

RLI CORP  
Form 4  
May 07, 2007

**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 \*  
**MICHAEL JONATHAN E**

(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)  
05/03/2007

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

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)
Common Stock				(A) or (D)	142,871.6881 <sup>(1)</sup>	D	
Common Stock				(A) or (D)	61,835.2987 <sup>(2)</sup>	I	By Empl. Stock Ownership Plan
Common Stock				(A) or (D)	34,720.8576 <sup>(3)</sup>	I	By Key Employee Benefit Plan
Common Stock				(A) or (D)	14,010.6292 <sup>(4)</sup>	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)
				Code	V (A) (D)	Date Exercisable Expiration Date	Title Amount or Number of Shares
Option	\$ 15.9063					05/06/2000 05/06/2009	Common Stock 6,290
Stock Option	\$ 15.7813					05/04/2001 05/04/2010	Common Stock 6,336
Stock Option	\$ 20.05					05/03/2002 05/03/2011	Common Stock 60,000
Stock Option	\$ 29.335					05/02/2003 05/02/2012	Common Stock 60,000
Stock Option	\$ 29.55					05/01/2004 05/01/2013	Common Stock 60,000
Stock Option	\$ 35.08					05/06/2005 05/06/2014	Common Stock 60,000
Stock Option	\$ 44.54					05/05/2006 05/05/2015	Common Stock 45,000
Stock Option	\$ 47.44					08/04/2007 08/04/2016	Common Stock 10,500
Stock Option	\$ 50.15					05/04/2007 05/04/2016	Common Stock 10,500
Stock Option	\$ 54.04					11/03/2007 11/03/2016	Common Stock 10,500
Stock Option	\$ 56.21					02/02/2008 02/02/2017	Common Stock 10,500
Stock Option	\$ 56.09	05/03/2007		A	10,500	05/03/2008 05/03/2017	Common Stock 10,500

