

**4**

# ANNUAL STATEMENT

Including Index and Supplements

OF THE



**DONEGAL MUTUAL**  
INSURANCE COMPANY

OF

MARIETTA

IN THE STATE OF

PENNSYLVANIA

TO THE

INSURANCE DEPARTMENT

OF THE STATE OF

PENNSYLVANIA

FOR THE YEAR ENDED  
DECEMBER 31, 2004

2004

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**ANNUAL STATEMENT**  
FOR THE YEAR ENDED DECEMBER 31, 2004  
OF THE CONDITION AND AFFAIRS OF THE

**DONEGAL MUTUAL INSURANCE COMPANY**

NAIC Group Code 0290 (Current Period) 0290 (Prior Period) NAIC Company Code 13692 Employer's ID Number 23-1336198

Organized under the Laws of Pennsylvania State of Domicile or Port of Entry Pennsylvania

Country of Domicile US

Incorporated May 13, 1889 Commenced Business May 13, 1889

Statutory Home Office 1195 River Road, Marietta, Pennsylvania 17547-0302  
(Street and Number, City or Town, State and Zip Code)

Main Administrative Office 1195 River Road, Marietta, Pennsylvania 17547-0302 717-426-1931  
(Street and Number, City or Town, State and Zip Code) (Area Code) (Telephone Number)

Mail Address 1195 River Road, Marietta, Pennsylvania 17547-0302  
(Street and Number, City or Town, State and Zip Code)

Primary Location of Books and Records 1195 River Road, Marietta, Pennsylvania 17547-0302  
(Street and Number, City or Town, State and Zip Code)  
717-426-1931  
(Area Code) (Telephone Number)

Internet Website Address www.donegalgroup.com

Statutory Statement Contact Daniel John Wagner 717-426-1931  
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(Street and Number, City or Town, State and Zip Code) (Area Code) (Telephone Number) (Extension)

**OFFICERS**

1. DONALD HERBERT NIKOLAUS (President)
2. RALPH GEORGE SPONTAK (Secretary)
3. DANIEL JOHN WAGNER (Treasurer)

**OTHER OFFICERS**

- KEVIN GERARD BURKE
- KENNETH LEE DULL
- CHARLES MICHAEL FERRARO
- CYRIL JAMES GREENYA
- JEFFREY ALAN JACOBSEN
- PERRY SCOTT KEITH
- RICHARD GEORGE KELLEY
- STEVEN PETER KLIPA
- DAVID SCOTT KRENKEL
- JEFFREY DEAN MILLER
- ROBERT GARY SHENK
- WILLIAM HOWARD SHUPERT
- RALPH GEORGE SPONTAK
- DANIEL JOHN WAGNER
- JANET LEE WEISBERG

**DIRECTORS OR TRUSTEES**

- FREDERICK WILLIAM DREHER, III
- PATRICIA ANNE GILMARTIN
- PHILIP HUGHES GLATFELTER, II
- JOHN ERB HJESTAND
- KEVIN MICHAEL KRAFT SR.
- DONALD HERBERT NIKOLAUS
- ROY RICHARD SHERBAHN
- WILLIAM HOWARD SHUPERT
- RALPH GEORGE SPONTAK

State of Pennsylvania }  
County of Lancaster } SS

The officers of this reporting entity being duly sworn, each depose and say that they are the described officers of said reporting entity, and that on the reporting period stated above, all of the herein described assets were the absolute property of the said reporting entity, free and clear from any liens or claims thereon, except as herein stated, and that this statement, together with related exhibits, schedules and explanations therein contained, annexed or referred to, is a full and true statement of all the assets and liabilities and of the condition and affairs of the said reporting entity as of the reporting period stated above, and of its income and deductions therefrom for the period ended, and have been completed in accordance with the NAIC Annual Statement Instructions and Accounting Practices and Procedures manual except to the extent that: (1) state law may differ; or, (2) that state rules or regulations require differences in reporting not related to accounting practices and procedures, according to the best of their information, knowledge and belief, respectively. Furthermore, the scope of this attestation by the described officers also includes the related corresponding electronic filing with the NAIC, when required, that is an exact copy (except for formatting differences due to electronic filing) of the enclosed statement. The electronic filing may be requested by various regulators in lieu of or in addition to the enclosed statement.

