

DONEGAL GROUP INC  
Form 4  
June 20, 2006

**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 \*  
**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 <sup>(1)</sup>	04/26/2006		J	V	49,443.204	A	\$ 0 197,778.817	D	
Class A Common Stock <sup>(1)</sup>	04/26/2006		J	V	338.389	A	\$ 0 1,353.557	I	Spouse
Class A Common Stock <sup>(1)</sup>	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 <sup>(1)</sup>									
Class B									
Common Stock <sup>(1)</sup>	04/26/2006		J V	147	A	\$ 0	589	I	Spouse
Class A									
Common Stock <sup>(2)</sup>	05/15/2006		J V	473.467	A	\$ 19.718	198,252.284	D	
Class A									
Common Stock <sup>(2)</sup>	05/15/2006		J V	5.891	A	\$ 19.718	1,359.448	I	Spouse
Class A									
Common Stock <sup>(2)</sup>	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.

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(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> <sup>(1)</sup>	\$ 6.75	04/26/2006		J	V 66,667	09/01/2003 04/17/2008	Class A Common Stock 66,667
<u>Options</u> <sup>(1)</sup>	\$ 10.5	04/26/2006		J	V 19,444	01/01/2002 07/19/2006	Class A Common Stock 19,444
<u>Options</u> <sup>(1)</sup>	\$ 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.