

RLI CORP  
Form 4  
February 09, 2005

**FORM 4**

**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).

**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)  
02/07/2005

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 Beneficial Ownership (Instr. 4)			
			Code	V	Amount	(A) or (D)	Price			
Common Stock	02/07/2005		M/K		11,162	A	\$ 21.1	21,090.3938 (1)	D	
Common Stock	02/07/2005		F/K		7,378	D	\$ 44.83	13,712.3938 (1)	D	
Common Stock	02/07/2005		J(2)		109.2226	A	\$ 44.7631	11,559.7461 (3)	I	By Empl. Stock Ownership Plan
Common Stock	02/08/2005		J(2)		132.6157	A	\$ 44.887	11,692.3618 (3)	I	By Empl. Stock Ownership

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Common Stock	16,648.0331 <u>(4)</u>	I	Plan 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      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	\$ 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
Stock Option	\$ 21.1	02/07/2005		M/K	11,162	05/07/1999      05/07/2008	Common Stock      11,162

## 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                      02/09/2005

\_\_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).
- (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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