

RLI CORP
Form 4
February 17, 2010

FORM 4

**UNITED STATES SECURITIES AND EXCHANGE COMMISSION
Washington, D.C. 20549**

OMB APPROVAL

OMB Number: 3235-0287
Expires: January 31, 2005
Estimated average burden hours per response... 0.5

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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 *
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)
02/16/2010

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

5. Relationship of Reporting Person(s) to Issuer

(Check all applicable)

____ Director
____ Officer (give title below) Other (specify below)
VP, Actuarial RLI Insurance Co

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 Beneficial Ownership (Instr. 4)			
			Code	V	Amount	(D)	Price			
Common Stock	02/16/2010		J ⁽²⁾		410.0424	A	\$ 52	3,097.2846	I ⁽¹⁾	By Executive Deferred Comp
Common Stock	02/16/2010		J ⁽³⁾		28.677	A	\$ 52.3068	3,079.954	D ⁽¹⁾	
Common Stock								1,483.019	I ⁽⁴⁾	By Esop

Reminder: Report on a separate line for each class of securities beneficially owned directly or indirectly.

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- (2) The securities herein were allocated to my account pursuant to the RLI Corp. Executive Deferred Compensation Agreement.
- (3) Shares purchased through payroll deduction feature of the RLI Dividend Reinvestment Plan.
- (4) Ownership reflects shares allocated to ESOP participant's account and dividend reinvestment.
- (5) 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.

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