SEC Form 4

FORM 4

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

UNITED STATES SECURITIES AND EXCHANGE COMMISSION

Washington, D.C. 20549

STATEMENT OF CHANGES IN BENEFICIAL OWNERSHIP

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

1. Name and Address of Reporting Person[*] **NIKOLAUS DONALD H** (Last) (First) (Middle) **1195 RIVER ROAD** **P.O. 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) 05/15/2008 4. If Amendment, Date of Original Filed (Month/Day/Year)	5. Relationship of Reporting Person(s) to Issuer (Check all applicable) X Director 10% Owner X Officer (give title below) Other (specify below) President & CEO 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

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	(A) or (D)	Price			
Class A Common Stock[2]	05/15/2008		J	V	1,087.509	A	$16.65	130,065.878	I	401(k) Plan
Class A Common Stock[1]	07/18/2008		J	V	36.314	A	$16.53	130,102.192	I	401(k) Plan
Class A Common Stock[1]	08/15/2008		J	V	751.827	A	$17.75	130,854.019	I	401(k) Plan
Class B Common Stock[1]	07/18/2008		J	V	14.414	A	$17.01	51,637.532	I	401(k) Plan
Class A Common Stock[3]								144,433.202	D	
Class A Common Stock								128,487	I	Family Foundation
Class A Common Stock								1,365.798	I	Spouse
Class B Common Stock								3,938	I	Family Foundation
Class B Common Stock								589	I	Spouse
Class B Common Stock								130,210.444	D	

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 Securities Underlying Derivative Security (Instr. 3 and 4)		8. Price of Derivative Security (Instr. 5)	9. Number of derivative Securities Beneficially Owned Following Reported Transaction(s) (Instr. 4)	10. Ownership Form: Direct (D) or Indirect (I) (Instr. 4)	11. Nature of Indirect Beneficial Ownership (Instr. 4)
				Code	V	(A)	(D)	Date Exercisable	Expiration Date	Title	Amount or Number of Shares				

Explanation of Responses:

1. Dividend Reinvestment - 401(k) Plan

2. Dividend Reinvestment - 401(k) Plan - Includes 960.238 shares held in 401(k) account previously reported as directly owned (Transaction Date 2/5/2008)

3. Deducted 960.238(k) Plan shares previously reported as directly owned (Transaction Date 2/1/2008)

Donald H. Nikolaus   08/25/2008

** Signature of Reporting Person   Date

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

* 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.