

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

SCHEDULE 13D

Under the Securities Exchange Act of 1934
(Amendment No. 10)*

DONEGAL GROUP INC.

(Name of Issuer)

Common Stock, \$1.00 par value

(Title of Class of Securities)

257701 10 2

(CUSIP Number)

Ralph G. Spontak, Senior Vice President, Chief Financial Officer and Secretary
Donegal Mutual Insurance Company
1195 River Road, Marietta, Pennsylvania 17547

(717) 426-1931

(Name, Address and Telephone Number of Person Authorized to
Receive Notices and Communications)

December 31, 1999

(Date of Event which Requires Filing of this Statement)

If the filing person has previously filed a statement on Schedule 13G to report the acquisition which is the subject of this Schedule 13D, and is filing this schedule because of Rule 13d-1(e), 13d-1(f) or 13d-1(g), check the following box .

Note: Schedules filed in paper format shall include a signed original and five copies of the schedule, including exhibits. See Rule 13d-7(b) for other parties to whom copies are to be sent.

*The remainder of this cover page shall be filled out for a reporting person's initial filing on this form with respect to the subject class of securities, and for any subsequent amendment containing information which would alter disclosures provided in a prior cover page.

The information required on the remainder of this cover page shall not be deemed to be "filed" for the purpose of Section 18 of the Securities Exchange Act of 1934 ("Act") or otherwise subject to the liabilities of that section of the Act but shall be subject to all other provisions of the Act (however, see the Notes).

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SCHEDULE 13D

CUSIP No. 257701 10 2

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1 | NAME OF REPORTING PERSON
| S.S. OR I.R.S. IDENTIFICATION NO. OF ABOVE PERSON (entities only)
|
| Donegal Mutual Insurance Company
| I.R.S. I.D. No. 23-1336198

2 | CHECK THE APPROPRIATE BOX IF A MEMBER OF A GROUP (See Instructions)
| N/A
| (a) _____
| (b) _____

3 | SEC USE ONLY

4 | SOURCE OF FUNDS (See Instructions)
|
| 00

5 | CHECK BOX IF DISCLOSURE OF LEGAL PROCEEDINGS IS REQUIRED PURSUANT
TO ITEMS 2(d) OR 2(e) | |

N/A

6 | CITIZENSHIP OR PLACE OF ORGANIZATION

Pennsylvania

| NUMBER OF SHARES BENEFICIALLY OWNED BY EACH REPORTING PERSON WITH | 7 | SOLE VOTING POWER |
|---|----|--------------------------|
| | | |
| | 8 | SHARED VOTING POWER |
| | | N/A |
| | 9 | SOLE DISPOSITIVE POWER |
| | | 5,249,324.768 shares |
| | 10 | SHARED DISPOSITIVE POWER |
| | | N/A |

11 | AGGREGATE AMOUNT BENEFICIALLY OWNED BY EACH REPORTING PERSON
5,249,324.768 shares

12 | CHECK BOX IF THE AGGREGATE AMOUNT IN ROW (11) EXCLUDES CERTAIN
SHARES (See Instructions) | |

N/A

13 | PERCENT OF CLASS REPRESENTED BY AMOUNT IN ROW (11)

62.1%

14 | TYPE OF REPORTING PERSON (See Instructions)

IC HC

Item 3. Source and Amount of Funds or Other Consideration.

Item 3 is hereby supplemented as follows:

On February 16, 1999, Donegal Mutual Insurance Company ("DMIC") purchased 32,421.221 shares of Donegal Group Inc. ("DGI") Common Stock pursuant to the DGI Dividend Reinvestment Plan at a price of \$12.525 per share, representing the average of the closing prices of DGI Common Stock on February 9, 10, 11, 12 and 15, 1999 for a total cost of \$406,076.

