STATEMENT OF CHANGES IN BENEFICIAL OWNERSHIP OF

RLI CORP Form 4 April 26, 2013

FORM 4 UNITED STATES SECURITIES AND EXCHANGE COMMISSION Washington, D.C. 20549

OMB APPROVAL

OMB Number: 3235-0287

Expires: January 31, 2005

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if no longer subject to Section 16. Form 4 or

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

may continue.

See Instruction

30(h) of the Investment Company Act of 1940

1(b).

Stock

Form 5

obligations

(Print or Type Responses)

1. Name and Address of Reporting Person * STONE MICHAEL J			2. Issuer Name and Ticker or Trading Symbol RLI CORP [RLI]					ing	5. Relationship of Reporting Person(s) to Issuer (Check all applicable)			
(Last) (First) (Middle) 9025 N. LINDBERGH DRIVE			3. Date of Earliest Transaction (Month/Day/Year) 04/25/2013						X Director 10% Owner Officer (give titleX Other (specify below) President RLI Insurance Compan			
(Street) PEORIA, IL 61615			4. If Amendment, Date Original Filed(Month/Day/Year)						6. Individual or Joint/Group Filing(Check Applicable Line) _X_ Form filed by One Reporting Person Form filed by More than One Reporting			
									Person			
(City)	, ,	(Zip)			on-I				quired, Disposed		·	
1.Title of Security (Instr. 3)	2. Transaction Date (Month/Day/Year)	2A. Deeme Execution I any (Month/Da	Date, if	Code (Instr.	8)	4. Securi n(A) or Di (Instr. 3,	spose	d 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	04/25/2013			G	V	1,000	D	\$ 70.99	81,578.1279	D (1)		
Common Stock									22,078.0682	I	By Empl. Stock Ownership Plan (2)	
Common Stock									25,069.278	I	By Trust (1)	
Common									7,626.609	I	M.J. Stone	

Grantor Retained

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			Annuity Trust (M3)
Common Stock	7,180	I	M.J. Stone Grantor Retained Annuity Trust (M4) dtd. 10/31/11
Common Stock	10,661.594	I	M.J. Stone Grantor Retained Annuity Trust (M5) dtd. 10/31/11
Common Stock	5,000	I	M.J. Stone Grantor Retained Annuity Trust (M7) dtd. 01/30/13
Common Stock	5,000	I	M.J. Stone Grantor Retained Annuity Trust (M8) dtd. 01/30/13
Common Stock	5,000	I	M.J. Stone Grantor Retained Annuity Trust (M9) dtd. 01/30/13
Common Stock	11,248.58	I	M.J. Stone Grantor Retained Annuuity 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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SEC 1474 (9-02)

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

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)	of	6. Date Exercisab 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 Shares
Stock Option	\$ 39.09 (3) (4) (5)					05/03/2008(6)	05/03/2017	Common Stock	31,500
Stock Option	\$ 33 <u>(3)</u> <u>(4)</u> <u>(5)</u>					05/01/2009(6)	05/01/2018	Common Stock	34,000
Stock Option	\$ 29.9 (3) (4) (5)					05/07/2010(6)	05/07/2017	Common Stock	19,200
Stock Option	\$ 39.34 (3) (4) (5)					05/06/2011(6)	05/06/2018	Common Stock	6,000
Stock Option	\$ 39.2 (3) (4) (5)					08/02/2011(6)	08/02/2018	Common Stock	6,000
Stock Option	\$ 40.26 (3) (4) (5)					11/01/2011(6)	11/01/2018	Common Stock	6,000
Stock Option	\$ 45.28 (3) (4)					02/01/2012(6)	02/01/2019	Common Stock	6,000
Stock Option	\$ 48.73 (3) (4)					05/05/2012(6)	05/05/2019	Common Stock	8,000
Stock Option	\$ 52.62 (3) (4)					08/01/2012(6)	08/01/2019	Common Stock	8,000
Stock Option	\$ 57.59 (3) (4)					11/01/2012(6)	11/01/2019	Common Stock	8,000
Stock Option	\$ 67.61 (3)					02/01/2013(6)	02/01/2020	Common Stock	8,000
Stock Option	\$ 63.7 (3)					05/03/2013(6)	05/03/2020	Common Stock	8,000

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Stock Option	\$ 58.25 (3)	08/01/2013 <u>(6)</u>	08/01/2020	Common Stock	8,000
Stock Option	\$ 62.83 (3)	11/01/2013 <u>(6)</u>	11/01/2020	Common Stock	8,000
Stock Option	\$ 69.48	02/01/2014(6)	02/01/2021	Common Stock	8,000

Deletionship

Reporting Owners

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

Signatures

/s/ Michael J.

Stone 04/26/2013

**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) 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.
- 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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