

RLI CORP
Form 5
January 29, 2009

FORM 5

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

OMB APPROVAL

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Form 3 Holdings Reported Form 4 Transactions Reported

ANNUAL 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

1. Name and Address of Reporting Person *
STEPHENS GERALD D

(Last) (First) (Middle)

2. Issuer Name and Ticker or Trading Symbol
RLI CORP [RLI]

5. Relationship of Reporting Person(s) to Issuer

(Check all applicable)

Director 10% Owner
 Officer (give title below) Other (specify below)

9025 N. LINDBERGH DRIVE

(Street)

3. Statement for Issuer's Fiscal Year Ended (Month/Day/Year)
12/31/2008

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

6. Individual or Joint/Group Reporting (check applicable line)

PEORIA, IL 61615

(City) (State) (Zip)

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 at end of Issuer's Fiscal Year (Instr. 3 and 4)	6. Ownership Form: Direct (D) or Indirect (I) (Instr. 4)	7. Nature of Indirect Beneficial Ownership (Instr. 4)
				(A) or (D) Amount Price			
Common Stock	01/23/2008	Â	G	100 D \$ 55.24	1,018,170.8886	D (1)	Â
Common Stock	04/04/2008	Â	G	200 D \$ 50.96	1,037,170.9617	D (1)	Â
Common Stock	04/04/2008	Â	G	100 A \$ 50.96	29,837.2753	I	By Trust For Grandchildren (1)
Common Stock	06/17/2008	Â	G	100 D \$ 52.77	1,037,353.2752	D (1)	Â
	07/07/2008	Â	G	100 D \$ 47.7	1,037,253.2752	D (1)	Â

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Common Stock										
Common Stock	07/07/2008	Â	G	100	A	\$ 47.7	30,080.3091	I		By Trust For Grandchildren ⁽¹⁾
Common Stock	09/05/2008	Â	G	300	D	\$ 54.72	1,037,259.7977	D ⁽¹⁾		Â
Common Stock	09/05/2008	Â	G	300	A	\$ 54.72	30,536.1282	I		By Trust For Grandchildren ⁽¹⁾
Common Stock	12/10/2008	Â	G	100	D	\$ 58.67	1,110,964.1027	D ⁽¹⁾		Â
Common Stock	12/10/2008	Â	G	100	A	\$ 58.67	30,795.4486	I		By Trust For Grandchildren ⁽¹⁾
Common Stock	Â	Â	Â	Â	Â	Â	11,508.2939	I		By Executive Deferred Comp ⁽¹⁾
Common Stock	Â	Â	Â	Â	Â	Â	49,220.8814	I		By Key Emp. Benefit Plan ⁽¹⁾
Common Stock	Â	Â	Â	Â	Â	Â	2,492	I		By Trust For Sister
Common Stock	Â	Â	Â	Â	Â	Â	68,935	I		By Wife
Common Stock	Â	Â	Â	Â	Â	Â	110,585.4117	I		G.D. Stephens Grantor Retained Annuity Trust ⁽¹⁾

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

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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 of Derivative Security (Instr. 5)	9. of D Se B O E Is Fi (I
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	Date Exercisable	Expiration Date	Title	Amount or Number of Shares
(A)	(D)			

Reporting Owners

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

Signatures

/s/ Gerald D.
Stephens

01/29/2009

__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.

Note: File three copies of this Form, one of which must be manually signed. If space provided 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.