

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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Check this box if no longer subject to Section 16. Form 4 or Form 5 obligations may continue. See Instruction 1(b).
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]

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

9025 N. LINDBERGH DRIVE

(Street)

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

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

6. Individual or Joint/Group Reporting (check applicable line)

PEORIA, IL 61615

(City) (State) (Zip)

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 at end of Issuer's Fiscal Year (Instr. 3 and 4)	6. Ownership Form: Direct (D) or Indirect (I) (Instr. 4)	7. Nature of 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

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Director 10% Owner Officer Other

HENSEY CAMILLE J
9025 N. LINDBERGH DRIVE ^ ^ ^ V.P./Corporate Secretary ^
PEORIA, IL 61615

Signatures

Camille J 01/30/2007
Hensey

**Signature of Date
Reporting Person

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).
- (2) Ownership reflects shares allocated to ESOP participant's account and dividend reinvestment.
- (3) Ownership reflects dividend reinvestment.
- (1) Ownership reflects dividend reinvestment.

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.