RLI CORP
Form 4
June 21, 2006

FORM 4

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

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 [*] VIETS ROBERT O	2. Issuer Name **and** Ticker or Trading Symbol **RLI CORP [RLI]**	5. Relationship of Reporting Person(s) to Issuer
(Last) (First) (Middle)	3. Date of Earliest Transaction (Month/Day/Year) 06/20/2006	(Check all applicable) __X__ Director _____ 10% Owner _____ Officer (give title below) _____ Other (specify below)
11305 NORTH PAWNEE ROAD		
(Street)	4. If Amendment, Date Original Filed(Month/Day/Year)	6. Individual or Joint/Group Filing(Check Applicable Line) _X_ Form filed by One Reporting Person ___ Form filed by More than One Reporting Person
PEORIA, IL 61615		
(City) (State) (Zip)		

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	06/20/2006		A(1)		160	A	$ 46.7	3,289.639	D	
Common Stock								31,329.6919 (2)	I	By Trust
Common Stock								20,203	I	K. Viets, Trustee of ROV Florida Intangible Trust
Common Stock								4,183.5274 (3)	I	ROV IRA Rollover

1

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

Persons who respond to the collection of information contained in this form are not required to respond unless the form displays a currently valid OMB control number.

SEC 1474
(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)		8. Price of Derivative Security (Instr.)
								Date Exercisable	Expiration Date	Title	Amount or Number of Shares	
				Code	V	(A)	(D)					
Stock Option	$ 13.95							02/03/1998	02/03/2007	Common Stock	1,500	
Stock Option	$ 16.5938							02/01/2000	02/01/2009	Common Stock	3,000	
Stock Option	$ 19.6							02/02/1999	02/02/2008	Common Stock	1,500	
Stock Option	$ 22.7							02/01/2001	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							02/03/2003	02/03/2013	Common Stock	1,800	
Stock Option	$ 40.39							02/02/2004	02/02/2014	Common Stock	3,600	

Reporting Owners

Reporting Owner Name / Address	Relationships			
	Director	10% Owner	Officer	Other
VIETS ROBERT O 11305 NORTH PAWNEE ROAD PEORIA, IL 61615	X			

Signatures

Robert O Viets	06/21/2006
**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) Issued pursuant to the Omnibus Stock Plan Outside Directors Fee Award Agreement

(2) 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.