPOINT ENERGY INC 3.750000% 05/15/2023	DEBT	15189TAM9	2,649	2,400,000	PRN		DEFINED	1	X		
CENTURYTEL INC 4.750000% 08/01/2032	DEBT	156700AH9	2,113	2,000,000	PRN		DEFINED	1	X		
CHIRON CORP 1.625000% 08/01/2033	DEBT	170040AG4	3,895	4,000,000	PRN		DEFINED	1	X		
COOPER CAMERON CORP 1.500000% 05/15/2024	DEBT	216640AE2	1,923	1,400,000	PRN		DEFINED	1	X		
COSTCO WHOLESALE CORP 0% 08/19/2017	DEBT	22160QAC6	6,150	5,000,000	PRN		DEFINED	1	X		
CSX CORP 0% 10/30/2021	DEBT	126408GA5	7,596	7,050,000	PRN		DEFINED	1	X		
DANAHER CORP 0% 01/22/2021	DEBT	235851AF9	6,947	7,500,000	PRN		DEFINED	1	X		
DEVON ENERGY CORPORATION 4.900000% 08/15/2008	DEBT	25179MAA1	8,410	7,250,000	PRN		DEFINED	1	X		
DEVON ENERGY CORPORATION 4.950000% 08/15/2008	DEBT	25179MAB9	1,276	1,100,000	PRN		DEFINED	1	X		
DIAMOND OFFSHORE DRILL 1.500000% 04/15/2031	DEBT	25271CAE2	3,675	2,000,000	PRN		DEFINED	1	X		
DOMINION RESOURCES INC 2.125000% 12/15/2023	DEBT	25746UAT6	5,335	5,250,000	PRN		DEFINED	1	X		
DUKE ENERGY CORP 1.750000% 05/15/2023	DEBT	264399EJ1	2,458	2,000,000	PRN		DEFINED	1	X		
ELECTRONCIS FOR IMAGING 1.500000% 06/01/2023	DEBT	286082AA0	866	750,000	PRN		DEFINED	1	X		
FLUOR CORP 1.500000% 02/15/2024	DEBT	343412AA0	4,699	3,000,000	PRN		DEFINED	1	X		
FOUR SEASONS HTL 1.875000% 07/30/2024	DEBT	35100EAE4	1,895	2,000,000	PRN		DEFINED	1	X		
FRANKLIN RESOURCES INC 0% 05/11/2031	DEBT	354613AC5	4,854	5,500,000	PRN		DEFINED	1	X		
GATX CORP 7.500000% 02/01/2007	DEBT	361448AC7	1,901	1,500,000	PRN		DEFINED	1	X		
GENZYME CORP 1.250000% 12/01/2023	DEBT	372917AN4	2,987	2,750,000	PRN		DEFINED	1	X		
HARRIS CORP 3.500000% 08/15/2022	DEBT	413875AH8	632	300,000	PRN		DEFINED	1	X		
HASBRO INC 2.750000% 12/01/2021	DEBT	418056AN7	1,044	1,000,000	PRN		DEFINED	1	X		
HCC INSURANCE HOLDINGS 1.300000% 04/01/2023	DEBT	404132AB8	5,612	3,650,000	PRN		DEFINED	1	X		
HEALTH MANAGEMENT ASSOC 1.500000% 08/01/2023	DEBT	421933AF9	3,004	3,000,000	PRN		DEFINED	1	X		
HEWLETT-PACKARD CO 0% 10/14/2017	DEBT	428236AC7	3,506	5,500,000	PRN		DEFINED	1	X		
INCO LTD 1.094300% 03/14/2023	DEBT	453258AT2	956	600,000	PRN		DEFINED	1	X		
INTL PAPER CO 0% 06/20/2021	DEBT	460146BM4	7,034	12,450,000	PRN		DEFINED	1	X		
KELLWOOD CO 3.500000% 06/15/2034	DEBT	488044AF5	878	1,000,000	PRN		DEFINED	1	X		
LABORATORY CP LEHMAN BROTHERS HOLDINGS .250000% 05/08/2010	DEBT	50540RAC6	3,606	4,500,000	PRN		DEFINED	1	X		
	DEBT	524908FN5	1,820	2,000,000	PRN		DEFINED	1	X		

