RLI CORP Form 4 November 01, 2013

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

OMB APPROVAL OMB

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

STATEMENT OF CHANGES IN BENEFICIAL OWNERSHIP OF **SECURITIES**

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 30(h) of the Investment Company Act of 1940

1(b).

Stock

(Print or Type Responses)

1. Name and Address of Reporting Person * Diefenthaler Aaron Paul (Last) (First) (Middle) 9025 N. LINDBERGH DRIVE				2. Issuer Name and Ticker or Trading Symbol RLI CORP [RLI] 3. Date of Earliest Transaction (Month/Day/Year) 11/01/2013					5. Relationship of Reporting Person(s) to Issuer (Check all applicable) Director 10% Owner X Officer (give title Other (specify below) VP, CIO			
	PEORIA, 1	IL 61615							Form filed Person	by More than C	One Reporting	
	(City)	(State)	(Zip)	Tal	ble I - Non	-Derivati	ve Sec	curities A	cquired, Dispose	d of, or Bene	ficially Owned	
	1.Title of Security (Instr. 3)	2. Transaction Date (Month/Day/Year)	2A. Deeme Execution I any (Month/Day	Date, if	3. Transacti Code (Instr. 8)	4. Securion(A) or D (Instr. 3,	ispose 4 and (A) or	ed of (D)	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	11/01/2013			J <u>(1)</u>	5.5	A	\$ 94.47	141.9104	I	By Executive Deferred Compensation	
	Common Stock								1,600	D		
	Common								213.4815	I	Employee Stock	

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

Ownership Plan - ESOP

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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. Transacti Code (Instr. 8)	5. orNumber of Derivative Securities Acquired (A) or Disposed of (D) (Instr. 3, 4, and 5)			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	\$ 67.61 (2)					02/01/2013(3)	02/01/2020	Common Stock	5,000
Stock Option	\$ 63.7 (2)					05/03/2013(3)	05/03/2020	Common Stock	7,000
Stock Option	\$ 71.84					05/02/2014(3)	05/02/2021	Common Stock	8,000

Reporting Owners

Reporting Owner Name / Address	Relationships						
1 0	Director	10% Owner	Officer	Other			
Diefenthaler Aaron Paul 9025 N. LINDBERGH DRIVE			VP, CIO				
PEORIA, IL 61615							

Signatures

/s/ Aaron Paul
Diefenthaler

**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) The securities herein were allocated to my account pursuant to the RLI Corp. Executive Deferred Compensation Agreement.

Reporting Owners 2

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- (2) Stock option grant price adjusted to reflect \$5 extraordinary dividend declared 11/14/12.
- (3) 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.