
Section 1: 8-K (FORM 8-K)

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

FORM 8-K

CURRENT REPORT

Pursuant to Section 13 or 15(d) of the Securities Exchange Act of 1934

Date of Report (Date of earliest event Reported): March 8, 2019

Donegal Group Inc.

(Exact Name of Registrant as Specified in Charter)

DE

(State or Other Jurisdiction of Incorporation)

0-15341

(Commission File Number)

23-2424711

(I.R.S. Employer Identification Number)

1195 RIVER RD, MARIETTA, PA 17547

(Address of Principal Executive Offices) (Zip Code)

717-426-1931

(Registrant's telephone number, including area code)

(Former name or former address, if changed since last report)

Check the appropriate box below if the Form 8-K filing is intended to simultaneously satisfy the filing obligation of the registrant under any of the following provisions:

- Written communications pursuant to Rule 425 under the Securities Act (17 CFR 230.425)
- Soliciting material pursuant to Rule 14a-12 under the Exchange Act (17 CFR 240.14a-12)
- Pre-commencement communications pursuant to Rule 14d-2(b) under the Exchange Act (17 CFR 240.14d-2(b))
- Pre-commencement communications pursuant to Rule 13e-4(c) under the Exchange Act (17 CFR 240.13e-4(c))

Indicate by check mark whether the registrant is an emerging growth company as defined in Rule 405 of the Securities Act of 1933 (17 CFR §230.405) or Rule 12b-2 of the Securities Exchange Act of 1934 (17 CFR §240.12b-2). Emerging growth company []

If an emerging growth company, indicate by check mark if the registrant has elected not to use the extended transition period for complying with any new or revised financial accounting standards provided pursuant to Section 13(a) of the Exchange Act. []

Item 7.01. Regulation FD Disclosure.

On March 8, 2019, the Registrant issued a press release, a copy of which is attached hereto as Exhibit 99.1 and is incorporated herein by reference.

Item 9.01. Financial Statements and Exhibits.

[Exhibit 99.1. Press release dated March 8, 2019](#)

SIGNATURE

Pursuant to the requirements of the Securities Exchange Act of 1934, the registrant has duly caused this report to be signed on its behalf by the undersigned hereunto duly authorized.

Donegal Group Inc.

Date: March 8, 2019

By: /s/ Jeffrey D. Miller
Jeffrey D. Miller
Executive Vice President & Chief Financial Officer

EXHIBIT INDEX

<u>Exhibit Number</u>	<u>Description</u>
99.1	Press Release dated March 8, 2019

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Section 2: EX-99.1 (PRESS RELEASE)

EXHIBIT 99.1

Donegal Group Inc. Announces Completion of Sale of Donegal Financial Services Corporation

MARIETTA, Pa., March 08, 2019 (GLOBE NEWSWIRE) -- Donegal Group Inc. (NASDAQ:DGICA) and (NASDAQ:DGICB) announced today that Donegal Group Inc. (“DGI”) and Donegal Mutual Insurance Company (“DMIC”) completed the sale of Donegal Financial Services Corporation (“DFSC”) and its wholly owned subsidiary, Union Community Bank, to Northwest Bancshares, Inc. (“Northwest”) for approximately \$85.8 million in a combination of cash and Northwest common stock (NASDAQ: NWBI). Immediately prior to the closing of the merger, DFSC paid a dividend of approximately \$29.2 million to DGI and DMIC. Thus, the total proceeds to DGI and DMIC were approximately \$115.0 million.

As the owner of 48.2% of DFSC’s common stock, DGI received a dividend payment from DFSC of approximately \$14.1 million and consideration from Northwest of approximately \$41.4 million. DGI will record its share of DFSC’s net income through the closing date as well as a gain from the sale of DFSC, net of transaction-related expenses, for an estimated combined benefit of approximately \$10.9 million, or approximately 39 cents per Class A share, in its results of operations for the first quarter of 2019.

Kevin G. Burke, President and Chief Executive Officer of Donegal Group Inc., commented, “We are pleased to complete the sale of our banking business to Northwest, and we are focusing our full attention on our core property and casualty insurance business. We extend our best wishes to Northwest as they expand their business in Lancaster County, Pennsylvania and beyond.”

Keefe, Bruyette, & Woods, Inc., a Stifel Company, served as financial adviser to DMIC, who is the majority shareholder of DFSC, and Duane Morris LLP served as legal counsel to DGI and DMIC, who are DFSC's two shareholders. Ambassador Financial Group, Inc. served as financial advisor, and Luse Gorman, PC served as legal counsel to Northwest.

About the Company

Donegal Group Inc. is an insurance holding company whose insurance subsidiaries offer personal and commercial property and casualty lines of insurance in 22 Mid-Atlantic, Midwestern, New England and Southern states. Donegal Mutual Insurance Company and the insurance subsidiaries of Donegal Group Inc. conduct business together as the Donegal Insurance Group. The Donegal Insurance Group has an A.M. Best rating of A (Excellent).

The Company’s Class A common stock and Class B common stock trade on NASDAQ under the symbols DGICA and DGICB, respectively. The Company continues to seek opportunities for growth while striving to achieve its longstanding goal of outperforming the property and casualty insurance industry in terms of service, profitability and book value growth.

For Further Information:

Jeffrey D. Miller

Executive Vice President & Chief Financial Officer

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