DONALD HERBERT NIKOLAUS  
President

RALPH GEORGE SPONTAK  
Secretary

DANIEL JOHN WAGNER  
Treasurer

a. Is this an original filing? Yes (X) No ( )

Subscribed and sworn to before me this  
day of February, 2005

- b. If no:
1. State the amendment number \_\_\_\_\_
  2. Date filed \_\_\_\_\_
  3. Number of pages attached \_\_\_\_\_



ANNUAL STATEMENT FOR THE YEAR 2004 OF THE DONEGAL MUTUAL INSURANCE COMPANY

ASSETS

	Current Year			Prior Year
	1 Assets	2 Nonadmitted Assets	3 Net Admitted Assets (Column 1 minus 2)	4 Net Admitted Assets
1. Bonds (Schedule D) .....	29,292,681		29,292,681	24,433,135
2. Stocks (Schedule D):				
2.1 Preferred stocks .....	2,941,290		2,941,290	4,126,975
2.2 Common stocks .....	108,658,110		108,658,110	91,870,473
3. Mortgage loans on real estate (Schedule B):				
3.1 First liens .....	4,287,069	209,853	4,077,236	4,230,240
3.2 Other than first liens .....				
4. Real estate (Schedule A):				
4.1 Properties occupied by the company (less \$ ..... encumbrances) .....	22,554,959		22,554,959	23,826,872
4.2 Properties held for the production of income (less \$ ..... encumbrances) .....	608,884		608,884	
4.3 Properties held for sale (less \$ ..... encumbrances) .....				
5. Cash (\$ ..... (\$3,366,440), Schedule E - Part 1), cash equivalents (\$ ..... 100,000, Schedule E - Part 2) and short-term investments (\$ ..... 13,495,091, Schedule DA) .....	8,228,651		8,228,651	6,137,685
6. Contract loans (including \$ ..... premium notes) .....				
7. Other invested assets (Schedule BA) .....	1,128,130	418,737	709,393	4,664,832
8. Receivable for securities .....				
9. Aggregate write-ins for invested assets .....				
10. Subtotals, cash and invested assets (Line 1 to Line 9) .....	177,689,794	628,590	177,071,204	159,291,922
11. Investment income due and accrued .....	431,791		431,791	773,921
12. Premiums and considerations:				
12.1 Uncollected premiums and agents' balances in the course of collection .....	10,342,265	827,808	10,114,657	6,484,650
12.2 Deferred premiums, agents' balances and installments booked but deferred and not yet due (including \$ ..... earned but unbilled premiums) .....	30,771,662		30,771,662	30,415,671
12.3 Accrued retrospective premiums .....				
13. Reinsurance:				
13.1 Amounts recoverable from reinsurers .....	10,627,656		10,627,656	12,249,037
13.2 Funds held by or deposited with reinsured companies .....				
13.3 Other amounts receivable under reinsurance contracts .....				
14. Amounts receivable relating to uninsured plans .....				
15.1 Current federal and foreign income tax recoverable and interest thereon .....	352,000		352,000	250,000
15.2 Net deferred tax asset .....				
16. Guaranty funds receivable or on deposit .....	100,300		100,300	64,174
17. Electronic data processing equipment and software .....	8,070,238	6,471,054	1,599,184	1,296,052
18. Furniture and equipment, including health care delivery assets (\$ ..... ) .....	872,500	872,500		
19. Net adjustment in assets and liabilities due to foreign exchange rates .....				
20. Receivables from parent, subsidiaries and affiliates .....	3,043,170		3,043,170	2,210,158
21. Health care (\$ ..... ) and other amounts receivable .....				
22. Other assets nonadmitted .....				
23. Aggregate write-ins for other than invested assets .....	1,265,728		1,265,728	1,515,889
24. Total assets excluding Separate Accounts, Segregated Accounts and Protected Cell Accounts (Line 10 to Line 23) .....	244,177,104	8,799,752	235,377,352	214,551,474
25. From Separate Accounts, Segregated Accounts and Protected Cell Accounts .....				
26. TOTALS (Line 24 and Line 25) .....	244,177,104	8,799,752	235,377,352	214,551,474
<b>DETAILS OF WRITE-INS</b>				
0901. ....				
0902. ....				
0903. ....				
0998. Summary of remaining write-ins for Line 9 from overflow page .....				
0999. Totals (Line 0901 through Line 0903 plus Line 0998) (Line 9 above) .....				
2301. Accounts receivable - other .....	186,728		186,728	344,889
2302. Premium tax offsets receivable .....	1,077,000		1,077,000	1,171,000
2303. ....				
2398. Summary of remaining write-ins for Line 23 from overflow page .....				
2399. Totals (Line 2301 through Line 2303 plus Line 2398) (Line 23 above) .....	1,265,728		1,265,728	1,515,889

