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RECEIVED
Corporate & Financial Regulation

JUL 31 2013

Pennsylvania
Insurance Department

July 29, 2013

VIA E MAIL AND FIRST CLASS MAIL

Stephen J. Johnson, Deputy Insurance Commissioner
Commonwealth of Pennsylvania
1345 Strawberry Square
13th Floor
Harrisburg, PA 17120

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Re: Form A Statement Dated March 20, 2013 Regarding the Acquisition of Control of Atlantic States Insurance Company, a Pennsylvania insurance company and wholly owned subsidiary of Donegal Group Inc., by Gregory Mark Shepard (the "Form A")

Dear Mr. Johnson:

On April 29, 2013, Shepard filed an Interagency Notice of Change in Control with the Federal Reserve Bank of Philadelphia (the "FRB") seeking the FRB's permission to acquire shares of Donegal Group Inc. Class B Common Stock (the "INCC Application"). The INCC Application relates to a proposed increase in Shepard's ownership of the total voting power of Donegal Group Inc. Class A and Class B Common Stock from 9.9% to 22.7%. Shepard's proposed acquisition relates to the same ownership change described in the Form A filing Shepard made with the Pennsylvania Insurance Department on March 20, 2013.

On July 23, 2013, Shepard filed with the Securities and Exchange Commission Amendment No. 10 to Schedule TO. Amendment No. 10 reports that, at the FRB's request, Shepard has consented to an additional 45-day extension of the period for the FRB to review his INCC Application and to determine whether to approve or disapprove it. This 45-day period expires September 11, 2013, unless the FRB further extends the review period.

As counsel to DGI, we are presently reviewing J. Victor Peterson's ("Mr. Peterson") July 19, 2013 letter to the Pennsylvania Insurance Department and the attached exhibits. Based upon our review of the letter and the exhibits to date, we intend to provide you with factual

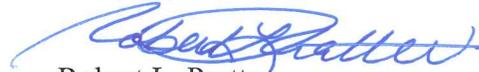
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information relevant to your continuing review of the Form A with respect to statements in Mr. Peterson's letter and information in the exhibits.

Respectfully submitted,



Robert L. Pratter

RLP/lmb

cc: Robert E. Brackbill, Jr.
Jodi Frantz, Esquire
J. Victor Peterson, Esquire

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