

RLI CORP

Form 4

January 17, 2014

FORM 4

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

OMB APPROVAL

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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 *
MICHAEL JONATHAN E

(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)
01/15/2014

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)
President

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 Ownership (Instr. 4)
			Code	V	Amount	(D)	Price
Common Stock	01/15/2014		J ⁽¹⁾		43.41	A	\$ 46.07
Common Stock					514,357.3638	D ⁽²⁾	
Common Stock					194,660.724	I ⁽²⁾	By Empl. Stock Ownership Plan
Common Stock					105,740.906	I ⁽²⁾	By Key Employee Benefit Plan
Common					42,674.239	I ⁽²⁾	By Trust

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Stock

Common Stock	9,270.2276	I <u>(2)</u>	J.E. Michael 2011 Grantor Retained Annuity Trust Dtd 08/02/11
Common Stock	12,068.9199	I <u>(2)</u>	J.E. Michael 2012 Grantor Retained Annuity Trust Dtd 07/24/12

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

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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. 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
Stock Option	\$ 17.02 <u>(3) (4) (5)</u> <u>(6) (7)</u>					Date Exercisable: 11/03/2007 ⁽⁸⁾ Expiration Date: 11/03/2016	Common Stock	21,000
Stock Option	\$ 18.105 <u>(3) (4) (5)</u> <u>(6) (7)</u>					Date Exercisable: 02/02/2008 ⁽⁸⁾ Expiration Date: 02/02/2017	Common Stock	21,000
Stock Option	\$ 18.045 <u>(3) (4) (5)</u> <u>(6) (7)</u>					Date Exercisable: 05/03/2008 ⁽⁸⁾ Expiration Date: 05/03/2017	Common Stock	21,000

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	<u>(6)</u> <u>(7)</u>				
Stock Option	\$ 18.335 <u>(3)</u> <u>(4)</u> <u>(5)</u> <u>(6)</u> <u>(7)</u>	08/03/2008 ⁽⁸⁾	08/03/2017	Common Stock	21,000
Stock Option	\$ 18.015 <u>(3)</u> <u>(4)</u> <u>(5)</u> <u>(6)</u> <u>(7)</u>	11/02/2008 ⁽⁸⁾	11/02/2017	Common Stock	21,000
Stock Option	\$ 17.705 <u>(3)</u> <u>(4)</u> <u>(5)</u> <u>(6)</u> <u>(7)</u>	02/01/2009 ⁽⁸⁾	02/01/2018	Common Stock	21,000
Stock Option	\$ 17.18 <u>(3)</u> <u>(4)</u> <u>(5)</u> <u>(6)</u> <u>(7)</u>	08/01/2009 ⁽⁸⁾	08/01/2018	Common Stock	21,000
Stock Option	\$ 18.365 <u>(3)</u> <u>(4)</u> <u>(5)</u> <u>(6)</u> <u>(7)</u>	11/03/2009 ⁽⁸⁾	11/03/2018	Common Stock	21,000
Stock Option	\$ 18.445 <u>(3)</u> <u>(4)</u> <u>(5)</u> <u>(6)</u> <u>(7)</u>	02/02/2010 ⁽⁸⁾	02/02/2019	Common Stock	21,000
Stock Option	\$ 13.45 <u>(3)</u> <u>(4)</u> <u>(5)</u> <u>(6)</u> <u>(7)</u>	05/07/2010 ⁽⁸⁾	05/07/2017	Common Stock	3,900
Stock Option	\$ 15.245 <u>(3)</u> <u>(4)</u> <u>(5)</u> <u>(6)</u> <u>(7)</u>	08/03/2010 ⁽⁸⁾	08/03/2017	Common Stock	7,800
Stock Option	\$ 14.95 <u>(3)</u> <u>(4)</u> <u>(5)</u> <u>(6)</u> <u>(7)</u>	11/02/2010 ⁽⁸⁾	11/02/2017	Common Stock	7,800
Stock Option	\$ 15.81 <u>(3)</u> <u>(4)</u> <u>(5)</u> <u>(6)</u> <u>(7)</u>	02/01/2011 ⁽⁸⁾	02/01/2018	Common Stock	19,500
Stock Option	\$ 18.17 <u>(3)</u> <u>(4)</u> <u>(5)</u> <u>(6)</u> <u>(7)</u>	05/06/2011 ⁽⁸⁾	05/06/2018	Common Stock	17,000
Stock Option	\$ 18.1 ⁽³⁾ <u>(4)</u> <u>(5)</u> <u>(6)</u> <u>(7)</u>	08/02/2011 ⁽⁸⁾	08/02/2018	Common Stock	17,000
Stock Option	\$ 18.63 <u>(3)</u> <u>(4)</u> <u>(5)</u> <u>(6)</u> <u>(7)</u>	11/01/2011 ⁽⁸⁾	11/01/2018	Common Stock	17,000
Stock Option	\$ 21.14 <u>(3)</u> <u>(4)</u> <u>(5)</u> <u>(7)</u>	02/01/2012 ⁽⁸⁾	02/01/2019	Common Stock	17,000

