

RLI CORP
Form 4
January 28, 2011

FORM 4

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

OMB APPROVAL

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

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

(Print or Type Responses)

1. Name and Address of Reporting Person *
STONE MICHAEL J

(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)
01/27/2011

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)
President RLI Insurance Compan

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 Ownership (Instr. 4)			
				(A) or (D)	Price					
Common Stock	01/27/2011		M	V	20,000	A	\$ 28.08	113,474.0464	D ⁽¹⁾	
Common Stock	01/27/2011		F	V	13,420	D	\$ 54.38	100,054.0464	D ⁽¹⁾	
Common Stock								17,557.1418	I	By Empl. Stock Ownership Plan ⁽³⁾
Common Stock								20,900.8331	I	By Trust ⁽¹⁾
								4,111.7774	I	

Edgar Filing: RLI CORP - Form 4

Common Stock						M. J. Stone Grantor Retained Annuity Trust (M1)
Common Stock				11,364.4	I	M.J. Stone Grantor Retained Annuity Trust (M3)
Common Stock				5,768.06	I	M.J. Stone Grantor Retained Annuity Trust (M2)

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)	Amount or Number of Shares	
				Code	V (A) (D)	Date Exercisable	Expiration Date	Title	
Stock Option	\$ 28.08 (2)	01/27/2011		M	20,000	05/06/2005	05/06/2014	Common Stock	20,000
Stock Option	\$ 37.54 (2)					05/05/2006(4)	05/05/2015	Common Stock	30,000
Stock Option	\$ 43.15 (2)					05/04/2007(4)	05/04/2016	Common Stock	27,500
Stock Option	\$ 49.09 (2)					05/03/2008(4)	05/03/2017	Common Stock	31,500
Stock Option	\$ 43 (2)					05/01/2009(4)	05/01/2018	Common Stock	34,000
	\$ 39.9 (2)					05/07/2010(4)	05/07/2017		32,000

