

RLI CORP  
Form 4  
January 31, 2006

**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 \*  
**LENROW GERALD I**

(Last) (First) (Middle)

4052 MANSION DRIVE NW

(Street)

WASHINGTON, DC 20007

(City) (State) (Zip)

2. Issuer Name and Ticker or Trading Symbol  
**RLI CORP [RLI]**

3. Date of Earliest Transaction (Month/Day/Year)  
01/30/2006

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)

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 Ownership (Instr. 4)
			Code	V	Amount	(A) or (D)	Price
Common Stock	01/30/2006		M/K		3,000	A	\$ 16.5938
Common Stock	01/30/2006		M/K		750	A	\$ 19.6
Common Stock	01/30/2006		F/K		1,178	D	\$ 54.77
Common Stock							37,249.7473 <u>(1)</u>
Common							932.282

By Directors' Irrev. Trust

By Trust

Stock

for  
Daughter

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		6. Date Exercisable and Expiration Date (Month/Day/Year)		7. Title and Amount of Underlying Securities (Instr. 3 and 4)	8. Amount or Number of Shares
					Acquired (A)	Disposed of (D)	Date Exercisable	Expiration Date		
Stock Option	\$ 22.7						02/01/2002	02/01/2011	Common Stock	3,600
Stock Option	\$ 22.75						02/01/2003	02/01/2012	Common Stock	1,800
Stock Option	\$ 27.51						02/03/2004	02/03/2013	Common Stock	1,800
Stock Option	\$ 40.39						02/02/2005	02/02/2014	Common Stock	3,600
Stock Option	\$ 16.5938	01/30/2006		M/K	3,000		02/01/2000	02/01/2009	Common Stock	3,000
Stock Option	\$ 19.6	01/30/2006		M/K	750		02/02/1999	02/02/2008	Common Stock	750

## Reporting Owners

**Reporting Owner Name / Address**

**Relationships**

Director    10% Owner    Officer    Other

LENROW GERALD I  
4052 MANSION DRIVE NW    X  
WASHINGTON, DC 20007

## Signatures

Gerald I Lenrow

01/31/2006

\*\*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.

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.