

RLI CORP
Form 4
August 31, 2016

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)
18808 GANTON AVENUE
(Street)

BRADENTON, FL 34202

(City) (State) (Zip)

2. Issuer Name and Ticker or Trading Symbol
RLI CORP [RLI]

3. Date of Earliest Transaction
(Month/Day/Year)
08/31/2016

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)

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 Indirect Beneficial Ownership (Instr. 4)
Common Stock	08/31/2016		M	V Amount (A) or (D) Price	2,400 A \$ 13.63 264,936.0138	D ⁽¹⁾	
Common Stock	08/31/2016		M	2,400 A \$ 16.14 267,336.0138	D ⁽¹⁾		
Common Stock	08/31/2016		M	16,000 A \$ 17.865 283,336.0138	D ⁽¹⁾		
Common Stock	08/31/2016		M	16,000 A \$ 19.81 299,336.0138	D ⁽¹⁾		
Common Stock	08/31/2016		F	21,976 D \$ 70.98 277,360.0138	D ⁽¹⁾		
					53,496.117	I ⁽¹⁾	By Trust

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Common Stock							
Common Stock			480	I			By Wife, Custodian UTMA-FL
Common Stock			17,937.155	I <u>(1)</u>			M.J. Stone Grantor Retained Annuity Trust (M5) dtd. 10/31/11
Common Stock			22,511.55	I <u>(1)</u>			M.J. Stone Grantor Retained Annuity Trust (M6) dtd. 10/31/11
Common Stock			7,500	I			M.J. Stone Grantor Retained Annuity Trust (M8) dtd. 01/30/13
Common Stock			8,685	I			M.J. Stone Grantor Retained Annuity Trust (M9) dtd. 01/30/13

Reminder: Report on a separate line for each class of securities beneficially owned directly or indirectly.

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(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)	4. Transaction Code (Instr. 8)	5. Number of Derivative Securities Acquired (A) or Disposed of (D)	6. Date Exercisable and Expiration Date (Month/Day/Year)	7. Title and Amount of Underlying Securities (Instr. 3 and 4)
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(Instr. 3, 4,
and 5)

				Code	V	(A)	(D)	Date Exercisable	Expiration Date	Title	Amount or Number of Shares
Stock Option	\$ 13.63 <u>(2)</u> <u>(3)</u> <u>(4)</u> <u>(5)</u> <u>(6)</u> <u>(7)</u> <u>(8)</u>	08/31/2016		M				11/01/2011 ⁽⁹⁾	11/01/2018	Common Stock	2,400
Stock Option	\$ 16.14 <u>(2)</u> <u>(3)</u> <u>(4)</u> <u>(5)</u> <u>(6)</u> <u>(8)</u>	08/31/2016		M				02/01/2012 ⁽⁹⁾	02/01/2019	Common Stock	2,400
Stock Option	\$ 17.865 <u>(2)</u> <u>(3)</u> <u>(4)</u> <u>(5)</u> <u>(6)</u> <u>(8)</u>	08/31/2016		M				05/05/2012 ⁽⁹⁾	05/05/2019	Common Stock	16,000
Stock Option	\$ 19.81 <u>(2)</u> <u>(3)</u> <u>(4)</u> <u>(5)</u> <u>(6)</u> <u>(8)</u>	08/31/2016		M				08/01/2012 ⁽⁹⁾	08/01/2019	Common Stock	16,000

Reporting Owners

Reporting Owner Name / Address	Relationships			
	Director	10% Owner	Officer	Other
STONE MICHAEL J 18808 GANTON AVENUE BRADENTON, FL 34202			X	

Signatures

/s/ Michael J.
Stone 08/31/2016
 **Signature of Date
 Reporting Person

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) Stock option grant price adjusted to reflect \$2.00 extraordinary dividend declared 11-12-15.
- (3) Stock option grant price adjusted to reflect \$3.00 extraordinary dividend declared 11/13/14.
- (4) Stock option grant price adjusted to reflect \$3.00 extraordinary dividend declared 11/14/13.
- (5) Stock option grant price adjusted to reflect \$5 extraordinary dividend declared 11/14/12.
- (6) Stock Option grant price adjusted to reflect \$5 RLI extraordinary dividend declared 11/17/11.
- (7) Stock Option grant price adjusted to reflect \$7 RLI extraordinary dividend paid 12/29/10.
- (8) Stock option grant price and number of stock options adjusted to reflect 2-for-1 stock split on 01/15/14.

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- (9) 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.