DONEGAL GROUP INC

Form 4

November 02, 2006

UNITED STATES SECURITIES AND EXCHANGE COMMISSION Washington, D.C. 20549

OMB 3235-0287 Number:

Check this box if no longer subject to Section 16.

STATEMENT OF CHANGES IN BENEFICIAL OWNERSHIP OF **SECURITIES**

January 31, Expires: 2005

0.5

OMB APPROVAL

Form 4 or Form 5 obligations may continue.

Filed pursuant to Section 16(a) of the Securities Exchange Act of 1934, Section 17(a) of the Public Utility Holding Company Act of 1935 or Section 30(h) of the Investment Company Act of 1940

burden hours per response...

Estimated average

See Instruction 1(b).

(Print or Type Responses)

1. Name and Address of Reporting Person * **DONEGAL MUTUAL**

INSURANCE CO

(First)

(Middle)

2. Issuer Name and Ticker or Trading Symbol

DONEGAL GROUP INC [DGICB]

5. Relationship of Reporting Person(s) to

Issuer

below)

Person

(Last)

1195 RIVER ROAD

3. Date of Earliest Transaction

(Month/Day/Year) 11/01/2006

(Check all applicable) Director 10% Owner

4. If Amendment, Date Original

6. Individual or Joint/Group Filing(Check

Officer (give title

Applicable Line)

Filed(Month/Day/Year) _X_ Form filed by One Reporting Person Form filed by More than One Reporting

17.71

MARIETTA, PA 17547

(City) (State) (Zip)

(Street)

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

2. Transaction Date	2A Deemed
(, , , , , , , , , , , , , , , , , , ,	any
	(Month/Day/Year)
	2. Transaction Date (Month/Day/Year)

11/01/2006

4. Securities Acquired Transaction(A) or Disposed of (D) Code (Instr. 3, 4 and 5) (Instr. 8)

5. Amount of Securities Beneficially Owned Following

6. Ownership 7. Nature of Form: Direct Indirect (D) or Beneficial Indirect (I) Ownership (Instr. 4) (Instr. 4)

_ Other (specify

(A)

106

P

Reported Transaction(s) (Instr. 3 and 4)

Amount (D) Price

3,837,929

D

Common Stock

Class B

Reminder: Report on a separate line for each class of securities beneficially owned directly or indirectly.

Persons who respond to the collection of SEC 1474 information contained in this form are not (9-02)required to respond unless the form displays a currently valid OMB control number.

Table II - Derivative Securities Acquired, Disposed of, or Beneficially Owned (e.g., puts, calls, warrants, options, convertible securities)

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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. Transactic Code (Instr. 8)	5. Derivative Securities Acquired (A) or Disposed of (D) (Instr. 3, 4, and 5)		ate	7. Title Amoun Underly Securiti (Instr. 3	t of ying es	8. Price of Derivative Security (Instr. 5)	9. Nu Deriv Secur Bene Owne Follo Repo Trans (Instr
				Code V	(A) (D)	Date Exercisable	Expiration Date	Title N	Amount or Number of Shares		

Reporting Owners

Reporting Owner Name / Address	Relationships					
Reporting Owner Name / Address	Director	10% Owner	Officer	Other		
DONEGAL MUTUAL INSURANCE CO						
1195 RIVER ROAD		X				
MARIETTA, PA 17547						

Signatures

Jeffrey D. Miller, Sr. VP & Chief Financial
Officer

11/02/2006

**Signature of Reporting Person Date

Explanation of Responses:

- * 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. Potential persons who are to respond to the collection of information contained in this form are not required to respond unless the form displays a currently valid OMB number.

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