

RLI CORP

Form 4

December 11, 2006

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 *
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)
12/08/2006

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 Beneficial Ownership (Instr. 4)
Common Stock					3,449.631	D	
Common Stock					32,202.2047 (1)	I	By Trust
Common Stock	12/08/2006		M	1,500 A	\$ 13.95 21,703	I	K. Viets, Trustee of ROV Florida Intangible Trust
Common Stock	12/08/2006		M	1,500 A	\$ 19.6 23,203	I	K. Viets, Trustee of

Common Stock	4,215.8874 ⁽²⁾ I	ROV Florida Intangible Trust ROV IRA Rollover
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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 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. Amount or Number of Shares
				Code	V (A) (D)	Date Exercisable	Expiration Date	Title	
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
Stock Option	\$ 13.95	12/08/2006		M	1,500	02/03/1998	02/03/2007	Common Stock	1,500
Stock Option	\$ 19.6	12/08/2006		M	1,500	02/02/1999	02/02/2008	Common Stock	1,500

Reporting Owners

Reporting Owner Name / Address	Relationships
	Director 10% Owner Officer Other
VIETS ROBERT O 401 WATER STREET UNIT 404 PEORIA, IL 61602	X

Signatures

Robert O Viets	12/11/2006
**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) Ownership reflects dividend reinvestment.
- (2) 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.
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