LIBERTY MEDIA CORP 3.250000% 03/15/2031	DEBT	530715AR2	2,328	3,115,000	PRN	DEFINED	1	X
LOCKHEED MARTIN CORP 3.018130% 08/15/2033	DEBT	539830AP4	8,215	7,100,000	PRN	DEFINED	1	X
LOWE'S COMPANIES INC .861000% 10/19/2021	DEBT	548661CG0	7,272	6,500,000	PRN	DEFINED	1	X
MANOR CARE INC 2.125000% 08/01/2035	DEBT	564055AM3	7,315	6,750,000	PRN	DEFINED	1	X
MASCO CORP 0% 07/20/2031	DEBT	574599BB1	10,120	22,000,000	PRN	DEFINED	1	X
MEDIMMUNE INC 1.000000% 07/15/2023	DEBT	584699AE2	3,940	4,000,000	PRN	DEFINED	1	X
MEDTRONIC INC 1.250000% 09/15/2021	DEBT	585055AD8	9,219	9,300,000	PRN	DEFINED	1	X
MERRILL LYNCH & CO 0% 03/13/2032	DEBT	590188W46	10,364	9,000,000	PRN	DEFINED	1	X
NABORS INDUSTRIES INC 0% 06/15/2023	DEBT	629568AL0	1,141	1,000,000	PRN	DEFINED	1	X
NEXTEL COMMUNIC 06/15/2023	DEBT	65332VAY9	7,250	7,250,000	PRN	DEFINED	1	X
OMNICO GROUP 0% 06/15/2033	DEBT	681919AR7	8,404	8,500,000	PRN	DEFINED	1	X
PMI GROUP INC 2.500000% 07/15/2021	DEBT	69344MAE1	5,604	5,250,000	PRN	DEFINED	1	X
RPM INTERNATIONAL INC. 1.389000% 05/13/2033	DEBT	749685AK9	3,055	5,750,000	PRN	DEFINED	1	X
SCHLUMBERGER LIMITED 2.125000% 06/01/2023	DEBT	806857AD0	2,939	1,800,000	PRN	DEFINED	1	X
SLM CORP 3.110630% 07/25/2035	DEBT	78442PAC0	6,557	6,500,000	PRN	DEFINED	1	X
ST JUDE MEDICAL INC 2.800000% 12/15/2035	DEBT	790849AB9	1,479	1,500,000	PRN	DEFINED	1	X
TEVA PHARMACEUT FIN BV .375000% 11/15/2022	DEBT	88164MAB4	2,873	1,500,000	PRN	DEFINED	1	X
TEVA PHARMACEUT FIN BV 1.750000% 02/01/2026	DEBT	88165FAA0	989	1,000,000	PRN	DEFINED	1	X
TEVA PHARMACEUT FIN LLC .250000% 02/01/2024	DEBT	88164RAB3	3,257	2,700,000	PRN	DEFINED	1	X
TJX COMPANIES INC 0% 02/13/2021	DEBT	872540AL3	6,063	7,250,000	PRN	DEFINED	1	X
TRANSOCEAN INC 1.500000% 05/15/2021	DEBT	893830AD1	4,495	4,000,000	PRN	DEFINED	1	X
TYCO INTL GROUP SA 3.125000% 01/15/2023	DEBT	902118BG2	9,326	7,300,000	PRN	DEFINED	1	X
UNIVERSAL HEALTH SVCS .426000% 06/23/2020	DEBT	913903AL4	3,648	6,250,000	PRN	DEFINED	1	X
WALT DISNEY COMPANY 2.125000% 04/15/2023	DEBT	254687AU0	11,811	11,000,000	PRN	DEFINED	1	X
WYETH 2.390000% 01/15/2024	DEBT	983024AD2	2,396	2,250,000	PRN	DEFINED	1	X

"STOCK" 4 14,109 534,000

DEBT 70 310,329 322,040,000

REPORT TOTALS 74 324,438 322,574,000
