National Interstate CORP Form 4 September 28, 2006

FORM 4

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

Check this box if no longer STATEMENT OF CHANGES IN BENEFICIAL OWNERSHIP OF

subject to **SECURITIES** Section 16. Form 4 or

Form 5 Filed pursuant to Section 16(a) of the Securities Exchange Act of 1934, obligations Section 17(a) of the Public Utility Holding Company Act of 1935 or Section may continue. 30(h) of the Investment Company Act of 1940 See Instruction

1(b).

(Print or Type Responses)

1. Name and Address of Reporting Person ** Michelson David W	2. Issuer Name and Ticker or Trading Symbol	5. Relationship of Reporting Person(s) Issuer (Check all applicable) Director 10% Owner X Officer (give title Other (spec below) Executive VP and COO			
(Last) (First) (Middle)	National Interstate CORP [NATL] 3. Date of Earliest Transaction				
3250 INTERSTATE DRIVE	(Month/Day/Year) 09/26/2006				
(Street)	4. If Amendment, Date Original	6. Individual or Joint/Group Filing(Chec			
DICHEIEI D. OH 44286	Filed(Month/Day/Year)	Applicable Line) _X_ Form filed by One Reporting Person Form filed by More than One Reporting			

RICHFIELD, OH 44286

(City)	(State) (Z	Zip) Table	e I - Non-De	erivative S	Securities	S Acquired, Disposed	of, or Beneficia	lly Owned
1.Title of Security (Instr. 3)	2. Transaction Date 2A. Deemed (Month/Day/Year) Execution Date, any (Month/Day/Ye		3. Transaction Code (Instr. 8)	4. Securities on Acquired (A) or Disposed of (D) (Instr. 3, 4 and 5)		5. Amount of Securities Beneficially Owned Following	6. Ownership Form: Direct (D) or Indirect (I) (Instr. 4)	7. Nature of Indirect Beneficial Ownership (Instr. 4)
Common			Code V	Amount	(A) or (D) Pr	Reported Transaction(s) (Instr. 3 and 4)		
Shares (\$0.01 par value)	09/26/2006		S	701	D \$	27 82,031	D	

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

Persons who respond to the collection of SEC 1474 information contained in this form are not (9-02)required to respond unless the form displays a currently valid OMB control number.

Person

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3235-0287

January 31,

2005

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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	2.	3. Transaction Date		4. T	5.	6. Date Exerc		7. Title		8. Price of	9. Nu
Derivative	Conversion	(Month/Day/Year)	Execution Date, if	Transacti	orNumber	Expiration D	ate	Amou	nt of	Derivative	Deriv
Security	or Exercise		any	Code	of	(Month/Day/	Year)	Under	lying	Security	Secui
(Instr. 3)	Price of		(Month/Day/Year)	(Instr. 8)	Derivative	e		Securi	ties	(Instr. 5)	Bene
	Derivative				Securities			(Instr.	3 and 4)		Own
	Security				Acquired						Follo
					(A) or						Repo
					Disposed						Trans
					of (D)						(Instr
					(Instr. 3,						
					4, and 5)						
									Amount		
						Date	Expiration		or		
						•	Date	Title Numb	Number		
					Excicisable	Date		of			
				Code V	(A) (D)				Shares		

Reporting Owners

Reporting Owner Name / Address Relationships

Director 10% Owner Officer Other

Michelson David W

3250 INTERSTATE DRIVE Executive VP and COO

RICHFIELD, OH 44286

Signatures

/s/ David W. 09/28/2006 Michelson

**Signature of Reporting Date

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).

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.

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