RLI CORP Form 4 October 27, 2005

### FORM 4

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

STATEMENT OF CHANGES IN BENEFICIAL OWNERSHIP OF

**SECURITIES** 

OMB APPROVAL

OMB Number:

Expires:

3235-0287 January 31,

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Check this box if no longer subject to Section 16. Form 4 or Form 5 obligations

may continue.

See Instruction

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(b).

1. Name and Address of Reporting Person * MICHAEL JONATHAN E			2. Issuer Name <b>and</b> 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	(Check all applicable)		
9025 N. LINDBERGH DRIVE		RIVE	(Month/Day/Year) 10/25/2005	_X_ Director 10% Owner _X_ Officer (give title Other (specify below) President		
	(Street)		4. If Amendment, Date Original	6. Individual or Joint/Group Filing(Check		
PEORIA, IL 6	1615		Filed(Month/Day/Year)	Applicable Line) _X_ Form filed by One Reporting Person Form filed by More than One Reporting Person		

(City)	(State)	(Zip) Ta	ble I - Non	-Derivative	e Secu	rities Acqui	red, Disposed of, o	r Beneficially	Owned
1.Title of Security (Instr. 3)	2. Transaction Date (Month/Day/Year)	2A. Deemed Execution Date, if any (Month/Day/Year)	3. 4. Securities Acquired (A) Transactionor Disposed of (D) Code (Instr. 3, 4 and 5) (Instr. 8)  (A) or			D) 55)	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)
Common Stock	10/25/2005		Code V M/K	Amount 2,250	(D)	Price \$ 9.15	116,244.8889 (1)	D	
Common Stock	10/25/2005		M/K	21,000	A	\$ 13	137,244.8889 (1)	D	
Common Stock	10/25/2005		M/K	4,864	A	\$ 15.7813	142,108.8889 (1)	D	
Common Stock	10/25/2005		M/K	1	A	\$ 21.1	142,109.8889 (1)	D	
Common Stock	10/25/2005		F/K	5,561	D	\$ 52.8	136,548.8889 (1)	D	

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

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

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(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. Transactio Code (Instr. 8)	Secu Acq or D (D)	urities uired (A) isposed of rr. 3, 4,	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

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Stock Option							Common Stock	
Stock Option	\$ 13	10/25/2005	M/K	21,000	05/01/1998	05/01/2007	Common Stock	21,000
Stock Option	\$ 15.7813	10/25/2005	M/K	4,864	05/04/2001	05/04/2010	Common Stock	4,864
Stock Option	\$ 21.1	10/25/2005	M/K	1	05/07/1999	05/07/2008	Common Stock	1

# **Reporting Owners**

Reporting Owner Name / Address	Relationships					
Reporting Owner Name / Address	Director	10% Owner	Officer	Other		
MICHAEL JONATHAN E 9025 N. LINDBERGH DRIVE PEORIA, IL 61615	X		President			

## **Signatures**

Jonathan E
Michael

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

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