

DONEGAL GROUP INC
Form 4
June 20, 2006

FORM 4

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

OMB APPROVAL

OMB Number: 3235-0287
Expires: January 31, 2005
Estimated average burden 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).

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 *
NIKOLAUS DONALD H

2. Issuer Name and Ticker or Trading Symbol
DONEGAL GROUP INC [DGICA]

5. Relationship of Reporting Person(s) to Issuer

(Check all applicable)

(Last) (First) (Middle)
1195 RIVER ROAD, P.O. BOX 302

3. Date of Earliest Transaction (Month/Day/Year)
04/26/2006

Director 10% Owner
 Officer (give title below) Other (specify below)
President & CEO

(Street)
MARIETTA, PA 17547

4. If Amendment, Date Original Filed (Month/Day/Year)

6. Individual or Joint/Group Filing (Check Applicable Line)
 Form filed by One Reporting Person
 Form filed by More than One Reporting Person

(City) (State) (Zip)

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⁾ | 04/26/2006 | | J | V | 49,443.204 | A | \$ 0 | 197,778.817 | D | |
| Class A Common Stock ⁽¹⁾ | 04/26/2006 | | J | V | 338.389 | A | \$ 0 | 1,353.557 | I | Spouse |
| Class A Common Stock ⁽¹⁾ | 04/26/2006 | | J | V | 22,308 | A | \$ 0 | 89,238 | I | Nikolaus Family Foundation |
| Class B Common | 04/26/2006 | | J | V | 46,191.891 | A | \$ 0 | 185,771.558 | D | |

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|-----------------------------|------------|--|-----|---------|---|-----------|-------------|---|--------|
| Stock ⁽¹⁾ | | | | | | | | | |
| Class B | | | | | | | | | |
| Common Stock ⁽¹⁾ | 04/26/2006 | | J V | 147 | A | \$ 0 | 589 | I | Spouse |
| Class A | | | | | | | | | |
| Common Stock ⁽²⁾ | 05/15/2006 | | J V | 473.467 | A | \$ 19.718 | 198,252.284 | D | |
| Class A | | | | | | | | | |
| Common Stock ⁽²⁾ | 05/15/2006 | | J V | 5.891 | A | \$ 19.718 | 1,359.448 | I | Spouse |
| Class A | | | | | | | | | |
| Common Stock ⁽²⁾ | 05/15/2006 | | J V | 720.792 | A | \$ 19.11 | 198,973.076 | D | |

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

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 control number.

SEC 1474
(9-02)

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) |
|--|--|--------------------------------------|--|--------------------------------|---|--|---|
| | | | | Code | V (A) (D) | Date Exercisable Expiration Date | Title Amount or Number of Shares |
| <u>Options</u> ⁽¹⁾ | \$ 6.75 | 04/26/2006 | | J | V 66,667 | 09/01/2003 04/17/2008 | Class A Common Stock 66,667 |
| <u>Options</u> ⁽¹⁾ | \$ 10.5 | 04/26/2006 | | J | V 19,444 | 01/01/2002 07/19/2006 | Class A Common Stock 19,444 |
| <u>Options</u> ⁽¹⁾ | \$ 15.75 | 04/26/2006 | | J | V 58,333 | 01/01/2006 07/21/2010 | Class A Common Stock 58,333 |

Reporting Owners

| Reporting Owner Name / Address | Relationships | | | |
|--|---------------|-----------|-----------------|-------|
| | Director | 10% Owner | Officer | Other |
| NIKOLAUS DONALD H 1195 RIVER ROAD P.O. BOX 302 MARIETTA, PA 17547 | X | | President & CEO | |

Signatures

| | |
|--|------------|
| Donald H. Nikolaus, President & CEO | 06/20/2006 |
| __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).

- (1) Stock Dividend
- (2) Dividend Reinvestment Plan

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.