DONEGAL GROUP INC

Form 4

August 03, 2006

FORM 4

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

STATEMENT OF CHANGES IN BENEFICIAL OWNERSHIP OF

SECURITIES

OMB Number:

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Expires:

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response...

if no longer subject to Section 16. Form 4 or Form 5 obligations

may continue.

Check this box

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

See Instruction

1(b).

(Print or Type Responses)

1. Name and Address of Reporting Person * **DONEGAL MUTUAL**

INSURANCE CO

(First) (Last)

(Middle)

1195 RIVER ROAD

(Street)

2. Issuer Name and Ticker or Trading Symbol

DONEGAL GROUP INC [DGICB]

3. Date of Earliest Transaction

(Month/Day/Year) 08/02/2006

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

5. Relationship of Reporting Person(s) to

Issuer

(Check all applicable)

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

6. Individual or Joint/Group Filing(Check

Applicable Line) _X_ 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

MARIETTA, PA 17547

(City) (State) (Zip) 1.Title of 2. Transaction Date 2A. Deemed

(Month/Day/Year)

Execution Date, if (Month/Day/Year)

4. Securities Acquired (A) Transactionr Disposed of (D) Code (Instr. 3, 4 and 5) (Instr. 8)

> (A) Amount (D) Price

5. Amount of Securities Beneficially Owned Following Reported

Ownership Form: Direct (D) or Indirect

7. Nature of Indirect Beneficial Ownership (Instr. 4)

Transaction(s) (Instr. 4)

(Instr. 3 and 4)

Class B Common

Stock

Security

(Instr. 3)

08/02/2006

P 347 16.7372

3,809,091

D

SEC 1474 (9-02)

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)

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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. Transactic Code (Instr. 8)	5. Dr.Number of Derivative Securities Acquired (A) or Disposed of (D) (Instr. 3, 4, and 5)		ate	7. Title Amoun Underly Securiti (Instr. 3	t of ying es	8. Price of Derivative Security (Instr. 5)	9. Nu Deriv Secur Bene Owne Follo Repo Trans (Instr
				Code V	(A) (D)	Date Exercisable	Expiration Date	Title N	Amount or Number of Shares		

Reporting Owners

Reporting Owner Name / Address	Relationships						
Reporting Owner Name / Address	Director	10% Owner	Officer	Other			
DONEGAL MUTUAL INSURANCE CO							
1195 RIVER ROAD		X					
MARIETTA, PA 17547							

Signatures

Jeffrey D. Miller, Sr. VP & Chief Financial 08/03/2006 Officer

**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).

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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