

RLI CORP
Form 4
July 25, 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 *
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)
07/22/2011

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)
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 Beneficial Ownership (Instr. 4)
			Code	V	Amount	(A) or (D)	Price
Common Stock	07/22/2011		M		30,000	A	\$ 37.54
Common Stock	07/22/2011		M		27,500	A	\$ 43.15
Common Stock	07/22/2011		M		12,800	A	\$ 39.9
Common Stock	07/22/2011		F		54,082	D	\$ 66.28
Common Stock					18,093.2021	I	

By Empl. Stock Ownership

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				Plan ⁽⁴⁾
Common Stock		21,114.937	I	By Trust ⁽¹⁾
Common Stock		2,349.5633	I	M. J. Stone Grantor Retained Annuity Trust (M1)
Common Stock		11,480.6059	I	M.J. Stone Grantor Retained Annuity Trust (M3)
Common Stock		4,435.16	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.

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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	Amount or Number of Shares
Stock Option	\$ 37.54 ⁽³⁾	07/22/2011		M	30,000	05/05/2006 ⁽²⁾ 05/05/2015	Common Stock	30,000	
Stock Option	\$ 43.15 ⁽³⁾	07/22/2011		M	27,500	05/04/2007 ⁽²⁾ 05/04/2016	Common Stock	27,500	
Stock Option	\$ 39.9 ⁽³⁾	07/22/2011		M	12,800	05/07/2010 ⁽²⁾ 05/07/2017	Common Stock	12,800	
Stock Option	\$ 49.09 ⁽³⁾					05/03/2008 ⁽²⁾ 05/03/2017	Common Stock	31,500	

