

RLI CORP

Form 4

August 16, 2011

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
Number: 3235-0287
Expires: January 31,
2005
Estimated average
burden hours per
response... 0.5

(Print or Type Responses)

1. Name and Address of Reporting Person *
DONDANVILLE JOSEPH 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)
08/15/2011

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

5. Relationship of Reporting Person(s) to
Issuer

(Check all applicable)

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

Senior Vice President/CFO

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	08/15/2011		S(1)	300 D \$ 61.25	80,806.015	D	
Common Stock	08/15/2011		S(1)	300 D \$ 61.27	80,506.015	D	
Common Stock	08/15/2011		S(1)	300 D \$ 61.28	80,206.015	D	
Common Stock	08/15/2011		S(1)	500 D \$ 61.404	79,706.015	D	
Common Stock	08/15/2011		S(1)	300 D \$ 61.43	79,406.015	D	

Edgar Filing: RLI CORP - Form 4

Common Stock	08/15/2011	<u>S(1)</u>	300	D	\$ 61.5033	79,106.015	D	
Common Stock	08/15/2011	<u>S(1)</u>	500	D	\$ 61.492	78,606.015	D	
Common Stock	08/15/2011	<u>S(1)</u>	300	D	\$ 61.63	78,306.015	D	
Common Stock	08/15/2011	<u>S(1)</u>	600	D	\$ 61.65	77,706.015	D	
Common Stock	08/15/2011	<u>S(1)</u>	300	D	\$ 61.72	77,406.015	D	
Common Stock	08/15/2011	<u>S(1)</u>	1,200	D	\$ 61.7	76,206.015	D	
Common Stock	08/15/2011	<u>S(1)</u>	300	D	\$ 61.78	75,906.015	D	
Common Stock	08/15/2011	<u>S(1)</u>	300	D	\$ 61.73	75,606.015	D	
Common Stock	08/15/2011	<u>S(1)</u>	600	D	\$ 61.75	75,006.015	D	
Common Stock	08/15/2011	<u>S(1)</u>	800	D	\$ 61.76	74,206.015	D	
Common Stock	08/15/2011	<u>S(1)</u>	300	D	\$ 61.81	73,906.015	D	
Common Stock	08/15/2011	<u>S(1)</u>	300	D	\$ 61.74	73,606.015	D	
Common Stock	08/15/2011	<u>S(1)</u>	300	D	\$ 61.8	73,306.015	D	
Common Stock	08/15/2011	<u>S(1)</u>	500	D	\$ 61.6731	72,806.015	D	
Common Stock	08/15/2011	<u>S(1)</u>	300	D	\$ 61.83	72,506.015	D	
Common Stock	08/15/2011	<u>S(1)</u>	300	D	\$ 61.85	72,206.015	D	
Common Stock						27,489.6065	I	By Empl. Stock Ownership Plan
Common Stock						10,388.3651	I	By Trust ⁽²⁾
Common Stock						12,276	I	By Wife in Trust

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.

SEC 1474
(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
				Code	V (A) (D)	Date Exercisable	Expiration Date	Title		
Stock Option	\$ 37.54 (3)					05/05/2006	05/05/2015	Common Stock		10,000
Stock Option	\$ 43.15 (3)					05/04/2007(4)	05/04/2016	Common Stock		17,500
Stock Option	\$ 49.09 (3)					05/03/2008(4)	05/03/2017	Common Stock		18,000
Stock Option	\$ 43 (3)					05/01/2009(4)	05/01/2018	Common Stock		5,000
Stock Option	\$ 47.36 (3)					08/01/2009(4)	08/01/2018	Common Stock		5,000
Stock Option	\$ 49.73 (3)					11/03/2009(4)	11/03/2018	Common Stock		5,000
Stock Option	\$ 49.89 (3)					02/02/2010(4)	02/02/2019	Common Stock		5,000
Stock Option	\$ 39.9 (3)					05/07/2010(4)	05/07/2017	Common Stock		4,700
Stock Option	\$ 43.49 (3)					08/03/2010(4)	08/03/2017	Common Stock		4,700
Stock Option	\$ 42.9 (3)					11/02/2010(4)	11/02/2017	Common Stock		4,700
Stock Option	\$ 44.62 (3)					02/01/2011(4)	02/01/2018	Common Stock		4,700
Stock Option	\$ 49.34 (3)					05/06/2011(4)	05/06/2018	Common Stock		4,000

Edgar Filing: RLI CORP - Form 4

Stock Option	\$ 49.2 ⁽³⁾	08/02/2011 ⁽⁴⁾	08/02/2018	Common Stock	4,000
Stock Option	\$ 50.26 ^{(3) (4)}	11/01/2011	11/01/2018	Common Stock	4,000
Stock Option	\$ 55.28	02/01/2012 ⁽⁴⁾	02/01/2019	Common Stock	4,000
Stock Option	\$ 58.73	05/05/2012 ⁽⁴⁾	05/05/2019	Common Stock	4,000
Stock Option	\$ 62.62	08/01/2012 ⁽⁴⁾	08/01/2019	Common Stock	4,000

Reporting Owners

Reporting Owner Name / Address	Relationships			
	Director	10% Owner	Officer	Other
DONDANVILLE JOSEPH E 9025 N. LINDBERGH DRIVE PEORIA, IL 61615			Senior Vice President/CFO	

Signatures

/s/ Joseph E.
Dondanville

08/16/2011

 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) The transactions reported on this Form 4 reflect the sale of shares held in the Reporting Person's 401k brokerage account.
- (2) Ownership reflects dividend reinvestment.
- (3) Stock Option grant price adjusted to reflect \$7 RLI extraordinary dividend paid 12/29/10.
- (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.
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.