

Diefenthaler Aaron Paul
 Form 5
 January 22, 2019

FORM 5

**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).
 Form 3 Holdings Reported Form 4 Transactions Reported

ANNUAL 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

1. Name and Address of Reporting Person *
 Diefenthaler Aaron Paul
 (Last) (First) (Middle)

2. Issuer Name and Ticker or Trading Symbol
 RLI CORP [RLI]

5. Relationship of Reporting Person(s) to Issuer
 (Check all applicable)

9025 N. LINDBERGH DRIVE
 (Street)

3. Statement for Issuer's Fiscal Year Ended (Month/Day/Year)
 12/31/2018

____ Director _____ 10% Owner
 Officer (give title below) _____ Other (specify below)
 VP, CIO, Treasurer

PEORIA, IL 61615
 (City) (State) (Zip)

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

6. Individual or Joint/Group Reporting
 (check applicable line)

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) | (A) or (D) | Price | 5. Amount of Securities Beneficially Owned at end of Issuer's Fiscal Year (Instr. 3 and 4) | 6. Ownership Form: Direct (D) or Indirect (I) (Instr. 4) | 7. Nature of Indirect Beneficial Ownership (Instr. 4) |
|---------------------------------|--------------------------------------|--|--------------------------------|---|------------|-------|--|--|---|
| Common Stock | ^ | ^ | ^ | ^ | ^ | ^ | 15,824.2849 | D ⁽¹⁾ | ^ |
| Common Stock | ^ | ^ | ^ | ^ | ^ | ^ | 1,264.9412 | I ⁽¹⁾ | By Executive Deferred Compensation |
| Common Stock | ^ | ^ | ^ | ^ | ^ | ^ | 2,683.6894 | I ⁽²⁾ | Employee Stock Ownership Plan - ESOP |

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

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SEC 2270
(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) | |
|--|--|--------------------------------------|--|--------------------------------|---|--|--------------------------|---|----------------------------|
| | | | | | (A) (D) | Date Exercisable | Expiration Date | Title | Amount or Number of Shares |
| Restricted Stock Unit | Â | Â | Â | Â | Â | Â | Â (4) | Common Stock | 300 |
| Restricted Stock Unit | Â | Â | Â | Â | Â | Â | Â (4) | Common Stock | 300 |
| Stock Option | \$ 29.42 (5) (6) (7) (8) | Â | Â | Â | Â | Â | 05/02/2014(9) 05/02/2021 | Common Stock | 3,200 |
| Stock Option | \$ 38.21 (5) (6) | Â | Â | Â | Â | Â | 05/01/2015(9) 05/01/2022 | Common Stock | 12,000 |
| Stock Option | \$ 47.61 (5) | Â | Â | Â | Â | Â | 05/07/2016(9) 05/07/2023 | Common Stock | 12,000 |
| Stock Option | \$ 64.09 | Â | Â | Â | Â | Â | 05/05/2017(9) 05/05/2024 | Common Stock | 9,000 |
| Stock Option | \$ 56.71 | Â | Â | Â | Â | Â | 05/04/2018(9) 05/04/2025 | Common Stock | 11,000 |
| Stock Option | \$ 63.14 | Â | Â | Â | Â | Â | 05/03/2019(9) 05/03/2026 | Common Stock | 9,000 |

Reporting Owners

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

Signatures

/s/ Aaron Paul
Diefenthaler

01/22/2019

__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) Upon vesting, each restricted stock unit represents the right to receive one share of common stock.
- (4) These restricted stock units are scheduled to vest 100% on the third anniversary of the date of grant.
- (5) Stock option grant price adjusted to reflect \$2.00 extraordinary dividend declared 11-12-15.
- (6) Stock option grant price adjusted to reflect \$3.00 extraordinary dividend declared 11/13/14.
- (7) Stock option grant price adjusted to reflect \$3.00 extraordinary dividend declared 11/14/13.
- (8) Stock option grant price and number of stock options adjusted to reflect 2-for-1 stock split on 01/15/14.
- (9) 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 provided 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.