

STATEMENT OF CHANGES IN BENEFICIAL OWNERSHIP

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

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

| | | |
|---|---|--|
| 1. Name and Address of Reporting Person* <u>NIKOLAUS DONALD H</u> (Last) (First) (Middle) 1195 RIVER ROAD PO BOX 302 (Street) MARIETTA PA 17547 (City) (State) (Zip) | 2. Issuer Name and Ticker or Trading Symbol <u>DONEGAL GROUP INC [DGICA]</u> | 5. Relationship of Reporting Person(s) to Issuer (Check all applicable) <input checked="" type="checkbox"/> Director 10% Owner <input checked="" type="checkbox"/> Officer (give title below) Other (specify below) President & CEO |
| | 3. Date of Earliest Transaction (Month/Day/Year) 11/15/2010 | |
| | 4. If Amendment, Date of Original Filed (Month/Day/Year) | |

Table I - Non-Derivative Securities Acquired, Disposed of, or Beneficially Owned

| 1. Title of Security (Instr. 3) | 2. Transaction Date (Month/Day/Year) | 2A. Deemed Execution Date, if any (Month/Day/Year) | 3. Transaction Code (Instr. 8) | | 4. Securities Acquired (A) or Disposed Of (D) (Instr. 3, 4 and 5) | | | 5. Amount of Securities Beneficially Owned Following Reported Transaction(s) (Instr. 3 and 4) | 6. Ownership Form: Direct (D) or Indirect (I) (Instr. 4) | 7. Nature of Indirect Beneficial Ownership (Instr. 4) |
|-------------------------------------|--------------------------------------|--|--------------------------------|---|---|------------|----------|---|--|---|
| | | | Code | V | Amount | (A) or (D) | Price | | | |
| Class A Common Stock ⁽¹⁾ | 11/15/2010 | | J | V | 1,096.807 | A | \$14.962 | 143,798.162 | I | 401(k) Plan |
| Class A Common Stock ⁽¹⁾ | 11/15/2010 | | J | V | 367.559 | A | \$14.4 | 144,165.721 | I | 401(k) Plan |
| Class A Common Stock ⁽¹⁾ | 11/23/2010 | | J | V | 1.925 | A | \$14.51 | 144,167.646 | I | 401(k) Plan |
| Class A Common Stock | | | | | | | | 132,603.202 | D | |
| Class A Common Stock | | | | | | | | 150,154 | I | Family Foundation |
| Class A Common Stock | | | | | | | | 1,365.798 | I | Spouse |
| Class B Common Stock | | | | | | | | 130,210.44 | D | |
| Class B Common Stock | | | | | | | | 51,637.532 | I | 401(k) Plan |
| Class B Common Stock | | | | | | | | 3,938 | I | Family Foundation |
| Class B Common Stock | | | | | | | | 589 | I | Spouse |

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 Date, if any (Month/Day/Year) | 4. Transaction Code (Instr. 8) | | 5. Number of Derivative Securities Acquired (A) or Disposed of (D) (Instr. 3, 4 and 5) | 6. Date Exercisable and Expiration Date (Month/Day/Year) | | 7. Title and Amount of Securities Underlying Derivative Security (Instr. 3 and 4) | 8. Price of Derivative Security (Instr. 5) | 9. Number of derivative Securities Beneficially Owned Following Reported Transaction(s) (Instr. 4) | 10. Ownership Form: Direct (D) or Indirect (I) (Instr. 4) | 11. Nature of Indirect Beneficial Ownership (Instr. 4) |
|--|--|--------------------------------------|--|--------------------------------|---|--|--|-----|---|--|--|---|--|
| | | | | Code | V | | (A) | (D) | | | | | |

Explanation of Responses:

1. Dividend Reinvestment - 401(k) Plan

Donald H. Nikolaus

12/21/2010

** 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.