DIRECT GENERAL CORP

Form 5

Common

Common

Stock

Stock

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07/21/2004

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 $G^{(1)}$

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400,000

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\$0

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400,000

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February 14, 2005

FORM 5

OMB UNITED STATES SECURITIES AND EXCHANGE COMMISSION 3235-0362 Number: Washington, D.C. 20549 Check this box if January 31, Expires: no longer subject 2005 to Section 16. Estimated average ANNUAL STATEMENT OF CHANGES IN BENEFICIAL Form 4 or Form burden hours per 5 obligations OWNERSHIP OF SECURITIES response... 1.0 may continue. See Instruction Filed pursuant to Section 16(a) of the Securities Exchange Act of 1934, 1(b). Form 3 Holdings Section 17(a) of the Public Utility Holding Company Act of 1935 or Section Reported 30(h) of the Investment Company Act of 1940 Form 4 Transactions Reported 1. Name and Address of Reporting Person * 2. Issuer Name and Ticker or Trading 5. Relationship of Reporting Person(s) to Issuer ADAIR JACQUELINE C Symbol DIRECT GENERAL CORP [DRCT] (Check all applicable) (First) (Middle) 3. Statement for Issuer's Fiscal Year Ended (Last) (Month/Day/Year) _X_ Director 10% Owner _X__ Officer (give title Other (specify 12/31/2004 below) below) 1281 MURFREESBORO ROAD Executive VP & COO (Street) 4. If Amendment, Date Original 6. Individual or Joint/Group Reporting Filed(Month/Day/Year) (check applicable line) NASHVILLE, ÂTNÂ 37217 _X_ 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 2. Transaction Date 2A. Deemed 4. Securities Acquired 5. Amount of 6. 7. Nature of Security (Month/Day/Year) Execution Date, if Transaction (A) or Disposed of (D) Securities Ownership Indirect Code (Instr. 3, 4 and 5) Beneficially Beneficial (Instr. 3) Form: (Month/Day/Year) Owned at Direct (D) (Instr. 8) Ownership end of or Indirect (Instr. 4) Issuer's (I) Fiscal Year (Instr. 4) (A) (Instr. 3 and or 4) Amount Price (D) Common Â Â 07/21/2004 $G^{(1)}$ 400,000 \$0 90,920 D D Stock By Shares

Held By Ltd

Partnership

Immediate

Family

Bv

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

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SEC 2270 (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 Exercisab Expiration Date (Month/Day/Year		7. Title and A Underlying S (Instr. 3 and	Securities
					(A) (I	D)	Date Exercisable	Expiration Date	Title	Amount Number Shares
Employee Stock Option (Right to Buy)	\$ 21	Â	Â	Â	Â	Â	08/11/2004 <u>(2)</u>	08/11/2013	Common Stock	240,00

Reporting Owners

NASHVILLE, TNÂ 37217

Reporting Owner Name / Address

Director 10% Owner Officer Other

ADAIR JACQUELINE C

1281 MURFREESBORO ROAD Â X Â Executive VP & COO Â

Signatures

By: Matthew P. McClure, Attorney-In-Fact 02/14/2005

**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).

Transfer of shares to WA Investments, LP, a limited partnership of which the reporting person is a general partner and of which the reporting person and, a grantor retained annuity trust are limited partners. The reporting person disclaims beneficial ownership of DRCT common stock held by WA Investments, LP except to the extent of her pecuniary interest therein and owned by the reporting person's spouse.

Reporting Owners 2

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(2) The options vest in five equal annual installments beginning August 11, 2004.

Note: File three copies of this Form, one of which must be manually signed. If space provided 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.