

RLI CORP
Form 4
February 03, 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 *
STONE MICHAEL J

(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)
02/01/2005

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) ___X___ Other (specify below)
President RLI Insurance Compan

6. Individual or Joint/Group Filing (Check Applicable Line)
X 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 Ownership (Instr. 4)
			Code	V	Amount	(A) or (D)	Price
Common Stock					9,928.3938	D	
					(1)		
Common Stock	02/01/2005		J(2)		38.4587	A	\$ 44.0756
					11,239.7701	I	(3)
							By Empl. Stock Ownership Plan
Common Stock	02/02/2005		J(2)		76.9173	A	\$ 44.0251
					11,316.6874	I	(3)
							By Empl. Stock Ownership Plan
						I	By Trust

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Common Stock 16,648.0331
(4)

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. 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. Price or Value 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	30,000
Stock Option	\$ 9.4					05/13/1997	05/13/2006	Common Stock	15,350
Stock Option	\$ 13					05/01/1998	05/01/2007	Common Stock	10,500
Stock Option	\$ 15.7813					05/04/2001	05/04/2010	Common Stock	28,000
Stock Option	\$ 20.05					05/03/2002	05/03/2011	Common Stock	30,000
Stock Option	\$ 21.1					05/07/1999	05/07/2008	Common Stock	25,000
Stock Option	\$ 29.335					05/02/2003	05/02/2012	Common Stock	48,000
Stock Option	\$ 29.55					05/01/2004	05/01/2013	Common Stock	40,000
Stock Option	\$ 35.08					05/06/2005	05/06/2014	Common Stock	40,000

Reporting Owners

Reporting Owner Name / Address	Relationships			
	Director	10% Owner	Officer	Other
STONE MICHAEL J 9025 N. LINDBERGH DRIVE PEORIA, IL 61615				President RLI Insurance Compan

Signatures

Michael J Stone 02/03/2005

__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).
- (2) Shares allocated pursuant to the RLI Corp. Employee Stock Ownership Plan.
- (1) Ownership reflects dividend reinvestment.
- (4) Ownership reflects dividend reinvestment.
- (3) Ownership reflects shares allocated to ESOP participant's account and 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.
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