RLI CORP Form 4/A August 04, 2008

FORM 4

OMB APPROVAL

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

OMB 3235-0287 Number:

Check this box if no longer subject to Section 16.

STATEMENT OF CHANGES IN BENEFICIAL OWNERSHIP OF

January 31, Expires: 2005

Form 4 or Form 5 obligations **SECURITIES**

Estimated average burden hours per response... 0.5

5. Relationship of Reporting Person(s) to

Issuer

may continue. See Instruction

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

2. Issuer Name and Ticker or Trading

Symbol

1(b).

(Print or Type Responses)

1. Name and Address of Reporting Person *

MICHAEL JONATHAN E

			RLI CORP [RLI]			(Check all applicable)				
(Last)	(First)	(Middle)	3. Date of Earliest Transaction				(Check an approach)			
9025 N. LINDBERGH DRIVE		(Month/Day/Year) 08/01/2008				X Director X Officer (given below)		0% Owner ther (specify		
			Filed(Mo	endment, D	_	al	6. Individual or Joint/Group Filing(Check Applicable Line)			
PEORIA, IL 61615			08/01/2008				_X_ Form filed by One Reporting Person Form filed by More than One Reporting Person			
(City)	(State)	(Zip)	Tab	le I - Non-l	Derivative	Securities A	cquired, Disposed	of, or Benefici	ially Owned	
1.Title of Security (Instr. 3)	2. Transaction E (Month/Day/Ye	ar) Executio any	med in Date, if Day/Year)	3. Transaction Code (Instr. 8)	Disposed (Instr. 3,	(A) or of (D)	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							143,458.5521 (1)	D		
Common Stock							63,729.15 <u>(2)</u>	I	By Empl. Stock Ownership Plan	
Common Stock							35,487.2952 <u>(3)</u>	I	By Key Employee Benefit Plan	
Common Stock							14,320.1725 (4)	I	By Trust	

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

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SEC 1474 (9-02)

 $\label{thm:convergence} \begin{tabular}{ll} Table II - Derivative Securities Acquired, Disposed of, or Beneficially Owned \\ (e.g., puts, calls, warrants, options, convertible securities) \end{tabular}$

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. 5. Number of TransactionDerivative Code Securities (Month/Day/Year (Instr. 8) Acquired (A) or Disposed of (D) (Instr. 3, 4, and 5)		te	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
Option	\$ 15.9063							05/06/2000	05/06/2009	Common Stock	6,290
Stock Option	\$ 15.7813							05/04/2001	05/04/2010	Common Stock	6,336
Stock Option	\$ 20.05							05/03/2002	05/03/2011	Common Stock	60,000
Stock Option	\$ 29.335							05/02/2003	05/02/2012	Common Stock	60,000
Stock Option	\$ 29.55							05/01/2004	05/01/2013	Common Stock	60,000
Stock Option	\$ 35.08							05/06/2005	05/06/2014	Common Stock	60,000
Stock Option	\$ 44.54							05/05/2006	05/05/2015	Common Stock	45,000
Stock Option	\$ 47.44							08/04/2007	08/04/2016	Common Stock	10,500
Stock Option	\$ 50							05/01/2009	05/01/2018	Common Stock	10,500
Stock Option	\$ 50.15							05/04/2007	05/04/2016	Common Stock	10,500
Stock Option	\$ 54.04							11/03/2007	11/03/2016	Common Stock	10,500
Stock Option	\$ 55.41							02/01/2009	02/01/2018	Common Stock	10,500
	\$ 56.03							11/02/2008	11/02/2017		10,500

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Stock Option							Common Stock	
Stock Option	\$ 56.09				05/03/2008	05/03/2017	Common Stock	10,500
Stock Option	\$ 56.21				02/02/2008	02/02/2017	Common Stock	10,500
Stock Option	\$ 56.67				08/03/2008	08/03/2017	Common Stock	10,500
Stock Option	\$ 54.36 (8)	08/01/2008	A	10,500	08/01/2009	08/01/2018	Common Stock	10,500

Reporting Owners

Reporting Owner Name / Address	Relationships						
· · · · · · · · · · · · · · · · · · ·	Director	10% Owner	Officer	Other			
MICHAEL JONATHAN E 9025 N. LINDBERGH DRIVE	X		President				
PEORIA, IL 61615	Λ		Trestuent				

Signatures

JonathanEMichael 08/04/2008

**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.
- (8) Amended to reflect corrected closing price.
- (2) Ownership reflects shares allocated to ESOP participant's account and dividend reinvestment.
- 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.
- (9) 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.
- (4) Ownership reflects dividend reinvestment.
- (5) 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.
- (3) Ownership reflects dividend reinvestment.
- (7) 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. 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.

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