

RLI CORP
Form 5
January 11, 2006

FORM 5

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

OMB APPROVAL

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Check this box if no longer subject to Section 16. Form 4 or Form 5 obligations may continue. See Instruction 1(b).
Form 3 Holdings Reported Form 4 Transactions Reported

ANNUAL 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

1. Name and Address of Reporting Person *
STEPHENS GERALD D

(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. Statement for Issuer's Fiscal Year Ended (Month/Day/Year)
12/31/2005

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)

6. Individual or Joint/Group Reporting

(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) | Amount or Price | 5. Amount of Securities Beneficially Owned at end of Issuer's Fiscal Year (Instr. 3 and 4) | 6. Ownership Form: Direct (D) or Indirect (I) (Instr. 4) | 7. Nature of Indirect Beneficial Ownership (Instr. 4) |
|---------------------------------|--------------------------------------|--|--------------------------------|---|-----------------|--|--|---|
| Common Stock | 01/21/2005 | Â | G | 100 D | \$ 40.58 | 884,519.2145 (1) | D | Â |
| Common Stock | 03/03/2005 | Â | J(2) | 70,517.46 A | \$ 0 | 1,005,827.6745 (1) | D | Â |
| Common Stock | 04/06/2005 | Â | G | 200 D | \$ 42.51 | 1,005,627.6745 (1) | D | Â |
| Common Stock | 06/17/2005 | Â | G | 100 D | \$ 46.35 | 1,005,707.4423 (1) | D | Â |
| Common Stock | 07/01/2005 | Â | G | 100 D | \$ 44.97 | 1,005,607.4423 (1) | D | Â |

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| | | | | | | | | | |
|--------------|------------|---|-------------------------|-----------|---|------------|------------------------------|---|--|
| Common Stock | 09/13/2005 | Â | G | 300 | D | \$ 0 | 1,006,038.0971 <u>(1)</u> | D | Â |
| Common Stock | 11/28/2005 | Â | G | 100 | D | \$ 53.02 | 1,006,140.1099 <u>(1)</u> | D | Â |
| Common Stock | 12/09/2005 | Â | G | 100 | D | \$ 52.46 | 1,006,040.1099 <u>(1)</u> | D | Â |
| Common Stock | 12/23/2005 | Â | G | 6,000 | D | \$ 51.25 | 1,000,040.1099 <u>(1)</u> | D | Â |
| Common Stock | Â | Â | Â | Â | Â | Â | 43.0052 | I | By Empl.St Ownership Plan |
| Common Stock | Â | Â | Â | Â | Â | Â | 18,293.3916 | I | By Executi Deferred Comp |
| Common Stock | Â | Â | Â | Â | Â | Â | 115,675.3541 <u>(3)</u> | I | By Key Em Benefit Plan |
| Common Stock | 04/06/2005 | Â | G | 100 | A | \$ 42.51 | 33,513.5574 <u>(4)</u> | I | By Trust fo Grandchild |
| Common Stock | 07/01/2005 | Â | G | 100 | A | \$ 44.97 | 33,722.3436 <u>(4)</u> | I | By Trust fo Grandchild |
| Common Stock | 09/13/2005 | Â | G | 300 | A | \$ 0 | 34,136.8508 <u>(4)</u> | I | By Trust fo Grandchild |
| Common Stock | 11/28/2005 | Â | G | 100 | A | \$ 53.02 | 34,359.7726 <u>(4)</u> | I | By Trust fo Grandchild |
| Common Stock | 12/09/2005 | Â | G | 100 | A | \$ 52.46 | 34,459.7726 <u>(4)</u> | I | By Trust fo Grandchild |
| Common Stock | Â | Â | Â | Â | Â | Â | 3,692 | I | By Trust fo Sister |
| Common Stock | 03/03/2005 | Â | <u>J</u> ⁽²⁾ | 4,639.64 | A | \$ 0 | 64,995 | I | By Wife |
| Common Stock | 01/18/2005 | Â | <u>J</u> ⁽⁵⁾ | 525.5238 | A | \$ 40.3546 | 152,006.5284 | I | G.D. Stephe Grantor Retained Annuity Tr |
| Common Stock | 03/03/2005 | Â | <u>J</u> ⁽²⁾ | 70,517.46 | D | \$ 0 | 81,489.0684 | I | G.D. Stephe Grantor Retained Annuity Tr |
| Common Stock | 04/18/2005 | Â | <u>J</u> ⁽⁵⁾ | 265.3137 | A | \$ 42.99 | 81,754.3821 | I | G.D. Stephe Grantor Retained Annuity Tr |

