

RLI CORP
Form 5
January 15, 2014

FORM 5

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

OMB APPROVAL
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Form 3 Holdings Reported Form 4 Transactions Reported

ANNUAL 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

1. Name and Address of Reporting Person *
MICHAEL JONATHAN E

(Last) (First) (Middle)

2. Issuer Name and Ticker or Trading Symbol
RLI CORP [RLI]

5. Relationship of Reporting Person(s) to Issuer

(Check all applicable)

9025 N. LINDBERGH DRIVE

(Street)

3. Statement for Issuer's Fiscal Year Ended (Month/Day/Year)
12/31/2013

Director 10% Owner
 Officer (give title below) Other (specify below)
President

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

6. Individual or Joint/Group Reporting

(check applicable line)

PEORIA, IL 61615

(City) (State) (Zip)

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 at end of Issuer's Fiscal Year (Instr. 3 and 4)	6. Ownership Form: Direct (D) or Indirect (I) (Instr. 4)	7. Nature of Ownership (Instr. 4)
Common Stock	12/31/2013	Â	J4 ⁽¹⁾	4,860 D \$ 0 0		I	Michael Charitable Fund dtd 08/30/11
Common Stock	Â	Â	Â	Â Â Â	257,157.5258	D ⁽²⁾	Â
Common Stock	Â	Â	Â	Â Â Â	97,330.362	I ⁽²⁾	By Empl. Stock Ownership Plan

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Common Stock	Â	Â	Â	Â	Â	Â	52,870.453	I ⁽²⁾	By Key Employee Benefit Plan
Common Stock	Â	Â	Â	Â	Â	Â	21,337.1195	I ⁽²⁾	By Trust
Common Stock	Â	Â	Â	Â	Â	Â	4,635.2276	I ⁽²⁾	J.E. Michael 2011 Grantor Retained Annuity Trust Dtd 08/02/11
Common Stock	Â	Â	Â	Â	Â	Â	6,034.9199	I ⁽²⁾	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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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)
					(A) (D)	Date Exercisable Expiration Date	Title Amount or Number of Shares
Stock Option	\$ 34.04 <u>(3)</u> <u>(4)</u> <u>(5)</u> <u>(6)</u>	Â	Â	Â	Â Â	11/03/2007 ⁽⁷⁾ 11/03/2016	Common Stock 10,500
Stock Option	\$ 36.21 <u>(3)</u> <u>(4)</u> <u>(5)</u>	Â	Â	Â	Â Â	02/02/2008 ⁽⁷⁾ 02/02/2017	Common Stock 10,500

