

RLI CORP

Form 4

March 24, 2014

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
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(Print or Type Responses)

1. Name and Address of Reporting Person *
Diefenthaler Aaron Paul

(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)

03/21/2014

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 ____ Other (specify
below) below)

VP, CIO

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	03/21/2014		J ⁽¹⁾	V 123.9148 A \$ 0	3,336.4148	D ⁽²⁾	
Common Stock	03/21/2014		J ⁽³⁾	7.9532 A \$ 45.31	649.3285	I ⁽²⁾	By Executive Deferred Compensation
Common Stock					1,034.5845	I ⁽⁴⁾	Employee Stock Ownership Plan - ESOP

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. 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)		8. Amount or Number of Shares
				Code	V (A) (D)	Date Exercisable	Expiration Date	Title		
Stock Option	\$ 32.305 (5) (6) (7)					02/01/2013 ⁽⁸⁾	02/01/2020	Common Stock		10,000
Stock Option	\$ 30.35 (5) (6) (7)					05/03/2013 ⁽⁸⁾	05/03/2020	Common Stock		14,000
Stock Option	\$ 34.42 (5) (7)					05/02/2014 ⁽⁸⁾	05/02/2021	Common Stock		16,000

Reporting Owners

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

Signatures

/s/ Aaron Paul
Diefenthaler 03/24/2014

__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 shares reflected in Column 4 were exempt from reporting. They were purchased through dividend reinvestment during 2013 and were inadvertently not reported to the Company. This filing corrects the total amount of securities beneficially owned in Column 5.

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- (2) Ownership reflects dividend reinvestment
- (3) The securities herein were allocated to my account pursuant to the RLI Corp. Executive Deferred Compensation Agreement.
- (4) Balance reflects annual company contributions and dividend reinvestment.
- (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.

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