

RLI CORP  
Form 4  
December 01, 2008

**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 \*  
Denzer Carol Jeanne

(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)  
11/26/2008

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

5. Relationship of Reporting Person(s) to Issuer

(Check all applicable)

\_\_\_\_ Director  
\_\_\_\_ Officer (give title below)  10% Owner  
\_\_\_\_ Other (specify below)  
VP, CIO RLI Insurance Company

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	(A) or (D)	Price
Common Stock	11/26/2008		S		200	D	\$ 58.4
Common Stock	11/26/2008		S		300	D	\$ 58.42
Common Stock	11/26/2008		S		200	D	\$ 58.43
Common Stock	11/26/2008		S		400	D	\$ 58.45
Common Stock	11/26/2008		M		160	A	\$ 29.335
							2,464
							2,164
							1,964
							1,564
							1,724

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Common Stock	11/26/2008	M	280	A	\$ 29.55	2,004	D	
Common Stock	11/26/2008	M	100	A	\$ 31.15	2,104	D	
Common Stock	11/26/2008	M	640	A	\$ 35.08	2,744	D	
Common Stock	11/26/2008	F	661	D	\$ 58.25	2,083	D	
Common Stock						9,335.9325	I	By Esop <u>(1)</u>

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

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(9-02)

**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. Amount or Number of Shares
Stock Option	\$ 29.335	11/26/2008		M	160	05/02/2003 05/02/2012	Common Stock	160
Stock Option	\$ 29.55	11/26/2008		M	280	05/01/2004 05/01/2013	Common Stock	280
Stock Option	\$ 31.15	11/26/2008		M	100	08/04/2004 08/04/2013	Common Stock	100
Stock Option	\$ 35.08	11/26/2008		M	640	05/06/2005 05/06/2014	Common Stock	640
Stock Option	\$ 44.54					12/31/2005 05/05/2015	Common Stock	3,500
Stock Option	\$ 50.15					05/04/2007 <sup>(2)</sup> 05/04/2016	Common Stock	5,000

Stock Option	\$ 56.09	05/03/2008 <sup>(2)</sup>	05/03/2017	Common Stock	6,500
Stock Option	\$ 50	05/01/2009 <sup>(2)</sup>	05/01/2018	Common Stock	8,000

## Reporting Owners

Reporting Owner Name / Address	Relationships			
	Director	10% Owner	Officer	Other
Denzer Carol Jeanne 9025 N. LINDBERGH DRIVE PEORIA, IL 61615				VP, CIO RLI Insurance Company

## Signatures

/s/ Carol J. Denzer 12/01/2008

\*\*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 shares allocated to ESOP participant's account and dividend reinvestment.
- (2) 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.

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.