

RLI CORP  
Form 4  
December 07, 2007

**FORM 4** UNITED STATES SECURITIES AND EXCHANGE COMMISSION  
Washington, D.C. 20549

OMB APPROVAL

OMB Number: 3235-0287  
Expires: January 31, 2005  
Estimated average burden hours per response... 0.5

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 \*  
STEPHENS GERALD D

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

5. Relationship of Reporting Person(s) to Issuer

(Check all applicable)

(Last) (First) (Middle)  
9025 N. LINDBERGH DRIVE  
(Street)

3. Date of Earliest Transaction  
(Month/Day/Year)  
12/06/2007

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

PEORIA, IL 61615

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

6. Individual or Joint/Group Filing(Check Applicable Line)  
 Form filed by One Reporting Person  
 Form filed by More than One Reporting Person

(City) (State) (Zip)

**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) Code V Amount (D) Price			
Common Stock	12/06/2007		G	V 5,175 D 60.6	\$ 1,168,270.8886 (1)	D	
Common Stock					15,066.4813 (2)	I	By Executive Deferred Comp
Common Stock					72,644.7922 (3)	I	By Key Emp. Benefit Plan
Common Stock					29,615.1358 (4)	I	By Trust for Grandchildren
Common Stock					2,492	I	By Trust for Sister

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Common Stock 68,935 I By Wife

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 Value of Underlying Securities (Instr. 3 and 4)	
				Code	V	(A)	(D)	Title	Amount or Number of Shares
Option	\$ 15.9063					05/06/2000	05/06/2009	Common Stock	55,114
Stock Option	\$ 15.7813					05/04/2001	05/04/2010	Common Stock	49,664
Stock Option	\$ 20.05					05/03/2001	05/03/2011	Common Stock	1,440
Stock Option	\$ 29.405					05/01/2003	05/01/2012	Common Stock	1,080
Stock Option	\$ 29.55					05/01/2004	05/01/2013	Common Stock	720
Stock Option	\$ 34.55					05/03/2005	05/03/2014	Common Stock	360
Stock Option	\$ 40.39					02/02/2005	02/02/2014	Common Stock	360

## Reporting Owners

Reporting Owner Name / Address Relationships  
 Director 10% Owner Officer Other

X

STEPHENS GERALD D  
9025 N. LINDBERGH DRIVE  
PEORIA, IL 61615

## Signatures

GeraldDStephens

12/07/2007

\_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).
- (3) Ownership reflects dividend reinvestment.
- (4) Ownership reflects dividend reinvestment.
- (1) Ownership reflects dividend reinvestment.
- (2) Ownership reflects dividend reinvestment.

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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