

Registration No. 333-

SECURITIES AND EXCHANGE COMMISSION
Washington, D.C. 20549

FORM S-8
REGISTRATION STATEMENT
UNDER
THE SECURITIES ACT OF 1933

DONEGAL GROUP INC.

(Exact name of registrant as specified in its charter)

Delaware

23-2424711

(State or other jurisdiction of
incorporation or organization)

(I.R.S. Employer Identification No.)

1195 River Road
Marietta, Pennsylvania

18936

(Address of Principal Executive Offices)

(Zip Code)

DONEGAL GROUP INC.
AMENDED AND RESTATED 1996 EQUITY INCENTIVE PLAN
(Full title of the plan)

Donald H. Nikolaus
President and Chief Executive Officer
Donegal Group Inc.
1195 River Road
Marietta, Pennsylvania 18936
(Name and address of agent for service)

(717) 426-1931
(Telephone number, including area code,
of agent for service)

Copy to:
Kathleen M. Shay, Esquire
Duane, Morris & Heckscher
One Liberty Place
Philadelphia, PA 19103-7396

CALCULATION OF REGISTRATION FEE

Title of securities to be registered	Amount to be registered	Proposed maximum offering price per share(1)	Proposed maximum aggregate offering price(1)	Amount of registration fee
Common Stock, par value \$1.00	350,000	\$24.00	\$8,400,000	\$2,546

(1) Pursuant to paragraph (h) of Rule 457, the proposed maximum offering price per share and the proposed maximum aggregate offering price have been computed as follows: (a) with respect to the 299,500 shares for which options have been granted but not exercised as of the date hereof, computed on the basis of \$24.00 per share, the exercise price of the options, and (b) with respect to shares for which options have not been granted, on the basis of \$24.00 per share, the average of the high and low sales prices of the Common Stock of the Company on the Nasdaq National Market on April 11, 1997, the last day on which the Common Stock traded prior to the date of filing.

Introductory Statement Pursuant to General Instruction E of Form S-8

The shares being registered hereunder constitute an additional 350,000 shares of Common Stock of Donegal Group Inc. (the "Company") reserved for issuance under the Company's Amended and Restated 1996 Equity Incentive Plan (the "Plan"). The 345,850 shares of the Company's Common Stock previously reserved for issuance under the Plan were registered under the Securities Act of

1933 on Registration Statement No. 333-06681 on Form S-8. Pursuant to General Instruction E of Form S-8, with respect to the registration of additional securities hereunder, the contents of the Company's Registration Statement No. 333-06681 are incorporated herein by reference.

PART II

INFORMATION REQUIRED IN REGISTRATION STATEMENT

Item 5. Interests of Named Experts and Counsel.

The consolidated financial statements and schedules incorporated by reference in this Registration Statement have been audited by KPMG Peat Marwick LLP, independent public accountants, as indicated in their reports with respect thereto, and are incorporated by reference herein in reliance upon the authority of said firm as experts in accounting and auditing in giving said reports.

The validity of the issuance of the shares of Common Stock registered hereby will be passed upon for the Company by Duane, Morris & Heckscher, Philadelphia, Pennsylvania. As of December 26, 1996, partners of Duane, Morris & Heckscher and its affiliates beneficially owned 6,767 shares of the Company's outstanding Common Stock. Frederick W. Dreher, a partner of Duane, Morris & Heckscher, is a director of Donegal Mutual Insurance Company, a Pennsylvania mutual insurance company and the holder of 58.5% of the Company's Common Stock as of March 15, 1997.

Item 8. Exhibits.

- (4) Donegal Group Inc. Amended and Restated 1996 Equity Incentive Plan (incorporated herein by reference to Exhibit (10)(G) in the Company's Form 10-K Report for the year ended December 31, 1996).
- (5) Opinion of Duane, Morris & Heckscher.
- (23)(A) Consent of Duane, Morris & Heckscher (included in their opinion filed as Exhibit 5).
- (23)(B) Consent of KPMG Peat Marwick LLP.
- (24) Power of Attorney (included on the signature pages hereto).

SIGNATURES

Pursuant to the requirements of the Securities Act of 1933, the registrant certifies that it has reasonable grounds to believe that it meets all of the requirements for filing on Form S-8 and has duly caused this Registration Statement to be signed on its behalf by the undersigned, thereunto duly authorized, in Marietta, Pennsylvania on April 16, 1997.

DONEGAL GROUP INC.

