

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

