RLI CORP
Form 4
July 25, 2013

FORM 4

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

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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(Print or Type Responses)

1. Name and Address of Reporting Person *
Kennedy Daniel O
(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)
07/24/2013

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

5. Relationship of Reporting Person(s) to Issuer
(Check all applicable)
_____ Director _____ 10% Owner
__X__ Officer (give title below) _____ Other (specify below)
Vice President General Counsel

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) Code	V	4. Securities Acquired (A) or Disposed of (D) (Instr. 3, 4 and 5) Amount	(A) or (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	07/24/2013		M		1,800	A	$ 39.09	14,951.572	D (1)	
Common Stock	07/24/2013		M		4,400	A	$ 33	19,351.572	D (1)	
Common Stock	07/24/2013		M		4,120	A	$ 29.9	23,471.572	D (1)	
Common Stock	07/24/2013		M		3,520	A	$ 39.34	26,991.572	D (1)	
Common Stock	07/24/2013		M		4,000	A	$ 48.73	30,991.572	D (1)	

Common Stock	07/24/2013		F	12,621	D	$ 84.01	18,370.572	D (1)	
Common Stock							3,729.818	I	By Esop (2)
Common Stock							549.3221	I	By Executive Deferred Compensation (1)

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)	
				Code	V	(A)	(D)	Date Exercisable	Expiration Date	Title	Amount or Number of Shares
Stock Option	$ 39.09 (3) (4) (5)	07/24/2013		M			1,800	05/03/2008 (6)	05/03/2017	Common Stock	1,800
Stock Option	$ 33 (3) (4) (5)	07/24/2013		M			4,400	05/01/2009 (6)	05/01/2018	Common Stock	4,400
Stock Option	$ 29.9 (3) (4) (5)	07/24/2013		M			4,120	05/07/2010 (6)	05/07/2017	Common Stock	4,120
Stock Option	$ 39.34 (3) (4) (5)	07/24/2013		M			3,520	05/06/2011 (6)	05/06/2018	Common Stock	3,520
Stock Option	$ 48.73 (3) (4)	07/24/2013		M			4,000	05/05/2012 (6)	05/05/2019	Common Stock	4,000
Stock Option	$ 63.7 (3)							05/03/2013 (6)	05/03/2020	Common Stock	10,000
Stock Option	$ 71.84							05/02/2014 (6)	05/02/2021	Common Stock	10,000

Reporting Owners

Reporting Owner Name / Address	Relationships			
	Director	10% Owner	Officer	Other
Kennedy Daniel O 9025 N. LINDBERGH DRIVE PEORIA, IL 61615			Vice President General Counsel	

Signatures

/s/ Daniel O. Kennedy	07/25/2013
**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.

(2) Ownership reflects shares allocated to ESOP participant's account and dividend reinvestment.

(3) Stock option grant price adjusted to reflect $5 extraordinary dividend declared 11/14/12.

(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.
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