

RLI CORP  
Form 4  
November 30, 2006

**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 \*  
STEPHENS GERALD D

(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)  
11/28/2006

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)

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 Indirect Beneficial Ownership (Instr. 4)
			Code	V Amount (D) Price			
Common Stock	11/28/2006		G	V 47,000 D \$ 55.47	1,115,538.9212 (1)	D	
Common Stock					18,483.6572	I	By Executive Deferred Comp
Common Stock					95,313.4913 (2)	I	By Key Emp. Benefit Plan
Common Stock					28,582.0399 (3)	I	By Trust for Grandchildren
Common Stock					3,692	I	By Trust for Sister

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Common Stock 68,935 I By Wife

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. Price or Value of Underlying Securities (Instr. 3 and 4)
Option	\$ 15.9063					05/06/2000 05/06/2009	Common Stock 55,114	
Stock Option	\$ 15.7813					05/04/2001 05/04/2010	Common Stock 49,664	
Stock Option	\$ 20.05					05/03/2001 05/03/2011	Common Stock 1,440	
Stock Option	\$ 21.1					05/07/1999 05/07/2008	Common Stock 77,762	
Stock Option	\$ 29.405					05/01/2003 05/01/2012	Common Stock 1,080	
Stock Option	\$ 29.55					05/01/2004 05/01/2013	Common Stock 720	
Stock Option	\$ 34.55					05/03/2005 05/03/2014	Common Stock 360	
Stock Option	\$ 40.39					02/02/2005 02/02/2014	Common Stock 360	

## Reporting Owners

Reporting Owner Name / Address Relationships