Between March 31, 1999 and May 17, 1999, DMIC, pursuant to its publicly announced program of purchasing DGI Common Stock from time to time in the Nasdaq National Market at prevailing market prices pursuant to SEC Rule 10b-18 and in privately negotiated transactions, made the following purchases of DGI Common Stock in the Nasdaq National Market:

| Date of Purchase ----- | Number of Shares Purchased ----- | Per Share Purchase Price ----- | Aggregate Purchase Price ----- |
|---------------------------|---|--------------------------------------|--------------------------------------|
| March 31, 1999 | 1,000 | \$12.75 | \$ 12,750 |
| April 1, 1999 | 12,000 | 11.83 | 141,960 |
| | ----- | | ----- |
| | 13,000 | | \$154,710 |
| | ===== | | ===== |

On May 17, 1999, DMIC purchased 37,145.877 shares of DGI Common Stock pursuant to the DGI Dividend Reinvestment Plan at a price of \$12.00 per share, representing the average of the closing prices per share of DGI Common Stock on May 10, 11, 12, 13 and 14, 1999, for a total cost of \$445,751.

Between May 20, 1999 and August 16, 1999, DMIC, pursuant to its publicly announced program of purchasing DGI Common Stock from time to time in the Nasdaq National Market at prevailing market prices pursuant to SEC Rule 10b-18 and in privately negotiated transactions, made the following purchases of DGI Common Stock in the Nasdaq National Market:

| Date of Purchase ----- | Number of Shares Purchased ----- | Per Share Purchase Price ----- | Aggregate Purchase Price ----- |
|---------------------------|---|--------------------------------------|--------------------------------------|
| May 20, 1999 | 1,000 | \$11.625 | \$11,625 |
| May 24, 1999 | 1,000 | 11.125 | 11,125 |
| June 1, 1999 | 1,000 | 10.625 | 10,625 |
| June 3, 1999 | 1,000 | 10.500 | 10,500 |
| June 8, 1999 | 1,000 | 10.500 | 10,500 |
| June 11, 1999 | 5,000 | 11.250 | 56,250 |
| June 16, 1999 | 1,000 | 10.625 | 10,625 |
| June 25, 1999 | 1,000 | 10.875 | 10,875 |
| June 30, 1999 | 1,000 | 11.125 | 11,125 |
| | ----- | | ----- |
| | 13,000 | | \$143,250 |
| | ===== | | ===== |

On August 16, 1999, DMIC purchased 44,080.647 shares of DGI Common Stock pursuant to the DGI Dividend Reinvestment Plan at a price of \$10.188 per share, representing the average of the closing prices per share of DGI Common Stock on August 9, 10, 11, 12 and 13, 1999, for a total cost of \$449,094.

Between August 17, 1999 and November 15, 1999, DMIC, pursuant to its publicly announced program of purchasing DGI Common Stock from time to time in the Nasdaq National Market at prevailing market prices pursuant to SEC Rule 10b-18 and in privately negotiated transactions, made the following purchases of DGI Common Stock in the Nasdaq National Market:

| Date of Purchase ----- | Number of Shares Purchased ----- | Per Share Purchase Price ----- | Aggregate Purchase Price ----- |
|---------------------------|---|--------------------------------------|--------------------------------------|
| August 17, 1999 | 1,000 | \$10.125 | \$10,125 |
| August 17, 1999 | 5,000 | 10.1875 | 50,938 |
| August 18, 1999 | 1,000 | 9.9375 | 9,938 |
| August 25, 1999 | 1,000 | 10.125 | 10,125 |
| August 25, 1999 | 5,000 | 10.125 | 50,625 |
| September 1, 1999 | 1,000 | 9.625 | 9,625 |
| September 2, 1999 | 6,500 | 9.96875 | 64,797 |
| September 3, 1999 | 1,000 | 9.9687 | 9,969 |
| September 10, 1999 | 1,000 | 9.875 | 9,875 |
| October 5, 1999 | 1,000 | 9.50 | 9,500 |
| October 7, 1999 | 6,000 | 9.625 | 57,750 |
| October 8, 1999 | 1,000 | 9.50 | 9,500 |
| October 12, 1999 | 1,000 | 9.6875 | 9,688 |
| October 13, 1999 | 1,000 | 9.25 | 9,250 |
| October 14, 1999 | 1,000 | 9.125 | 9,125 |
| October 21, 1999 | 1,000 | 9.00 | 9,000 |
| October 22, 1999 | 1,000 | 8.875 | 8,875 |
| October 27, 1999 | 1,000 | 8.750 | 8,750 |
| October 29, 1999 | 1,000 | 8.6875 | 8,688 |
| November 1, 1999 | 1,000 | 7.875 | 7,876 |
| November 2, 1999 | 1,000 | 8.125 | 8,125 |
| November 3, 1999 | 1,000 | 7.875 | 7,875 |
| November 4, 1999 | 1,000 | 7.875 | 7,875 |
| November 5, 1999 | 6,500 | 7.875 | 51,188 |
| | ----- | | ----- |
| | 48,000 | | \$449,082 |
| | ===== | | ===== |

