

NIKOLAUS DONALD H  
Form 4  
July 21, 2008

**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 \*  
NIKOLAUS DONALD H

(Last) (First) (Middle)

1195 RIVER ROAD, PO BOX 302

(Street)

MARIETTA, PA 17547

(City) (State) (Zip)

2. Issuer Name and Ticker or Trading Symbol

DONEGAL GROUP INC [DGICA]

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

07/01/2008

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)

President and CEO

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 Indirect Beneficial Ownership (Instr. 4) |
|-------------------------------------|--------------------------------------|----------------------------------------------------|--------------------------------|-------------------------------------------------------------------|-----------------------------------------------------------------------------------------------|----------------------------------------------------------|-------------------------------------------------------|
|                                     |                                      |                                                    | Code                           | V                                                                 | Amount (D) or Price (A)                                                                       |                                                          |                                                       |
| Class A Common Stock <sup>(1)</sup> | 07/01/2008                           |                                                    | J                              | V                                                                 | 1,735 A \$ 13.4895                                                                            |                                                          |                                                       |
| Class A Common Stock                |                                      |                                                    |                                |                                                                   | 147,128.44                                                                                    | D                                                        |                                                       |
| Class A Common Stock                |                                      |                                                    |                                |                                                                   | 128,018.131                                                                                   | I                                                        | 401(k) Plan                                           |
| Class A Common Stock                |                                      |                                                    |                                |                                                                   | 128,487                                                                                       | I                                                        | Family Foundation                                     |
| Class A Common                      |                                      |                                                    |                                |                                                                   | 1,365.798                                                                                     | I                                                        | Spouse                                                |

|                            |  |             |   |                      |
|----------------------------|--|-------------|---|----------------------|
| Stock                      |  |             |   |                      |
| Class B<br>Common<br>Stock |  | 130,210.444 | D |                      |
| Class B<br>Common<br>Stock |  | 3,938       | I | Family<br>Foundation |
| Class B<br>Common<br>Stock |  | 589         | I | Spouse               |

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

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(9-02)

**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) |                            |                            |
|--------------------------------------------|--------------------------------------------------------|--------------------------------------|----------------------------------------------------|--------------------------------|-----------------------------------------------------------------------------------------|----------------------------------------------------------|---------------------------------------------------------------|----------------------------|----------------------------|
|                                            |                                                        |                                      |                                                    | Code                           | V (A) (D)                                                                               | Date Exercisable                                         | Expiration Date                                               | Title                      | Amount of Number of Shares |
| Options                                    | \$ 17.5                                                | 07/17/2008                           |                                                    | A                              | 175,000                                                                                 | 03/01/2009                                               | 07/17/2013                                                    | Class A<br>Common<br>Stock | 175,000                    |

## Reporting Owners

| Reporting Owner Name / Address                                           | Relationships |           |                   |       |
|--------------------------------------------------------------------------|---------------|-----------|-------------------|-------|
|                                                                          | Director      | 10% Owner | Officer           | Other |
| NIKOLAUS DONALD H<br>1195 RIVER ROAD<br>PO BOX 302<br>MARIETTA, PA 17547 | X             |           | President and CEO |       |

## Signatures

Donald H.  
Nikolaus

07/21/2008

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) Employee Stock Purchase Plan

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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