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	<u>(6)</u>										
Stock Option	\$ 36.09 <u>(3) (4) (5)</u> <u>(6)</u>	Â	Â	Â	Â	Â	05/03/2008 ⁽⁷⁾	05/03/2017	Common Stock	10,500	
Stock Option	\$ 36.67 <u>(3) (4) (5)</u> <u>(6)</u>	Â	Â	Â	Â	Â	08/03/2008 ⁽⁷⁾	08/03/2017	Common Stock	10,500	
Stock Option	\$ 36.03 <u>(3) (4) (5)</u> <u>(6)</u>	Â	Â	Â	Â	Â	11/02/2008 ⁽⁷⁾	11/02/2017	Common Stock	10,500	
Stock Option	\$ 35.41 <u>(3) (4) (5)</u> <u>(6)</u>	Â	Â	Â	Â	Â	02/01/2009 ⁽⁷⁾	02/01/2018	Common Stock	10,500	
Stock Option	\$ 34.36 <u>(3) (4) (5)</u> <u>(6)</u>	Â	Â	Â	Â	Â	08/01/2009 ⁽⁷⁾	08/01/2018	Common Stock	10,500	
Stock Option	\$ 36.73 <u>(3) (4) (5)</u> <u>(6)</u>	Â	Â	Â	Â	Â	11/03/2009 ⁽⁷⁾	11/03/2018	Common Stock	10,500	
Stock Option	\$ 36.89 <u>(3) (4) (5)</u> <u>(6)</u>	Â	Â	Â	Â	Â	02/02/2010 ⁽⁷⁾	02/02/2019	Common Stock	10,500	
Stock Option	\$ 26.9 ⁽³⁾ <u>(4) (5) (6)</u>	Â	Â	Â	Â	Â	05/07/2010 ⁽⁷⁾	05/07/2017	Common Stock	1,950	
Stock Option	\$ 30.49 <u>(3) (4) (5)</u> <u>(6)</u>	Â	Â	Â	Â	Â	08/03/2010 ⁽⁷⁾	08/03/2017	Common Stock	3,900	
Stock Option	\$ 29.9 ⁽³⁾ <u>(4) (5) (6)</u>	Â	Â	Â	Â	Â	11/02/2010 ⁽⁷⁾	11/02/2017	Common Stock	3,900	
Stock Option	\$ 31.62 <u>(3) (4) (5)</u> <u>(6)</u>	Â	Â	Â	Â	Â	02/01/2011 ⁽⁷⁾	02/01/2018	Common Stock	9,750	
Stock Option	\$ 36.34 <u>(3) (4) (5)</u> <u>(6)</u>	Â	Â	Â	Â	Â	05/06/2011 ⁽⁷⁾	05/06/2018	Common Stock	8,500	
Stock Option	\$ 36.2 ⁽³⁾ <u>(4) (5) (6)</u>	Â	Â	Â	Â	Â	08/02/2011 ⁽⁷⁾	08/02/2018	Common Stock	8,500	
Stock Option	\$ 37.26 <u>(3) (4) (5)</u> <u>(6)</u>	Â	Â	Â	Â	Â	11/01/2011 ⁽⁷⁾	11/01/2018	Common Stock	8,500	
Stock Option	\$ 42.28 <u>(3) (4) (5)</u>	Â	Â	Â	Â	Â	02/01/2012 ⁽⁷⁾	02/01/2019	Common Stock	8,500	
		Â	Â	Â	Â	Â	05/05/2012 ⁽⁷⁾	05/05/2019		15,000	

Stock Option	\$ 45.73 (3) (4) (5)									Common Stock	
Stock Option	\$ 49.62 (3) (4) (5)	^	^	^	^	^	08/01/2012 ⁽⁷⁾	08/01/2019	Common Stock	15,000	
Stock Option	\$ 54.59 (3) (4) (5)	^	^	^	^	^	11/01/2012 ⁽⁷⁾	11/01/2019	Common Stock	15,000	
Stock Option	\$ 64.61 (3) (4)	^	^	^	^	^	02/01/2013 ⁽⁷⁾	02/01/2020	Common Stock	15,000	
Stock Option	\$ 60.7 ⁽³⁾ (4)	^	^	^	^	^	05/03/2013 ⁽⁷⁾	05/03/2020	Common Stock	15,000	
Stock Option	\$ 55.25 (3) (4)	^	^	^	^	^	08/01/2013 ⁽⁷⁾	08/01/2020	Common Stock	15,000	
Stock Option	\$ 59.83 (3) (4)	^	^	^	^	^	11/01/2013 ⁽⁷⁾	11/01/2020	Common Stock	15,000	
Stock Option	\$ 66.48 (3)	^	^	^	^	^	02/01/2014 ⁽⁷⁾	02/01/2021	Common Stock	15,000	
Stock Option	\$ 68.84 (3)	^	^	^	^	^	05/02/2014 ⁽⁷⁾	05/02/2021	Common Stock	10,000	
Stock Option	\$ 80.54 (3)	^	^	^	^	^	08/01/2014 ⁽⁷⁾	08/01/2021	Common Stock	10,000	
Stock Option	\$ 91.1 ⁽³⁾	^	^	^	^	^	11/01/2014 ⁽⁷⁾	11/01/2021	Common Stock	10,000	

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 01/15/2014

**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).
- A Form 4 filed 09/01/11 reflected that Jonathan E. Michael gifted shares of RLI stock to the Michael Charitable Trust dtd. 08/31/11. Mr.
- (1) Michael's beneficial ownership interest ceased when the shares were subsequently transferred irrevocably to the Charles Schwab Charitable Trust ("CSCT"). Thus, future sales of such shares from the CSCT are not reportable transactions for Mr. Michael.
 - (2) Ownership reflects dividend reinvestment

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- (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) 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 provided 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.