

RLI CORP

Form 4

October 30, 2009

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

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

## OMB APPROVAL

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response... 0.5

(Print or Type Responses)

1. Name and Address of Reporting Person \*  
Kliethermes Craig W

(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)  
10/30/2009

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 \_\_\_\_X\_\_\_\_ Other (specify  
below) below)

VP, Actuarial RLI Insurance Co

6. Individual or Joint/Group Filing(Check  
Applicable Line)  
\_X\_ 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<br>Security<br>(Instr. 3) | 2. Transaction Date<br>(Month/Day/Year) | 2A. Deemed<br>Execution Date, if<br>any<br>(Month/Day/Year) | 3. Transaction<br>Code<br>(Instr. 8) | 4. Securities Acquired<br>(A) or Disposed of (D)<br>(Instr. 3, 4 and 5) | 5. Amount of<br>Securities<br>Beneficially<br>Owned<br>Following<br>Reported<br>Transaction(s)<br>(Instr. 3 and 4) | 6. Ownership<br>Form: Direct<br>(D) or<br>Indirect (I)<br>(Instr. 4) | 7. Nature of<br>Indirect<br>Beneficial<br>Ownership<br>(Instr. 4) |
|---------------------------------------|-----------------------------------------|-------------------------------------------------------------|--------------------------------------|-------------------------------------------------------------------------|--------------------------------------------------------------------------------------------------------------------|----------------------------------------------------------------------|-------------------------------------------------------------------|
| Common<br>Stock                       | 10/30/2009                              |                                                             | J <sup>(4)</sup>                     | 26.3056 A                                                               | \$<br>50.5 2,529.2141                                                                                              | I <sup>(1)</sup>                                                     | By<br>Executive<br>Deferred<br>Comp                               |
| Common<br>Stock                       |                                         |                                                             |                                      |                                                                         | 3,005.681                                                                                                          | D <sup>(1)</sup>                                                     |                                                                   |
| Common<br>Stock                       |                                         |                                                             |                                      |                                                                         | 1,451.8672                                                                                                         | I <sup>(2)</sup>                                                     | By Esop                                                           |

Reminder: Report on a separate line for each class of securities beneficially owned directly or indirectly.

**Persons who respond to the collection of  
information contained in this form are not**

SEC 1474  
(9-02)

required to respond unless the form  
displays a currently valid OMB control  
number.

**Table II - Derivative Securities Acquired, Disposed of, or Beneficially Owned**  
(e.g., puts, calls, warrants, options, convertible securities)

| 1. Title of<br>Derivative<br>Security<br>(Instr. 3) | 2. Conversion<br>or Exercise<br>Price of<br>Derivative<br>Security | 3. Transaction Date<br>(Month/Day/Year) | 3A. Deemed<br>Execution Date, if<br>any<br>(Month/Day/Year) | 4. Transaction<br>Code<br>(Instr. 8) | 5. Number<br>of<br>Derivative<br>Securities<br>Acquired<br>(A) or<br>Disposed<br>of (D)<br>(Instr. 3,<br>4, and 5) | 6. Date Exercisable and<br>Expiration Date<br>(Month/Day/Year) | 7. Title and Amount of<br>Underlying Securities<br>(Instr. 3 and 4) | 8. Amount<br>or<br>Number<br>of Shares |                                     |
|-----------------------------------------------------|--------------------------------------------------------------------|-----------------------------------------|-------------------------------------------------------------|--------------------------------------|--------------------------------------------------------------------------------------------------------------------|----------------------------------------------------------------|---------------------------------------------------------------------|----------------------------------------|-------------------------------------|
|                                                     |                                                                    |                                         |                                                             | Code                                 | V (A) (D)                                                                                                          | Date Exercisable                                               | Expiration<br>Date                                                  | Title                                  | Amount<br>or<br>Number<br>of Shares |
| Stock<br>Option                                     | \$ 50.15                                                           |                                         |                                                             |                                      |                                                                                                                    | 05/04/2007 <sup>(3)</sup>                                      | 05/04/2016                                                          | Common<br>Stock                        | 5,000                               |
| Stock<br>Option                                     | \$ 56.09                                                           |                                         |                                                             |                                      |                                                                                                                    | 05/03/2008 <sup>(3)</sup>                                      | 05/03/2017                                                          | Common<br>Stock                        | 9,000                               |
| Stock<br>Option                                     | \$ 50                                                              |                                         |                                                             |                                      |                                                                                                                    | 05/01/2009 <sup>(3)</sup>                                      | 05/01/2018                                                          | Common<br>Stock                        | 11,000                              |
| Stock<br>Option                                     | \$ 46.9                                                            |                                         |                                                             |                                      |                                                                                                                    | 05/07/2010 <sup>(3)</sup>                                      | 05/07/2017                                                          | Common<br>Stock                        | 14,000                              |

## Reporting Owners

| Reporting Owner Name / Address                                     | Relationships                    |
|--------------------------------------------------------------------|----------------------------------|
|                                                                    | Director 10% Owner Officer Other |
| Kliethermes Craig W<br>9025 N. LINDBERGH DRIVE<br>PEORIA, IL 61615 | VP, Actuarial RLI Insurance Co   |

## Signatures

/s/ Craig W.  
Kliethermes 10/30/2009

\_\_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).

(1) Ownership reflects dividend reinvestment.

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- (2) Ownership reflects shares allocated to ESOP participant's account and dividend reinvestment.
- (3) Pursuant to option schedule wherein 20% of the aggregate number of shares granted may be exercised commencing one year from grant date and each year thereafter in 20% increments.
- (4) The securities herein were allocated to my account pursuant to the RLI Corp. Executive Deferred Compensation Agreement.

Note: File three copies of this Form, one of which must be manually signed. If space is insufficient, *see* Instruction 6 for procedure.

Potential persons who are to respond to the collection of information contained in this form are not required to respond unless the form displays a currently valid OMB number.