RLI CORP Form 4 November 03, 2009

FORM 4 UNITED STATES SECURITIES AND EXCHANGE COMMISSION Washington, D.C. 20549

OMB APPROVAL

OMB Number: 3235-0287

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5. Relationship of Reporting Person(s) to

Issuer

if no longer subject to Section 16. Form 4 or Form 5

obligations

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

2. Issuer Name and Ticker or Trading

STATEMENT OF CHANGES IN BENEFICIAL OWNERSHIP OF

SECURITIES

may continue.

See Instruction

30(h) of the Investment Company Act of 1940

Symbol

RLI CORP [RLI]

1(b).

(Print or Type Responses)

1. Name and Address of Reporting Person *

DONDANVILLE JOSEPH E

			RLI CORP [RLI]					(Check all applicable)					
(Last) (First) (Middle) 9025 N. LINDBERGH DRIVE				3. Date of Earliest Transaction (Month/Day/Year) 11/02/2009					Director 10% Owner X Officer (give title Other (specify below)				
(Street)				4. If Amendment, Date Original Filed(Month/Day/Year)					6. Individual or Joint/Group Filing(Check Applicable Line) _X_ Form filed by One Reporting Person				
	PEORIA, II	. 61615							Form filed by More than One Reporting Person				
	(City)	(State)	(Zip)	Tabl	e I - Non-D	erivative (Secur	ities A	cquired, Disposed	of, or Benefici	ally Owned		
	1.Title of Security (Instr. 3)	2. Transaction Da (Month/Day/Year) Execution any	med on Date, if Day/Year)	3. Transactic Code (Instr. 8)	4. Securit onAcquired Disposed (Instr. 3, 4	(A) o of (D)	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								76,510.015	D			
	Common Stock								25,125.9271	I	By Empl. Stock Ownership Plan		
	Common Stock								8,861.3873	I	By Trust (1)		
	Common Stock								12,276	I	By Wife in Trust		
									200	I			

Common Stock

By Wife, As Custodian

Reminder: Report on a separate line for each class of securities beneficially owned directly or indirectly.

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SEC 1474 (9-02)

 $\label{thm:convertible} \begin{tabular}{ll} Table II - Derivative Securities Acquired, Disposed of, or Beneficially Owned \\ (e.g., puts, calls, warrants, options, convertible securities) \end{tabular}$

(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. 5. Number Transaction Derivative Code Securities (Instr. 8) Acquired (A) or Disposed of (D) (Instr. 3, 4, and 5)		6. Date Exercisab 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
	Stock Option	\$ 49.9	11/02/2009		A	4,700		11/02/2010(2)	11/02/2017	Common Stock	4,700
	Stock Option	\$ 29.335						05/02/2003	05/02/2012	Common Stock	32,000
	Stock Option	\$ 29.55						05/01/2004	05/01/2013	Common Stock	28,000
	Stock Option	\$ 35.08						05/06/2005	05/06/2014	Common Stock	28,000
	Stock Option	\$ 44.54						05/05/2006	05/05/2015	Common Stock	21,000
	Stock Option	\$ 50.15						05/04/2007(2)	05/04/2016	Common Stock	17,500
	Stock Option	\$ 56.09						05/03/2008(2)	05/03/2017	Common Stock	18,000
	Stock Option	\$ 50						05/01/2009(2)	05/01/2018	Common Stock	5,000
	Stock Option	\$ 54.36						08/01/2009(2)	08/01/2018	Common Stock	5,000
	Stock Option	\$ 56.73						11/03/2009(2)	11/03/2018	Common Stock	5,000
	Stock Option	\$ 56.89						02/02/2010(2)	02/02/2019	Common Stock	5,000

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Stock Option	\$ 50.49	08/03/2010(2)	08/03/2017	Common Stock	4,700
Stock Option	\$ 46.9	05/07/2010(2)	05/07/2017	Common Stock	4,700

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 11/03/2009

**Signature of Reporting Date
Person

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.

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.

Reporting Owners 3