

RLI CORP
Form 4
May 08, 2006

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)
05/04/2006

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)
Common Stock				(A) or (D)	135,023.1457 ⁽¹⁾	D	
Common Stock				(A) or (D)	60,447.3916 ⁽²⁾	I	By Empl. Stock Ownership Plan
Common Stock				(A) or (D)	34,200.1019 ⁽³⁾	I	By Key Employee Benefit Plan
Common Stock				(A) or (D)	13,800.6249 ⁽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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(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)				
				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	\$ 15.7813					05/04/2001	05/04/2010			Common Stock	6,336
Stock Option	\$ 20.05					05/03/2002	05/03/2011			Common Stock	60,000
Stock Option	\$ 21.1					05/07/1999	05/07/2008			Common Stock	9,355
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
Stock Option	\$ 50.15	05/04/2006		A	10,500	05/04/2007 ⁽⁶⁾	05/04/2016			Common Stock	10,500

Reporting Owners

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

PEORIA, IL 61615

Signatures

Jonathan E
Michael

05/08/2006

__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).
- (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.
- (6) Pursuant to option schedule wherein 20% of the aggregate number of shares granted may be exercised commencing 05/04/07, & each year thereafter in 20% increments.
- (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.

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