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January 17, 2014

BY E-MAIL

Jodi Frantz, Esq.
Office of Corporate & Financial Regulation
Pennsylvania Insurance Department (the "Department")
1345 Strawberry Square
Harrisburg, PA 17120

Re: Mr. Shepard's Shareholder Proposal submitted to Donegal Group Inc.
on November 18, 2013

Dear Ms. Frantz,

On behalf of our client Gregory M. Shepard, we are submitting copies of Mr. Shepard's Schedule 13D Amendment, which he filed with the S.E.C. on November 18, 2013, and the exhibits thereto, including Mr. Shepard's Shareholder Proposal submitted to Donegal Group Inc. on that date.

That Schedule 13D Amendment and Shareholder Proposal were described on page 10 of Mr. Shepard's Amended and Restated Form A dated December 13, 2013. That description includes a link to the S.E.C. web page containing those documents.

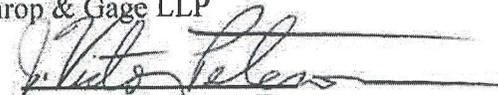
However, we are now submitting copies of those documents to the Department so that they can be uploaded to the Department's web page and become part of the record before the upcoming public informational hearing.

Thank you for your attention to this matter. If you have any questions or require any further information, please do not hesitate to contact the undersigned.

Very truly yours,

Lathrop & Gage LLP

By:


J. Victor Peterson, Esq.

Enclosures

CALIFORNIA COLORADO ILLINOIS KANSAS MASSACHUSETTS MISSOURI NEW YORK

SC 13D/A 1 k360905_sc13da.htm SCHEDULE 13D/A

SECURITIES AND EXCHANGE COMMISSION
WASHINGTON, D.C. 20459

SCHEDULE 13D
Under the Securities Exchange Act of 1934
(Amendment No. 21)*

DONEGAL GROUP INC.
(Name of Issuer)

Class A Common Stock
Class B Common Stock
(Title of Class of Securities)

Class A: 257701201
Class B: 257701300
(CUSIP Number of Class of Securities)

Gregory M. Shepard
7028 Portmarnock Place
Bradenton, FL 34202
(309) 310-1331

(Name, address and telephone number of persons
authorized to receive notices and communications
on behalf of person(s) filing statement)

November 18, 2013
(Date of Event which Requires Filing of this Statement)

If the filing person has previously filed a statement on Schedule 13G to report the acquisition that is the subject of this Schedule 13D, and is filing this Schedule because of Section 240.13d-1(e), 240.13d-1(f) or 240.13d-1(g), check the following box .

NOTE: Schedules filed in paper format shall include a signed original and five copies of the schedule, including all exhibits. See Rule 13d-7 for other parties to whom copies are to be sent.

* The remainder of this cover page shall be filled out for a reporting person's initial filing on this form with respect to the subject class of securities, and for any subsequent amendment containing information which would alter disclosures provided in a prior cover page.

The information required on the remainder of this cover page shall not be deemed to be "filed" for the purpose of Section 18 of the Securities Exchange Act of 1934 ("Act") or otherwise subject to the liabilities of that section of the Act but shall be subject to all other provisions of the Act (however, see the Notes).

Class A CUSIP No. 257701201 and Class B CUSIP No. 257701300

1. NAME OF REPORTING PERSON
S.S. OR I.R.S. IDENTIFICATION NOS. OF REPORTING PERSON

Gregory M. Shepard

2. CHECK THE APPROPRIATE BOX IF A MEMBER OF A GROUP

(a)
(b)

3. SEC USE ONLY

4. SOURCE OF FUNDS

PF

5. CHECK BOX IF DISCLOSURE OF LEGAL PROCEEDINGS IS REQUIRED PURSUANT TO ITEMS 2(d) OR 2(e)

6. CITIZENSHIP OR PLACE OF ORGANIZATION

United States of America

NUMBER OF SHARES BENEFICIALLY OWNED BY EACH REPORTING PERSON WITH	7.	SOLE VOTING POWER Class A 3,602,900; Class B 397,100
	8.	SHARED VOTING POWER -0-
	9.	SOLE DISPOSITIVE POWER Class A 3,602,900; Class B 397,100
	10.	SHARED DISPOSITIVE POWER -0-

11. AGGREGATE AMOUNT BENEFICIALLY OWNED BY EACH REPORTING PERSON

Class A 3,602,900; Class B 397,100

12. CHECK BOX IF THE AGGREGATE AMOUNT IN ROW (11) EXCLUDES CERTAIN SHARES

13. PERCENT OF CLASS REPRESENTED BY AMOUNT IN ROW (11)

Class A 17.42%; Class B 7.12%

14. TYPE OF REPORTING PERSON

IN

SCHEDULE 13D**ITEM 1. SECURITY AND ISSUER.**

The Schedule 13D filed with the Securities and Exchange Commission on July 12, 2010 (the "Initial 13D") by the Filing Person with respect to the Class A Shares and Class B Shares of Donegal Group Inc., a Delaware corporation (the "Issuer"), is hereby further amended to furnish the additional information set forth herein. All capitalized terms contained herein but not otherwise defined shall have the meanings ascribed to such terms in the Initial 13D.

