

RLI CORP

Form 4

March 15, 2007

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
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(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)

03/13/2007

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)
Common Stock	03/13/2007		J ⁽¹⁾	V 23,837 A \$ 0	1,139,390.9912 (2)	D	
Common Stock	03/13/2007		J ⁽³⁾	V 3,724 A \$ 0	1,143,114.9912 (2)	D	
Common Stock	03/13/2007		J ⁽³⁾	V 3,724 D \$ 0	14,898.1865 (4)	I	By Executive Deferred Comp
Common Stock	03/13/2007		J ⁽¹⁾	V 23,837 D \$ 0	71,833.3406 (5)	I	By Key Emp. Benefit Plan
Common Stock					28,688.7888 (6)	I	By Trust for Grandchildren

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Common Stock	2,492	I	By Trust for Sister
Common Stock	68,935	I	By Wife

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. Pri Deriv Secur (Instr
				Code	V	(A)	(D)	
Option	\$ 15.9063					05/06/2000	05/06/2009	Common Stock
Stock Option	\$ 15.7813					05/04/2001	05/04/2010	Common Stock
Stock Option	\$ 20.05					05/03/2001	05/03/2011	Common Stock
Stock Option	\$ 21.1					05/07/1999	05/07/2008	Common Stock
Stock Option	\$ 29.405					05/01/2003	05/01/2012	Common Stock
Stock Option	\$ 29.55					05/01/2004	05/01/2013	Common Stock
Stock Option	\$ 34.55					05/03/2005	05/03/2014	Common Stock
Stock Option	\$ 40.39					02/02/2005	02/02/2014	Common Stock

Reporting Owners

Reporting Owner Name / Address	Relationships
	Director 10% Owner Officer Other
STEPHENS GERALD D 9025 N. LINDBERGH DRIVE PEORIA, IL 61615	X

Signatures

Gerald D
Stephens 03/15/2007

Signature of Date
Reporting 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).
- (3) Shares distributed to Mr. Gerald D. Stephens pursuant to the RLI Corp. Executive Deferred Compensation Plan rules.
- (1) Shares distributed to Mr. Stephens pursuant to the Gerald D. Stephens RLI Corp. Key Employee Excess Plan Benefit rules.
- (5) Ownership reflects dividend reinvestment.
- (6) Ownership reflects dividend reinvestment.
- (2) Ownership reflects dividend reinvestment.
- (4) Ownership reflects dividend reinvestment.

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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