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Press Release[Print Page](#) | [Close Window](#)<< [Back](#)**The Board of Directors of Donegal Group Inc. Recommends That Its Class B Stockholders Reject the Tender Offer of Gregory Mark Shepard**

MARIETTA, Pa., April 3, 2013 (GLOBE NEWSWIRE) -- Donegal Group Inc. (Nasdaq:DGICA) (Nasdaq:DGICB) reported that it had filed a Schedule 14D-9 solicitation/recommendation statement with the SEC today. The Schedule 14D-9 reports the unanimous recommendation of DGI's Board of Directors that the holders of DGI's Class B Common Stock reject the unsolicited tender offer for 962,636 shares of DGI's Class B Shares at a price of \$30 per share in cash by Gregory Mark Shepard. The offer states it will expire April 19, 2013.

DGI's Board of Directors has thoroughly evaluated and assessed the conditions to the Offer that Shepard established, together with the assistance of a report and recommendations submitted to DGI's Board of Directors by a special committee of five directors independent of Donegal Mutual Insurance Company and advised by independent legal counsel. Based upon its evaluation and assessment of the conditions to the Offer, including the federal and state regulatory approvals Shepard must obtain before he can legally consummate his offer, DGI's Board of Directors unanimously determined that his offer is illusory because Shepard will not be able to attain the conditions to the Offer before its expiration date or within a reasonable period of time after the expiration date. **Accordingly, the DGI Board of Directors recommends that the holders of DGI Class B Shares REJECT the Offer and NOT tender their Class B Shares to Shepard for purchase pursuant to the Offer.**

Important Information and Where to Find It

This communication does not constitute an offer to buy or the solicitation of an offer to sell any securities. **DGI urges the holders of its Class B common stock to read the solicitation/recommendation statement, as well as any other documents DGI subsequently files with the SEC when such documents become available because they will contain important information.** Holders of Class B Shares may obtain, without charge, a copy of the solicitation/recommendation statement and other documents (when available) that DGI files with the SEC at the SEC's website at www.sec.gov and DGI's website at www.donegalgroup.com. In addition, DGI's solicitation/recommendation statement and other documents (when available) that DGI files with the SEC may be obtained, without charge, from DGI by writing to DGI's corporate secretary, Sheri O. Smith, at its principal executive offices at 1195 River Road, P.O. Box 302, Marietta, Pennsylvania 17547 or by e-mail to sherismith@donegalgroup.com.

About Donegal Group Inc.

Donegal Group Inc. is an insurance holding company with insurance subsidiaries offering personal and commercial property and casualty lines of insurance in 22 Mid-Atlantic, Midwestern, New England and Southern states. The insurance subsidiaries of DGI and Donegal Mutual Insurance Company conduct business together as the Donegal Insurance Group. The Donegal Insurance Group has an A.M. Best rating of A (Excellent). Donegal Mutual Insurance Company and DGI together own Donegal Financial Services Corporation, a grandfathered unitary savings and loan holding company that owns Union Community Bank FSB, a federal savings bank.

DGI's Class A common stock and Class B common stock trade on NASDAQ under the symbols DGICA and DGICB, respectively.

CONTACT: Jeffrey D. Miller
Senior Vice President and Chief Financial Officer
Phone: (717) 426-1931
Fax: (717) 426-7031
E-mail: investors@donegalgroup.com

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