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| | | | | | | | | | |
|--------------|------------|---|------------------|----------|---|------------|-------------|---|---|
| Common Stock | 07/18/2005 | Â | J ⁽⁵⁾ | 278.4297 | A | \$ 46.98 | 82,032.8118 | I | G.D. Stephen Grantor Retained Annuity Trust |
| Common Stock | 10/17/2005 | Â | J ⁽⁵⁾ | 295.3812 | A | \$ 44.43 | 82,328.193 | I | G.D. Stephen Grantor Retained Annuity Trust |
| Common Stock | 01/18/2005 | Â | J ⁽⁵⁾ | 35.0349 | A | \$ 40.3546 | 10,133.7687 | I | H.M. Stephen Grantor Retained Annuity Trust |
| Common Stock | 03/03/2005 | Â | J ⁽²⁾ | 4,639.64 | D | \$ 0 | 5,494.1287 | I | H.M. Stephen Grantor Retained Annuity Trust |
| Common Stock | 04/18/2005 | Â | J ⁽⁵⁾ | 17.888 | A | \$ 42.99 | 5,512.0167 | I | H.M. Stephen Grantor Retained Annuity Trust |
| Common Stock | 07/18/2005 | Â | J ⁽⁵⁾ | 18.7722 | A | \$ 46.98 | 5,530.7889 | I | H.M. Stephen Grantor Retained Annuity Trust |
| Common Stock | 10/17/2005 | Â | J ⁽⁵⁾ | 19.9152 | A | \$ 44.43 | 5,550.7041 | I | H.M. Stephen Grantor Retained Annuity Trust |

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

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SEC 2270 (9-02)

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) | 8. D (Instr. 3) |
|--|--|--------------------------------------|--|--------------------------------|---|--|---|------------------|
| | | | | | (A) (D) | Date Exercisable Expiration Date | Title | Amount or Number |

| | | | | | | | | | | of Shares |
|--------------|------------|---|---|---|---|---|------------|------------|--------------|-----------|
| Option | \$ 15.9063 | Â | Â | Â | Â | Â | 05/06/2000 | 05/06/2009 | Common Stock | 61,400 |
| Stock Option | \$ 9.15 | Â | Â | Â | Â | Â | 05/02/1997 | 05/02/2006 | Common Stock | 54,252 |
| Stock Option | \$ 13 | Â | Â | Â | Â | Â | 05/01/1998 | 05/01/2007 | Common Stock | 83,002 |
| Stock Option | \$ 15.7813 | Â | Â | Â | Â | Â | 05/04/2001 | 05/04/2010 | Common Stock | 56,000 |
| Stock Option | \$ 20.05 | Â | Â | Â | Â | Â | 05/03/2001 | 05/03/2011 | Common Stock | 1,800 |
| Stock Option | \$ 21.1 | Â | Â | Â | Â | Â | 05/07/1999 | 05/07/2008 | Common Stock | 82,500 |
| Stock Option | \$ 29.405 | Â | Â | Â | Â | Â | 05/01/2003 | 05/01/2012 | Common Stock | 1,800 |
| Stock Option | \$ 29.55 | Â | Â | Â | Â | Â | 05/01/2004 | 05/01/2013 | Common Stock | 1,800 |
| Stock Option | \$ 34.55 | Â | Â | Â | Â | Â | 05/03/2005 | 05/03/2014 | Common Stock | 1,800 |
| Stock Option | \$ 40.39 | Â | Â | Â | Â | Â | 02/02/2005 | 02/02/2014 | Common Stock | 1,800 |
| Stock Option | \$ 43.97 | Â | Â | Â | Â | Â | 02/01/2006 | 02/01/2015 | Common Stock | 1,800 |

Reporting Owners

| Reporting Owner Name / Address | Relationships | | | |
|--|---------------|-----------|---------|-------|
| | Director | 10% Owner | Officer | Other |
| STEPHENS GERALD D 9025 N. LINDBERGH DRIVE PEORIA, IL 61615 | Â X | Â | Â | Â |

Signatures

Gerald D Stephens 01/11/2006

**Signature of Reporting Person Date

Explanation of Responses:

- * If the form is filed by more than one reporting person, see Instruction 4(b)(v).
- ** Intentional misstatements or omissions of facts constitute Federal Criminal Violations. See 18 U.S.C. 1001 and 15 U.S.C. 78ff(a).
- (5) Shares purchased through Dividend Reinvestment Plan.
- (3) Ownership reflects dividend reinvestment.

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- (4) Ownership reflects dividend reinvestment.
- (6) Options balance adjusted to reflect 2 additional options received pursuant to the 1995 and 1998 stock splits.
- (2) Annuity Trust distribution to Grantor
- (1) Ownership reflects dividend reinvestment.

Note: File three copies of this Form, one of which must be manually signed. If space provided is insufficient, *see* Instruction 6 for procedure. Potential persons who are to respond to the collection of information contained in this form are not required to respond unless the form displays a currently valid OMB number.