

RLI CORP
Form 4
March 15, 2007

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 *
SUTKOWSKI EDWARD F

(Last) (First) (Middle)

SUTKOWSKI & RHOADS
LTD, 416 MAIN STREET

(Street)

PEORIA, IL 61602

(City) (State) (Zip)

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

3. Date of Earliest Transaction
(Month/Day/Year)
03/13/2007

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 | Price | |
| Common Stock | | | | | 48,066.1562 (1) | | D |
| Common Stock | 03/13/2007 | | J(2) | | 472.4056 | A \$ 55.7227 | I By Directors Trust |
| Common Stock | 03/08/2007 | | J(4) | V | 3,308.6868 | A \$ 0 | I By IRA |
| Common Stock | 03/15/2007 | | J(5) | V | 66,338.6103 | A \$ 0 | I By IRA |
| Common Stock | 03/15/2007 | | J(5) | V | 66,338.6103 | D \$ 0 | I 0 (6) By Trust |

Common Stock 03/08/2007 J⁽⁴⁾ V 3,308.6868 D \$ 0 0 ⁽⁷⁾ I S&R Money Purchase

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 or Amount of Derivative Security (Instr. 3) |
|--|--|--------------------------------------|--|--------------------------------|---|--|---|--|
| Stock Option | \$ 22.75 | | | | | 02/01/2003 02/01/2012 | Common Stock 600 | |
| Stock Option | \$ 27.51 | | | | | 02/03/2004 02/03/2013 | Common Stock 1,200 | |
| Stock Option | \$ 40.39 | | | | | 02/02/2005 02/02/2014 | Common Stock 3,600 | |

Reporting Owners

| Reporting Owner Name / Address | Relationships | | | |
|---|---------------|-----------|---------|-------|
| | Director | 10% Owner | Officer | Other |
| SUTKOWSKI EDWARD F SUTKOWSKI & RHOADS LTD 416 MAIN STREET PEORIA, IL 61602 | X | | | |

Signatures

Edward F Sutkowski 03/15/2007
Date

Signature of
Reporting Person

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.
- (4) These shares were transferred out of the Sutkowski & Rhoades Money Purchase Pension Plan into the Edward F. Sutkowski IRA Rollover No. 2.
- (2) Securities herein were allocated pursuant to the RLI Corp. Directors' Irrevocable Trust Agreement.
- (7) Ownership reflects dividend reinvestment.
- (6) Ownership reflects dividend reinvestment.
- (3) Ownership reflects dividend reinvestment.
- (5) Shares transferred to accurately reflect the nature of ownership.

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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