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RLI Insurance Company

9025 N. Lindbergh Drive | Peoria, IL 61615

Phone: 309-692-1000 | Fax: 309-692-1068 | www.rlicorp.com

**INSURANCE COMMISSIONER
COMPANY SUPERVISION**

March 4, 2011

Mr. Ronald J. Pastuch, CPA
Holding Company Manager
Office of Insurance Commissioner
State of Washington
PO Box 40259
Olympia, WA 98504-0259

Mr. Pastuch:

Enclosed is the original hardcopy of the revised and updated disclaimer of control from State Street. Please contact me with any questions.

Regards,

Dan Kennedy
Vice President & General Counsel

Enclosure (1)



STATE STREET

February 22, 2011

Finance
Box 5501
Boston, MA 02206

617-786-3000

Mr. Ronald J. Pastuch, CPA
Holding Company Manager
Office of Insurance Commissioner
State of Washington
PO Box 40259
Olympia, WA 98504-0259

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MAR 04 2011

LAW DEPT

Re: State Street Corporation
Disclaimer of Affiliation and Control of RLI Corp.

Dear Mr. Pastuch:

As of December 31, 2010, State Street Corporation ("State Street") and its subsidiaries owned of record 2,022,970 shares of common stock of RLI Corp. ("RLI"), which represented 9.7% of the voting securities of RLI. All of these shares are owned of record by State Street and its subsidiaries in their various fiduciary and other capacities.

State Street Bank and Trust Company ("Trustee"), a subsidiary of State Street, is the trustee of the RLI Corp. Employee Stock Ownership Plan ("ESOP") and, as Trustee, is the record holder of common stock beneficially owned by the participants in the ESOP. The provisions of the ESOP allow each of the participants in the ESOP to direct the voting of all shares, whether vested or not, allocated to his or her account, and the Trustee must follow such directions in voting shares held, by the ESOP on behalf of participants, unless contrary to ERISA.

State Street is the holder of record of the RLI Stock, and hereby disclaims beneficial ownership of the RLI Stock, except in its fiduciary capacity under ERISA. State Street cannot use its record ownership of voting securities of RLI to try to change the management, business operations, or strategy of RLI. State Street declares that it is not affiliated with, nor does it control, RLI.

State Street Corporation, on its own behalf and on behalf of its direct and indirect subsidiaries

By:
Its: Corporate Controller

