

RLI CORP
Form 4
May 23, 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 *
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)
05/22/2011

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)
Senior Vice President/CFO

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 Ownership (Instr. 4)
			Code	V	Amount	(A) or (D)	Price
Common Stock	05/22/2011		F		8,556	D	\$ 60.5
Common Stock	05/22/2011		M		11,000	A	\$ 37.54
Common Stock					27,351.7305	I	
Common Stock					10,336.7652	I	
					12,276	I	

By Empl. Stock Ownership Plan

By Trust ⁽²⁾

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Common
Stock

By Wife in
Trust

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

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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	\$ 37.54 ⁽¹⁾	05/22/2011		M	11,000	05/05/2006 05/05/2015	Common Stock 11,000
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 <u>(1)</u>	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 <u>(1)</u> <u>(3)</u>	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
Stock Option	\$ 58.73	05/05/2012 ⁽³⁾	05/05/2019	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

05/23/2011

**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.

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