

RLI CORP  
Form 4  
May 05, 2014

**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

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(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)

**05/01/2014**

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<br>Security<br>(Instr. 3) | 2. Transaction Date<br>(Month/Day/Year) | 2A. Deemed<br>Execution Date, if<br>any<br>(Month/Day/Year) | 3. Transaction<br>Code<br>(Instr. 8) | 4. Securities<br>Acquired (A) or<br>Disposed of (D)<br>(Instr. 3, 4 and 5)<br>(A)<br>or<br>(D) | 5. Amount of<br>Securities<br>Beneficially<br>Owned Following<br>Reported<br>Transaction(s)<br>(Instr. 3 and 4) | 6. Ownership<br>Form:<br>Direct (D)<br>or Indirect<br>(I)<br>(Instr. 4) | 7. Nature of<br>Indirect<br>Beneficial<br>Ownership<br>(Instr. 4) |
|---------------------------------------|-----------------------------------------|-------------------------------------------------------------|--------------------------------------|------------------------------------------------------------------------------------------------|-----------------------------------------------------------------------------------------------------------------|-------------------------------------------------------------------------|-------------------------------------------------------------------|
| Common<br>Stock                       |                                         |                                                             |                                      |                                                                                                | 514,730.2788                                                                                                    | D <sup>(1)</sup>                                                        |                                                                   |
| Common<br>Stock                       |                                         |                                                             |                                      |                                                                                                | 195,981.5363                                                                                                    | I                                                                       | By Empl.<br>Stock<br>Ownership<br>Plan <sup>(2)</sup>             |
| Common<br>Stock                       |                                         |                                                             |                                      |                                                                                                | 106,142.536                                                                                                     | I <sup>(1)</sup>                                                        | By Key<br>Employee<br>Benefit Plan                                |
| Common<br>Stock                       |                                         |                                                             |                                      |                                                                                                | 42,836.3262                                                                                                     | I <sup>(1)</sup>                                                        | By Trust                                                          |

|                 |             |                  |                                                                                 |
|-----------------|-------------|------------------|---------------------------------------------------------------------------------|
| Common<br>Stock | 9,305.2099  | I <sup>(1)</sup> | J.E. Michael<br>2011<br>Grantor<br>Retained<br>Annuity<br>Trust Dtd<br>08/02/11 |
| Common<br>Stock | 12,068.9199 | I <sup>(1)</sup> | J.E. Michael<br>2012<br>Grantor<br>Retained<br>Annuity<br>Trust Dtd<br>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<br>Derivative<br>Security<br>(Instr. 3) | 2. Conversion<br>or Exercise<br>Price of<br>Derivative<br>Security | 3. Transaction Date<br>(Month/Day/Year) | 3A. Deemed<br>Execution Date, if<br>any<br>(Month/Day/Year) | 4. Transaction<br>Code<br>(Instr. 8) | 5. Number of<br>Derivative<br>Securities<br>Acquired (A)<br>or Disposed of<br>(D)<br>(Instr. 3, 4,<br>and 5) | 6. Date Exercisable and<br>Expiration Date<br>(Month/Day/Year) | 7. Title and Amount of<br>Underlying Securities<br>(Instr. 3 and 4) | Amount<br>or<br>Number<br>of Shares |
|-----------------------------------------------------|--------------------------------------------------------------------|-----------------------------------------|-------------------------------------------------------------|--------------------------------------|--------------------------------------------------------------------------------------------------------------|----------------------------------------------------------------|---------------------------------------------------------------------|-------------------------------------|
| Stock<br>Option                                     | \$ 43.21                                                           | 05/01/2014                              |                                                             | A                                    | 15,000                                                                                                       | 05/01/2015 <sup>(3)</sup>                                      | Common<br>Stock                                                     | 15,000                              |
| Stock<br>Option                                     | \$ 17.02<br><u>(4) (5) (6)</u><br><u>(7) (8)</u>                   |                                         |                                                             |                                      |                                                                                                              | 11/03/2007 <sup>(3)</sup>                                      | Common<br>Stock                                                     | 21,000                              |
| Stock<br>Option                                     | \$ 18.105<br><u>(4) (5) (6)</u><br><u>(7) (8)</u>                  |                                         |                                                             |                                      |                                                                                                              | 02/02/2008 <sup>(3)</sup>                                      | Common<br>Stock                                                     | 21,000                              |
| Stock<br>Option                                     | \$ 18.045<br><u>(4) (5) (6)</u><br><u>(7) (8)</u>                  |                                         |                                                             |                                      |                                                                                                              | 05/03/2008 <sup>(3)</sup>                                      | Common<br>Stock                                                     | 21,000                              |
| Stock<br>Option                                     | \$ 18.335<br><u>(4) (5) (6)</u>                                    |                                         |                                                             |                                      |                                                                                                              | 08/03/2008 <sup>(3)</sup>                                      | Common<br>Stock                                                     | 21,000                              |