Stock Option	\$ 22.865 <u>(3) (4) (5)</u> <u>(7)</u>	05/05/2012 ⁽⁸⁾	05/05/2019	Common Stock	30,000
Stock Option	\$ 24.81 <u>(3) (4) (5)</u> <u>(7)</u>	08/01/2012 ⁽⁸⁾	08/01/2019	Common Stock	30,000
Stock Option	\$ 27.295 <u>(3) (4) (5)</u> <u>(7)</u>	11/01/2012 ⁽⁸⁾	11/01/2019	Common Stock	30,000
Stock Option	\$ 32.305 <u>(3) (4) (7)</u>	02/01/2013 ⁽⁸⁾	02/01/2020	Common Stock	30,000
Stock Option	\$ 30.35 <u>(3) (4) (7)</u>	05/03/2013 ⁽⁸⁾	05/03/2020	Common Stock	30,000
Stock Option	\$ 27.625 <u>(3) (4) (7)</u>	08/01/2013 ⁽⁸⁾	08/01/2020	Common Stock	30,000
Stock Option	\$ 29.915 <u>(3) (4) (7)</u>	11/01/2013 ⁽⁸⁾	11/01/2020	Common Stock	30,000
Stock Option	\$ 33.24 <u>(3) (7)</u>	02/01/2014 ⁽⁸⁾	02/01/2021	Common Stock	30,000
Stock Option	\$ 34.42 <u>(3) (7)</u>	05/02/2014 ⁽⁸⁾	05/02/2021	Common Stock	20,000
Stock Option	\$ 40.27 <u>(3) (7)</u>	08/01/2014 ⁽⁸⁾	08/01/2021	Common Stock	20,000
Stock Option	\$ 45.55 <u>(3) (7)</u>	11/01/2014 ⁽⁸⁾	11/01/2021	Common Stock	20,000

Reporting Owners

Reporting Owner Name / Address	Relationships			
	Director	10% Owner	Officer	Other
MICHAEL JONATHAN E 9025 N. LINDBERGH DRIVE PEORIA, IL 61615	X		President	

Signatures

/s/ Jonathan E.
Michael

01/17/2014

**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).

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- (1) Shares purchased through payroll deduction feature of the RLI Dividend Reinvestment Plan.
- (2) Ownership reflects dividend reinvestment
- (3) Stock option grant price adjusted to reflect \$3.00 extraordinary dividend declared 11/14/13.
- (4) Stock option grant price adjusted to reflect \$5 extraordinary dividend declared 11/14/12.
- (5) Stock Option grant price adjusted to reflect \$5 RLI extraordinary dividend declared 11/17/11.
- (6) Stock Option grant price adjusted to reflect \$7 RLI extraordinary dividend paid 12/29/10.
- (7) Stock option grant price and number of stock options adjusted to reflect 2-for-1 stock split on 01/15/14.
- (8) 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.

Remarks:

All stock holding are adjusted to reflect the 2-for-1 stock split on 01/15/14.

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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