On November 15, 1999, DMIC purchased 57,714.765 shares of DGI Common Stock pursuant to the DGI Dividend Reinvestment Plan at a price of \$7.85 per share, representing the average of the closing prices per share of DGI Common Stock on November 8, 9, 10, 11 and 12, 1999, for a total cost of \$453,061.

Between November 17, 1999 and December 31, 1999, DMIC, pursuant to its publicly announced program of purchasing DGI Common Stock from time to time in the Nasdaq National Market at prevailing market prices pursuant to SEC Rule 10b-18 and in privately negotiated transactions, made the following purchases of DGI Common Stock in the Nasdaq National Market:

| Date of Purchase ----- | Number of Shares Purchased | Per Share Purchase Price ----- | Aggregate Purchase Price ----- |
|---------------------------|----------------------------------|--------------------------------------|--------------------------------------|
| November 17, 1999 | 7,000 | \$ 7.5625 | \$ 52,938 |
| November 18, 1999 | 1,000 | 7.375 | 7,375 |
| November 19, 1999 | 1,000 | 7.50 | 7,500 |
| November 24, 1999 | 1,000 | 7.3125 | 7,313 |
| November 29, 1999 | 7,000 | 6.875 | 48,125 |
| December 2, 1999 | 1,000 | 6.75 | 6,750 |
| December 3, 1999 | 1,000 | 6.25 | 6,250 |
| December 6, 1999 | 1,000 | 6.625 | 6,625 |
| December 7, 1999 | 1,000 | 6.50 | 6,500 |
| December 8, 1999 | 1,000 | 6.3125 | 6,313 |
| December 9, 1999 | 9,000 | 6.257 | 56,313 |
| December 10, 1999 | 1,000 | 7.125 | 7,125 |
| December 13, 1999 | 1,000 | 7.625 | 7,625 |
| December 15, 1999 | 1,000 | 7.375 | 7,375 |
| December 16, 1999 | 1,000 | 6.9375 | 6,938 |
| December 17, 1999 | 1,000 | 6.625 | 6,625 |
| December 20, 1999 | 1,000 | 6.675 | 6,675 |
| December 21, 1999 | 9,500 | 6.467 | 61,437 |
| December 22, 1999 | 9,000 | 6.514 | 58,626 |
| December 23, 1999 | 9,100 | 6.194 | 56,365 |
| December 27, 1999 | 1,000 | 6.375 | 6,375 |
| December 28, 1999 | 9,000 | 6.7986 | 61,187 |
| December 29, 1999 | 1,000 | 6.625 | 6,625 |
| December 30, 1999 | 1,000 | 6.5625 | 6,563 |
| December 31, 1999 | 1,000 | 6.4375 | 6,438 |
| December 31, 1999 | 8,000 | 6.4375 | 51,500 |
| | ----- | | ----- |
| | 85,600 | | \$569,480 |
| | ===== | | ===== |

All of the purchases by DMIC described herein were made with funds derived from DMIC's working capital or from dividends received from DGI.

Item 5. Interest in Securities of the Issuer.

