## Edgar Filing: RLI CORP - Form 4

| RLI CORP  |                 |              |            |  |       |                         |  |  |   |  |                |                                     |  |  |
|---|-----------------|--------------|------------|--|-------|-------------------------|--|--|---|--|----------------|-------------------------------------|--|--|
| Form 4  |                 |              |            |  |       |                         |  |  |   |  |                |                                     |  |  |
| September (   | 01, 2009        |              |            |  |       |                         |  |  |   |  |                |                                     |  |  |
| FORM  | <b>14</b>       |              | GEGU       | DIAT   |       |                         |  |  |   |  | OMB A          | PPROVAL                             |  |  |
|   | UNITED          | STATES       |            |  |       | AND EX<br>1, D.C. 2     |  |  | IGE CO  | OMMISSION  | OMB<br>Number: | 3235-0287                           |  |  |
| Check the check | nger            |              |            |  |       |                         |  |  |   |  | Expires:       | January 31,<br>2005                 |  |  |
| subject to<br>Section 16.<br>Form 4 or  |                 |              |            |  | L OWN | ERSHIP OF               | Estimated a burden hou response  | average<br>Irs per   |   |  |                |                                     |  |  |
| Form 5<br>obligation<br>may corn<br>See Insta<br>1(b).  | ons Section 17( | (a) of the l | Public U   | Jtility  | Hol   |                         | mpa  | ny   | Act of  | Act of 1934,<br>1935 or Section<br>)   | 1              |                                     |  |  |
| (Print or Type  | Responses)      |              |            |  |       |                         |  |  |   |  |                |                                     |  |  |
| 1. Name and Address of Reporting Person *<br>Kliethermes Craig W  |                 |              |            | er Name<br>ORP []  |       | <b>d</b> Ticker o<br>[] | r Tra  | ding   | >   | 5. Relationship of Reporting Person(s) to<br>Issuer<br>(Check all applicable)  |                |                                     |  |  |
| (Last)  | (First) (       | Middle)      | 3. Date of | of Earlie  | est T | ransactior              |  |  |   | (Check an applicable)  |                |                                     |  |  |
|   |                 |              |            | (Month/Day/Year)<br>09/01/2009                                   |       |                         |  |  |   | Director 10% Owner<br>Officer (give title X_ Other (specify<br>below) below)<br>VP, Actuarial RLI Insurance Co                                   |                |                                     |  |  |
| Filed   |                 |              |            | If Amendment, Date Original<br>ed(Month/Day/Year)                |       |                         |  |  |   | 6. Individual or Joint/Group Filing(Check<br>Applicable Line)<br>_X_ Form filed by One Reporting Person<br>Form filed by More than One Reporting |                |                                     |  |  |
| PEORIA, I   | L 01013         |              |            |  |       |                         |  |  |   | Person   |                |                                     |  |  |
| (City)  | (State)         | (Zip)        | Tab        | ole I - N  | on-l  | Derivativo              | e Seci   | urit   | ies Acqu  | iired, Disposed of,  | or Beneficia   | lly Owned                           |  |  |
| Security (Month/Day/Year) Execution Date, if Transactionor Dispos   |                 |              |            | urities Acquired (A)<br>posed of (D)<br>3, 4 and 5)<br>(A)<br>or |       |                         | 5. Amount of<br>Securities<br>Beneficially<br>Owned<br>Following<br>Reported<br>Transaction(s)<br>(Instr. 3 and 4) | 6.<br>Ownership<br>Form:<br>Direct (D)<br>or Indirect<br>(I)<br>(Instr. 4) | 7. Nature of<br>Indirect<br>Beneficial<br>Ownership<br>(Instr. 4) |  |                |                                     |  |  |
| Common<br>Stock   | 09/01/2009      |              |            | Code<br>J <u>(4)</u>   | V     | Amoun<br>25.5319        |  | D)   | Price<br>\$<br>52.77  | 2,413.6091   | I <u>(1)</u>   | By<br>Executive<br>Deferred<br>Comp |  |  |
| Common<br>Stock   |                 |              |            |  |       |                         |  |  |   | 2,990.822  | D <u>(1)</u>   |                                     |  |  |
| Common<br>Stock   |                 |              |            |  |       |                         |  |  |   | 1,444.7302   | I (2)          | 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 SEC 1474 information contained in this form are not (9-02)

#### Edgar Filing: RLI CORP - Form 4

# 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.<br>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.<br>Transactio<br>Code<br>(Instr. 8) | 5.<br>onNumber<br>of<br>Derivative<br>Securities<br>Acquired<br>(A) or<br>Disposed<br>of (D)<br>(Instr. 3,<br>4, and 5) |                       |                    | 7. Title and A<br>Underlying S<br>(Instr. 3 and 4 | Securities                          | 8.<br>De<br>Se<br>(Ir |
|---|---|---|---|--|---|-----------------------|--------------------|---|-------------------------------------|-----------------------|
|   |   |   |   | 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(3)         | 05/04/2016         | Common<br>Stock                                   | 5,000                               |                       |
| Stock<br>Option                                     | \$ 56.09  |   |   |  |   | 05/03/2008(3)         | 05/03/2017         | Common<br>Stock                                   | 9,000                               |                       |
| Stock<br>Option                                     | \$ 50   |   |   |  |   | 05/01/2009(3)         | 05/01/2018         | Common<br>Stock                                   | 11,000                              |                       |
| Stock<br>Option                                     | \$ 46.9   |   |   |  |   | 05/07/2010 <u>(3)</u> | 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.<br>Kliethermes  | )9/01/2009    |           |         |                                |  |  |  |

\*\*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.