RLI CORP
Form 4
November 03, 2009

FORM 4

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

OMB APPROVAL

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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

(Print or Type Responses)

1. Name and Address of Reporting Person *
DONDANVILLE JOSEPH E

(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)
11/02/2009

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

5. Relationship of Reporting Person(s) to Issuer

(Check all applicable)

_____ Director _____ 10% Owner
__X__ Officer (give title below) _____ Other (specify below)
Senior Vice President/CFO

6. Individual or Joint/Group Filing(Check Applicable Line)
_X_ 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	(A) or (D)	Price			
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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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)	
				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

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 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.

(2) 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.
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