

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): February 17, 2005

Donegal Group Inc.

(Exact name of registrant as specified in its charter)

Delaware

(State or other jurisdiction
of incorporation)

0-15341

(Commission
file number)

23-02424711

(I.R.S. employer
identification no.)

1195 River Road, Marietta, Pennsylvania

(Address of principal executive offices)

17547

(Zip code)

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

N/A

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

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Item 7.01. Regulation FD Disclosure.

On February 17, 2005, the Registrant issued a press release announcing a stock split and increased dividend. The press release is attached as an exhibit to this Form 8-K and is incorporated into this Item 7.01 by reference.

Item 8.01. Other Events.

On February 17, 2005, the Registrant announced the approval of a four-for-three split of its Class A Common Stock and its Class B Common Stock to be effected in the form of a 33-1/3% stock dividend to stockholders of record at the close of business on March 1, 2005 and payable on March 25, 2005. The stock split was approved to enhance the liquidity of the Class A Common Stock and the Class B Common Stock by increasing the number of outstanding shares. The effect of the stock split will be to increase the number of outstanding shares of Class A Common Stock from 10,323,204 shares to 13,764,272 shares and the number of outstanding shares of Class B Common Stock from 3,136,678 shares to 4,182,237 shares.

The following registration statements filed by the Registrant under the Securities Act of 1933 shall be deemed to register, in addition to the shares specifically included therein, the additional shares of Registrant's Class A Common Stock issuable with respect to those shares pursuant to stock splits, stock dividends and similar transactions occurring after the effective date of such registration statements, including the four-for-three split of the Registrant's Class A Common Stock in the form of a 33-1/3% stock dividend to be paid on March 25, 2005: Registration Statements (Nos. 333-06681, 333-25541, 333-26693, 333-61095, 333-93785, 333-94301, 333-89644, 333-62970, 333-62974 and 333-62976) on Form S-8 and registration statements (Nos. 333-59828 and 333-63102) on Form S-3.

Item 9.01. Financial Statements and Exhibits.

| <u>Exhibit No.</u> | <u>Description</u> |
|--------------------|--|
| 99.1* | Press Release issued by Donegal Group Inc., dated February 17, 2005. |

* 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.

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: /s/ Ralph G. Spontak
Ralph G. Spontak, Senior Vice
President and Chief Financial Officer

Date: February 18, 2005

EXHIBIT INDEX

| <u>Exhibit No.</u> | <u>Description</u> | <u>Reference</u> |
|--------------------|--|---------------------|
| 99.1* | Press Release issued by Donegal Group Inc., dated February 17, 2005. | Submitted 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 INC. ANNOUNCES STOCK SPLIT AND INCREASED DIVIDEND

Ralph G. Spontak
Senior Vice President and Chief Financial Officer
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For Immediate Release

MARIETTA, Pennsylvania, February 17, 2005 – Donegal Group Inc. (Nasdaq: DGICA and DGICB) announced today that its Board of Directors approved a four-for-three split of its Class A Common Stock and Class B Common Stock to be effected in the form of a 33-1/3% stock dividend to stockholders of record at the close of business on March 1, 2005 and payable on March 25, 2005. The stock split was approved to enhance the liquidity of the Class A Common Stock and Class B Common Stock by increasing the number of outstanding shares. The effect of the stock split will be to increase the number of outstanding shares of Class A Common Stock from 10,323,204 shares to 13,764,272 shares and the number of outstanding shares of Class B Common Stock from 3,136,678 shares to 4,182,237 shares. Donegal Group anticipates that it will increase the quarterly dividend rate on its post-split Class A Common Stock from a post-split equivalent of \$.09 per share to \$.10 per share and anticipates that it will increase its quarterly dividend rate on its post-split Class B Common Stock from a post-split equivalent of \$.0788 to \$.085 per share, commencing with the dividend payable on May 15, 2005. The dividend increases represent a percentage increase of 11.1% for the Class A Common Stock and 7.9% for the Class B Common Stock.

Donegal Group Inc. is an insurance holding company whose insurance subsidiaries offer personal and commercial property and casualty lines of insurance in six Mid-Atlantic states (Connecticut, Delaware, Maryland, New Hampshire, New York and Pennsylvania), eight Southeastern states (Alabama, Georgia, Louisiana, North

Carolina, South Carolina, Tennessee, Virginia and West Virginia) and five Midwestern states (Iowa, Nebraska, Ohio, Oklahoma and South Dakota).

All statements contained in this press 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 necessarily involve a number of risks and uncertainties. Actual results could vary materially. The factors that could cause actual results to vary materially include, but are not limited to, 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 areas in which the Company operates, 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 Company's filings with the Securities and Exchange Commission. The Company disclaims any obligation to update such statements or to announce publicly the results of any revisions that may be made to any forward-looking statements to reflect the occurrence of anticipated or unanticipated events or circumstances after the date of such statements.