

RLI CORP
Form 4
February 16, 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)
02/15/2007

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 Ownership (Instr. 4)
Common Stock	02/15/2007		J ⁽¹⁾	V Amount A \$ 68.918 58.04	142,865.4451 <u>(2)</u>	D	
Common Stock					61,182.2361 <u>(3)</u>	I	By Empl. Stock Ownership Plan
Common Stock					34,595.8298 <u>(4)</u>	I	By Key Employee Benefit Plan
						I	By Trust

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Common Stock 13,960.1775
(5)

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)	8. Price or Value of Underlying Securities (Instr. 3 and 4)
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

Reporting Owners

Reporting Owner Name / Address	Relationships			
	Director	10% Owner	Officer	Other
MICHAEL JONATHAN E 9025 N. LINDBERGH DRIVE PEORIA, IL 61615	X		President	

Signatures

Jonathan E Michael	02/16/2007
**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 dividend reinvestment.
- (3) Ownership reflects shares allocated to ESOP participant's account and dividend reinvestment.
- (1) Shares purchased through payroll deduction feature of the RLI Dividend Reinvestment Plan.
- (5) Ownership reflects dividend reinvestment.
- (4) Ownership reflects dividend reinvestment.

Note: File three copies of this Form, one of which must be manually signed. If space is insufficient, *see* Instruction 6 for procedure. Potential persons who are to respond to the collection of information contained in this form are not required to respond unless the form displays a currently valid OMB number.