RLI CORP Form 4 May 17, 2013

FORM 4

OMB APPROVAL

UNITED STATES SECURITIES AND EXCHANGE COMMISSION

OMB 3235-0287 Number:

Check this box if no longer subject to Section 16.

Washington, D.C. 20549

January 31, Expires: 2005

Form 4 or Form 5

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

Estimated average burden hours per 0.5 response...

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

1(b).

(Print or Type Responses)

1. Name and Address of Reporting Person * MICHAEL JONATHAN E			2. Issuer Name and Ticker or Trading Symbol RLI CORP [RLI]	5. Relationship of Reporting Person(s) to Issuer (Check all applicable)		
(Last)	(First)	(Middle)	3. Date of Earliest Transaction	(Check an applicable)		
			(Month/Day/Year)	X Director 10% Owner		
9025 N. LINDBERGH DRIVE		RIVE	05/16/2013	X Officer (give title Other (specify below)		
				President		
	(Street)		4. If Amendment, Date Original	6. Individual or Joint/Group Filing(Check		
			Filed(Month/Day/Year)	Applicable Line)		
PEORIA, IL 61615				_X_ Form filed by One Reporting Person Form filed by More than One Reporting Person		

(City)	(State)	(Zip) Tal	ble I - Non	-Derivativ	e Secu	rities 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. Transactic Code (Instr. 8)	4. Securition(A) or Dia (Instr. 3, 4	sposed 4 and 3 (A) or	of (D)	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	05/16/2013		M	Amount 45,000	(D)	\$ 27.54	265,139.2898	D (1)	
Common Stock	05/16/2013		F	29,968	D	\$ 74.37	235,171.2898	D (1)	
Common Stock							93,261.5845	I	By Empl. Stock Ownership Plan (2)
Common Stock							50,659.15	I	By Key Employee Benefit

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			Plan (1)
Common Stock	20,444.6961	I	By Trust (1)
Common Stock	6,637.153	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 benefic	ally owned directly or indirectly.		
,	Persons who respond to the collectinformation contained in this form required to respond unless the for displays a currently valid OMB cornumber.	are not m	SEC 1474 (9-02)

$\label{thm:convergence} \begin{tabular}{ll} Table II - Derivative Securities Acquired, Disposed of, or Beneficially Owned \\ (e.g., puts, calls, warrants, options, convertible securities) \end{tabular}$

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. Transactic Code (Instr. 8)	5. Number of or Derivative Securities Acquired (A) or Disposed of (D) (Instr. 3, 4, and 5)	6. Date Exercisal Expiration Date (Month/Day/Year		7. Title and A Underlying S (Instr. 3 and	Securities
				Code V	(A) (D)	Date Exercisable	Expiration Date	Title	Amount or Number of Share
Stock Option	\$ 27.54 (3) (4) (5)	05/16/2013		M	45,000	05/05/2006	05/05/2015	Common Stock	45,000
Stock Option	\$ 33.15 (3) (4) (5)					05/04/2007(6)	05/04/2016	Common Stock	10,500

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Stock Option	\$ 30.44 (3) (4) (5)	08/04/2007 <u>(6)</u>	08/04/2016	Common Stock	10,500
Stock Option	\$ 37.04 (3) (4) (5)	11/03/2007 <u>(6)</u>	11/03/2016	Common Stock	10,500
Stock Option	\$ 39.21 (3) (4) (5)	02/02/2008(6)	02/02/2017	Common Stock	10,500
Stock Option	\$ 39.67 (3) (4) (5)	08/03/2008 <u>(6)</u>	08/03/2017	Common Stock	10,500
Stock Option	\$ 39.03 (3) (4) (5)	11/02/2008(6)	11/02/2017	Common Stock	10,500
Stock Option	\$ 39.09 (3) (4) (5)	05/03/2008(6)	05/03/2017	Common Stock	10,500
Stock Option	\$ 38.41 (3) (4) (5)	02/01/2009 <u>(6)</u>	02/01/2018	Common Stock	10,500
Stock Option	\$ 33 <u>(3)</u> <u>(4)</u> <u>(5)</u>	05/01/2009 <u>(6)</u>	05/01/2018	Common Stock	10,500
Stock Option	\$ 37.36 (3) (4) (5)	08/01/2009 <u>(6)</u>	08/01/2018	Common Stock	10,500
Stock Option	\$ 39.73 (3) (4) (5)	11/03/2009 <u>(6)</u>	11/03/2018	Common Stock	10,500
Stock Option	\$ 39.89 (3) (4) (5)	02/02/2010 <u>(6)</u>	02/02/2019	Common Stock	10,500
Stock Option	\$ 29.9 (3) (4) (5)	05/07/2010 <u>(6)</u>	05/07/2017	Common Stock	9,750
Stock Option	\$ 33.49 (3) (4) (5)	08/03/2010 <u>(6)</u>	08/03/2017	Common Stock	9,750
Stock Option	\$ 32.9 (3) (4) (5)	11/02/2010 <u>(6)</u>	11/02/2017	Common Stock	9,750
Stock Option	\$ 34.62 (3) (4) (5)	02/01/2011 <u>(6)</u>	02/01/2018	Common Stock	9,750
Stock Option	\$ 39.34 (3) (4) (5)	05/06/2011 <u>(6)</u>	05/06/2018	Common Stock	8,500
Stock Option	\$ 39.2 (3) (4) (5)	08/02/2011 <u>(6)</u>	08/02/2018	Common Stock	8,500
Stock Option	\$ 40.26 (3) (4) (5)	11/01/2011 <u>(6)</u>	11/01/2018	Common Stock	8,500
Stock Option	\$ 45.28 (3) (4)	02/01/2012 <u>(6)</u>	02/01/2019	Common Stock	8,500
Stock Option	\$ 48.73 (3) (4)	05/05/2012 <u>(6)</u>	05/05/2019	Common Stock	15,000
		08/01/2012 <u>(6)</u>	08/01/2019		15,000

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ock otion	\$ 52.62 (3) (4)			Common Stock	
ock otion	\$ 57.59 (3) (4)	11/01/2012(6)	11/01/2019	Common Stock	15,000
ock otion	\$ 67.61 (3)	02/01/2013(6)	02/01/2020	Common Stock	15,000
ock otion	\$ 63.7 (3)	05/03/2013(6)	05/03/2020	Common Stock	15,000
ock otion	\$ 58.25 (3)	08/01/2013(6)	08/01/2020	Common Stock	15,000
ock otion	\$ 62.83 (3)	11/01/2013(6)	11/01/2020	Common Stock	15,000
ock otion	\$ 69.48	02/01/2014(6)	02/01/2021	Common Stock	15,000
ock otion	\$ 71.84	05/02/2014(6)	05/02/2021	Common Stock	10,000

Reporting Owners

Reporting Owner Name / Address	Relationships				
F-	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

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. 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.

Reporting Owners 4