RLI CORP
Form 4
March 16, 2015

FORM 4

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

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

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

OMB Number:	3235-0287
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(Print or Type Responses)

1. Name and Address of Reporting Person *
MICHAEL JONATHAN E
(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)
03/13/2015

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

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

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)		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)
			Code	V	Amount	(A) or (D)	Price			
Common Stock	03/13/2015		M		21,000	A	$ 14.02	503,100.4928	D (1)	
Common Stock	03/13/2015		M		21,000	A	$ 15.105	524,100.4928	D (1)	
Common Stock	03/13/2015		M		21,000	A	$ 15.045	545,100.4928	D (1)	
Common Stock	03/13/2015		F		38,815	D	$ 50.25	506,285.4928	D (1)	
Common Stock								210,325.2302	I	By Empl. Stock Ownership

			Plan [(2)]
Common Stock	114,020.12	I [(1)]	By Key Employee Benefit Plan
Common Stock	46,015.5111	I [(1)]	By Trust
Common Stock	8,305.9199	I [(1)]	J.E. Michael 2012 Grantor Retained Annuity Trust Dtd 07/24/12
Common Stock	23,273.8124	I	J.E. Michael 2014 GRAT 1 dtd 08/06/14
Common Stock	23,273.8124	I	J.E. Michael 2014 GRAT 2 dtd 08/06/14

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	$ 14.02 (3) (4) (5) (6) (7) (8)	03/13/2015	M	21,000	11/03/2007 (9)	11/03/2016	Common Stock	21,000
Stock Option	$ 15.105 (3) (4) (5) (6) (7) (8)	03/13/2015	M	21,000	02/02/2008 (9)	02/02/2017	Common Stock	21,000
Stock Option	$ 15.045 (3) (4) (5) (6) (7) (8)	03/13/2015	M	21,000	05/03/2008 (9)	05/03/2017	Common Stock	21,000

Reporting Owners

Reporting Owner Name / Address	Relationships			
	Director	10% Owner	Officer	Other
MICHAEL JONATHAN E 9025 N. LINDBERGH DRIVE PEORIA, IL 61615	X		President	

Signatures

/s/ Jonathan E. Michael	03/16/2015
**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) Balance reflects annual company contributions and dividend reinvestment.

(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.

(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.
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