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STATE OF IOWA

TERRY E. BRANSTAD
GOVERNOR

NICK GERHART
COMMISSIONER OF INSURANCE

KIM REYNOLDS
LT. GOVERNOR

March 27, 2013

Via E-mail vpeterson@lathropgage.com
and US Mail

J. Victor Peterson, Esq.
Lathrop & Gage LLP
155 N. Wacker, Suite 3050
Chicago, Illinois 60606

Re: Form A - Le Mars Insurance Company
Filed by: Gregory M. Shepard

Dear Mr. Peterson:

The Iowa Insurance Division received on March 21, 2013, the above-captioned Form A filed on behalf of your client, Gregory M. Shepard. As noted in your cover letter and filing, Mr. Shepard has effectuated a tender offer for shares of Donegal Group, Inc.

Iowa Code section 521A.3(1) provides in part:

521A.3 Acquisition of control of or merger with domestic insurer.

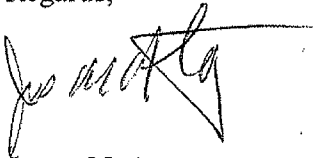
1. Filing requirements.

a. No person other than the issuer shall make a tender offer for or a request or invitation for tenders of, or enter into any agreement to exchange securities for, seek to acquire, or acquire, in the open market or otherwise, any voting security of a domestic insurer if, after the consummation thereof, such person would, directly or indirectly, or by conversion or by exercise of any right to acquire, be in control of such insurer, and no person shall enter into an agreement to merge with or otherwise to acquire control of a domestic insurer unless, at the time any such offer, request, or invitation is made or any such agreement is entered into, or prior to the acquisition of such securities if no offer or agreement is involved, such person has filed with the commissioner and has sent to such insurer, and such insurer has sent to its shareholders, a statement containing the information required by **this section** and such offer, request, invitation, agreement or acquisition has been approved by the commissioner in the manner hereinafter prescribed.

J. Victor Peterson, Esq.
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Pursuant to statute, Mr. Shepard is precluded from making a tender offer for shares or an invitation for tenders, prior to compliance with this provision. Please advise on or before April 1, 2013, if Mr. Shepard wishes to withdraw the Form A filing and tender offer.

Regards,

A handwritten signature in black ink, appearing to read "James N. Armstrong". The signature is stylized and includes a horizontal line extending to the right.

James N. Armstrong
Deputy Commissioner/Chief Examiner