RLI CORP Form 4 February 08, 2005

FORM 4

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

STATEMENT OF CHANGES IN BENEFICIAL OWNERSHIP OF

SECURITIES

OMB Number:

OMB APPROVAL

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if no longer subject to Section 16. Form 4 or Form 5 obligations may continue.

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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

See Instruction 1(b).

(Print or Type Responses)

1. Name and Address of Repor HENSEY CAMILLE J	ting Person *	2. Issuer Name and Ticker or Trading Symbol RLI CORP [RLI]	5. Relationship of Reporting Person(s) to Issuer (Check all applicable)		
(Last) (First)	(Middle)	3. Date of Earliest Transaction			
9025 N. LINDBERGH DRIVE		(Month/Day/Year) 02/07/2005	Director 10% Owner _X Officer (give title Other (specify below) V.P./Corporate Secretary		
(Street)		4. If Amendment, Date Original	6. Individual or Joint/Group Filing(Check		
PEORIA, IL 61615		Filed(Month/Day/Year)	Applicable Line) _X_ Form filed by One Reporting Person Form filed by More than One Reporting Person		

(City)	(State)	(Zip) Table I - Non-Derivative Securities Acquired, Disposed of, or Beneficially (Owned
1.Title of Security (Instr. 3)	2. Transaction Date (Month/Day/Year) 02/07/2005	2A. Deemed Execution Date, if any (Month/Day/Year)	3. Transactic Code (Instr. 8)	4. Securities on Disposed of (Instr. 3, 4) Amount 2,103	f (D)	Price \$ 8.24	5. Amount of Securities Beneficially Owned Following Reported Transaction(s) (Instr. 3 and 4) 17,066.311	6. Ownership Form: Direct (D) or Indirect (I) (Instr. 4)	7. Nature of Indirect Beneficial Ownership (Instr. 4)
Stock Common Stock	02/07/2005		F/K	387	D	\$ 44.83	(1) 16,679.311 (1)	D	
Common Stock	02/07/2005		J <u>(2)</u>	97.5062	A	\$ 44.7631	14,536.2685	I	By Empl. Stock Ownership Plan
Common Stock							437.6478 (4)	I	By Trust

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

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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. Transactic Code (Instr. 8)	5. Number on 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	4,600
Stock Option	\$ 9.15					05/02/1997	05/02/2006	Common Stock	1,600
Stock Option	\$ 13					05/01/1998	05/01/2007	Common Stock	2,083
Stock Option	\$ 15.7813					05/04/2001	05/04/2010	Common Stock	5,000
Stock Option	\$ 20.05					05/03/2002	05/03/2011	Common Stock	5,000
Stock Option	\$ 21.1					05/07/1999	05/07/2008	Common Stock	1,250
Stock Option	\$ 29.335					05/02/2003	05/02/2012	Common Stock	5,000
Stock Option	\$ 29.55					05/01/2004	05/01/2013	Common Stock	4,000
Stock Option	\$ 35.08					05/06/2005	05/06/2014	Common Stock	4,000
Stock Option	\$ 8.24	02/07/2005		M/K	2,103	05/11/1996	05/11/2005	Common Stock	2,103

Reporting Owners

Relationships

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Director 10% Owner Officer Other

HENSEY CAMILLE J 9025 N. LINDBERGH DRIVE PEORIA, IL 61615

V.P./Corporate Secretary

Signatures

Camille J Hensey 02/08/2005

**Signature of Date

Reporting Person

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).
- (3) Ownership reflects shares allocated to ESOP participant's account and dividend reinvestment.
- (2) Shares allocated pursuant to the RLI Corp. Employee Stock Ownership Plan.
- (5) Options balance adjusted to reflect 2 additional options received pursuant to the 1995 and 1998 stock splits.
- (4) Ownership reflects dividend reinvestment.
- (1) Ownership reflects dividend reinvestment.

Note: File three copies of this Form, one of which must be manually signed. If space 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.

Signatures 3