FORM 4

UNITED STATES SECURITIES AND EXCHANGE COMMISSION

Washington, D.C. 20549

STATEMENT OF CHANGES IN BENEFICIAL OWNERSHIP

l	OMB APPRO	VAL
	OMB Number:	3235-0287
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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 and Address of Reporting Person* <u>DONEGAL MUTUAL INSURANCE CO</u>						2. Issuer Name and Ticker or Trading Symbol DONEGAL GROUP INC [DGICA]									5. Relationship of Reporting Person(s) to Issuer (Check all applicable) Director X 10% Owner					
(Last) 1195 RIV	st) (First) (Middle) 95 RIVER ROAD					3. Date of Earliest Transaction (Month/Day/Year) 12/20/2006										Offic belov	er (give title w)	Other (below)		(specify
(Street) MARIET (City)			17547 (Zip)		4. If Amendment, Date of Original Filed (Month/Day/Year) 6. Individual or Joint/Group F Line) X Form filed by One R Form filed by More to Person									e Rep						
		Tab	le I - No	n-Deriv	ative	Sec	curitie	s Acc	quired,	Dis	posed o	f, o	r Be	nefic	ially	Owne	ed			
Date							2A. Deemed Execution Date, if any (Month/Day/Year)		3. Transaction Code (Instr. 8)		4. Securities Acquired (A) Disposed Of (D) (Instr. 3, 4 5)				4 and Secur Benef Owne		icially d Following	6. Ownership Form: Direct (D) or Indirect (I) (Instr. 4)		7. Nature of Indirect Beneficial Ownership
									Code	v	Amount		(A) or (D)	Pric	ce		action(s) 3 and 4)			(Instr. 4)
Class A C	Common Sto	ock		12/20/	/2006	2006			P	P		0	A	\$1	\$19.92		8,132,885		D	
Class B Common Stock 12/20/					/2006	2006			P		800		A	4	\$18		3,850,726		D	
Class B C	ommon Sto	ock		12/21/	/2006				P		500		A	1	518	3,851,226 D				
		Ta									sed of, onvertib					wned				
1. Title of Derivative Security (Instr. 3)	2. Conversion or Exercise Price of Derivative Security	3. Transaction Date (Month/Day/Year)	3A. Deem Execution if any (Month/D	n Date, Transa Code (on of Derivative Securities Acquired (A) or Disposed of (D) (Instr. 3, 4 and 5)		6. Date Expiratio (Month/D	on Dat		Amount of Securities Underlying Derivative Security (Instr. and 4)		of s g e instr. 3 mount r umber	Deri Sec (Ins	rice of ivative urity tr. 5)	9. Number of derivative Securities Beneficially Owned Following Reported Transaction (Instr. 4)	F D O (I	LO. Dwnership Form: Direct (D) or Indirect I) (Instr. 4)	11. Nature of Indirect Beneficial Ownership (Instr. 4)

Explanation of Responses:

<u>Jeffrey D. Miller, Sr. VP & Chief Financial Officer</u>

12/22/2006

** 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.