



■ RLI Corp.

## NEWS RELEASE

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### FOR IMMEDIATE RELEASE

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### **RLI expands into crop reinsurance with ProAg**

PEORIA, ILLINOIS, January 19, 2010 -- RLI Corp. (NYSE: RLI) – Effective January 1, 2010, RLI entered into a two-year agreement to become a quota share reinsurer of Producers Agricultural Insurance Company (“ProAg”) based in Amarillo, Texas. Under this agreement, RLI will assume 6% of ProAg’s multi-peril crop and crop hail premium and exposure.

ProAg, a subsidiary of CUNA Mutual, underwrote \$592 million of crop insurance in 2008, making it the 6<sup>th</sup> largest U.S. crop insurer. Crop insurance is purchased by agricultural producers for protection against crop losses due to natural disasters and other perils.

“Crop insurance represents a market segment with attractive fundamentals and returns uncorrelated to our current products, and this quota share reinsurance represents an ideal entry point,” said RLI Corp. President & CEO Jonathan E. Michael. “ProAg has a talented management team that is executing on their strategy to develop and expand their markets. This partnership demonstrates our commitment to identify and enter profitable niche markets.”

The financial results of this agreement will begin to be recognized in the first quarter of 2010.

RLI, a specialty insurance company, offers a diversified portfolio of property and casualty coverages and surety bonds serving "niche" or underserved markets. RLI operates in all 50 states from office locations across the country. The company's talented associates have delivered underwriting profits in 28 of the last 32 years, including the last 13. RLI's insurance subsidiaries – RLI Insurance Company, Mt. Hawley Insurance Company and RLI Indemnity Company – are rated A+ "Superior" by A.M. Best Company and A+ "Strong" by Standard & Poor's.

For additional information, contact RLI Treasurer, Chief Investment Officer John Robison at (309) 693-5846 or at [john.robison@rlicorp.com](mailto:john.robison@rlicorp.com) or visit our website at [www.rlicorp.com](http://www.rlicorp.com).

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