

RLI CORP
Form 4
October 27, 2005

FORM 4

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

OMB APPROVAL

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STATEMENT OF CHANGES IN BENEFICIAL OWNERSHIP OF SECURITIES

Filed pursuant to Section 16(a) of the Securities Exchange Act of 1934, Section 17(a) of the Public Utility Holding Company Act of 1935 or Section 30(h) of the Investment Company Act of 1940

(Print or Type Responses)

1. Name and Address of Reporting Person *
MICHAEL JONATHAN E

(Last) (First) (Middle)

9025 N. LINDBERGH DRIVE

(Street)

PEORIA, IL 61615

(City) (State) (Zip)

2. Issuer Name and Ticker or Trading Symbol
RLI CORP [RLI]

3. Date of Earliest Transaction (Month/Day/Year)
10/25/2005

4. If Amendment, Date Original Filed (Month/Day/Year)

5. Relationship of Reporting Person(s) to Issuer

(Check all applicable)

Director 10% Owner
 Officer (give title below) Other (specify below)
President

6. Individual or Joint/Group Filing (Check Applicable Line)
 Form filed by One Reporting Person
 Form filed by More than One Reporting Person

Table I - Non-Derivative Securities Acquired, Disposed of, or Beneficially Owned

1. Title of Security (Instr. 3)	2. Transaction Date (Month/Day/Year)	2A. Deemed Execution Date, if any (Month/Day/Year)	3. Transaction Code (Instr. 8)	4. Securities Acquired (A) or Disposed of (D) (Instr. 3, 4 and 5)	5. Amount of Securities Beneficially Owned Following Reported Transaction(s) (Instr. 3 and 4)	6. Ownership Form: Direct (D) or Indirect (I) (Instr. 4)	7. Nature of Indirect Beneficial Ownership (Instr. 4)
			Code	V	Amount	(A) or (D)	Price
Common Stock	10/25/2005		M/K		2,250	A	\$ 9.15
							116,244.8889 (1)
Common Stock	10/25/2005		M/K		21,000	A	\$ 13
							137,244.8889 (1)
Common Stock	10/25/2005		M/K		4,864	A	\$ 15.7813
							142,108.8889 (1)
Common Stock	10/25/2005		M/K		1	A	\$ 21.1
							142,109.8889 (1)
Common Stock	10/25/2005		F/K		5,561	D	\$ 52.8
							136,548.8889 (1)

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Common Stock	10/25/2005	F/K	2,631	D	\$ 52.8	<u>133,917.8889</u> (1)	D	
Common Stock						<u>59,570.6644</u> (2)	I	By Empl. Stock Ownership Plan
Common Stock						<u>33,988.7959</u> (3)	I	By Key Employee Benefit Plan
Common Stock						<u>13,716.1072</u> (4)	I	By Trust

Reminder: Report on a separate line for each class of securities beneficially owned directly or indirectly.

Persons who respond to the collection of information contained in this form are not required to respond unless the form displays a currently valid OMB control number.

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Table II - Derivative Securities Acquired, Disposed of, or Beneficially Owned
(e.g., puts, calls, warrants, options, convertible securities)

1. Title of Derivative Security (Instr. 3)	2. Conversion or Exercise Price of Derivative Security	3. Transaction Date (Month/Day/Year)	3A. Deemed Execution Date, if any (Month/Day/Year)	4. Transaction Code (Instr. 8)	5. Number of Derivative Securities Acquired (A) or Disposed of (D) (Instr. 3, 4, and 5)	6. Date Exercisable and Expiration Date (Month/Day/Year)	7. Title and Amount of Underlying Securities (Instr. 3 and 4)		
				Code	V (A) (D)	Date Exercisable	Expiration Date	Title	Amount or Number of Shares
Option	\$ 15.9063					05/06/2000	05/06/2009	Common Stock	6,290
Stock Option	\$ 20.05					05/03/2002	05/03/2011	Common Stock	60,000
Stock Option	\$ 29.335					05/02/2003	05/02/2012	Common Stock	60,000
Stock Option	\$ 29.55					05/01/2004	05/01/2013	Common Stock	60,000
Stock Option	\$ 35.08					05/06/2005	05/06/2014	Common Stock	60,000
Stock Option	\$ 44.54					05/05/2006	05/05/2015	Common Stock	45,000
	\$ 9.15	10/25/2005		M/K	2,250	05/02/1997	05/02/2006		2,250

