

RLI CORP
Form 4
April 29, 2010

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 *
STONE MICHAEL J

(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)

04/28/2010

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

5. Relationship of Reporting Person(s) to Issuer

(Check all applicable)

____ Director
____ Officer (give title below) Other (specify below)

President RLI Insurance Compan

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)
				(A) or (D) Code V Amount (D) Price			
Common Stock	04/28/2010		G	V 500 D \$ 58.21	104,774.0464	D ⁽¹⁾	
Common Stock					15,261.8505	I	By Empl. Stock Ownership Plan ⁽²⁾
Common Stock					18,193.6754	I	By Trust ⁽¹⁾
Common Stock					3,581.0674	I	M. J. Stone Grantor Retained

Common Stock	5,023.57	I	Annuity Trust (M1) M.J. Stone Grantor Retained Annuity Trust (M2)
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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)	8. Amount or Number of Shares
Stock Option	\$ 46.9					05/07/2010 ⁽³⁾ 05/07/2017	Common Stock	32,000
Stock Option	\$ 50					05/01/2009 ⁽³⁾ 05/01/2018	Common Stock	34,000
Stock Option	\$ 56.09					05/03/2008 ⁽³⁾ 05/03/2017	Common Stock	31,500
Stock Option	\$ 50.15					05/04/2007 ⁽³⁾ 05/04/2016	Common Stock	27,500
Stock Option	\$ 44.54					05/05/2006 ⁽³⁾ 05/05/2015	Common Stock	30,000
Stock Option	\$ 35.08					05/06/2005 05/06/2014	Common Stock	20,000

Reporting Owners

Reporting Owner Name / Address

Relationships

Reporting Owners

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Director 10% Owner Officer Other

STONE MICHAEL J
9025 N. LINDBERGH DRIVE
PEORIA, IL 61615

President RLI Insurance Compan

Signatures

/s/ Michael J.

Stone

04/29/2010

**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) Ownership reflects dividend reinvestment.

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

(3) 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.

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