

SECURITIES AND EXCHANGE COMMISSION

FORM 4

Statement of changes in beneficial ownership of securities

Filing Date: **2013-05-16** | Period of Report: **2013-05-15**
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ISSUER

RLI CORP

CIK:[84246](#) | IRS No.: [370889946](#) | State of Incorporation: **IL** | Fiscal Year End: **1231**
SIC: **6331** Fire, marine & casualty insurance

Business Address
*9025 N LINDBERGH DR
PEORIA IL 61615
3096921000*

REPORTING OWNER

MICHAEL JONATHAN E

CIK:[1192701](#) | State of Incorporation: **DE** | Fiscal Year End: **1231**
Type: **4** | Act: **34** | File No.: [001-09463](#) | Film No.: [13849906](#)
SIC: **6331** Fire, marine & casualty insurance

Mailing Address
*C/O RLI CORP
9025 N. LINDBERGH DR.
PEORIA IL 61615*

FORM 4

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

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

OMB APPROVAL	
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STATEMENT OF CHANGES IN BENEFICIAL OWNERSHIP

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. 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) 05/15/2013 4. If Amendment, Date Original Filed(Month/Day/Year)	5. Relationship of Reporting Person(s) to Issuer (Check all applicable) <input checked="" type="checkbox"/> Director <input type="checkbox"/> 10% Owner <input checked="" type="checkbox"/> Officer (give title below) <input type="checkbox"/> Other (specify below) <p style="text-align: center;">President</p> 6. Individual or Joint/Group Filing (Check applicable line) <input checked="" type="checkbox"/> Form Filed by One Reporting Person <input type="checkbox"/> Form Filed by More than One Reporting Person
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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	05/15/2013		J ⁽¹⁾		26.752	A	\$74.7602	220,139.2898	D ⁽²⁾	
Common Stock								93,261.5845	I	By Empl. Stock Ownership Plan ⁽³⁾
Common Stock								50,659.15	I	By Key Employee Benefit Plan ⁽²⁾
Common Stock								20,444.6961	I	By Trust ⁽²⁾
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

