

RLI CORP  
Form 4  
August 16, 2011

**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 \*  
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)  
08/15/2011

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)  
Senior Vice President/CFO

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)
				(A) or (D)	Amount or Price		
Common Stock	08/15/2011		S(1)	300 D	\$ 61.25	80,806.015	D
Common Stock	08/15/2011		S(1)	300 D	\$ 61.27	80,506.015	D
Common Stock	08/15/2011		S(1)	300 D	\$ 61.28	80,206.015	D
Common Stock	08/15/2011		S(1)	500 D	\$ 61.404	79,706.015	D
Common Stock	08/15/2011		S(1)	300 D	\$ 61.43	79,406.015	D

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Common Stock	08/15/2011	<u>S(1)</u>	300	D	\$ 61.5033	79,106.015	D	
Common Stock	08/15/2011	<u>S(1)</u>	500	D	\$ 61.492	78,606.015	D	
Common Stock	08/15/2011	<u>S(1)</u>	300	D	\$ 61.63	78,306.015	D	
Common Stock	08/15/2011	<u>S(1)</u>	600	D	\$ 61.65	77,706.015	D	
Common Stock	08/15/2011	<u>S(1)</u>	300	D	\$ 61.72	77,406.015	D	
Common Stock	08/15/2011	<u>S(1)</u>	1,200	D	\$ 61.7	76,206.015	D	
Common Stock	08/15/2011	<u>S(1)</u>	300	D	\$ 61.78	75,906.015	D	
Common Stock	08/15/2011	<u>S(1)</u>	300	D	\$ 61.73	75,606.015	D	
Common Stock	08/15/2011	<u>S(1)</u>	600	D	\$ 61.75	75,006.015	D	
Common Stock	08/15/2011	<u>S(1)</u>	800	D	\$ 61.76	74,206.015	D	
Common Stock	08/15/2011	<u>S(1)</u>	300	D	\$ 61.81	73,906.015	D	
Common Stock	08/15/2011	<u>S(1)</u>	300	D	\$ 61.74	73,606.015	D	
Common Stock	08/15/2011	<u>S(1)</u>	300	D	\$ 61.8	73,306.015	D	
Common Stock	08/15/2011	<u>S(1)</u>	500	D	\$ 61.6731	72,806.015	D	
Common Stock	08/15/2011	<u>S(1)</u>	300	D	\$ 61.83	72,506.015	D	
Common Stock	08/15/2011	<u>S(1)</u>	300	D	\$ 61.85	72,206.015	D	
Common Stock						27,489.6065	I	By Empl. Stock Ownership Plan
Common Stock						10,388.3651	I	By Trust <sup>(2)</sup>
Common Stock						12,276	I	By Wife in Trust

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. Amount or Number of Shares
Stock Option	\$ 37.54 (3)					05/05/2006 05/05/2015	Common Stock	10,000
Stock Option	\$ 43.15 (3)					05/04/2007(4) 05/04/2016	Common Stock	17,500
Stock Option	\$ 49.09 (3)					05/03/2008(4) 05/03/2017	Common Stock	18,000
Stock Option	\$ 43 (3)					05/01/2009(4) 05/01/2018	Common Stock	5,000
Stock Option	\$ 47.36 (3)					08/01/2009(4) 08/01/2018	Common Stock	5,000
Stock Option	\$ 49.73 (3)					11/03/2009(4) 11/03/2018	Common Stock	5,000
Stock Option	\$ 49.89 (3)					02/02/2010(4) 02/02/2019	Common Stock	5,000
Stock Option	\$ 39.9 (3)					05/07/2010(4) 05/07/2017	Common Stock	4,700
Stock Option	\$ 43.49 (3)					08/03/2010(4) 08/03/2017	Common Stock	4,700
Stock Option	\$ 42.9 (3)					11/02/2010(4) 11/02/2017	Common Stock	4,700
Stock Option	\$ 44.62 (3)					02/01/2011(4) 02/01/2018	Common Stock	4,700
Stock Option	\$ 49.34 (3)					05/06/2011(4) 05/06/2018	Common Stock	4,000

