



DIVISION OF  
CORPORATION FINANCE

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

July 2, 2010

Donald H. Nikolaus  
President and Chief Executive Officer  
Donegal Group Inc.  
1195 River Road  
Marietta, Pennsylvania 17547

**Re: Donegal Group Inc.  
Registration Statement on Form S-4  
Filed June 25, 2010  
File No. 333-167774**

Dear Mr. Nikolaus:

We have limited our review of your registration statement to the issue we have addressed in our comment. In our comment, we ask you to provide us with information so we may better understand your disclosure.

Please respond to this letter by providing the requested information or making the requested filing. Where you do not believe our comment applies to your facts and circumstances or do not believe the requested filing is appropriate, please tell us why in your response.

After reviewing the information you provide in response to this comment or any additional filings, we may have additional comments.

General

1. It appears that Donegal Mutual Insurance Company may be an affiliate of Union National Financial Corporation. It also appears that this transaction may be a Rule 13e-3 transaction which requires the filing of a Schedule 13E-3. If you believe that this is not a Rule 13e-3 transaction and a Schedule 13E-3 is not required to be filed, please provide us with a detailed analysis that supports your conclusion. Alternatively, please promptly file a Schedule 13E-3 for this transaction.

We urge all persons who are responsible for the accuracy and adequacy of the disclosure in the filing to be certain that the filing includes the information the Securities Act of 1933 and all applicable Securities Act rules require. Since the company and its management are in possession of all facts relating to a company's disclosure, they are responsible for the accuracy and adequacy of the disclosures they have made.

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Notwithstanding our comments, in the event you request acceleration of the effective date of the pending registration statement please provide a written statement from the company acknowledging that:

- should the Commission or the staff, acting pursuant to delegated authority, declare the filing effective, it does not foreclose the Commission from taking any action with respect to the filing;
- the action of the Commission or the staff, acting pursuant to delegated authority, in declaring the filing effective, does not relieve the company from its full responsibility for the adequacy and accuracy of the disclosure in the filing; and
- the company may not assert staff comments and the declaration of effectiveness as a defense in any proceeding initiated by the Commission or any person under the federal securities laws of the United States.

Please refer to Rules 460 and 461 regarding requests for acceleration. We will consider a written request for acceleration of the effective date of the registration statement as confirmation of the fact that those requesting acceleration are aware of their respective responsibilities under the Securities Act of 1933 and the Securities Exchange Act of 1934 as they relate to the proposed public offering of the securities specified in the above registration statement. Please allow adequate time for us to review any amendment prior to the requested effective date of the registration statement.

Please contact Jennifer Riegel at (202) 551-3575 or me at (202) 551-3715 with any questions.

Sincerely,

Jeffrey Riedler  
Assistant Director

cc: Frederick W. Dreher, Esq.  
Kathleen A. Johnson, Esq.  
Duane Morris LLP  
30 South 17th Street  
Philadelphia, PA 19103