**RLI CORP** Form 4 September 18, 2012

#### **OMB APPROVAL** FORM 4 UNITED STATES SECURITIES AND EXCHANGE COMMISSION OMB Washington, D.C. 20549 Number: Check this box if no longer STATEMENT OF CHANGES IN BENEFICIAL OWNERSHIP OF subject to **SECURITIES** Section 16. Form 4 or

January 31, Expires: 2005 Estimated average burden hours per

3235-0287

response... 0.5

10% Owner

5. Relationship of Reporting Person(s) to

(Check all applicable)

Issuer

\_X\_ Director

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 may continue. 30(h) of the Investment Company Act of 1940 See Instruction

2. Issuer Name and Ticker or Trading

Symbol

RLI CORP [RLI]

(Month/Day/Year)

3. Date of Earliest Transaction

(Print or Type Responses)

1. Name and Address of Reporting Person \*

(First)

(Middle)

MICHAEL JONATHAN E

Form 5

1(b).

(Last)

obligations

9025 N. LINDBERGH DRIVE		VE 09/17/	//2012	X Officer (give title Other (specify below) President		
(Street)			mendment, Date Original Month/Day/Year)	6. Individual or Joint/Group Filing(Check Applicable Line)		
PEORIA,	IL 61615			_X_ Form filed by N Form filed by N Person		
(City)	(State)	(Zip) Ta	able I - Non-Derivative Securities Ac	quired, Disposed o	f, or Beneficia	ally Owned
1.Title of Security (Instr. 3)	2. Transaction Date (Month/Day/Year)	2A. Deemed Execution Date, if any (Month/Day/Year)	3. 4. Securities Acquired Transaction(A) or Disposed of (D) Code (Instr. 3, 4 and 5) (Instr. 8)  (A) or Code V Amount (D) Price	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)
Common Stock	09/17/2012		$J_{\underline{(1)}}$ 30.225 A $^{\$}$ 66.17	217,435.0768	D (2)	
Common Stock				85,180.7073	I	By Empl. Stock Ownership Plan (3)
Common Stock				46,380.629	I	By Key Employee Benefit Plan (2)
				18,715.8238	I	By Trust (2)

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			Edgar Filing: F	RLI CORP	- Form	4			
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: F	Report on a sep	varate line for each cla	ss of securities benef	Persons informat required	who restion cont to respond a curre	or indirectly.  spond to the colle tained in this form ond unless the form ntly valid OMB co	n are not orm	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)	Transaction  Code (Instr. 8) I  S  A  (Instr. 8) I  (Instr	Number	6. Date Exercisable Expiration Date (Month/Day/Year)	and	7. Title and Amount of Underlying Securities (Instr. 3 and 4)	8 1 5 (

Amount

Number

of Shares

45,000

10,500

or

Expiration Date

05/05/2015

Title

Common

Stock

Date Exercisable

05/05/2006

 $05/04/2007\underline{^{(6)}} \quad 05/04/2016$ 

Code V (A) (D)

Stock

Option

\$ 32.54

<u>(4)</u> <u>(5)</u>

Se (Ir

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0, 1	ф 20.1 <i>5</i>			C	
Stock Option	\$ 38.15 (4) (5)			Common Stock	
Stock Option	\$ 35.44 (4) (5)	08/04/2007 <u>(6)</u> 08	8/04/2016	Common Stock	10,500
Stock Option	\$ 42.04 (4) (5)	11/03/2007 <u>(6)</u> 1	1/03/2016	Common Stock	10,500
Stock Option	\$ 44.21 (4) (5)	$02/02/2008\underline{^{(6)}}$ 02	2/02/2017	Common Stock	10,500
Stock Option	\$ 44.09 (4) (5)	05/03/2008 <u>(6)</u> 05	5/03/2017	Common Stock	10,500
Stock Option	\$ 44.67 (4) (5)	08/03/2008 <u>(6)</u> 08	8/03/2017	Common Stock	10,500
Stock Option	\$ 44.03 (4) (5)	11/02/2008 <u>(6)</u> 1	1/02/2017	Common Stock	10,500
Stock Option	\$ 43.41 (4) (5)	02/01/2009 <u>(6)</u> 02	2/01/2018	Common Stock	10,500
Stock Option	\$ 38 (4) (5)	05/01/2009 <u>(6)</u> 05	5/01/2018	Common Stock	10,500
Stock Option	\$ 42.36 (4) (5)	08/01/2009 <u>(6)</u> 08	8/01/2018	Common Stock	10,500
Stock Option	\$ 44.73 (4) (5)	11/03/2009 <u>(6)</u> 1	1/03/2018	Common Stock	10,500
Stock Option	\$ 44.89 (4) (5)	02/02/2010 <u>(6)</u> 02	2/02/2019	Common Stock	10,500
Stock Option	\$ 34.9 (4) (5)	05/07/2010 <u>(6)</u> 05	5/07/2017	Common Stock	9,750
Stock Option	\$ 38.49 (4) (5)	08/03/2010 <u>(6)</u> 08	8/03/2017	Common Stock	9,750
Stock Option	\$ 37.9 (4) (5)	11/02/2010 <u>(6)</u> 1	1/02/2017	Common Stock	9,750
Stock Option	\$ 39.62 (4) (5)	02/01/2011 <u>(6)</u> 02	2/01/2018	Common Stock	9,750
Stock Option	\$ 44.34 (4) (5)	05/06/2011 <u>(6)</u> 05	5/06/2018	Common Stock	8,500
Stock Option	\$ 45.26 (4) (5)	11/01/2011 <u>(6)</u> 1	1/01/2018	Common Stock	8,500
Stock Option	\$ 44.2 (4) (5)	08/02/2011 <u>(6)</u> 08	8/02/2018	Common Stock	8,500
Stock Option	\$ 50.28 (4)	02/01/2012 <u>(6)</u> 02	2/01/2019	Common Stock	8,500
		05/05/2012 <u>(6)</u> 05	5/05/2019		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 <u>(6)</u> 02/01/2020	Common Stock	15,000
Stock Option	\$ 68.7	05/03/2013 <u>(6)</u> 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				
<b>1</b>	Director	10% Owner	Officer	Other	
MICHAEL JONATHAN E 9025 N. LINDBERGH DRIVE PEORIA, IL 61615	X		President		

# **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.
- (6) 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 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.

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