ANNUAL STATEMENT FOR THE YEAR 2004 OF THE DONEGAL MUTUAL INSURANCE COMPANY  
**LIABILITIES, SURPLUS AND OTHER FUNDS**

	1 Current Year	2 Prior Year
1. Losses (Part 2A, Line 34, Column 8) .....	52,591,646	51,188,926
2. Reinsurance payable on paid loss and loss adjustment expenses (Schedule F, Part 1, Column 6) .....	4,417,135	4,168,498
3. Loss adjustment expenses (Part 2A, Line 34, Column 9) .....	12,070,000	11,138,000
4. Commissions payable, contingent commissions and other similar charges .....	5,450,000	5,450,000
5. Other expenses (excluding taxes, licenses and fees) .....	5,719,972	4,153,378
6. Taxes, licenses and fees (excluding federal and foreign income taxes) .....	2,655,391	3,237,462
7.1 Current federal and foreign income taxes (including \$ ..... on realized capital gains (losses)) .....		
7.2 Net deferred tax liability .....	5,875,935	3,399,924
8. Borrowed money \$ ..... and interest thereon \$ .....		
9. Unearned premiums (Part 1A, Line 37, Column 5) (after deducting unearned premiums for ceded reinsurance of \$ ..... 126,736,594 and including warranty reserves of \$ ..... ) .....	36,149,997	33,335,291
10. Advance premiums .....		
11. Dividends declared and unpaid:		
11.1 Stockholders .....		
11.2 Policyholders .....	867,000	615,000
12. Ceded reinsurance premiums payable (net of ceding commissions) .....	12,902,035	11,490,435
13. Funds held by company under reinsurance treaties (Schedule F, Part 3, Column 19) .....		
14. Amounts withheld or retained by company for account of others .....	758,285	889,035
15. Remittances and items not allocated .....	75,673	88,019
16. Provision for reinsurance (Schedule F, Part 7) .....		
17. Net adjustments in assets and liabilities due to foreign exchange rates .....		
18. Drafts outstanding .....		
19. Payable to parent, subsidiaries and affiliates .....		
20. Payable for securities .....		500,000
21. Liability for amounts held under uninsured accident and health plans .....		
22. Capital notes \$ ..... and interest thereon \$ .....		
23. Aggregate write-ins for liabilities .....		
24. Total liabilities excluding protected cell liabilities (Line 1 through Line 23) .....	142,533,279	129,659,968
25. Protected cell liabilities .....		
26. Total liabilities (Line 24 and Line 25) .....	142,533,279	129,659,968
27. Aggregate write-ins for special surplus funds .....		
28. Common capital stock .....		
29. Preferred capital stock .....		
30. Aggregate write-ins for other than special surplus funds .....		
31. Surplus notes .....		
32. Gross paid in and contributed surplus .....		
33. Unassigned funds (surplus) .....	92,844,073	84,891,506
34. Less treasury stock, at cost:		
34.1 ..... shares common (value included in Line 28 \$ ..... ) .....		
34.2 ..... shares preferred (value included in Line 29 \$ ..... ) .....		
35. Surplus as regards policyholders (Line 27 to Line 33, less Line 34) (Page 4, Line 38) .....	92,844,073	84,891,506
36. TOTALS (Page 2, Line 26, Column 3) .....	235,377,362	214,551,474
<b>DETAILS OF WRITE-INS</b>		
2301. ....		
2302. ....		
2303. ....		
2306. Summary of remaining write-ins for Line 23 from overflow page .....		
2309. TOTALS (Line 2301 through Line 2303 plus Line 2306) (Line 23 above) .....		
2701. ....		
2702. ....		
2703. ....		
2706. Summary of remaining write-ins for Line 27 from overflow page .....		
2709. TOTALS (Line 2701 through Line 2703 plus Line 2706) (Line 27 above) .....		
3001. ....		
3002. ....		
3003. ....		
3006. Summary of remaining write-ins for Line 30 from overflow page .....		
3009. TOTALS (Line 3001 through Line 3003 plus Line 3006) (Line 30 above) .....		