Item 5 is hereby supplemented and restated in its entirety as follows:

(a) As of December 31, 1999, the following persons and entity beneficially owned the number of shares of Common Stock of DGI set forth opposite their respective names:

| Name of Individual or Identity of Group ----- | Shares Beneficially Owned(1) ----- | Percent of Outstanding Common Stock(2) ----- |
|--|---|---|
| 5% Holders: | | |
| Donegal Mutual Insurance Company..... 1195 River Road Marietta, Pennsylvania 17547 | 5,249,324.768 | 62.1% |
| Directors of DGI: | | |
| C. Edwin Ireland..... | 20,086(4) | -- |
| Donald H. Nikolaus..... | 317,988(5) | 3.7% |
| Patricia A. Gilmartin..... | 11,551(4) | -- |
| Philip H. Glatfelter, II..... | 13,979(4) | -- |
| R. Richard Sherbahn..... | 9,598(4) | -- |
| Robert S. Bolinger..... | 11,310(4) | -- |
| Thomas J. Finley, Jr..... | 10,220(4) | -- |
| Executive Officers of DMIC and DGI (3): | | |
| Ralph G. Spontak..... | 126,662(6) | 1.5% |
| William H. Shupert..... | 57,267(7) | -- |
| Frank J. Wood..... | 43,519(8) | -- |
| Robert G. Shenk..... | 49,444(9) | -- |
| Cyril J. Greenya..... | 42,076(10) | -- |
| James B. Price..... | 47,356(11) | -- |
| Daniel J. Wagner..... | 36,950(12) | -- |
| Directors of DMIC (13): | | |
| Frederick W. Dreher..... | 25,403(4) | -- |
| John E. Hiestand..... | 10,703(4) | -- |

(1) Information furnished by each individual named. This table includes shares that are owned jointly, in whole or in part, with the person's spouse, or individually by his spouse.

- (2) Less than 1% unless otherwise indicated.
- (3) Excludes Executive Officers listed under "Directors of DGI."
- (4) Includes 8,889 shares of DGI Common Stock the director has currently exercisable options to purchase under DGI's 1996 Equity Incentive Plan for Directors.
- (5) Includes 222,222 shares of DGI Common Stock Mr. Nikolaus has currently exercisable options to purchase under DGI's Amended and Restated 1996 Equity Incentive Plan (the "1996 Equity Incentive Plan"), but excludes (i) 44,445 shares he has the option to purchase after July 1, 2000, (ii) 33,333 shares he has the option to purchase after December 16, 2000, (iii) 33,334 shares he has the option to purchase after December 16, 2001 and (iv) 33,333 shares he has the option to purchase after December 16, 2002.
- (6) Includes 106,666 shares of DGI Common Stock Mr. Spontak has currently exercisable options to purchase under the 1996 Equity Incentive Plan, but excludes (i) 20,000 shares he has the option to purchase after July 1, 2000, (ii) 13,333 shares he has the option to purchase after December 16, 2000, (iii) 13,334 shares he has the option to purchase after December 16, 2001 and (iv) 13,333 shares he has the option to purchase after December 16, 2002.
- (7) Includes 50,666 shares of DGI Common Stock Mr. Shupert has currently exercisable options to purchase under the 1996 Equity Incentive Plan, but excludes (i) 6,667 shares he has the option to purchase after July 1, 2000, (ii) 3,333 shares he has the option to purchase after December 16, 2000, (iii) 3,334 shares he has the option to purchase after December 16, 2001 and (iv) 3,333 shares he has the option to purchase after December 16, 2002.
- (8) Includes 40,889 shares of DGI Common Stock Mr. Wood has currently exercisable options to purchase under the 1996 Equity Incentive Plan, but excludes (i) 8,889 shares he has the option to purchase after July 1, 2000, (ii) 3,333 shares he has the option to purchase after December 16, 2000, (iii) 3,334 shares he has the option to purchase after December 16, 2001 and (iv) 3,333 shares he has the option to purchase after December 16, 2002.
- (9) Includes 44,445 shares of DGI Common Stock Mr. Shenk has currently exercisable options to purchase under the 1996 Equity Incentive Plan, but excludes (i) 7,111 shares he has the option to purchase after July 1, 2000, (ii) 8,333 shares he has the option to purchase after December 16, 2000, (iii) 8,334 shares he has the option to purchase after December 16, 2001 and (iv) 8,333 shares he has the option to purchase after December 16, 2002.
- (10) Includes 40,889 shares of DGI Common Stock Mr. Greenya has currently exercisable options to purchase under the 1996 Equity Incentive Plan, but excludes (i) 7,111 shares he has the option to purchase after July 1, 2000, (ii) 5,333 shares he has the option to purchase

after December 16, 2000, (iii) 5,334 shares he has the option to purchase after December 16, 2001 and (iv) 5,333 shares he has the option to purchase after December 16, 2002.

