

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): January 2, 2004

Donegal Group Inc.
(Exact name of registrant as specified in its charter)

Delaware	0-15341	23-02424711
----- (State or other jurisdiction of incorporation)	----- (Commission File Number)	----- (I.R.S. Employer Identification No.)
1195 River Road, Marietta, Pennsylvania		17547
----- (Address of principal executive offices)		----- (Zip Code)

Registrant's telephone number, including areacode: 717-426-1931

N/A

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

Item 5. Other Events.

On January 2, 2004, Donegal Group Inc. (the "Company") issued a press release, a copy of which is filed as Exhibit 99.1 hereto, announcing the acquisition of all of the outstanding capital stock of Le Mars Insurance Company ("Le Mars"), the successor to Le Mars Mutual Insurance Company of Iowa following its conversion to a stock insurance company pursuant to a plan of conversion. The Company acquired the capital stock of Le Mars for approximately \$12.5 million.

Le Mars operates as a multiple line carrier in Iowa, Nebraska, Oklahoma and South Dakota. Personal lines coverages represents a majority of premiums written, with the balance coming from farmowners and mercantile and service businesses. Le Mars' largest line of business is private passenger automobile liability and physical damage; other principal lines include homeowners and commercial multi-peril.

On January 6, 2004, the Company issued a press release, a copy of which is filed as Exhibit 99.2 hereto, announcing the January 6, 2004 acquisition of all of the outstanding common stock of The Peninsula Insurance Company ("Peninsula Insurance") and Peninsula Indemnity Company ("Peninsula Indemnity") from Folksamerica Holding Company, Inc. pursuant to a Stock Purchase Agreement. The purchase price of approximately \$23.3 million was a cash payment equal to 107.5% of the consolidated GAAP stockholders' equity of Peninsula Insurance and Peninsula Indemnity as of the date of closing of the acquisition.

Peninsula Insurance and Peninsula Indemnity are each Maryland-domiciled insurance companies headquartered in Salisbury, Maryland that write primarily private passenger automobile coverages, and also write homeowners, commercial multi-peril, workers' compensation and commercial automobile coverages. The principal operating area of Peninsula Insurance and Peninsula Indemnity is Maryland, Delaware and Virginia.

Item 7. Financial Statements and Exhibits.

(c) Exhibits.

See Exhibit Index.

SIGNATURES

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.

By: _____
Donald H. Nikolaus, President
And Chief Executive Officer

Date: January 16, 2004

EXHIBIT INDEX

Exhibit No. -----	Description -----	Reference -----
99.1*	Press Release issued by Donegal Group Inc. dated January 2, 2004.	Filed herewith.
99.2*	Press Release issued by Donegal Group Inc. dated January 7, 2004.	Filed herewith.

*

This press release shall not be deemed to be filed for the purposes of Section 18 of the Securities Exchange Act of 1934 or incorporated by reference in any filing under the Securities Act of 1933.

DONEGAL GROUP ACQUIRES LE MARS INSURANCE COMPANY

Ralph G. Spontak
Senior Vice President and Chief Financial Officer
Phone (717) 426-1931
Fax (717) 426-7009

For Immediate Release

MARIETTA, Pennsylvania, January 2, 2004 - Donegal Group Inc. (Nasdaq DGICA and DGICB) today reported that it had completed the previously announced acquisition of all of the outstanding capital stock of an affiliated company, Le Mars Mutual Insurance Company of Iowa, following the conversion of Le Mars to a stock insurance company for approximately \$12.5 million.

Le Mars operates as a multiple line carrier in Iowa, Nebraska, Oklahoma and South Dakota. Personal lines coverages represent a majority of premiums written, with the balance coming from farmowners and mercantile and service businesses. Le Mars' largest line of business is private passenger automobile liability and physical damage; other principal lines include homeowners and commercial multi-peril.

Donald H. Nikolaus, President and Chief Executive Officer of Donegal Group stated "An important part of our strategy is the selective acquisition of property and casualty insurers to augment our organic growth in our existing markets and expand into selected geographic regions. The Le Mars acquisition is the first step in the expansion of our operations to the Midwest."

Donegal Group Inc. is a property and casualty insurance holding company whose insurance subsidiaries offer personal and commercial lines of insurance to businesses and individuals in six Mid-Atlantic states (Connecticut, Delaware, Maryland, New York, Ohio and Pennsylvania), eight Southeastern states (Alabama, Arkansas, Georgia, Louisiana, North Carolina, South Carolina, Tennessee and Virginia) and four Midwestern states (Iowa, Nebraska, Oklahoma and South Dakota).

All statements contained in this release that are not historic facts are based on current expectations. Such statements are forward-looking (as defined in the Private Securities Litigation Reform Act of 1995) in nature and involve a number of risks and uncertainties. Actual results could vary materially. Among the factors that could cause actual results to vary materially include: the ability of the Company to maintain profitable operations, the adequacy of the Company's reserves for losses and loss adjustment expenses, business and economic conditions in the Company's primary operating areas, competition from various insurance and non-insurance businesses, terrorism, legal and judicial developments, changes in regulatory requirements and other risks that are described from time to time in the periodic reports the Company files with the Securities and Exchange Commission. Undue reliance should not be placed on any such forward-looking statements.

DONEGAL GROUP ACQUIRES PENINSULA INSURANCE GROUP

Ralph G. Spontak
Senior Vice President and Chief Financial Officer
Phone (717) 426-1931
Fax (717) 426-7009

For Immediate Release

MARIETTA, Pennsylvania, January 6, 2004 - Donegal Group Inc. (Nasdaq DGICA and DGICB) today reported that it had completed the previously announced acquisition of all of the outstanding capital stock of The Peninsula Insurance Company and Peninsula Indemnity Company from Folksamerica Holding Company, Inc. for approximately \$23.0 million in cash.

Peninsula operates as a multiple line carrier, primarily in Maryland, Delaware and Virginia. Personal lines coverages represent a majority of premiums written, with the balance coming from mercantile and service businesses. Peninsula's largest line of business is private passenger automobile liability and physical damage; other principal lines include homeowners and commercial multi-peril.

Donald H. Nikolaus, President and Chief Executive Officer of Donegal Group stated "An important part of our strategy is the selective acquisition of property and casualty insurers to augment our organic growth in our existing markets and expand into selected geographic regions. We believe the Peninsula acquisition will enhance our market position and agency representation in the Mid-Atlantic states while enabling us to leverage certain expenses over a greater premium base and consolidate various reinsurance costs in the future."

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