

RLI CORP
Form 4
January 03, 2007

FORM 4

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

OMB APPROVAL

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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 *
VIETS ROBERT O

(Last) (First) (Middle)
401 WATER STREET, UNIT 404
(Street)
PEORIA, IL 61602
(City) (State) (Zip)

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

3. Date of Earliest Transaction
(Month/Day/Year)
12/28/2006

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 below) Other (specify below)

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 | 12/28/2006 | | J ⁽¹⁾ | V 23,203 A \$ 0 | 26,785.631 | D | |
| Common Stock | | | | | 32,202.2047 ⁽²⁾ | I | By Trust |
| Common Stock | 12/28/2006 | | J ⁽³⁾ | V 23,203 D \$ 0 0 | | I | K. Viets, Trustee of ROV Florida Intangible Trust |
| Common Stock | | | | | 4,215.8874 ⁽⁴⁾ | I | ROV IRA Rollover |

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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. Price or Value of Underlying Securities (Instr. 3 and 4) |
|--|--|--------------------------------------|--|--------------------------------|---|--|---|---|
| Stock Option | \$ 16.5938 | | | | | 02/01/2000 02/01/2009 | Common Stock 3,000 | |
| Stock Option | \$ 22.7 | | | | | 02/01/2001 02/01/2011 | Common Stock 3,600 | |
| Stock Option | \$ 22.75 | | | | | 02/01/2003 02/01/2012 | Common Stock 1,800 | |
| Stock Option | \$ 27.51 | | | | | 02/03/2003 02/03/2013 | Common Stock 1,800 | |
| Stock Option | \$ 40.39 | | | | | 02/02/2004 02/02/2014 | Common Stock 3,600 | |

Reporting Owners

| Reporting Owner Name / Address | Relationships | | | |
|--|---------------|-----------|---------|-------|
| | Director | 10% Owner | Officer | Other |
| VIETS ROBERT O 401 WATER STREET UNIT 404 PEORIA, IL 61602 | X | | | |

Signatures

Robert O Viets 01/03/2007
 **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).
- (2) Ownership reflects dividend reinvestment.
- (4) Ownership reflects dividend reinvestment.
- (1) Shares transferred from K. Viets, Trustee of the RO Viets Florida Intangible Trust.
- (3) Shares transferred to the RO Viets Revocable Trust

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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