FORM 4

UNITED STATES SECURITIES AND EXCHANGE COMMISSION

Washington, D.C. 20549

STATEMENT OF CHANGES IN BENEFICIAL OWNERSHIP

| l | OMB APPRO | DVAL | | | | |
|---|------------------------|-----------|--|--|--|--|
| | OMB Number: | 3235-0287 | | | | |
| | Estimated average burd | len | | | | |
| l | 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

| 1. Name ar | 2. Issuer Name and Ticker or Trading Symbol DONEGAL GROUP INC [DGICA] | | | | | | | | | | ck all appli | , | | | | | | | |
|--|--|--|--|---------|--|---|---------|-----------------|---|-----|------------------|---|--|---|--|--|---|--|--|
| (Last) (First) (Middle) 11 PAJILL DRIVE | | | | | | 3. Date of Earliest Transaction (Month/Day/Year) 07/21/2005 | | | | | | | | | Officer below) | (give title | | Other (s below) | specify |
| (Street) MARIETTA PA 17547 (City) (State) (Zip) | | | | | 4. If Amendment, Date of Original Filed (Month/Day/Year) | | | | | | | | | Line | Individual or Joint/Group Filing (Check Applicable ine) X Form filed by One Reporting Person Form filed by More than One Reporting Person | | | | |
| | | Tab | le I - Non- | -Deriva | tive | Sec | curitie | s Ac | quired, | Dis | oosed c | of, or Be | nef | iciall | y Owned | ı | | | |
| 1. Title of Security (Instr. 3) 2. Transac Date (Month/Da | | | | | Execution Date | | | Code (Instr. 5) | | | str. 3, | | Securitie Benefici Owned F Reported | urities Fo leficially (D) ned Following (I) lorted | | n: Direct r Indirect istr. 4) | 7. Nature of Indirect Beneficial Ownership (Instr. 4) | | |
| | | | | | | | | | Code | v | Amount | (A) or (D) Pr | | Price | Transact (Instr. 3 | tion(s) and 4) | | | |
| | 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 D if any (Month/Day/ | ate, Tr | 4. Transaction Code (Instr. 8) | | | | 6. Date Exercisabl Expiration Date (Month/Day/Year) | | | nd 7. Title and Amount of Securities Underlying Derivative S (Instr. 3 and | | | 8. Price of Derivative Security (Instr. 5) | 9. Number derivative Securities Beneficiall Owned Following Reported Transactio (Instr. 4) | ly | 10. Ownership Form: Direct (D) or Indirect (I) (Instr. 4) | 11. Nature of Indirect Beneficial Ownership (Instr. 4) |
| | | | | C | ode | v | (A) | (D) | Date Exercisabl | | xpiration ate | Title | or | ount nber ıres | | | | | |
| Options | \$21 | 07/21/2005 | | | A | V | 7,500 | | 01/01/200 | 6 0 | 7/21/2010 | Class A Common Stock | 7,5 | 500 | \$0 | 7,500 | | D | |

Explanation of Responses:

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

09/22/2005

** 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.