ITEM 4. PURPOSE OF TRANSACTION**ITEM 4 OF THE INITIAL 13D IS HEREBY AMENDED TO ADD THE FOLLOWING:**

On November 18, 2013, the Filing Person submitted the following shareholder proposal to be presented and voted upon at the Issuer's 2014 Annual Meeting of Shareholders:

RESOLVED: DGI's shareholders hereby request DGI's Board of Directors, as soon as practicable, to take the necessary steps to adopt a recapitalization plan that would provide for all of DGI's outstanding stock to have one vote per share. This proposal is not intended to limit the Board's judgment in crafting the requested change in accordance with applicable laws and existing contracts.

A copy of the shareholder proposal and its supporting statement are attached hereto as Exhibit 99.1.

On November 18, 2013, the Filing Person released the Press Release that is attached hereto as Exhibit 99.2.

ITEM 7. MATERIAL TO BE FILED AS EXHIBITS

Exhibit 99.1 Shareholder Proposal and Supporting Statement

Exhibit 99.2 Press Release dated November 18, 2013

SIGNATURE

After reasonable inquiry and to the best of his knowledge and belief, the undersigned certifies that the information set forth in this statement is true, complete and correct.

DATED: November 18, 2013

/s/ Gregory M. Shepard
Gregory M. Shepard

SHAREHOLDER PROPOSAL AND SUPPORTING STATEMENT**Shareholder Proposal:**

Gregory M. Shepard, 7028 Portmarnock Place, Bradenton, FL 34202, who beneficially owns 3,602,900 Class A shares and 397,100 Class B shares of Donegal Group Inc. ("DGI"), submits the following proposal:

RESOLVED: DGI's shareholders hereby request DGI's Board of Directors, as soon as practicable, to take the necessary steps to adopt a recapitalization plan that would provide for all of DGI's outstanding stock to have one vote per share. This proposal is not intended to limit the Board's judgment in crafting the requested change in accordance with applicable laws and existing contracts.

Supporting Statement:

You are urged to vote "Yes" for this proposal for the following reasons:

By allowing certain stock to have more voting power than other stock, DGI takes our public shareholder money but does not let us have an equal voice in DGI's management. Without a voice, shareholders cannot hold management accountable.

DGI currently has dual-class voting, where each share of Class A common stock has one-tenth of a vote and each share of Class B common stock has one vote. As a result, Donegal Mutual Insurance Company owns 38% and 76% of DGI's outstanding Class A and Class B shares, respectively, and 46% of the combined Class A and Class B outstanding shares as of November 1, 2013, but has 65% of DGI's Class A and Class B total voting power. On a fully diluted basis, Donegal Mutual's ownership would be even lower. This raises concerns that Donegal Mutual's majority influence over DGI might create conflicts of interest between Donegal Mutual and the other DGI shareholders.

DGI's dual-class voting, which allows Donegal Mutual to control 65% of DGI's voting power despite owning less than a majority (46%) of DGI's outstanding stock, enables Donegal Mutual to reject proposals that would benefit DGI's other shareholders. For example, in October 2013 Mr. Shepard offered to purchase at a substantial premium the Class B shares not already owned by him or Donegal Mutual, only to be told by Donegal Mutual that this purchase would not be in the interests of Donegal Mutual.

The Council of Institutional Investors' website states: "Dual-class share structures pose greater risks to investors and make boards and insiders less accountable to the shareholders. Companies with a dual-class stock structure often do not perform as well as companies with a single class of stock and have more stock-price volatility, a recent study found."

This proposal should be evaluated in the context of DGI's stock option dilution during the five years between 2007 and 2012, when DGI's:

- book value grew by a total of 13.4%, or a meager 2.7% per year;
- book value per outstanding share grew by a total of only 12.2%, or 2.4% per year;
- stock options grew by an astounding 181%, or 36.2% per year; and
- fully diluted book value grew by a total of only 7.9%, or 1.6% per year.

Please vote to protect shareholder value:

Give Each Share An Equal Vote

FOR IMMEDIATE RELEASE**Shepard Submits Shareholder Proposal for Equal Voting of Shares to Donegal Group Inc.**

Bradenton, Florida, November 18, 2013 (NASDAQ: "DGICA" and "DGICB") – Gregory M. Shepard today submitted a shareholder proposal to Donegal Group Inc. ("DGI") urging shareholders to approve a resolution requesting DGI's Board, as soon as practicable, to take the necessary steps to adopt a recapitalization plan that would provide for all of DGI's outstanding stock to have one vote per share.

DGI currently has dual-class voting, in which DGI's Class A common stock has 1/10th of a vote per share and its Class B common stock has 1 vote per share. As of November 1, 2013, DGI had 20,681,588 outstanding Class A shares, with 2,068,158 total votes, and 5,576,775 outstanding Class B shares, with 5,576,775 total votes, according to DGI's Quarterly Report on Form 10-Q filed on November 7, 2013.

Mr. Shepard submitted his shareholder proposal to DGI under Rule 14a-8 of the Securities Exchange Act of 1934, as amended. Mr. Shepard is seeking to include his shareholder proposal and its supporting statement in DGI's proxy statement for a vote of the DGI shareholders at DGI's 2014 Annual Meeting of Shareholders.

The text of Mr. Shepard's shareholder proposal and its supporting statement were filed today with the U.S. Securities and Exchange Commission as Exhibit 99.1 to Amendment 21 to Mr. Shepard's Statement of Beneficial Ownership on Schedule 13D, which is available at www.sec.gov.

This press release is not intended to and does not constitute (i) a solicitation of a proxy, consent or authorization for or any special meeting of DGI's stockholders or (ii) a solicitation of a consent or authorization in the absence of any such meeting.