|                 |                                                                          |                           |            |                 |        |
|-----------------|--------------------------------------------------------------------------|---------------------------|------------|-----------------|--------|
|                 | <u>(7)</u> <u>(8)</u>                                                    |                           |            |                 |        |
| Stock<br>Option | \$ 18.015<br><u>(4)</u> <u>(5)</u> <u>(6)</u><br><u>(7)</u> <u>(8)</u>   | 11/02/2008 <sup>(3)</sup> | 11/02/2017 | Common<br>Stock | 21,000 |
| Stock<br>Option | \$ 17.705<br><u>(4)</u> <u>(5)</u> <u>(6)</u><br><u>(7)</u> <u>(8)</u>   | 02/01/2009 <sup>(3)</sup> | 02/01/2018 | Common<br>Stock | 21,000 |
| Stock<br>Option | \$ 17.18<br><u>(4)</u> <u>(5)</u> <u>(6)</u><br><u>(7)</u> <u>(8)</u>    | 08/01/2009 <sup>(3)</sup> | 08/01/2018 | Common<br>Stock | 21,000 |
| Stock<br>Option | \$ 18.365<br><u>(4)</u> <u>(5)</u> <u>(6)</u><br><u>(7)</u> <u>(8)</u>   | 11/03/2009 <sup>(3)</sup> | 11/03/2018 | Common<br>Stock | 21,000 |
| Stock<br>Option | \$ 18.445<br><u>(4)</u> <u>(5)</u> <u>(6)</u><br><u>(7)</u> <u>(8)</u>   | 02/02/2010 <sup>(3)</sup> | 02/02/2019 | Common<br>Stock | 21,000 |
| Stock<br>Option | \$ 13.45<br><u>(4)</u> <u>(5)</u> <u>(6)</u><br><u>(7)</u> <u>(8)</u>    | 05/07/2010 <sup>(3)</sup> | 05/07/2017 | Common<br>Stock | 3,900  |
| Stock<br>Option | \$ 15.245<br><u>(4)</u> <u>(5)</u> <u>(6)</u><br><u>(7)</u> <u>(8)</u>   | 08/03/2010 <sup>(3)</sup> | 08/03/2017 | Common<br>Stock | 7,800  |
| Stock<br>Option | \$ 14.95<br><u>(4)</u> <u>(5)</u> <u>(6)</u><br><u>(7)</u> <u>(8)</u>    | 11/02/2010 <sup>(3)</sup> | 11/02/2017 | Common<br>Stock | 7,800  |
| Stock<br>Option | \$ 15.81<br><u>(4)</u> <u>(5)</u> <u>(6)</u><br><u>(7)</u> <u>(8)</u>    | 02/01/2011 <sup>(3)</sup> | 02/01/2018 | Common<br>Stock | 19,500 |
| Stock<br>Option | \$ 18.17<br><u>(4)</u> <u>(5)</u> <u>(6)</u><br><u>(7)</u> <u>(8)</u>    | 05/06/2011 <sup>(3)</sup> | 05/06/2018 | Common<br>Stock | 17,000 |
| Stock<br>Option | \$ 18.1 <sup>(4)</sup><br><u>(5)</u> <u>(6)</u> <u>(7)</u><br><u>(8)</u> | 08/02/2011 <sup>(3)</sup> | 08/02/2018 | Common<br>Stock | 17,000 |
| Stock<br>Option | \$ 18.63<br><u>(4)</u> <u>(5)</u> <u>(6)</u><br><u>(7)</u> <u>(8)</u>    | 11/01/2011 <sup>(3)</sup> | 11/01/2018 | Common<br>Stock | 17,000 |
| Stock<br>Option | \$ 21.14<br><u>(4)</u> <u>(5)</u> <u>(6)</u><br><u>(8)</u>               | 02/01/2012 <sup>(3)</sup> | 02/01/2019 | Common<br>Stock | 17,000 |
| Stock<br>Option | \$ 22.865<br><u>(4)</u> <u>(5)</u> <u>(6)</u><br><u>(8)</u>              | 05/05/2012 <sup>(3)</sup> | 05/05/2019 | Common<br>Stock | 30,000 |

