

RLI CORP

Form 4/A

September 01, 2009

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
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(Print or Type Responses)

1. Name and Address of Reporting Person *
Kennedy Daniel O

(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)

09/01/2009

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

09/01/2009

5. Relationship of Reporting Person(s) to
Issuer

(Check all applicable)

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

Vice President General Counsel

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	09/01/2009		J ⁽²⁾	4.7235 A	\$ 52.77 225.8713	I	By Executive Deferred Compensation ⁽¹⁾
Common Stock					1,563.424	D ⁽¹⁾	
Common Stock					1,442.8258	I	By Esop ⁽³⁾

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**

SEC 1474
(9-02)

**required to respond unless the form
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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)	8. Amount or Number of Shares
				Code	V (A) (D)	Date Exercisable Expiration Date	Title	
Stock Option	\$ 52.3					02/21/2007 ⁽⁴⁾ 02/21/2016	Common Stock	5,000
Stock Option	\$ 50.15					05/04/2007 ⁽⁴⁾ 05/04/2016	Common Stock	8,000
Stock Option	\$ 56.09					05/03/2008 ⁽⁴⁾ 05/03/2017	Common Stock	9,000
Stock Option	\$ 50					05/01/2009 ⁽⁴⁾ 05/01/2018	Common Stock	11,000
Stock Option	\$ 46.9					05/07/2010 ⁽⁴⁾ 05/07/2017	Common Stock	10,300

Reporting Owners

Reporting Owner Name / Address	Relationships			
	Director	10% Owner	Officer	Other
Kennedy Daniel O 9025 N. LINDBERGH DRIVE PEORIA, IL 61615			Vice President General Counsel	

Signatures

/s/ Daniel O.
Kennedy

09/01/2009

**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) Ownership reflects dividend reinvestment.
- (2) The securities herein were allocated to my account pursuant to the RLI Corp. Executive Deferred Compensation Agreement.
- (3) Ownership reflects shares allocated to ESOP participant's account and dividend reinvestment.
- (4) 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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