By: /s/ Donald H. Nikolaus

Donald H. Nikolaus, President

Know all men by these presents, that each person whose signature appears below constitutes and appoints Donald H. Nikolaus and Ralph G. Spontak, and each or either of them, as such person's true and lawful attorneys-in-fact and agents, with full power of substitution, for such person, and in such person's name, place and stead, in any and all capacities to sign any or all amendments or post-effective amendments to this Registration Statement, and to file the same, with all exhibits thereto and other documents in connection therewith, with the Securities and Exchange Commission, granting unto said attorneys-in-fact and agents full power and authority to do and perform each and every act and thing requisite and necessary to be done in and about the premises, as fully to all intents and purposes as such person might or could do in person, hereby ratifying and confirming all that said attorneys-in-fact and agents, or any of them or their substitutes, may lawfully do or cause to be done by virtue hereof.

Pursuant to the requirements of the Securities Act of 1933, as amended, this Registration Statement has been signed below by the following persons in the capacities and on the date indicated.

Signature -----	Title -----	Date -----
/s/ C. Edwin Ireland ----- C. Edwin Ireland	Chairman of the Board and a Director	April 16, 1997
/s/ Donald H. Nikolaus ----- Donald H. Nikolaus	President and a Director (principal executive officer)	April 16, 1997
/s/ Ralph G. Spontak ----- Ralph G. Spontak	Senior Vice President, Chief Financial Officer and Secretary (principal financial and accounting officer)	April 16, 1997
/s/ Patricia A. Gilmartin ----- Patricia A. Gilmartin	Director	April 16, 1997

Signature -----	Title -----	Date -----
/s/ Philip H. Glatfelter ----- Philip H. Glatfelter, II	Director	April 16, 1997
/s/ R. Richard Sherbahn ----- R. Richard Sherbahn	Director	April 16, 1997
----- Thomas J. Finley, Jr.	Director	April 16, 1997
/s/ Robert S. Bolinger ----- Robert S. Bolinger	Director	April 16, 1997

EXHIBIT INDEX
(Pursuant to Item 601 of Regulation S-K)

Exhibit No. -----	Exhibit -----	Reference -----
(4)	Donegal Group Inc. Amended and Restated 1996 Equity Incentive Plan.	*
(5)	Opinion of Duane, Morris & Heckscher.	Filed herewith
(23)(A)	Consent of Duane, Morris & Heckscher (included in their opinion filed as Exhibit 5).	
(23)(B)	Consent of KPMG Peat Marwick LLP	Filed herewith
(24)	Power of Attorney (see page II-2 of this Registration Statement)	

* Such exhibit is hereby incorporated by reference to Exhibit (10)(G) in the Company's Form 10-K Report for the year ended December 31, 1996.

[Duane, Morris & Heckscher letterhead]

April 17, 1997

The Board of Directors of
Donegal Group Inc.
1195 River Road
Marietta, PA 17547

Ladies and Gentlemen:

We have acted as counsel to Donegal Group Inc. (the "Company") in connection with the preparation and filing with the Securities and Exchange Commission under the Securities Act of 1933, as amended, of a registration statement on Form S-8 (the "Registration Statement") relating to the offer and sale by the Company of up to 350,000 shares (the "Shares") of Common Stock, \$1.00 par value, of the Company, pursuant to the Company's Amended and Restated 1996 Equity Incentive Plan (the "Plan").

As counsel to the Company, we have supervised all corporate proceedings in connection with the preparation and filing of the Registration Statement. We have also examined the Company's Certificate of Incorporation and By-laws, as amended to date, the corporate minutes and other proceedings and the records relating to the authorization, sale and issuance of the Shares, and such other documents and matters of law as we have deemed necessary or appropriate in order to render this opinion.

Based upon the foregoing, it is our opinion that each of the Shares, when issued in accordance with the terms and conditions of the Plan and of any option granted thereunder, will be duly authorized, legally and validly issued and outstanding, fully paid and nonassessable.

We hereby consent to the use of this opinion in the Registration Statement, and we further consent to the reference to our name under the caption "Interests of Named Experts and Counsel" in the Registration Statement.

Sincerely,

DUANE, MORRIS & HECKSCHER

EXHIBIT (23)(B)

The Board of Directors
Donegal Group Inc.

We consent to the use of our reports incorporated herein by reference to our firm under the heading "Interests of Named Experts and Counsel" in the registration statement.

KPMG PEAT MARWICK LLP

Harrisburg, Pennsylvania
April 14, 1997