RLI CORP Form 4 October 23, 2015

FORM 4

Expires:

OMB APPROVAL

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

OMB 3235-0287 Number: January 31,

if no longer subject to Section 16. Form 4 or

STATEMENT OF CHANGES IN BENEFICIAL OWNERSHIP OF

2005 Estimated average burden hours per 0.5 response...

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

SECURITIES

30(h) of the Investment Company Act of 1940

1(b).

(Print or Type Responses)

1. Name and Address of Reporting Person * Kliethermes Craig W			2. Issuer Name and Ticker or Trading Symbol RLI CORP [RLI]	5. Relationship of Reporting Person(s) to Issuer (Check all applicable)		
(Last)	(First)	(Middle)	3. Date of Earliest Transaction	(Check an applicable)		
			(Month/Day/Year)	Director 10% Owner		
9025 N. LINDBERGH DRIVE		RIVE	10/22/2015	Officer (give titleX Other (specify 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)		
PEORIA, IL 61615				_X_ Form filed by One Reporting Person Form filed by More than One Reporting Person		

(City)	(State)	(Zip) Table I - Non-Derivative Securities				rities Acqu	quired, 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. 4. Securities Acquired (A) Transaction Disposed of (D) Code (Instr. 3, 4 and 5) (Instr. 8) (A) or			5. Amount of Securities Beneficially Owned Following Reported Transaction(s)	6. Ownership Form: Direct (D) or Indirect (I) (Instr. 4)	7. Nature of Indirect Beneficial Ownership (Instr. 4)				
C			Code V	Amount	(D)	Price	(Instr. 3 and 4)					
Common Stock	10/22/2015		M	28,800	A	\$ 19.865	73,694.14	D (1)				
Common Stock	10/22/2015		M	21,600	A	\$ 27.35	95,294.14	D (1)				
Common Stock	10/22/2015		F	33,557	D	\$ 60	61,737.14	D (1)				
Common Stock							9,332.1597	I (2)	By Esop			
Common Stock							15,877.8167	I (1)	By Executive Deferred			

Comp

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

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SEC 1474 (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. Transactio Code (Instr. 8)	5. Number of orDerivative Securities Acquired (A) or Disposed of (D) (Instr. 3, 4, and 5)		6. Date Exercisab Expiration Date (Month/Day/Year	*		7. Title and Amount o Underlying Securities (Instr. 3 and 4)	
				Code V	(A)	(D)	Date Exercisable	Expiration Date	Title	Amount or Number of Share	
Stock Option	\$ 19.865 (3) (4) (5) (6) (7)	10/22/2015		M		28,800	05/05/2012(8)	05/05/2019	Common Stock	28,800	
Stock Option	\$ 27.35 (3) (4) (5) (7)	10/22/2015		M		21,600	05/03/2013(8)	05/03/2020	Common Stock	21,600	

Reporting Owners

Relationships Reporting Owner Name / Address

> Director 10% Owner Officer Other

Kliethermes Craig W

9025 N. LINDBERGH DRIVE Exec. V.P./Operations-RLI Ins

PEORIA, IL 61615

Signatures

/s/ Craig W. 10/23/2015 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.

Reporting Owners 2

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- (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 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 and number of stock options adjusted to reflect 2-for-1 stock split on 01/15/14.
- (8) 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.