

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

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

5. Relationship of Reporting Person(s) to Issuer

(Check all applicable)

(Last) (First) (Middle)  
9025 N. LINDBERGH DRIVE  
  
(Street)

3. Date of Earliest Transaction (Month/Day/Year)  
11/26/2008

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

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

6. Individual or Joint/Group Filing(Check Applicable Line)  
 Form filed by One Reporting Person  
 Form filed by More than One Reporting Person

PEORIA, IL 61615

(City) (State) (Zip)

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

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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.

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

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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

