

RLI CORP

Form 4

August 16, 2016

**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  
Expires: January 31,  
2005  
Estimated average  
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response... 0.5

(Print or Type Responses)

1. Name and Address of Reporting Person \*  
Kennedy Daniel O

(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)  
08/15/2016

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

5. Relationship of Reporting Person(s) to  
Issuer

(Check all applicable)

\_\_\_\_ Director \_\_\_\_ 10% Owner  
\_\_X\_\_ Officer (give title below) \_\_\_\_ Other (specify below)

Vice President General Counsel

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)
Common Stock	08/15/2016		M	4,000 A	\$ 17.865 54,610.776	D <sup>(1)</sup>	
Common Stock	08/15/2016		M	4,000 A	\$ 25.35 58,610.776	D <sup>(1)</sup>	
Common Stock	08/15/2016		M	4,000 A	\$ 29.42 62,610.776	D <sup>(1)</sup>	
Common Stock	08/15/2016		M	5,400 A	\$ 38.21 68,010.776	D <sup>(1)</sup>	
Common Stock	08/15/2016		F	11,846 D	\$ 69.29 56,164.776	D <sup>(1)</sup>	

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Common Stock	9,016.4542	I	By Esop <sup>(2)</sup>
Common Stock	1,296.7134	I <sup>(3)</sup>	By Executive Deferred Compensation

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.**

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. 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	\$ 17.865 (4) (5) (6) (7) (8) (9)	08/15/2016		M		4,000		05/05/2012 <sup>(10)</sup>	05/05/2019	Common Stock	4,000
Stock Option	\$ 25.35 (4) (5) (6) (7) (9)	08/15/2016		M		4,000		05/03/2013 <sup>(10)</sup>	05/03/2020	Common Stock	4,000
Stock Option	\$ 29.42 (4) (5) (6) (9)	08/15/2016		M		4,000		05/02/2014 <sup>(10)</sup>	05/02/2021	Common Stock	4,000
Stock Option	\$ 38.21 (4) (5)	08/15/2016		M		5,400		05/01/2015 <sup>(10)</sup>	05/01/2022	Common Stock	5,400

## Reporting Owners

Reporting Owner Name / Address	Relationships
	Director 10% Owner Officer Other
Kennedy Daniel O 9025 N. LINDBERGH DRIVE PEORIA, IL 61615	Vice President General Counsel

## Signatures

/s/ Daniel O.  
Kennedy

08/16/2016

    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) Ownership reflects dividend reinvestment
- (4) Stock option grant price adjusted to reflect \$2.00 extraordinary dividend declared 11-12-15.
- (5) Stock option grant price adjusted to reflect \$3.00 extraordinary dividend declared 11/13/14.
- (6) Stock option grant price adjusted to reflect \$3.00 extraordinary dividend declared 11/14/13.
- (7) Stock option grant price adjusted to reflect \$5 extraordinary dividend declared 11/14/12.
- (8) Stock Option grant price adjusted to reflect \$5 RLI extraordinary dividend declared 11/17/11.
- (9) Stock option grant price and number of stock options adjusted to reflect 2-for-1 stock split on 01/15/14.
- (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.

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