

Phillips Terry E  
Form 4  
August 10, 2012

**FORM 4**

**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).

**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

(Print or Type Responses)

1. Name and Address of Reporting Person \*  
Phillips Terry E

(Last) (First) (Middle)  
3250 INTERSTATE DRIVE  
(Street)

RICHFIELD, OH 44286

(City) (State) (Zip)

2. Issuer Name and Ticker or Trading Symbol  
National Interstate CORP [NATL]

3. Date of Earliest Transaction  
(Month/Day/Year)  
08/08/2012

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

5. Relationship of Reporting Person(s) to Issuer

(Check all applicable)

Director  10% Owner  
 Officer (give title below)  Other (specify below)  
Senior VP

6. Individual or Joint/Group Filing(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) | 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 Ownership (Instr. 4) |
|----------------------------------|--------------------------------------|--|--------------------------------|---|---|--|-----------------------------------|
|                                  |                                      |  |                                | (A) or (D)  | Price   |  |                                   |
| Common Shares (\$0.01 par value) | 08/08/2012                           |  | M                              | 5,000   | A \$ 19.79  | 74,965   | D                                 |
| Common Shares (\$0.01 par value) | 08/08/2012                           |  | S                              | 5,000   | D \$ 24.01 (1)  | 69,965   | D                                 |
| Common Shares (\$0.01 par value) | 08/09/2012                           |  | M                              | 2,298   | A \$ 19.79  | 72,263   | D                                 |

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Common Shares (\$0.01 par value) 08/09/2012 S 2,298 D 24.01 69,965 D (2)

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

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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. 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 |
|--|--|--------------------------------------|--|--------------------------------|---|--|---|-------------------------------|
| Option (Right to Buy)                      | \$ 19.79   | 08/08/2012                           |  | M                              | 5,000   | 01/01/2009 08/15/2015                                    | Common Shares (\$0.01 par value)                              | 5,000                         |
| Option (Right to Buy)                      | \$ 19.79   | 08/09/2012                           |  | M                              | 2,298   | 01/01/2010 08/15/2015                                    | Common Shares (\$0.01 par value)                              | 2,298                         |

## Reporting Owners

| Reporting Owner Name / Address                                   | Relationships |           |           |       |
|--|---------------|-----------|-----------|-------|
|  | Director      | 10% Owner | Officer   | Other |
| Phillips Terry E<br>3250 INTERSTATE DRIVE<br>RICHFIELD, OH 44286 |               |           | Senior VP |       |

## Signatures

/s/ Terry E. Phillips 08/10/2012  
Date

\_\_Signature of  
Reporting Person

## 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 price reported represents a weighted average price. These shares were sold in multiple transactions at prices ranging from \$24.00 to \$24.30. The reporting person undertakes to provide to National Interstate Corporation ("NATL"), any security holder of NATL, or the staff of the Securities and Exchange Commission, upon request, full information regarding the number of shares sold at each separate price.

(2) The price reported represents a weighted average price. These shares were sold in multiple transactions at prices ranging from \$24.00 to \$24.07. The reporting person undertakes to provide to National Interstate Corporation ("NATL"), any security holder of NATL, or the staff of the Securities and Exchange Commission, upon request, full information regarding the number of shares sold at each separate price.

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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