RLI CORP Form 4 March 22, 2007

#### FORM 4

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

STATEMENT OF CHANGES IN BENEFICIAL OWNERSHIP OF

**SECURITIES** 

2. Issuer Name and Ticker or Trading

OMB APPROVAL

Number: 3235-0287

Expires: January 31, 2005

Estimated average burden hours per response... 0.5

5. Relationship of Reporting Person(s) to

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

obligations

may continue.

See Instruction

Check this box

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

1(b).

Common

Stock

(Print or Type Responses)

1. Name and Address of Reporting Person \*

VIETS ROBERT O Issuer Symbol RLI CORP [RLI] (Check all applicable) (First) (Middle) (Last) 3. Date of Earliest Transaction (Month/Day/Year) X\_ Director 10% Owner Other (specify Officer (give title 401 WATER STREET, UNIT 404 03/21/2007 below) (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 Form filed by More than One Reporting **PEORIA, IL 61602** Person (City) (State) (Zip) Table I - Non-Derivative Securities Acquired, Disposed of, or Beneficially Owned 1.Title of 2. Transaction Date 2A. Deemed 4. Securities 5. Amount of 6. Ownership 7. Nature of Security (Month/Day/Year) Execution Date, if TransactionAcquired (A) or Securities Form: Direct Indirect (Instr. 3) Code Disposed of (D) Beneficially (D) or Beneficial anv (Month/Day/Year) (Instr. 8) (Instr. 3, 4 and 5) Owned Indirect (I) Ownership Following (Instr. 4) (Instr. 4) Reported (A) Transaction(s) or (Instr. 3 and 4) Code V Amount (D) Price Common  $A^{(1)}$ 03/21/2007 151 A \$ 56 26,944.196 D Stock Common 32,524.7442 I By Trust (2) Stock

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)

4,231.6374 (3) I

**ROV IRA** 

Rollover

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## 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)	5. DriNumber of Derivative Securities Acquired (A) or Disposed of (D) (Instr. 3, 4, and 5)		te	7. Title and Underlying (Instr. 3 and	Securities	8. Prio Deriv Secur (Instr.
				Code V	(A) (D)	Date Exercisable	Expiration Date	Title	Amount or Number of Shares	
Stock Option	\$ 16.5938					02/01/2000	02/01/2009	Common Stock	3,000	
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						
1	Director	10% Owner	Officer	Other			
VIETS ROBERT O 401 WATER STREET UNIT 404 PEORIA, IL 61602	X						

### **Signatures**

Robert O Viets 03/22/2007

\*\*Signature of 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

Reporting Owners 2

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- (2) Ownership reflects dividend reinvestment.
- (3) Ownership reflects 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. 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.