

RLI CORP  
Form 4  
January 31, 2008

**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)  
01/30/2008

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 Ownership (Instr. 4) |
|---------------------------------|--------------------------------------|--|--------------------------------|---|---|--|--|
|                                 |                                      |  | Code                           | V   | Amount  | (D)  | Price                                      |
| Common Stock                    | 01/30/2008                           |  | A <sup>(1)</sup>               |   | 159   | A  | \$ 53.26                                   |
| Common Stock                    | 01/30/2008                           |  | J <sup>(2)</sup>               |   | 208.0191  | A  | \$ 54.546                                  |
| Common Stock                    |                                      |  |                                |   |   |  | 4,297.0874 <sup>(4)</sup>                  |
|                                 |                                      |  |                                |   |   | I  | By Trust                                   |
|                                 |                                      |  |                                |   |   | I  | ROV IRA Rollover                           |

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**

SEC 1474 (9-02)

number.

**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 of Underlying Securities (Instr. 3 and 4) |
|--|--|--------------------------------------|--|--------------------------------|---|--|---|--|
| 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<br>401 WATER STREET<br>UNIT 404<br>PEORIA, IL 61602 | X             |           |         |       |

## Signatures

RobertOViets 01/31/2008

\*\*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) Issued pursuant to the Omnibus Stock Plan Outside Directors Fee Award Agreement

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- (3) Ownership reflects dividend reinvestment.
- (4) Ownership reflects dividend reinvestment.
- (2) The securities herein were allocated to my account pursuant to the RLI Corp. Directors' Irrevocable Trust 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.