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(Last)

FORM 4

UNITED STATES SECURITIES AND EXCHANGE COMMISSION

Washington, D.C. 20549

Check this box if no longer su	ubject to
Section 16. Form 4 or Form 5	
obligations may continue. Se	
	c
Instruction 1(b).	

1. Name and Address of Reporting Person*

(First)

DONEGAL MUTUAL INSURANCE CO

(Middle)

STATEMENT OF CHANGES IN BENEFICIAL OWNERSHIP

Filed

OMB APPROVAL							
OMB Number: 3235-0287							
Estimated average burden							
hours per response	: 0.5						

pursuant to Section 16(a) of the Securities Exchange Act of 1934 or Section 30(h) of the Investment Company Act of 1940	<u> </u>			1
2. Issuer Name and Ticker or Trading Symbol DONEGAL GROUP INC [DGICB]	5. Relationship of R (Check all applicable		n(s) to Issuer]
[]	Director	Х	10% Owner	L
3. Date of Earliest Transaction (Month/Day/Year) 08/31/2004	Officer (giv below)	e title	Other (specify below)	

		i	erivative S	Securities Acq	uired, Dis	bosed of, or Benefi		Owned	C. Oursership	1	
(City)	(State)	(Zip)						1 013011			
MARIATTA	PA	17547					X	Form filed by On Form filed by Mo Person			
(Street)			4. If A	mendment, Date of	Original Filed	(Month/Day/Year)	6. Indiv Line)	vidual or Joint/Grou	p Filing (Check A	Applicable	
1195 RIVER R	OAD		00/31	1/2004				,			

1. Title of Security (Instr. 3)	2. Transaction Date (Month/Day/Year)	2A. Deemed Execution Date, if any (Month/Day/Year)	3. Transa Code (8)		Disposed Of (D) (Instr. 3,		4. Securities Acquired (A) or Disposed Of (D) (Instr. 3, 4 an str. 5)		3, 4 and Securities Beneficially		Form: Direct	7. Nature of Indirect Beneficial Ownership (Instr. 4)
			Code	v	Amount	(A) or (D)	Price	Transaction(s) (Instr. 3 and 4)		(1150.4)		
Class B Common Stock	08/31/2004		Р		18,500	Α	\$18.99	1,965,770	D			

Table II - Derivative Securities Acquired, Disposed of, or Beneficially Owned (e.g., puts, calls, warrants, options, convertible securities) 6. Date Exercisable and Expiration Date (Month/Day/Year) 8. Price of Derivative 1. Title of 3. Transaction 3A. Deemed 7. Title and 9. Number of 5. Number 10. 11. Nature Derivative Security (Instr. 3) Transaction Code (Instr. 8) Conversion Execution Date Amount of derivative Ownership of Indirect Date (Month/Day/Year) of Derivative Securities Security (Instr. 5) or Exercise if anv Securities Form: Beneficial Beneficially Owned Price of Derivative (Month/Day/Year) Securities Underlying Direct (D) Ownership (Instr. 4) Acquired (A) or Disposed or Indirect (I) (Instr. 4) Derivative Following Reported Security Security (Instr. 3 and 4) of (D) (Instr. 3, 4 and 5) Transaction(s) (Instr. 4) Amount or Number Expiration Date of ν Code (A) (D) Exercisable Date Title Shares

Explanation of Responses:

Ralph G. Spontak, Sr VP, Secretary and CFO

08/31/2004

** 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.