**RLI CORP** Form 4 August 16, 2012

## FORM 4

# UNITED STATES SECURITIES AND EXCHANGE COMMISSION

Washington, D.C. 20549

**OMB APPROVAL** 

3235-0287

January 31,

2005

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**OMB** 

Number:

Expires:

response...

5. Relationship of Reporting Person(s) to

(Check all applicable)

Issuer

Estimated average

burden hours per

Check this box if no longer subject to Section 16. Form 4 or Form 5

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

obligations may continue. See Instruction

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

2. Issuer Name and Ticker or Trading

Symbol

RLI CORP [RLI]

1(b).

(Print or Type Responses)

1. Name and Address of Reporting Person \*

MICHAEL JONATHAN E

(First) (Middle) (Last) 3. Date of Earliest Transaction (Month/Day/Year) \_X\_\_ Director 10% Owner X\_ Officer (give title Other (specify 9025 N. LINDBERGH DRIVE 08/15/2012 below) below) President (Street) 4. If Amendment, Date Original 6. Individual or Joint/Group Filing(Check Filed(Month/Day/Year) Applicable Line) \_X\_ Form filed by One Reporting Person Form filed by More than One Reporting **PEORIA, IL 61615** Person (City) (State) (Zip) Table I - Non-Derivative Securities Acquired, Disposed of, or Beneficially Owned 1. Title of 2. Transaction Date 2A. Deemed 3. 4. Securities Acquired (A) 5. Amount of 7. Nature of Security (Month/Day/Year) Execution Date, if Transaction Disposed of (D) Securities Ownership Indirect (Instr. 3) Code (Instr. 3, 4 and 5) Beneficially Form: Beneficial (Month/Day/Year) Owned Direct (D) Ownership (Instr. 8) Following or Indirect (Instr. 4) Reported (A) Transaction(s) (Instr. 4) or (Instr. 3 and 4) Code V Amount (D) Price Common J(1)08/15/2012 47.625 A 217,404.8518 D (2) 62.9919 Stock By Empl. Common Stock 85,180.7073 Ι Stock Ownership Plan (3) By Key Common Employee 46,380.629 I Stock Benefit Plan (2) Ι By Trust (2) 18,715.8238

Common	
Stock	

Common Stock	6,544.7675	I	J.E. Michael 2011 Grantor Retained Annuity Trust Dtd 08/02/11
Common Stock	7,708.9199	I	J.E. Michael 2012 Grantor Retained Annuity Trust Dtd 07/24/12
Common Stock	5,060	I	Michael Charitable Fund dtd 08/30/11

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	2.	3. Transaction Date	3A. Deemed	4.	5.	6. Date Exercisab	le and	7. Title and A	Amount of	8.
Derivative	Conversion	(Month/Day/Year)	Execution Date, if	Transacti	orNumber	Expiration Date		Underlying S	Securities	Dε
Security	or Exercise		any	Code	of	(Month/Day/Year	·)	(Instr. 3 and	4)	Se
(Instr. 3)	Price of		(Month/Day/Year)	(Instr. 8)	Derivative	e				(In
	Derivative				Securities					
	Security				Acquired					
					(A) or					
					Disposed					
					of (D)					
					(Instr. 3,					
					4, and 5)					
							E		Amount	
						Date Exercisable	Expiration	Title	or	
				C + V	(A) (D)		Date		Number	
				Code V	(A) (D)				of Shares	
Stock	\$ 32.54							Common		
						05/05/2006	05/05/2015		45,000	
Option	<u>(4)</u> <u>(5)</u>							Stock		
						05/04/2007(6)	05/04/2016		10,500	
						03/01/2007	05/01/2010		10,500	

(9-02)

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Stock Option	\$ 38.15 (4) (5)			Common Stock	
Stock Option	\$ 35.44 (4) (5)	08/04/2007 <u>(6)</u>	08/04/2016	Common Stock	10,500
Stock Option	\$ 42.04 (4) (5)	11/03/2007 <u>(6)</u>	11/03/2016	Common Stock	10,500
Stock Option	\$ 44.21 (4) (5)	02/02/2008 <u>(6)</u>	02/02/2017	Common Stock	10,500
Stock Option	\$ 44.09 (4) (5)	05/03/2008 <u>(6)</u>	05/03/2017	Common Stock	10,500
Stock Option	\$ 44.67 (4) (5)	08/03/2008 <u>(6)</u>	08/03/2017	Common Stock	10,500
Stock Option	\$ 44.03 (4) (5)	11/02/2008 <u>(6)</u>	11/02/2017	Common Stock	10,500
Stock Option	\$ 43.41 (4) (5)	02/01/2009 <u>(6)</u>	02/01/2018	Common Stock	10,500
Stock Option	\$ 38 (4) (5)	05/01/2009 <u>(6)</u>	05/01/2018	Common Stock	10,500
Stock Option	\$ 42.36 (4) (5)	08/01/2009 <u>(6)</u>	08/01/2018	Common Stock	10,500
Stock Option	\$ 44.73 (4) (5)	11/03/2009 <u>(6)</u>	11/03/2018	Common Stock	10,500
Stock Option	\$ 44.89 (4) (5)	02/02/2010 <u>(6)</u>	02/02/2019	Common Stock	10,500
Stock Option	\$ 34.9 (4) (5)	05/07/2010 <u>(6)</u>	05/07/2017	Common Stock	9,750
Stock Option	\$ 38.49 (4) (5)	08/03/2010 <u>(6)</u>	08/03/2017	Common Stock	9,750
Stock Option	\$ 37.9 (4) (5)	11/02/2010 <u>(6)</u>	11/02/2017	Common Stock	9,750
Stock Option	\$ 39.62 (4) (5)	02/01/2011 <u>(6)</u>	02/01/2018	Common Stock	9,750
Stock Option	\$ 44.34 (4) (5)	05/06/2011 <u>(6)</u>	05/06/2018	Common Stock	8,500
Stock Option	\$ 44.2 (4) (5)	08/02/2011 <u>(6)</u>	08/02/2018	Common Stock	8,500
Stock Option	\$ 45.26 (4) (5)	11/01/2011 <u>(6)</u>	11/01/2018	Common Stock	8,500
Stock Option	\$ 50.28 (4)	02/01/2012 <u>(6)</u>	02/01/2019	Common Stock	8,500
		05/05/2012 <u>(6)</u>	05/05/2019		15,000

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Stock Option	\$ 53.73 (4)		Common Stock	
Stock Option	\$ 57.62 (4)	08/01/2012 <u>(6)</u> 08/01/2019	Common Stock	15,000
Stock Option	\$ 62.59 (4)	11/01/2012 <u>(6)</u> 11/01/2019	Common Stock	15,000
Stock Option	\$ 72.61	02/01/2013 <sup>(6)</sup> 02/01/2020	Common Stock	15,000
Stock Option	\$ 68.7	05/03/2013 <del>(6)</del> 05/03/2020	Common Stock	15,000
Stock Option	\$ 63.25	08/01/2013 <u>(6)</u> 08/01/2020	Common Stock	15,000

### **Reporting Owners**

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

### **Signatures**

/s/ Jonathan E.
Michael

\*\*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 purchased through payroll deduction feature of the RLI Dividend Reinvestment Plan.
- (2) Ownership reflects dividend reinvestment.
- (3) Ownership reflects shares allocated to ESOP participant's account and dividend reinvestment.
- (4) Stock Option grant price adjusted to reflect \$5 RLI extraordinary dividend declared 11/17/11.
- (5) Stock Option grant price adjusted to reflect \$7 RLI extraordinary dividend paid 12/29/10.
- 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.

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