

# SECURITIES AND EXCHANGE COMMISSION

## FORM 4

Statement of changes in beneficial ownership of securities

Filing Date: **2013-01-11** | Period of Report: **2013-01-11**  
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### ISSUER

#### **RLI CORP**

CIK: [84246](#) | IRS No.: [370889946](#) | State of Incorporation: **IL** | Fiscal Year End: **1231**  
SIC: **6331** Fire, marine & casualty insurance

Business Address  
*9025 N LINDBERGH DR  
PEORIA IL 61615  
3096921000*

### REPORTING OWNER

#### **Diefenthaler Aaron Paul**

CIK: [1540227](#)  
Type: **4** | Act: **34** | File No.: [001-09463](#) | Film No.: [13525241](#)

Mailing Address  
*9025 N. LINDBERGH DRIVE  
PEORIA IL 61615*

# FORM 4

Check this box if no longer subject to Section 16. Form 4 or Form 5 obligations may continue. See Instruction 1(b).

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

OMB APPROVAL	
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### STATEMENT OF CHANGES IN BENEFICIAL OWNERSHIP

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. Name and Address of Reporting Person <b>Diefenthaler Aaron Paul</b>			2. Issuer Name and Ticker or Trading Symbol <b>RLI CORP [RLI]</b>			5. Relationship of Reporting Person(s) to Issuer (Check all applicable) <input type="checkbox"/> Director <input type="checkbox"/> 10% Owner <input checked="" type="checkbox"/> Officer (give title below) <input type="checkbox"/> Other (specify below) <b>VP, CIO</b>		
(Last)	(First)	(Middle)	3. Date of Earliest Transaction (Month/Day/Year) <b>01/11/2013</b>					
9025 N. LINDBERGH DRIVE			4. If Amendment, Date Original Filed(Month/Day/Year)			6. Individual or Joint/Group Filing (Check applicable line) <input checked="" type="checkbox"/> Form Filed by One Reporting Person <input type="checkbox"/> Form Filed by More than One Reporting Person		
(Street) <b>PEORIA, IL 61615</b>								
(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	01/11/2013		J	(1)	7.3166	A	\$65.06	7.3166	I	By Executive Deferred Compensation
Common Stock								1,600	D	

**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 Securities Underlying Derivative Security (Instr. 3 and 4)	8. Price of Derivative Security (Instr. 5)	9. Number of Derivative Securities Beneficially Owned Following Reported Transaction(s) (Instr. 4)	10. Ownership Form of Derivative Security: Direct (D) or Indirect (I) (Instr. 4)	11. Nature of Indirect Beneficial Ownership (Instr. 4)
				Code	V	(A)	(D)	Date Exercisable	Expiration Date					
Stock Option	\$67.61 (2)							02/01/2013 (3)	02/01/2020	Common Stock	5,000	5,000	D	
Stock Option	\$63.7 (2)							05/03/2013 (3)	05/03/2020	Common Stock	7,000	7,000	D	

**Explanation of Responses:**

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

**Signatures**

/s/ Aaron Paul Diefenthaler

\*\* Signature of Reporting Person

01/11/2013

Date

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

\* 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).

Note: File three copies of this Form, one of which must be manually signed. If space is insufficient, see Instruction 6 for procedure.

**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 Number.**