

RLI CORP

Form 4

February 03, 2011

FORM 4
UNITED STATES SECURITIES AND EXCHANGE COMMISSION
Washington, D.C. 20549

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

OMB APPROVAL

OMB
Number: 3235-0287
Expires: January 31,
2005
Estimated average
burden hours per
response... 0.5

(Print or Type Responses)

1. Name and Address of Reporting Person *
DONDANVILLE JOSEPH E

(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)

02/01/2011

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

5. Relationship of Reporting Person(s) to
Issuer

(Check all applicable)

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

Senior Vice President/CFO

6. Individual or Joint/Group Filing(Check
Applicable Line)
__X__ 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	02/01/2011		M	28,000	A	\$ 28.08	125,267.015 D
Common Stock	02/01/2011		F	18,897	D	\$ 55.28	106,370.015 D
Common Stock						29,137.2322	I By Empl. Stock Ownership Plan
Common Stock						10,283.0278	I By Trust ⁽²⁾
						12,276	I

Edgar Filing: RLI CORP - Form 4

Common
Stock

By Wife in
Trust

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

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 control number.

SEC 1474
(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)	
				Code	V (A) (D)	Date Exercisable	Expiration Date	Title	Amount or Number of Shares
Stock Option	\$ 28.08 (1)	02/01/2011		M	28,000	05/06/2005	05/06/2014	Common Stock	28,000
Stock Option	\$ 37.54 (1)					05/05/2006	05/05/2015	Common Stock	21,000
Stock Option	\$ 43.15 (1)					05/04/2007(3)	05/04/2016	Common Stock	17,500
Stock Option	\$ 49.09 (1)					05/03/2008(3)	05/03/2017	Common Stock	18,000
Stock Option	\$ 43 (1)					05/01/2009(3)	05/01/2018	Common Stock	5,000
Stock Option	\$ 47.36 (1)					08/01/2009(3)	08/01/2018	Common Stock	5,000
Stock Option	\$ 49.73 (1)					11/03/2009(3)	11/03/2018	Common Stock	5,000
Stock Option	\$ 49.89 (1)					02/02/2010(3)	02/02/2019	Common Stock	5,000
Stock Option	\$ 39.9 (1)					05/07/2010(3)	05/07/2017	Common Stock	4,700
Stock Option	\$ 43.49 (1)					08/03/2010(3)	08/03/2017	Common Stock	4,700
Stock Option	\$ 42.9 (1)					11/02/2010(3)	11/02/2017	Common Stock	4,700

Stock Option	\$ 44.62 (1)	02/01/2011 ⁽³⁾	02/01/2018	Common Stock	4,700
Stock Option	\$ 49.34 (1)	05/06/2011 ⁽³⁾	05/06/2018	Common Stock	4,000
Stock Option	\$ 49.2 ⁽¹⁾	08/02/2011 ⁽³⁾	08/02/2018	Common Stock	4,000
Stock Option	\$ 50.26 (1) (3)	11/01/2011	11/01/2018	Common Stock	4,000
Stock Option	\$ 55.28	02/01/2012 ⁽³⁾	02/01/2019	Common Stock	4,000

Reporting Owners

Reporting Owner Name / Address	Relationships			
	Director	10% Owner	Officer	Other
DONDANVILLE JOSEPH E 9025 N. LINDBERGH DRIVE PEORIA, IL 61615			Senior Vice President/CFO	

Signatures

/s/ Joseph E.
Dondanville

02/03/2011

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) Stock Option grant price adjusted to reflect \$7 RLI extraordinary dividend paid 12/29/10.

(2) Ownership reflects dividend reinvestment.

(3) 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.

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