RLI CORP Form 4 January 08, 2014

FORM 4

OMB APPROVAL

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

OMB 3235-0287 Number:

Check this box if no longer subject to Section 16. Form 4 or

January 31, Expires: 2005

STATEMENT OF CHANGES IN BENEFICIAL OWNERSHIP OF **SECURITIES**

Estimated average burden hours per 0.5 response...

Form 5 obligations may continue. See Instruction 1(b).

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 A STONE MIC		rting Person *	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			
9025 N. LIN	IDBERGH I	DRIVE	(Month/Day/Year) 01/07/2014	X Director 10% Owner Officer (give titleX Other (specify below) President RLI Insurance Compan		
(Street)			4. If Amendment, Date Original	6. Individual or Joint/Group Filing(Check		
PEORIA, IL 61615			Filed(Month/Day/Year)	Applicable Line) _X_ Form filed by One Reporting Person Form filed by More than One Reporting Person		
(City)	(State)	(Zip)	Tabla I Non Darivativa Sagurities Ac	quired Disposed of ar Ranaficially Owned		

(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)			, , ,		d of (D)	5. Amount of Securities Beneficially Owned Following Reported Transaction(s)	6. Ownership Form: Direct (D) or Indirect (I)	7. Nature of Indirect Beneficial Ownership (Instr. 4)	
			Code	V		or (D)	Price	(Instr. 3 and 4)	(Instr. 4)	
Common Stock	01/07/2014		J <u>(1)</u>	V	935	A	\$ 94.76	112,444.5809	D (2)	
Common Stock	01/07/2014		J <u>(1)</u>	V	935	D	\$ 94.76	4,065	I	M.J. Stone Grantor Retained Annuity Trust (M7) dtd. 01/30/13
Common Stock	01/07/2014		J <u>(3)</u>	V	639	A	\$ 94.76	113,083.5809	D (2)	

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Common Stock	01/07/2014	J <u>(3)</u>	V	639	D	\$ 94.76	4,361	I	M.J. Stone Grantor Retained Annuity Trust (M8) dtd. 01/30/13
Common Stock	01/07/2014	J <u>(4)</u>	V	464	A	\$ 94.76	113,547.5809	D (2)	
Common Stock	01/07/2014	J <u>(4)</u>	V	464	D	\$ 94.76	4,536	I	M.J. Stone Grantor Retained Annuity Trust (M9) dtd. 01/30/13
Common Stock							22,268.0845	I (5)	By Empl. Stock Ownership Plan
Common Stock							26,163.5674	I (5)	By Trust
Common Stock							4,746	I	M.J. Stone Grantor Retained Annuity Trust (M4) dtd. 10/31/11
Common Stock							10,185.047	I (5)	M.J. Stone Grantor Retained Annuity Trust (M5) dtd. 10/31/11
Common Stock							11,279.318	I (5)	M.J. Stone Grantor Retained Annuity Trust (M6) dtd. 10/31/11
Reminder: Report on a separate line for each class of securities beneficially owned directly or indirectly. Persons who respond to the collection of SEC 1474									
							ined in this form		SEC 1474 (9-02)

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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. Transaction Code (Instr. 8)	5. onNumber of Derivative Securities Acquired (A) or Disposed of (D) (Instr. 3, 4, and 5)			7. Title and A Underlying S (Instr. 3 and	Securities 1
				Code V	(A) (D)	Date Exercisable	Expiration Date	Title	Amount or Number of Shares
Stock Option	\$ 26.9 (6) (7) (8) (9)					05/07/2010(10)	05/07/2017	Common Stock	6,400
Stock Option	\$ 36.34 (6) (7) (8) (9)					05/06/2011(10)	05/06/2018	Common Stock	6,000
Stock Option	\$ 36.2 (6) (7) (8) (9)					08/02/2011(10)	08/02/2018	Common Stock	6,000
Stock Option	\$ 37.26 (6) (7) (8) (9)					11/01/2011(10)	11/01/2018	Common Stock	6,000
Stock Option	\$ 42.28 (6) (7) (8)					02/01/2012(10)	02/01/2019	Common Stock	6,000
Stock Option	\$ 45.73 (6) (7) (8)					05/05/2012(10)	05/05/2019	Common Stock	8,000
Stock Option	\$ 49.62 (6) (7) (8)					08/01/2012(10)	08/01/2019	Common Stock	8,000
Stock Option	\$ 54.59 (6) (7) (8)					11/01/2012(10)	11/01/2019	Common Stock	8,000
Stock Option	\$ 64.61 (6) (7)					02/01/2013(10)	02/01/2020	Common Stock	8,000
Stock Option	\$ 60.7 <u>(6)</u> <u>(7)</u>					05/03/2013(10)	05/03/2020	Common Stock	8,000
Stock Option	\$ 55.25 (6) (7)					08/01/2013(10)	08/01/2020	Common Stock	8,000
						11/01/2013(10)	11/01/2020		8,000

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Stock Option	\$ 59.83 (6) (7)		Common Stock	
Stock Option	\$ 66.48 (6)	02/01/2014 <u>(10)</u> 02/01/2021	Common Stock	8,000
Stock Option	\$ 68.84 (6)	05/02/2014(10) 05/02/2021	Common Stock	8,000
Stock Option	\$ 80.54 (<u>6)</u>	08/01/2014 <u>(10)</u> 08/01/2021	Common Stock	8,000
Stock Option	\$ 91.1 <u>(6)</u>	11/01/2014(10) 11/01/2021	Common Stock	8,000

Reporting Owners

Reporting Owner Name / Address	Relationships						
rioporting o wher runner runners	Director	10% Owner	Officer	Other			
STONE MICHAEL J 9025 N. LINDBERGH DRIVE PEORIA, IL 61615	X			President RLI Insurance Compan			

Signatures

/s/ Michael J.

Stone 01/08/2014

**Signature of Pate 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) Shares transferred from the M.J. Stone Grantor Retained Annuity Trust (M7) to M.J. Stone.
- (2) Ownership reflects dividend reinvestment.
- (3) Shares transferred from the M.J. Stone Grantor Retained Annuity Trust (M8) to M.J. Stone.
- (4) Shares transferred from the M.J. Stone Grantor Retained Annuity Trust (M9) to M.J. Stone.
- (5) Ownership reflects dividend reinvestment
- (6) Stock option grant price adjusted to reflect \$3.00 extraordinary dividend declared 11/14/13.
- (7) Stock option grant price adjusted to reflect \$5 extraordinary dividend declared 11/14/12.
- (8) Stock Option grant price adjusted to reflect \$5 RLI extraordinary dividend declared 11/17/11.
- (9) Stock Option grant price adjusted to reflect \$7 RLI extraordinary dividend paid 12/29/10.
- (10) 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.

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