ANNUAL STATEMENT FOR THE YEAR 2004 OF THE DONEGAL MUTUAL INSURANCE COMPANY

UNDERWRITING AND INVESTMENT EXHIBIT

STATEMENT OF INCOME

	1	2
	Current Year	Prior Year
<b>UNDERWRITING INCOME</b>		
1. Premiums earned (Part 1, Line 34, Column 4)	74,060,976	65,310,617
<b>DEDUCTIONS</b>		
2. Losses incurred (Part 2, Line 34, Column 7)	39,324,233	41,659,002
3. Loss expenses incurred (Part 3, Line 25, Column 1)	9,641,571	9,062,738
4. Other underwriting expenses incurred (Part 3, Line 25, Column 2)	23,664,751	21,044,414
5. Aggregate write-ins for underwriting deductions		
6. Total underwriting deductions (Line 2 through Line 5)	72,630,555	71,765,654
7. Net income of protected cells		
8. Net underwriting gain (loss) (Line 1 minus Line 6 plus Line 7)	1,430,421	(6,456,037)
<b>INVESTMENT INCOME</b>		
9. Net investment income earned (Exhibit of Net Investment Income, Line 17)	3,522,638	4,007,308
10. Net realized capital gains (losses) (Exhibit of Capital Gains (Losses))	178,715	55,428
11. Net investment gain (loss) (Line 9 plus Line 10)	3,701,553	4,062,736
<b>OTHER INCOME</b>		
12. Net gain (loss) from agents' or premium balances charged off (amount recovered \$ ..... amount charged off \$ .....)		
13. Finance and service charges not included in premiums	920,360	815,853
14. Aggregate write-ins for miscellaneous income		
15. Total other income (Line 12 through Line 14)	920,360	815,853
16. Net income before dividends to policyholders and before federal and foreign income taxes (Line 8 plus Line 11 plus Line 15)	6,052,354	(1,576,448)
17. Dividends to policyholders	531,702	399,423
18. Net income, after dividends to policyholders but before federal and foreign income taxes (Line 16 minus Line 17)	5,520,652	(1,974,871)
19. Federal and foreign income taxes incurred	648,000	
20. Net income (Line 18 minus Line 19) (to Line 22)	4,872,652	(1,974,871)
<b>CAPITAL AND SURPLUS ACCOUNT</b>		
21. Surplus as regards policyholders, December 31 prior year (Page 4, Line 38, Column 2)	84,891,506	75,613,870
<b>GAINS AND (LOSSES) IN SURPLUS</b>		
22. Net income (from Line 20)	4,872,652	(1,974,871)
23. Change in net unrealized capital gains or (losses)	2,681,312	13,959,690
24. Change in net unrealized foreign exchange capital gain (loss)		
25. Change in net deferred income tax	(1,094,728)	(3,375,288)
26. Change in nonadmitted assets (Exhibit of Nonadmitted Assets, Line 26, Column 3)	1,493,331	688,715
27. Change in provision for reinsurance (Page 3, Line 16, Column 2 minus Column 1)		
28. Change in surplus notes		
29. Surplus (contributed to) withdrawn from protected cells		
30. Cumulative effect of changes in accounting principles		
31. Capital changes:		
31.1 Paid in		
31.2 Transferred from surplus (Stock Dividend)		
31.3 Transferred to surplus		
32. Surplus adjustments:		
32.1 Paid in		
32.2 Transferred to capital (Stock Dividend)		
32.3 Transferred from capital		
33. Net remittances from or (to) Home Office		
34. Dividends to stockholders		
35. Change in treasury stock (Page 3, Line 34.1 and Line 34.2, Column 2 minus Column 1)		
36. Aggregate write-ins for gains and losses in surplus		
37. Change in surplus as regards policyholders for the year (Line 22 through Line 36)	7,952,567	9,277,636
38. Surplus as regards policyholders, December 31 current year (Line 21 plus Line 37) (Page 3, Line 35)	92,844,073	84,891,506
<b>DETAILS OF WRITE-INS</b>		
0501. ....		
0502. ....		
0503. ....		
0599. Summary of remaining write-ins for Line 5 from overflow page		
0599. Totals (Line 0501 through Line 0503 plus Line 0599) (Line 5 above)		
1401. ....		
1402. ....		
1403. ....		
1498. Summary of remaining write-ins for Line 14 from overflow page		
1499. Totals (Line 1401 through Line 1403 plus Line 1498) (Line 14 above)		
3601. ....		
3602. ....		
3603. ....		
3699. Summary of remaining write-ins for Line 36 from overflow page		
3699. Totals (Line 3601 through Line 3603 plus Line 3699) (Line 36 above)		

