

Expanded Railroad Liability Program Announced for the Shortline and Regional Railroad Industry

Burlington, Vermont -September 2009 – US Rail Insurance Company, Inc. RRG is pleased to announce its *expanded alternative risk management program* designed and managed by the shortline and regional railroad industry. US Rail Insurance Company, Inc., as the first shortline owned and managed insurance company in the history of the shortline industry, has entered into a partnership with National Interstate Insurance Company. National Interstate is rated “A” (Excellent) VIII by A.M. Best Company, and has over 20 years of experience in transportation and specialty insurance.

The US Rail Liability Program is available for shortline, regional, and rail affiliated companies throughout the United States including, freight, scenic, rail museums, railroad associations, railroad service companies, railroad protective, and railroad equipment lessors and lessees. The program is administered by United Shortline Insurance Services, Inc. and offered through National Interstate and US Rail Insurance Company, Inc. Additional coverage lines are also available outside of the alternative risk structure through both National Interstate and United Shortline Insurance Services, Inc.

United Shortline Insurance Services, Inc. adapted its 24 years of experience in the rail industry and related loss control and safety programs to produce this unique and desired program. National Interstate and US Rail have created a program that is designed to attract railroad companies who embrace “safe operating practices” and are eager to benefit from their own safe operations through premium stability, dividend potential, and enhanced customer service and claims handling.

“US Rail and United Shortline Insurance Services have brought to this important industry a “New Train of Thought” on how the shortline railroad industry handles its risk management,” said Louis M. Schillinger, Chief Executive Officer of United Shortline Insurance Services, Inc. “For the first time in history, a shortline owned, managed, and financed insurance company is focusing its resources on the railroad industry it serves with a program designed to provide stable costs and customized coverages for the foreseeable future.”

“National Interstate is extremely pleased to partner with US Rail Insurance Company to bring this innovative insurance program to the railroad industry,” said Dave Michelson, President of National Interstate Insurance Company. “We believe this is an excellent opportunity for best-in-class railroad companies to capitalize on their commitment to safety, and realize the many long-term benefits available only through alternative risk management.”

United Shortline Programs are offered through a select network of independent insurance agents and brokers. Contact Stephanie Leipprandt, Marketing Manager, at (989) 738 6400, or visit www.unitedshortline.com.

About US Rail Insurance Company, Inc. RRG

US Rail Insurance Company, Inc. RRG, a Vermont domiciled insurance company and licensed as a risk retention group in 44 states, is the first shortline railroad owned and managed insurance company in railroad history. With its risk-sharing partner, National Interstate, it represents the only admitted carrier offering railroad coverage in the US. US Rail is a stock insurance company, reinsured with "A" rated reinsurance to a maximum limit of \$25,000,000, was licensed in 2007, and founded by United Shortline Insurance Services, Inc. a 24 year veteran of the shortline railroad industry. United Shortline's executive team serves as President and CFO of US Rail with railroad owners managing the company through its Board of Directors. Visit www.usrailinsurance.com for more information.

About National Interstate

National Interstate Insurance Company, a wholly owned subsidiary of National Interstate Corporation (Nasdaq: NATL), is a specialty property and casualty insurance holding company with a niche orientation and focus on the transportation industry. We differentiate ourselves by offering insurance products and services designed to meet the unique needs of targeted insurance buyers. Our products include insurance for transportation companies, alternative risk transfer, or captive insurance programs for commercial risks, specialty personal lines consisting of insurance products focused primarily on recreational vehicle owners and small commercial vehicle accounts, and transportation and general commercial insurance in Hawaii and Alaska. We offer our insurance products through multiple distribution channels including independent agents and brokers, affiliated agencies and agent Internet initiatives. Our insurance subsidiaries are rated "A" (Excellent) by A.M. Best Company. Founded in 1989, we are headquartered in Richfield, Ohio with operations in Honolulu, Hawaii, Mechanicsburg, Pennsylvania, and St. Thomas, Virgin Islands.

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