

RLI CORP
Form 4
December 22, 2004

FORM 4 UNITED STATES SECURITIES AND EXCHANGE COMMISSION
Washington, D.C. 20549

OMB APPROVAL

OMB Number: 3235-0287
Expires: January 31, 2005
Estimated average burden hours per response... 0.5

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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 *
MCPHEETERS F LYNN

(Last) (First) (Middle)

CATERPILLAR INC., 100 NE
ADAMS STREET

(Street)

PEORIA, IL 61629-5390

(City) (State) (Zip)

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

3. Date of Earliest Transaction
(Month/Day/Year)
12/20/2004

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 Indirect Beneficial Ownership (Instr. 4)
				(A) or (D) Price			
Common Stock	12/21/2004		A ⁽¹⁾	367 A \$ 40.8	1,264.401	D	
Common Stock	12/20/2004		J ⁽²⁾	456.846 A \$ 40.3218	6,738.0194 ⁽³⁾	I	By Directors Trust

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

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SEC 1474 (9-02)

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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 Underlying Security (Instr. 3 and 4)
Stock Option	\$ 19.125					08/24/2001 08/24/2010	Common Stock 6,000	
Stock Option	\$ 22.7					02/01/2002 02/01/2011	Common Stock 1,282	
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	

Reporting Owners

Reporting Owner Name / Address	Relationships			
	Director	10% Owner	Officer	Other
MCPHEETERS F LYNN CATERPILLAR INC. 100 NE ADAMS STREET PEORIA, IL 61629-5390		X		

Signatures

F. Lynn
McPheeters
12/22/2004

**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).

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- (3) Ownership reflects dividend reinvestment.
- (1) Issued pursuant to the RLI Corp. Nonemployee Directors' Stock Plan
- (2) The securities herein were allocated to my account pursuant to the RLI Corp. Directors' Irrevocable Trust Agreement.

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.