RLI CORP
Form 4
July 25, 2014

FORM 4

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

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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Check this box if no longer subject to Section 16. Form 4 or Form 5 obligations may continue. *See* Instruction 1(b).

(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)
07/24/2014

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

5. Relationship of Reporting Person(s) to Issuer

(Check all applicable)

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

6. Individual or Joint/Group Filing(Check Applicable Line)
_X_ 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)
			Code	V	Amount	(A) or (D)	Price			
Common Stock	07/24/2014		J(1)	V	3,763	D	$ 44.66	8,305.9199	I (2)	J.E. Michael 2012 Grantor Retained Annuity Trust Dtd 07/24/12
Common Stock	07/24/2014		J(1)	V	3,763	A	$ 44.66	518,872.4868	D (2)	
Common Stock								196,742.3783	I	By Empl. Stock

			Ownership Plan (3)
Common Stock	106,555.582	I (2)	By Key Employee Benefit Plan
Common Stock	43,003.0207	I (2)	By Trust
Common Stock	9,341.4535	I (2)	J.E. Michael 2011 Grantor Retained Annuity Trust Dtd 08/02/11

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)		8. De Se (In
				Code	V	(A)	(D)	Date Exercisable	Expiration Date	Title	Amount or Number of Shares	
Stock Option	$ 17.02 (4) (5) (6) (7) (8)							11/03/2007(9)	11/03/2016	Common Stock	21,000	
Stock Option	$ 18.105 (4) (5) (6) (7) (8)							02/02/2008(9)	02/02/2017	Common Stock	21,000	
Stock Option	$ 18.045 (4) (5) (6)							05/03/2008(9)	05/03/2017	Common Stock	21,000	

	[7] [8]				
Stock Option	$ 18.335 [4] [5] [6] [7] [8]	08/03/2008[9]	08/03/2017	Common Stock	21,000
Stock Option	$ 18.015 [4] [5] [6] [7] [8]	11/02/2008[9]	11/02/2017	Common Stock	21,000
Stock Option	$ 17.705 [4] [5] [6] [7] [8]	02/01/2009[9]	02/01/2018	Common Stock	21,000
Stock Option	$ 17.18 [4] [5] [6] [7] [8]	08/01/2009[9]	08/01/2018	Common Stock	21,000
Stock Option	$ 18.365 [4] [5] [6] [7] [8]	11/03/2009[9]	11/03/2018	Common Stock	21,000
Stock Option	$ 18.445 [4] [5] [6] [7] [8]	02/02/2010[9]	02/02/2019	Common Stock	21,000
Stock Option	$ 13.45 [4] [5] [6] [7] [8]	05/07/2010[9]	05/07/2017	Common Stock	3,900
Stock Option	$ 15.245 [4] [5] [6] [7] [8]	08/03/2010[9]	08/03/2017	Common Stock	7,800
Stock Option	$ 14.95 [4] [5] [6] [7] [8]	11/02/2010[9]	11/02/2017	Common Stock	7,800
Stock Option	$ 15.81 [4] [5] [6] [7] [8]	02/01/2011[9]	02/01/2018	Common Stock	19,500
Stock Option	$ 18.17 [4] [5] [6] [7] [8]	05/06/2011[9]	05/06/2018	Common Stock	17,000
Stock Option	$ 18.1 [4] [5] [6] [7] [8]	08/02/2011[9]	08/02/2018	Common Stock	17,000
Stock Option	$ 18.63 [4] [5] [6] [7] [8]	11/01/2011[9]	11/01/2018	Common Stock	17,000
Stock Option	$ 21.14 [4] [5] [6] [8]	02/01/2012[9]	02/01/2019	Common Stock	17,000

Stock Option	$ 22.865 (4) (5) (6) (8)	05/05/2012 (9)	05/05/2019	Common Stock	30,000	
Stock Option	$ 24.81 (4) (5) (6) (8)	08/01/2012 (9)	08/01/2019	Common Stock	30,000	
Stock Option	$ 27.295 (4) (5) (6) (8)	11/01/2012 (9)	11/01/2019	Common Stock	30,000	
Stock Option	$ 32.305 (4) (5) (8)	02/01/2013 (9)	02/01/2020	Common Stock	30,000	
Stock Option	$ 30.35 (4) (5) (8)	05/03/2013 (9)	05/03/2020	Common Stock	30,000	
Stock Option	$ 27.625 (4) (5) (8)	08/01/2013 (9)	08/01/2020	Common Stock	30,000	
Stock Option	$ 29.915 (4) (5) (8)	11/01/2013 (9)	11/01/2020	Common Stock	30,000	
Stock Option	$ 33.24 (4) (8)	02/01/2014 (9)	02/01/2021	Common Stock	30,000	
Stock Option	$ 34.42 (4) (8)	05/02/2014 (9)	05/02/2021	Common Stock	20,000	
Stock Option	$ 40.27 (4) (8)	08/01/2014 (9)	08/01/2021	Common Stock	20,000	
Stock Option	$ 45.55 (4) (8)	11/01/2014 (9)	11/01/2021	Common Stock	20,000	
Stock Option	$ 40.43	02/01/2015 (9)	02/01/2022	Common Stock	20,000	
Stock Option	$ 43.21	05/01/2015 (9)	05/01/2022	Common Stock	15,000	

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	07/25/2014
**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) Shares transferred from the J.E. Michael 2012 Grantor Retained Annuity Trust dtd. 07/24/12 to J.E. Michael.

(2) Ownership reflects dividend reinvestment

(3) Balance reflects annual company contributions and dividend reinvestment.

(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.

(9) 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.

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