

RLI CORP
Form 4
February 02, 2012

FORM 4

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

OMB APPROVAL

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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

(Print or Type Responses)

1. Name and Address of Reporting Person *
STONE MICHAEL J

(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)
02/01/2012

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

5. Relationship of Reporting Person(s) to Issuer

(Check all applicable)

Director 10% Owner
 Officer (give title below) Other (specify below)
President RLI Insurance Compan

6. Individual or Joint/Group Filing(Check Applicable Line)
 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 Ownership (Instr. 4)
				(A) or (D)			
			Code	V	Amount	(D)	Price
Common Stock					91,034.7414	D	(2)
Common Stock					19,495.1834	I	By Empl. Stock Ownership Plan (3)
Common Stock					22,745.4338	I	By Trust (2)
Common Stock					12,366.752	I	M.J. Stone Grantor Retained

Common Stock	10,000	I	Annuity Trust (M3) M.J. Stone Grantor Retained Annuity Trust (M4) dtd. 10/31/11
Common Stock	10,721.09	I	M.J. Stone Grantor Retained Annuity Trust (M5) dtd. 10/31/11
Common Stock	2,323.4965	I	M.J. Stone Grantor Retained Annuity Trust (M2)
Common Stock	10,721.09	I	M.J. Stone Grantor Retained Annuity Trust (M6) dtd. 10/31/11

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)		
				Code	V (A) (D)	Date Exercisable	Expiration Date	Title	Amount or Number of Shares
Stock	\$ 72.61	02/01/2012		A	8,000	02/01/2013 ⁽¹⁾	02/01/2020	Common	8,000

Option				Stock	
Stock Option	\$ 44.09 (4) (5)	05/03/2008 ⁽¹⁾	05/03/2017	Common Stock	31,500
Stock Option	\$ 38 (4) (5)	05/01/2009 ⁽¹⁾	05/01/2018	Common Stock	34,000
Stock Option	\$ 34.9 (4) (5)	05/07/2010 ⁽¹⁾	05/07/2017	Common Stock	19,200
Stock Option	\$ 44.34 (4) (5)	05/06/2011 ⁽¹⁾	05/06/2018	Common Stock	6,000
Stock Option	\$ 44.2 (4) (5)	08/02/2011 ⁽¹⁾	08/02/2018	Common Stock	6,000
Stock Option	\$ 45.26 (4) (5)	11/01/2011 ⁽¹⁾	11/01/2018	Common Stock	6,000
Stock Option	\$ 50.28 (4)	02/01/2012 ⁽¹⁾	02/01/2019	Common Stock	6,000
Stock Option	\$ 53.73 (4)	05/05/2012 ⁽¹⁾	05/05/2019	Common Stock	8,000
Stock Option	\$ 57.62 (4)	08/01/2012 ⁽¹⁾	08/01/2019	Common Stock	8,000
Stock Option	\$ 62.59 (4)	11/01/2012 ⁽¹⁾	11/01/2019	Common Stock	8,000

Reporting Owners

Reporting Owner Name / Address	Relationships			
	Director	10% Owner	Officer	Other
STONE MICHAEL J 9025 N. LINDBERGH DRIVE PEORIA, IL 61615			President RLI Insurance Compan	

Signatures

/s/ Michael J.
Stone 02/02/2012

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

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- (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.

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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