- (11) Includes 40,889 shares of DGI Common Stock Mr. Price has currently exercisable options to purchase under the 1996 Equity Incentive Plan, but excludes (i) 7,111 shares he has the option to purchase after July 1, 2000, (ii) 5,333 shares he has the option to purchase after December 16, 2000, (iii) 5,334 shares he has the option to purchase after December 16, 2001 and (iv) 5,333 shares he has the option to purchase after December 16, 2002.
- (12) Includes 26,666 shares of DGI Common Stock Mr. Wagner has currently exercisable options to purchase under the 1996 Equity Incentive Plan, but excludes (i) 4,444 shares he has the option to purchase after July 1, 2000, (ii) 3,333 shares he has the option to purchase after December 16, 2000, (iii) 3,334 shares he has the option to purchase after December 16, 2001 and (iv) 3,333 shares he has the option to purchase after December 16, 2002.
- (13) Excludes Directors listed under "Directors of DGI" and "Executive Officers of DMIC and DGI."

(b) All of the persons together with his or her spouse and the entity described in Item 5(a) have sole voting power and sole dispositive power over all of the shares described in Item 5(a).

(c) Reference is made to Item 3 hereof.

To the best knowledge of DMIC, none of the persons named in Item 5(a) hereof has purchased or disposed of any shares of DGI Common Stock during the 60 days preceding December 31, 1999, except (i) purchases pursuant to the DGI Dividend Reinvestment Plan, (ii) purchases pursuant to the DGI Employee Stock Purchase Plan, (iii) the purchases by DMIC in the Nasdaq National Market reflected in Item 3 hereof and (iv) the following purchases in Nasdaq National Market transactions by the persons listed in Item 5(a) hereof:

| Name of Purchaser | Date of Purchase | Number of Shares Purchased | Per Share Purchase Price | Aggregate Purchase Price |
|--------------------|-------------------|-------------------------------|-----------------------------|--------------------------------|
| ----- | ----- | ----- | ----- | ----- |
| Donald H. Nikolaus | December 2, 1999 | 500 | \$6.25 | \$3,125 |
| Donald H. Nikolaus | December 2, 1999 | 500 | 6.38 | 3,188 |
| Donald H. Nikolaus | December 3, 1999 | 300 | 6.50 | 1,950 |
| Donald H. Nikolaus | December 3, 1999 | 200 | 6.38 | 1,275 |
| Donald H. Nikolaus | December 23, 1999 | 1,000 | 6.13 | 6,125 |
| Donald H. Nikolaus | December 27, 1999 | 1,000 | 6.25 | 6,250 |
| Donald H. Nikolaus | December 28, 1999 | 3,000 | 6.50 | 19,500 |
| Donald H. Nikolaus | December 29, 1999 | 500 | 6.38 | 3,188 |
| Donald H. Nikolaus | December 29, 1999 | 500 | 6.31 | 3,155 |

| | | | | |
|--------------------------|-------------------|--------|------|--------|
| Donald H. Nikolaus | December 29, 1999 | 2,000 | 6.50 | 13,000 |
| Donald H. Nikolaus | December 30, 1999 | 1,000 | 6.38 | 6,375 |
| Donald H. Nikolaus | December 31, 1999 | 2,000 | 6.38 | 12,750 |
| Donald H. Nikolaus | December 31, 1999 | 3,876 | 5.42 | 21,003 |
| Philip H. Glatfelter, II | December 1, 1999 | 500 | 7.00 | 3,500 |
| Philip H. Glatfelter, II | December 2, 1999 | 300 | 6.38 | 1,913 |
| Daniel J. Wagner | December 29, 1999 | 10,000 | 6.50 | 65,000 |

SIGNATURE

After reasonable inquiry and to the best of my knowledge and belief, I certify that the information set forth in this Statement is true, complete and correct.

DONEGAL MUTUAL INSURANCE COMPANY

By: /s/ Ralph G. Spontak

Ralph G. Spontak, Senior Vice President,
Chief Financial Officer and Secretary

Dated: January 19, 2000