FORM 4

## UNITED STATES SECURITIES AND EXCHANGE COMMISSION

Washington, D.C. 20549

|   | OMB APPRO                | OVAL      |  |  |  |  |  |  |  |
|---|--------------------------|-----------|--|--|--|--|--|--|--|
|   | OMB Number:              | 3235-0287 |  |  |  |  |  |  |  |
| l | Estimated average burden |           |  |  |  |  |  |  |  |
| I | hours per response:      | 0.5       |  |  |  |  |  |  |  |

Check this box if no longer subject to Section 16. Form 4 or Form 5 obligations may continue. See Instruction 1(b).

Filed pursuant to Section 16(a) of the Securities Exchange Act of 1934 or Section 30(h) of the Investment Company Act of 1940

STATEMENT OF CHANGES IN BENEFICIAL OWNERSHIP

| 1. Name and Address of Reporting Person*  GILMARTIN PATRICIA A |   |  |   |        |                                | 2. Issuer Name <b>and</b> Ticker or Trading Symbol  DONEGAL GROUP INC [ DGICA ] |          |              |  |        |                                    |  |  | 5. Relationship of Reporting Person(s) to Issuer (Check all applicable)  X Director 10% Owner  |  |                |  |   |  |
|--|---|--|---|--------|--------------------------------|---|----------|--------------|--|--------|------------------------------------|--|--|--|--|----------------|--|---|--|
| (Last) (First) (Middle) 1195 RIVER ROAD                        |   |  |   |        |                                | 3. Date of Earliest Transaction (Month/Day/Year) 07/17/2008                     |          |              |  |        |                                    |  |  |  | Director Officer (give title below)  |                | 10% Ov<br>Other (s<br>below)   |   |  |
| (Street) MARIETTA PA 17547                                     |   |  |   |        | 4. If                          | 4. If Amendment, Date of Original Filed (Month/Day/Year)                        |          |              |  |        |                                    |  |  | . Individual or Joint/Group Filing (Check Applicable ine)  X Form filed by One Reporting Person Form filed by More than One Reporting Person |  |                |  |   |  |
| (City)   | (Si   | tate)                                      | (Zip)   |        |                                |   |          |              |  |        |                                    |  |  |  |  |                |  |   |  |
|  |   | Tab  | le I - Non  | -Deriv | ative                          | Sec   | curities | s Acc        | quired, I  | Disp   | osed o                             | of, or Be  | neficia                                | ly Owne  | d  |                |  |   |  |
| 1. Title of Security (Instr. 3)  2. Transa Date (Month/D       |   |  |   |        |                                | Execution Date,   |          |              | 3. Transaction Code (Instr. 8) 4. Securities Acq Disposed Of (D) (5) |        |                                    |  |  | d Securit<br>Benefic<br>Owned  | 5. Amount of<br>Securities<br>Beneficially<br>Owned Following<br>Reported                                      |                | : Direct<br>r Indirect<br>str. 4)  | 7. Nature<br>of Indirect<br>Beneficial<br>Ownership<br>(Instr. 4) |  |
|  |   |  |   |        | Code                           | v   | Amount   | (A) o<br>(D) | r Price  | Transa | Transaction(s)<br>(Instr. 3 and 4) |  |  |  |  |                |  |   |  |
| Class A C  |   |  |   |        |                                |   |          |              | 4  | 4,696  |                                    | D  |  |  |  |                |  |   |  |
|  |   | 7  | able II - I   |        |                                |   |          |              | uired, Di<br>, option:   |        |                                    |  |  | Owned  |  |                |  |   |  |
| 1. Title of<br>Derivative<br>Security<br>(Instr. 3)            | 2.<br>Conversion<br>or Exercise<br>Price of<br>Derivative<br>Security | 3. Transaction<br>Date<br>(Month/Day/Year) | 3A. Deemed<br>Execution Date,<br>if any<br>(Month/Day/Yea | Date,  | 4.<br>Transactio<br>Code (Inst |   | n of     |              | 6. Date Exercisable and<br>Expiration Date<br>(Month/Day/Year)       |        |                                    | 7. Title and<br>Amount of<br>Securities<br>Underlying<br>Derivative Security<br>(Instr. 3 and 4) |  | 8. Price of<br>Derivative<br>Security<br>(Instr. 5)  | 9. Numbe<br>derivative<br>Securities<br>Beneficia<br>Owned<br>Following<br>Reported<br>Transacti<br>(Instr. 4) | e<br>s<br>Illy | 10.<br>Ownership<br>Form:<br>Direct (D)<br>or Indirect<br>(I) (Instr. 4) | Beneficial<br>Ownership<br>t (Instr. 4)                           |  |
|  |   |  |   |        | Code                           | v   | (A)      |              | Date<br>Exercisable  |        | opiration                          | Title  | Amount<br>or<br>Number<br>of<br>Shares |  |  |                |  |   |  |
| Options  | \$17.5  | 07/17/2008                                 |   |        | A                              |   | 7,500    |              | 03/01/2009   | 07     | 7/17/2013                          | Class A<br>Common<br>Stock   | 7,500                                  | \$0  | 7,500  | )              | D  |   |  |

**Explanation of Responses:** 

<u>Jeffrey D. Miller, by power of attorney</u>

07/17/2008

\*\* Signature of Reporting Person

Date

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

- $^{\star}$  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.

Persons who respond to the collection of information contained in this form are not required to respond unless the form displays a currently valid OMB Number.