

RLI CORP  
Form 4  
May 01, 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 \*  
**HENSEY CAMILLE 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)  
04/28/2006

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)  
V.P./Corporate Secretary

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)
			Code	V Amount (A) or (D) Price			
Common Stock	04/28/2006		M/K	1,600 A \$ 9.15	18,279.311 (1)	D	
Common Stock	04/28/2006		F/K	296 D \$ 49.59	17,983.311 (1)	D	
Common Stock					15,093.6103 (2)	I	By Empl. Stock Ownership Plan
Common Stock					444.8583 (3)	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)	8. Amount or Number of Shares
Option	\$ 15.9063					05/06/2000 05/06/2009	Common Stock	4,600
Stock Option	\$ 13					05/01/1998 05/01/2007	Common Stock	2,083
Stock Option	\$ 15.7813					05/04/2001 05/04/2010	Common Stock	5,000
Stock Option	\$ 20.05					05/03/2002 05/03/2011	Common Stock	5,000
Stock Option	\$ 21.1					05/07/1999 05/07/2008	Common Stock	1,250
Stock Option	\$ 29.335					05/02/2003 05/02/2012	Common Stock	5,000
Stock Option	\$ 29.55					05/01/2004 05/01/2013	Common Stock	4,000
Stock Option	\$ 35.08					05/06/2005 05/06/2014	Common Stock	4,000
Stock Option	\$ 44.54					05/05/2006 05/05/2015	Common Stock	3,500
Stock Option	\$ 9.15	04/28/2006		M/K	1,600	05/02/1997 05/02/2006	Common Stock	1,600

## Reporting Owners

Reporting Owner Name / Address

Relationships

Reporting Owners

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Director   10% Owner   Officer   Other

HENSEY CAMILLE J  
9025 N. LINDBERGH DRIVE  
PEORIA, IL 61615

V.P./Corporate Secretary

## Signatures

Camille J                      05/01/2006  
Hensey

\_\_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) Ownership reflects shares allocated to ESOP participant's account and dividend reinvestment.
- (3) Ownership reflects dividend reinvestment.
- (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.