

RLI CORP

Form 4

November 23, 2011

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

OMB
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(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)

11/22/2011

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 ____ 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 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)
Common Stock	11/22/2011		M	5,000 A	\$ 43.15 8,681.108	D <u>(1)</u>	
Common Stock	11/22/2011		F ⁽⁴⁾	3,643 D	\$ 71.819 5,038.108	D <u>(1)</u>	
Common Stock					2,631.8926	I <u>(5)</u>	By Esop
Common Stock					4,616.1427	I <u>(1)</u>	By Executive Deferred Comp

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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 (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)
				Code	V (A) (D)	Date Exercisable Expiration Date	Title Amount or Number of Shares
Stock Option	\$ 43.15 ⁽³⁾	11/22/2011		M	5,000	05/04/2007 ⁽²⁾ 05/04/2016	Common Stock 5,000
Stock Option	\$ 49.09 ⁽³⁾					05/03/2008 ⁽²⁾ 05/03/2017	Common Stock 9,000
Stock Option	\$ 43 ⁽³⁾					05/01/2009 ⁽²⁾ 05/01/2018	Common Stock 11,000
Stock Option	\$ 39.9 ⁽³⁾					05/07/2010 ⁽²⁾ 05/07/2017	Common Stock 13,300
Stock Option	\$ 49.34 ⁽³⁾					05/06/2011 ⁽²⁾ 05/06/2018	Common Stock 13,000
Stock Option	\$ 58.73					05/05/2012 ⁽²⁾ 05/05/2019	Common Stock 18,000

Reporting Owners

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

Signatures

/s/ Craig W.
Kliethermes
11/23/2011
Date

**Signature of Reporting
Person

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.
- (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.
- (3) Stock Option grant price adjusted to reflect \$7 RLI extraordinary dividend paid 12/29/10.
- (4) Shares sold in connection with net exercise of options to fund exercise price and associated taxes, pursuant to a benefit plan registered under Form S-8.
- (5) Ownership reflects shares allocated to ESOP participant's account and dividend reinvestment.

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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