

MERCURY GENERAL CORP
 Form 4
 May 18, 2007

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 *
 McCathron Richard

2. Issuer Name and Ticker or Trading Symbol
 MERCURY GENERAL CORP
 [MCY]

5. Relationship of Reporting Person(s) to Issuer

(Check all applicable)

(Last) (First) (Middle)
 8240 N. MOPAC EXPRESSWAY,
 #215
 (Street)

3. Date of Earliest Transaction
 (Month/Day/Year)
 05/16/2007

____ Director
 Officer (give title below)
 ____ 10% Owner
 ____ Other (specify below)
 Vice President

AUSTIN, TX 78759

4. If Amendment, Date Original Filed(Month/Day/Year)

6. Individual or Joint/Group Filing(Check Applicable Line)
 Form filed by One Reporting Person
 Form filed by More than One Reporting Person

(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)
				(A) or (D)	Price		
				Code	V	Amount	
Common Stock	05/16/2007		M	A	\$ 31.22	5,190	D ⁽¹⁾
Common Stock						650	I ESOP Plan ⁽²⁾
Common Stock	05/16/2007		M	A	\$ 29.77	10,190	D
Common Stock	05/16/2007		S	D	\$ 56.6934	190	D

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 Security (Instr. 3 and 4)	Amount or Number of Shares	
				Code	V (A) (D)	Date Exercisable	Expiration Date	Title	Amount or Number of Shares
Common Stock	\$ 51.43	10/29/2004		A	10,000	10/29/2005 10/29/2014	Common Stock	10,000	
Common Stock	\$ 29.77	05/16/2007		M	5,000	10/27/2001 10/27/2010	Common Stock	5,000	
Common Stock	\$ 31.22	05/16/2007		M	5,000	08/10/2000 08/10/2009	Common Stock	5,000	
Common Stock	\$ 51.365					04/30/2005 04/30/2014	Common Stock	5,000	

Reporting Owners

Reporting Owner Name / Address

Relationships

Director 10% Owner Officer Other

McCathron Richard
8240 N. MOPAC EXPRESSWAY, #215
AUSTIN, TX 78759

Vice President

Signatures

Judy Walters, Attorney-In-Fact for Richard
McCathron

05/18/2007

**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) 175 shares held as joint tenant with mother. 190 shares held as joint tenant with wife

(2) Allocations and disposition since last report

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

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