

RLI CORP  
Form 5  
January 30, 2007

**FORM 5**

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

OMB APPROVAL  
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Form 3 Holdings Reported Form 4 Transactions Reported

**ANNUAL 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

1. Name and Address of Reporting Person \*  
**HENSEY CAMILLE J**  
(Last) (First) (Middle)

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

3. Statement for Issuer's Fiscal Year Ended (Month/Day/Year)  
**12/31/2006**

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)  
V.P./Corporate Secretary

6. Individual or Joint/Group Reporting  
(check applicable line)  
 Form Filed by One Reporting Person  
 Form Filed by More than One Reporting Person

9025 N. LINDBERGH DRIVE  
(Street)

PEORIA, IL 61615  
(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 at end of Issuer's Fiscal Year (Instr. 3 and 4)	6. Ownership Form: Direct (D) or Indirect (I) (Instr. 4)	7. Nature of Indirect Beneficial Ownership (Instr. 4)
				Amount	(A) or (D)	Price			
Common Stock	05/25/2006	Â	G	20	D	\$ 48.31	17,963.311 (1)	D Â	
Common Stock	12/13/2006	Â	G	3	D	\$ 54.65	17,960.311 (1)	D Â	
Common Stock	Â	Â	Â	Â	Â	Â	15,137.1871 (2)	I By Empl. Stock Ownership Plan	
Common Stock	Â	Â	Â	Â	Â	Â	448.3225 (3)	I By Trust	

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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 Securities (Instr. 3 and 4)	8. Amount or Number of Shares
Option	\$ 15.9063	Â	Â	Â	Â Â	05/06/2000 05/06/2009	Common Stock	4,600
Stock Option	\$ 13	Â	Â	Â	Â Â	05/01/1998 05/01/2007	Common Stock	2,083
Stock Option	\$ 15.7813	Â	Â	Â	Â Â	05/04/2001 05/04/2010	Common Stock	5,000
Stock Option	\$ 20.05	Â	Â	Â	Â Â	05/03/2002 05/03/2011	Common Stock	5,000
Stock Option	\$ 21.1	Â	Â	Â	Â Â	05/07/1999 05/07/2008	Common Stock	1,250
Stock Option	\$ 29.335	Â	Â	Â	Â Â	05/02/2003 05/02/2012	Common Stock	5,000
Stock Option	\$ 29.55	Â	Â	Â	Â Â	05/01/2004 05/01/2013	Common Stock	4,000
Stock Option	\$ 35.08	Â	Â	Â	Â Â	05/06/2005 05/06/2014	Common Stock	4,000
Stock Option	\$ 44.54	Â	Â	Â	Â Â	05/05/2006 05/05/2015	Common Stock	3,500
Stock Option	\$ 50.15	Â	Â	Â	Â Â	05/04/2007 05/04/2016	Common Stock	2,000

## Reporting Owners

Reporting Owner Name / Address

Relationships

