

RLI CORP  
Form 4  
October 21, 2011

**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)  
10/21/2011

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)			
			Code	V	Amount	(D)	Price			
Common Stock	10/21/2011		S <sup>(5)</sup>		966	D	\$ 70.1169	7,060	I	Michael Charitable Fund dtd 08/30/11
Common Stock								217,648.3207	D <sup>(2)</sup>	
Common Stock								78,446.928	I	By Empl. Stock Ownership Plan <sup>(3)</sup>
								42,873.2937	I	

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Common Stock							By Key Employee Benefit Plan <sup>(2)</sup>
Common Stock					17,300.5395	I	By Trust <sup>(2)</sup>
Common Stock					5,751.6688	I	J.E. Michael 2009 Grantor Retained Annuity Trust Dtd 02/24/09
Common Stock					8,164	I	J.E. Michael 2011 Grantor Retained Annuity Trust Dtd 08/02/11

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
Stock Option	\$ 37.54 <sup>(1)</sup>			Code V	(A) (D)	Date Exercisable: 05/05/2006 Expiration Date: 05/05/2015	Common Stock	45,000
						05/04/2007 <sup>(4)</sup> 05/04/2016		10,500

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Stock Option	\$ 43.15 <u>(1)</u>			Common Stock	
Stock Option	\$ 40.44 <u>(1)</u>	08/04/2007 <sup>(4)</sup>	08/04/2016	Common Stock	10,500
Stock Option	\$ 47.04 <u>(1)</u>	11/03/2007 <sup>(4)</sup>	11/03/2016	Common Stock	10,500
Stock Option	\$ 49.21 <u>(1)</u>	02/02/2008 <sup>(4)</sup>	02/02/2017	Common Stock	10,500
Stock Option	\$ 49.09 <u>(1)</u>	05/03/2008 <sup>(4)</sup>	05/03/2017	Common Stock	10,500
Stock Option	\$ 49.67 <u>(1)</u>	08/03/2008 <sup>(4)</sup>	08/03/2017	Common Stock	10,500
Stock Option	\$ 48.41 <u>(1)</u>	02/01/2009 <sup>(4)</sup>	02/01/2018	Common Stock	10,500
Stock Option	\$ 49.03 <u>(1)</u>	11/02/2008 <sup>(4)</sup>	11/02/2017	Common Stock	10,500
Stock Option	\$ 43 <sup>(1)</sup> <u>(1)</u>	05/01/2009 <sup>(4)</sup>	05/01/2018	Common Stock	10,500
Stock Option	\$ 47.36 <u>(1)</u>	08/01/2009 <sup>(4)</sup>	08/01/2018	Common Stock	10,500
Stock Option	\$ 49.73 <u>(1)</u>	11/03/2009 <sup>(4)</sup>	11/03/2018	Common Stock	10,500
Stock Option	\$ 49.89 <u>(1)</u>	02/02/2010 <sup>(4)</sup>	02/02/2019	Common Stock	10,500
Stock Option	\$ 39.9 <sup>(1)</sup> <u>(1)</u>	05/07/2010 <sup>(4)</sup>	05/07/2017	Common Stock	9,750
Stock Option	\$ 43.49 <u>(1)</u>	08/03/2010 <sup>(4)</sup>	08/03/2017	Common Stock	9,750
Stock Option	\$ 42.9 <sup>(1)</sup> <u>(1)</u>	11/02/2010 <sup>(4)</sup>	11/02/2017	Common Stock	9,750
Stock Option	\$ 44.62 <u>(1)</u>	02/01/2011 <sup>(4)</sup>	02/01/2018	Common Stock	9,750
Stock Option	\$ 49.34 <u>(1)</u>	05/06/2011 <sup>(4)</sup>	05/06/2018	Common Stock	8,500
Stock Option	\$ 49.2 <sup>(1)</sup> <u>(1)</u>	08/02/2011 <sup>(4)</sup>	08/02/2018	Common Stock	8,500
Stock Option	\$ 50.26 <u>(1)</u>	11/01/2011 <sup>(4)</sup>	11/01/2018	Common Stock	8,500
Stock Option	\$ 55.28	02/01/2012 <sup>(4)</sup>	02/01/2019	Common Stock	8,500
	\$ 58.73	05/05/2012 <sup>(4)</sup>	05/05/2019		15,000

