

RLI CORP
Form 4
May 06, 2011

FORM 4

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

OMB APPROVAL

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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 *
Kennedy Daniel O

(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)
05/05/2011

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)
Vice President General Counsel

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)
Common Stock					5,472.028	D ⁽²⁾	
Common Stock					2,604.1932	I	By Esop ⁽³⁾
Common Stock					458.1084	I	By Executive Deferred Compensation ⁽²⁾

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)		
				Code	V (A) (D)	Date Exercisable	Expiration Date	Title	Amount or Number of Shares
Stock Option	\$ 58.73	05/05/2011		A	10,000	05/05/2012 ⁽¹⁾	05/05/2019	Common Stock	10,000
Stock Option	\$ 45.3 ⁽⁴⁾					02/21/2007 ⁽¹⁾	02/21/2016	Common Stock	3,088
Stock Option	\$ 43.15 ⁽⁴⁾					05/04/2007 ⁽¹⁾	05/04/2016	Common Stock	8,000
Stock Option	\$ 46.31 ⁽⁵⁾					05/04/2007	05/04/2016	Common Stock	2,159
Stock Option	\$ 49.09 ⁽⁴⁾					05/03/2008 ⁽¹⁾	05/03/2017	Common Stock	9,000
Stock Option	\$ 43 ⁽⁴⁾					05/01/2009 ⁽¹⁾	05/01/2018	Common Stock	11,000
Stock Option	\$ 39.9 ⁽⁴⁾					05/07/2010 ⁽¹⁾	05/07/2017	Common Stock	10,300
Stock Option	\$ 49.34 ⁽⁴⁾					05/06/2011 ⁽¹⁾	05/06/2018	Common Stock	8,800

Reporting Owners

Reporting Owner Name / Address	Relationships			
	Director	10% Owner	Officer	Other
Kennedy Daniel O 9025 N. LINDBERGH DRIVE PEORIA, IL 61615			Vice President General Counsel	

Signatures

/s/ Daniel O.
Kennedy

05/06/2011

**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) Pursuant to option schedule wherein 20% of the aggregate number of shares granted may be exercised commencing one year from grant date and each year thereafter in 20% increments.
 - (2) Ownership reflects dividend reinvestment.
 - (3) Ownership reflects shares allocated to ESOP participant's account and dividend reinvestment.
 - (4) Stock Option grant price adjusted to reflect \$7 RLI extraordinary dividend paid 12/29/10.
 - (5) Stock Option grant price and number of incentive stock options granted adjusted to reflect \$7 RLI extraordinary special dividend paid 12/29/10.

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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