**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	6. Date Exercisable and Expiration Date (Month/Day/Year)	7. Title and Amount of Securities Underlying Derivative Security (Instr. 3 and 4)	8. Price of Derivative Security (Instr. 5)	9. Number of Derivative Securities Beneficially Owned Following	10. Ownership Form of Derivative Security: Direct (D)	11. Nature of Indirect Beneficial Ownership (Instr. 4)
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		Day/ Year)	(A) or Disposed of (D) (Instr. 3, 4, and 5)				Date Exercisable	Expiration Date	Title	Amount or Number of Shares	Reported Transaction(s) (Instr. 4)	or Indirect (I) (Instr. 4)
			Code	V	(A)	(D)						
Stock Option	\$27.54 (4) (5) (6)					05/05/2006	05/05/2015	Common Stock	45,000	45,000	D	
Stock Option	\$33.15 (4) (5) (6)					05/04/2007 (Z)	05/04/2016	Common Stock	10,500	10,500	D	
Stock Option	\$30.44 (4) (5) (6)					08/04/2007 (Z)	08/04/2016	Common Stock	10,500	10,500	D	
Stock Option	\$37.04 (4) (5) (6)					11/03/2007 (Z)	11/03/2016	Common Stock	10,500	10,500	D	
Stock Option	\$39.21 (4) (5) (6)					02/02/2008 (Z)	02/02/2017	Common Stock	10,500	10,500	D	
Stock Option	\$39.09 (4) (5) (6)					05/03/2008 (Z)	05/03/2017	Common Stock	10,500	10,500	D	
Stock Option	\$39.67 (4) (5) (6)					08/03/2008 (Z)	08/03/2017	Common Stock	10,500	10,500	D	
Stock Option	\$39.03 (4) (5) (6)					11/02/2008 (Z)	11/02/2017	Common Stock	10,500	10,500	D	
Stock Option	\$38.41 (4) (5) (6)					02/01/2009 (Z)	02/01/2018	Common Stock	10,500	10,500	D	
Stock Option	\$33 (4) (5) (6)					05/01/2009 (Z)	05/01/2018	Common Stock	10,500	10,500	D	
Stock Option	\$37.36 (4) (5) (6)					08/01/2009 (Z)	08/01/2018	Common Stock	10,500	10,500	D	
Stock Option	\$39.73 (4) (5) (6)					11/03/2009 (Z)	11/03/2018	Common Stock	10,500	10,500	D	
Stock Option	\$39.89 (4) (5) (6)					02/02/2010 (Z)	02/02/2019	Common Stock	10,500	10,500	D	
Stock Option	\$29.9 (4) (5) (6)					05/07/2010 (Z)	05/07/2017	Common Stock	9,750	9,750	D	
Stock Option	\$33.49 (4) (5) (6)					08/03/2010 (Z)	08/03/2017	Common Stock	9,750	9,750	D	
Stock Option	\$32.9 (4) (5) (6)					11/02/2010 (Z)	11/02/2017	Common Stock	9,750	9,750	D	
Stock Option	\$34.62 (4) (5) (6)					02/01/2011 (Z)	02/01/2018	Common Stock	9,750	9,750	D	
Stock Option	\$39.34 (4) (5) (6)					05/06/2011 (Z)	05/06/2018	Common Stock	8,500	8,500	D	
Stock Option	\$39.2 (4) (5) (6)					08/02/2011 (Z)	08/02/2018	Common Stock	8,500	8,500	D	
Stock Option	\$40.26 (4) (5) (6)					11/01/2011 (Z)	11/01/2018	Common Stock	8,500	8,500	D	
Stock Option	\$45.28 (4) (5)					02/01/2012 (Z)	02/01/2019	Common Stock	8,500	8,500	D	
Stock Option	\$48.73 (4) (5)					05/05/2012 (Z)	05/05/2019	Common Stock	15,000	15,000	D	
Stock Option	\$52.62 (4) (5)					08/01/2012 (Z)	08/01/2019	Common Stock	15,000	15,000	D	
Stock Option	\$57.59 (4) (5)					11/01/2012 (Z)	11/01/2019	Common Stock	15,000	15,000	D	
Stock Option	\$67.61 (4)					02/01/2013 (Z)	02/01/2020	Common Stock	15,000	15,000	D	

Stock Option	\$63.7 ⁽⁴⁾						05/03/2013 ⁽⁷⁾	05/03/2020	Common Stock	15,000		15,000	D	
Stock Option	\$58.25 ⁽⁴⁾						08/01/2013 ⁽⁷⁾	08/01/2020	Common Stock	15,000		15,000	D	
Stock Option	\$62.83 ⁽⁴⁾						11/01/2013 ⁽⁷⁾	11/01/2020	Common Stock	15,000		15,000	D	
Stock Option	\$71.84						05/02/2014 ⁽⁷⁾	05/02/2021	Common Stock	10,000		10,000	D	
Stock Option	\$69.48						02/01/2014 ⁽⁷⁾	02/01/2021	Common Stock	15,000		15,000	D	

Explanation of Responses:

1. Shares purchased through payroll deduction feature of the RLI Dividend Reinvestment Plan.
2. Ownership reflects dividend reinvestment.
3. Ownership reflects shares allocated to ESOP participant's account and dividend reinvestment.
4. Stock option grant price adjusted to reflect \$5 extraordinary dividend declared 11/14/12.
5. Stock Option grant price adjusted to reflect \$5 RLI extraordinary dividend declared 11/17/11.
6. Stock Option grant price adjusted to reflect \$7 RLI extraordinary dividend paid 12/29/10.
7. 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.

Signatures

/s/ Jonathan E. Michael

** Signature of Reporting Person

05/16/2013

Date

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

* 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).

Note: File three copies of this Form, one of which must be manually signed. If space is insufficient, see Instruction 6 for procedure.

Persons who respond to the collection of information contained in this form are not required to respond unless the form displays a currently valid OMB Number.