

Kliethermes Craig W
 Form 4
 July 26, 2017

FORM 4

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

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 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

(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)
 9025 N. LINDBERGH DRIVE
 (Street)

3. Date of Earliest Transaction (Month/Day/Year)
 07/25/2017

____ Director
 ____ Officer (give title below) Other (specify below)
 President & COO-RLI Ins

PEORIA, IL 61615

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

6. Individual or Joint/Group Filing(Check Applicable Line)
 Form filed by One Reporting Person
 Form filed by More than One Reporting Person

(City) (State) (Zip)

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	07/25/2017		M		7,200	A	\$ 25.35	85,497.14	D ⁽¹⁾
Common Stock	07/25/2017		M		8,000	A	\$ 29.42	93,497.14	D ⁽¹⁾
Common Stock	07/25/2017		F		10,911	D	\$ 58.68	82,586.14	D ⁽¹⁾
Common Stock								10,887.9789	I ⁽²⁾ By Esop
Common Stock								18,102.7844	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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(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 (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)	Amount or Number of Shares
Stock Option	\$ 25.35 (3) (4) (5) (6) (7)	07/25/2017		M	7,200	05/03/2013 ⁽⁸⁾ 05/03/2020	Common Stock	7,200
Stock Option	\$ 29.42 (3) (4) (5) (7)	07/25/2017		M	8,000	05/02/2014 ⁽⁸⁾ 05/02/2021	Common Stock	8,000

Reporting Owners

Reporting Owner Name / Address	Relationships			
	Director	10% Owner	Officer	Other
Kliethermes Craig W 9025 N. LINDBERGH DRIVE PEORIA, IL 61615			President & COO-RLI Ins	

Signatures

/s/ Craig W.
Kliethermes
07/26/2017
Date

**Signature of Reporting 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 \$2.00 extraordinary dividend declared 11-12-15.
- (4) Stock option grant price adjusted to reflect \$3.00 extraordinary dividend declared 11/13/14.
- (5) Stock option grant price adjusted to reflect \$3.00 extraordinary dividend declared 11/14/13.
- (6) Stock option grant price adjusted to reflect \$5 extraordinary dividend declared 11/14/12.
- (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.