

DONEGAL GROUP INC
 Form 4
 May 10, 2011

FORM 4

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

OMB APPROVAL

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Check this box if no longer subject to Section 16. Form 4 or Form 5 obligations may continue. See Instruction 1(b).

STATEMENT OF CHANGES IN BENEFICIAL OWNERSHIP OF SECURITIES

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

(Print or Type Responses)

1. Name and Address of Reporting Person *
DONEGAL MUTUAL INSURANCE CO
 (Last) (First) (Middle)
1195 RIVER ROAD
 (Street)
MARIETTA, PA 17547
 (City) (State) (Zip)

2. Issuer Name and Ticker or Trading Symbol
DONEGAL GROUP INC [DGICA]
 3. Date of Earliest Transaction (Month/Day/Year)
05/06/2011
 4. If Amendment, Date Original Filed (Month/Day/Year)

5. Relationship of Reporting Person(s) to Issuer
 (Check all applicable)
 ___ Director ___X_ 10% Owner
 ___ Officer (give title below) ___ Other (specify below)
 6. Individual or Joint/Group Filing (Check Applicable Line)
 ___X_ Form filed by One Reporting Person
 ___ Form filed by More than One Reporting Person

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 Ownership (Instr. 4)
Class A Common Stock ⁽¹⁾	05/06/2011		J	600,000 D	\$ 7,755,184	D	
Class B Common Stock					4,198,339	D	

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

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SEC 1474 (9-02)

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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 Underlying Securities (Instr. 3 and 4)	8. Price of Derivative Security (Instr. 5)	9. Nu Deriv Secur Bene Own Follo Repo Trans (Instr
				Code V (A) (D)		Date Exercisable Expiration Date	Title Amount or Number of Shares		

Reporting Owners

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

Signatures

Jeffrey D. Miller, Sr. VP & Chief Financial Officer
05/10/2011

__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).

(1) Donegal Mutual Insurance Company transferred 600,000 shares of Class A common stock of Donegal Group Inc. ("DGI") as a capital contribution to Donegal Financial Services Corporation ("DFSC"). DFSC will distribute these shares as merger consideration issuable to former stockholders of Union National Financial Corporation ("UNFC") in connection with the merger of UNFC with and into DFSC on May 6, 2011. The price shown in this filing represents the closing price of DGI Class A common stock on May 6, 2011.

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.