

SECURITIES AND EXCHANGE COMMISSION

FORM 4

Statement of changes in beneficial ownership of securities

Filing Date: **2006-01-05** | Period of Report: **2006-01-03**

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ISSUER

SAFECO CORP

CIK: **86104** | IRS No.: **910742146** | State of Incorporation: **WA** | Fiscal Year End: **1231**
SIC: **6331** Fire, marine & casualty insurance

Mailing Address
4333 BROOKLYN AVE NE
SEATTLE WA 98185

Business Address
4333 BROOKLYN AVE NE
SAFECO PLAZA
SEATTLE WA 98185
2065455000

REPORTING OWNER

Reynolds Paula Rospot

CIK: **1179998**
Type: **4** | Act: **34** | File No.: **001-06563** | Film No.: **06513319**

Mailing Address
TEN PEACHTREE PLACE
DEPT. 1466
ATLANTA GA 30309

Business Address
TEN PEACHTREE PLACE
ATLANTA GA 30309
4045843367

FORM 4

Check this box if no longer subject to Section 16. Form 4 or Form 5 obligations may continue. See Instruction 1(b).

UNITED STATES SECURITIES AND EXCHANGE COMMISSION

Washington, D.C. 20549

OMB APPROVAL

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STATEMENT OF CHANGES IN BENEFICIAL OWNERSHIP

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

1. Name and Address of Reporting Person Reynolds Paula Rospud			2. Issuer Name and Ticker or Trading Symbol SAFECO CORP [SAFC]		5. Relationship of Reporting Person(s) to Issuer (Check all applicable) <input checked="" type="checkbox"/> Director <input type="checkbox"/> 10% Owner <input checked="" type="checkbox"/> Officer (give title below) <input type="checkbox"/> Other (specify below) President & CEO	
(Last)	(First)	(Middle)	3. Date of Earliest Transaction (Month/Day/Year) 01/03/2006			
SAFECO PLAZA, 4333 BROOKLYN AVENUE NE						
(Street)			4. If Amendment, Date Original Filed(Month/Day/Year)		6. Individual or Joint/Group Filing (Check applicable line) <input checked="" type="checkbox"/> Form Filed by One Reporting Person <input type="checkbox"/> Form Filed by More than One Reporting Person	
SEATTLE, WA 98185						
(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			

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 Securities Underlying Derivative Security (Instr. 3 and 4)	8. Price of Derivative Security (Instr. 5)	9. Number of Derivative Securities Beneficially Owned Following Reported Transaction(s) (Instr. 4)	10. Ownership Form of Derivative Security: Direct (D) or Indirect (I) (Instr. 4)	11. Nature of Indirect Beneficial Ownership (Instr. 4)	
				Code	V	(A)	(D)	Date Exercisable	Expiration Date						Title
Employee Stock Option (right to buy)	\$57.75	01/03/2006		A		250,000		(1)	01/03/2016	Common Stock	250,000	\$ 0	250,000	D	
Restricted Stock Rights (2)	(3)	01/03/2006		A		42,300		(4)	(4)	Common Stock	42,300	\$ 0	42,300	D	

Explanation of Responses:

- 125,000 shares vest on January 3, 2009, 62,500 shares vest on January 3, 2010 and 62,500 shares vest on January 3, 2011.
- Grant of restricted stock rights ("RSRs") exempt under 16b-3. RSRs represent the right to receive shares or cash equal to the value thereof, provided the reporting person remains in the issuer's service until specified vesting dates.

3. RSRs are convertible into common stock on a 1 for 1 basis.
4. Vests in four equal annual installments beginning January 3, 2007.

Signatures

Sarah Dods, Attorney-in-fact for Paula Rospot Reynolds

** Signature of Reporting Person

01/05/2006

Date

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

* 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).

Note: File three copies of this Form, one of which must be manually signed. If space is insufficient, see Instruction 6 for procedure.

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 Number.