RLI CORP Form 4 December 01, 2008

FORM 4

UNITED STATES SECURITIES AND EXCHANGE COMMISSION

SECURITIES

OMB APPROVAL OMB

Washington, D.C. 20549 Check this box STATEMENT OF CHANGES IN BENEFICIAL OWNERSHIP OF

3235-0287 Number: January 31,

if no longer subject to Section 16. Form 4 or Form 5

Expires: 2005 Estimated average

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

burden hours per 0.5 response...

may continue. See Instruction

obligations

30(h) of the Investment Company Act of 1940

1(b).

(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)	3. Date of Earliest Transaction	(Check all applicable)			
			(Month/Day/Year)	Director 10% Owner			
9025 N. LINDBERGH DRIVE			11/26/2008	Officer (give titleX Other (specify below) VP, CIO RLI Insurance Company			
(Street)			4. If Amendment, Date Original	6. Individual or Joint/Group Filing(Check			
			Filed(Month/Day/Year)	Applicable Line) _X_ Form filed by One Reporting Person			
PEORIA, IL 61615				Form filed by More than One Reporting Person			

(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. 4. Securities Acquired Transaction(A) or Disposed of (D) Code (Instr. 3, 4 and 5) (Instr. 8)			5. Amount of Securities Beneficially Owned Following	6. Ownership Form: Direct (D) or Indirect (I)	7. Nature of Indirect Beneficial Ownership (Instr. 4)		
			Code V	Amount	(A) or (D)	Price	Reported Transaction(s) (Instr. 3 and 4)	(Instr. 4)		
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		

Edgar Filing: RLI CORP - Form 4

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

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.

SEC 1474 (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. Transactic Code (Instr. 8)	onof		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	\$ 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(2)	05/04/2016	Common Stock	5,000

Edgar Filing: RLI CORP - Form 4

Stock Option	\$ 56.09	05/03/2008(2)	05/03/2017	Common Stock	6,500
Stock Option	\$ 50	05/01/2009(2)	05/01/2018	Common Stock	8,000

Reporting Owners

Reporting Owner Name / Address Relationships

Director 10% Owner Officer Other

Denzer Carol Jeanne

9025 N. LINDBERGH DRIVE

VP, CIO RLI Insurance Company

PEORIA, IL 61615

Signatures

/s/ Carol J. 12/01/2008 Denzer

**Signature of Date
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 shares allocated to ESOP participant's account and dividend reinvestment.
- 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.

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.

Reporting Owners 3