

Phillips Terry E
Form 4
August 16, 2012

FORM 4

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

OMB APPROVAL

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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

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

5. Relationship of Reporting Person(s) to Issuer

(Check all applicable)

(Last) (First) (Middle)

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

____ Director _____ 10% Owner
 Officer (give title below) _____ Other (specify below)

3250 INTERSTATE DRIVE

08/14/2012

Senior VP

(Street)

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

6. Individual or Joint/Group Filing(Check Applicable Line)
 Form filed by One Reporting Person
 Form filed by More than One Reporting Person

RICHFIELD, OH 44286

(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 Ownership (Instr. 4)
				(A) or (D)	Price		
Common Shares (\$0.01 par value)	08/14/2012		M	1,301 A	\$ 19.79	71,266	D
Common Shares (\$0.01 par value)	08/14/2012		S	1,301 D	\$ 23.62 (1)	69,965	D

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	08/14/2012		M	192	01/01/2010 08/15/2015	Common Shares (\$0.01 par value)	192
Option (Right to Buy)	\$ 19.79	08/14/2012		M	1,109	01/01/2011 08/15/2015	Common Shares (\$0.01 par value)	1,109

Reporting Owners

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

Signatures

/s/ Terry E. Phillips 08/16/2012

**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 price reported represents a weighted average price. These shares were sold in multiple transactions at prices ranging from \$23.60 to \$23.69. 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.

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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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