

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

2. Issuer Name and Ticker or Trading Symbol
RLI CORP [RLI]

5. Relationship of Reporting Person(s) to Issuer

(Check all applicable)

(Last) (First) (Middle)

9025 N. LINDBERGH DRIVE

(Street)

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

Director 10% Owner
 Officer (give title below) Other (specify below)
V.P./Corporate Secretary

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

6. Individual or Joint/Group Reporting

(check applicable line)

PEORIA, IL 61615

Form Filed by One Reporting Person
 Form Filed by More than One Reporting Person

| 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) |
|---------------------------------|--------------------------------------|--|--------------------------------|---|--------|----------|--|--|-----------------------------------|
| | | | | (A) Amount | 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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SEC 2270
(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
 PEORIA, IL 61615

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V.P./Corporate Secretary

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Signatures

Camille J
 Hensey

01/30/2007

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

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