|                 |                                 |                           |            |                 |        |
|-----------------|---------------------------------|---------------------------|------------|-----------------|--------|
| Stock<br>Option | \$ 24.81<br>(4) (5) (6)<br>(8)  | 08/01/2012 <sup>(3)</sup> | 08/01/2019 | Common<br>Stock | 30,000 |
| Stock<br>Option | \$ 27.295<br>(4) (5) (6)<br>(8) | 11/01/2012 <sup>(3)</sup> | 11/01/2019 | Common<br>Stock | 30,000 |
| Stock<br>Option | \$ 32.305<br>(4) (5) (8)        | 02/01/2013 <sup>(3)</sup> | 02/01/2020 | Common<br>Stock | 30,000 |
| Stock<br>Option | \$ 30.35<br>(4) (5) (8)         | 05/03/2013 <sup>(3)</sup> | 05/03/2020 | Common<br>Stock | 30,000 |
| Stock<br>Option | \$ 27.625<br>(4) (5) (8)        | 08/01/2013 <sup>(3)</sup> | 08/01/2020 | Common<br>Stock | 30,000 |
| Stock<br>Option | \$ 29.915<br>(4) (5) (8)        | 11/01/2013 <sup>(3)</sup> | 11/01/2020 | Common<br>Stock | 30,000 |
| Stock<br>Option | \$ 33.24<br>(4) (8)             | 02/01/2014 <sup>(3)</sup> | 02/01/2021 | Common<br>Stock | 30,000 |
| Stock<br>Option | \$ 34.42<br>(4) (8)             | 05/02/2014 <sup>(3)</sup> | 05/02/2021 | Common<br>Stock | 20,000 |
| Stock<br>Option | \$ 40.27<br>(4) (8)             | 08/01/2014 <sup>(3)</sup> | 08/01/2021 | Common<br>Stock | 20,000 |
| Stock<br>Option | \$ 45.55<br>(4) (8)             | 11/01/2014 <sup>(3)</sup> | 11/01/2021 | Common<br>Stock | 20,000 |
| Stock<br>Option | \$ 40.43                        | 02/01/2015 <sup>(3)</sup> | 02/01/2022 | Common<br>Stock | 20,000 |

## Reporting Owners

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

## Signatures

/s/ Jonathan E.  
Michael

05/05/2014

\_\_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).

(1) Ownership reflects dividend reinvestment

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- (2) Balance reflects annual company contributions and dividend reinvestment.
- (3) 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.
- (4) Stock option grant price adjusted to reflect \$3.00 extraordinary dividend declared 11/14/13.
- (5) Stock option grant price adjusted to reflect \$5 extraordinary dividend declared 11/14/12.
- (6) Stock Option grant price adjusted to reflect \$5 RLI extraordinary dividend declared 11/17/11.
- (7) Stock Option grant price adjusted to reflect \$7 RLI extraordinary dividend paid 12/29/10.
- (8) Stock option grant price and number of stock options adjusted to reflect 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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