

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.
- (2) Ownership reflects dividend reinvestment
- (3) Balance reflects 2012 contribution.
- (4) Stock option grant price adjusted to reflect \$3.00 extraordinary dividend declared 11/14/13.
- (5) Stock option grant price adjusted to reflect \$5 extraordinary dividend declared 11/14/12.
- (6) Stock Option grant price adjusted to reflect \$5 RLI extraordinary dividend declared 11/17/11.
- (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.