RLI CORP Form 4 October 26, 2015

FORM 4

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

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OMB APPROVAL

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Check this box if no longer subject to Section 16. Form 4 or Form 5

obligations

may continue.

See Instruction

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

STATEMENT OF CHANGES IN BENEFICIAL OWNERSHIP OF

SECURITIES

30(h) of the Investment Company Act of 1940

1(b).

(Print or Type Responses)

1. Name and Address of Reporting Person * 5. Relationship of Reporting Person(s) to 2. Issuer Name and Ticker or Trading Kliethermes Craig W Issuer Symbol RLI CORP [RLI] (Check all applicable) (Last) (First) (Middle) 3. Date of Earliest Transaction (Month/Day/Year) Director 10% Owner Officer (give title __X_ Other (specify 9025 N. LINDBERGH DRIVE 10/23/2015 below) below) Exec. V.P./Operations-RLI Ins (Street) 4. If Amendment, Date Original 6. Individual or Joint/Group Filing(Check Filed(Month/Day/Year) Applicable Line) _X_ Form filed by One Reporting Person Form filed by More than One Reporting

PEORIA, I	L 61615						Person	note than One K	eporting
(City)	(State)	(Zip) Tab	le I - Non-	Derivative	Securi	ties Acc	quired, Disposed o	f, or Beneficia	lly Owned
1.Title of	2. Transaction Date	2A. Deemed	3.	4. Securiti	es Acq	juired	5. Amount of	6.	7. Nature of
Security	(Month/Day/Year)	Execution Date, if	Transactio	on(A) or Dis	posed	of (D)	Securities	Ownership	Indirect
(Instr. 3)		any	Code	(Instr. 3, 4	and 5)	Beneficially	Form:	Beneficial
		(Month/Day/Year)	(Instr. 8)				Owned	Direct (D)	Ownership
							Following	or Indirect	(Instr. 4)
					(A)		Reported	(I)	
					(A)		Transaction(s)	(Instr. 4)	
			Code V	Amount	or (D)	Price	(Instr. 3 and 4)		

(======================================		(Month/Day/Year)	(Instr. 8)	(======================================		,	Owned Following	Direct (D) or Indirect	Ownership (Instr. 4)
			Code V	Amount	(A) or (D)	Price	Reported Transaction(s) (Instr. 3 and 4)	orted (I) nsaction(s) (Instr. 4) tr. 3 and 4)	
Common Stock	10/23/2015		M	16,000	A	\$ 31.42	77,737.14	D (1)	
Common Stock	10/23/2015		F	11,817	D	\$ 60.6	65,920.14	D (1)	
Common Stock							9,332.1597	I (2)	By Esop
Common Stock							15,877.8167	I (1)	By Executive Deferred Comp

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

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 control number.

5. Number of 6. Date Exercisable and

SEC 1474 (9-02)

7. Title and Amount of

Table II - Derivative Securities Acquired, Disposed of, or Beneficially Owned (e.g., puts, calls, warrants, options, convertible securities)

Derivative Security (Instr. 3)	Conversion or Exercise Price of	(Month/Day/Year)	Execution Date, if any (Month/Day/Year)	Code Securities (Instr. 8) Acquired (A)		Expiration Date (Month/Day/Year)		Underlying Securities (Instr. 3 and 4)		
	Derivative Security				or Disposed of (D) (Instr. 3, 4, and 5)					
				Code V	(A) (D)	Date Exercisable	Expiration Date	Title	Amount or Number of Share	
Stock Option	\$ 31.42 (3) (4) (5)	10/23/2015		M	16,000	05/02/2014(6)	05/02/2021	Common Stock	16,000	

Reporting Owners

Reporting Owner Name / Address Relationships

3. Transaction Date 3A. Deemed

Director 10% Owner Officer Other

Kliethermes Craig W 9025 N. LINDBERGH DRIVE PEORIA, IL 61615

Exec. V.P./Operations-RLI Ins

Signatures

1. Title of 2.

/s/ Craig W. 10/26/2015 Kliethermes

**Signature of Reporting Date
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 \$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 and number of stock options adjusted to reflect 2-for-1 stock split on 01/15/14.
- (6) 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.

Reporting Owners 2

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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.