**CASH FLOW**

	1	2
	Current Year	Prior Year
<b>Cash from Operations</b>		
1. Premiums collected net of reinsurance	74,403,880	65,802,720
2. Net investment income	4,612,536	4,442,378
3. Miscellaneous income	929,360	815,653
4. Total (Line 1 through Line 3)	79,936,896	71,060,951
5. Benefit and loss related payments	36,079,285	45,207,939
6. Net transfers to Separate, Segregated Accounts and Protected Cell Accounts	24,616,722	22,620,545
7. Commissions, expenses paid and aggregate write-ins for deductions	279,702	215,423
8. Dividends paid to policyholders	750,000	(616,912)
9. Federal and foreign income taxes paid (recovered) \$ net of tax on capital gains (losses)		
10. Total (Line 5 through Line 9)	61,725,719	67,326,955
11. Net cash from operations (Line 4 minus Line 10)	18,211,177	3,733,956
<b>Cash from Investments</b>		
12. Proceeds from investments sold, matured or repaid:		
12.1 Bonds	12,461,796	10,813,719
12.2 Stocks	3,562,219	2,841,343
12.3 Mortgage loans	778,929	2,717,322
12.4 Real estate		
12.5 Other invested assets	4,328,862	638,655
12.6 Net gains or (losses) on cash, cash equivalents and short-term investments		500,000
12.7 Miscellaneous proceeds		
12.8 Total investment proceeds (Line 12.1 through Line 12.7)	21,131,806	17,509,039
13. Cost of investments acquired (long-term only):		
13.1 Bonds	17,314,088	14,413,889
13.2 Stocks	14,945,762	5,930,912
13.3 Mortgage loans	507,953	979,444
13.4 Real estate	66,992	193,003
13.5 Other invested assets	240,000	164,750
13.6 Miscellaneous applications	500,000	
13.7 Total investments acquired (Line 13.1 through Line 13.6)	33,574,805	21,681,998
14. Net increase (decrease) in policy loans and premium notes		
15. Net cash from investments (Line 12.8 minus Line 13.7 minus Line 14)	(12,442,899)	(4,172,959)
<b>Cash from Financing and Miscellaneous Sources</b>		
16. Cash provided (applied):		
16.1 Surplus notes, capital notes		
16.2 Capital and paid in surplus, less treasury stock		
16.3 Borrowed funds		
16.4 Net deposits on deposit-type contracts and other insurance liabilities		
16.5 Dividends to stockholders	(3,677,222)	1,951,288
16.6 Other cash provided (applied)		
17. Net cash from financing and miscellaneous sources (Line 16.1 through Line 16.4 minus Line 16.5 plus Line 16.6)	(3,677,222)	1,951,288
<b>RECONCILIATION OF CASH AND SHORT-TERM INVESTMENTS</b>		
18. Net change in cash and short-term investments (Line 11 plus Line 15 plus Line 17)	2,090,956	1,512,285
19. Cash and short-term investments:		
19.1 Beginning of period	6,137,695	4,625,410
19.2 End of year (Line 18 plus Line 19.1)	8,228,651	6,137,695

Note: Supplemental disclosures of cash flow information for non-cash transactions:

29.0001		
29.0002		
29.0003		

UNDERWRITING AND INVESTMENT EXHIBIT

PART 1 - PREMIUMS EARNED

Line of Business	1 Net Premiums Written per Column 6, Part 1B	2 Unearned Premiums December 31 Prior Year- per Column 3, Last Year's Part 1	3 Unearned Premiums December 31 Current Year- per Column 5 Part 1A	4 Premiums Earned During Year (Columns 1 plus 2 minus 3)
1. Fire .....	966,033	471,102	507,377	929,758
2. Allied lines .....	261,471	120,061	136,247	245,305
3. Farmowners multiple peril .....	1,006,850	461,826	502,395	966,281
4. Homeowners multiple peril .....	13,944,524	6,940,053	7,389,743	13,494,834
5. Commercial multiple peril .....	14,149,046	6,018,880	6,939,548	13,226,378
6. Mortgage guaranty .....				
8. Ocean marine .....				
9. Inland marine .....	672,821	317,770	328,465	662,128
10. Financial guaranty .....				
11.1 Medical malpractice - occurrence .....				
11.2 Medical malpractice - claims-made .....				
12. Earthquake .....	30,308	15,361	15,885	29,804
13. Group accident and health .....				
14. Credit accident and health (group and individual) .....				
15. Other accident and health .....				
16. Workers' compensation .....	10,086,725	4,616,682	4,865,189	9,816,198
17.1 Other liability - occurrence .....	572,344	288,808	307,027	551,125
17.2 Other liability - claims-made .....				
18.1 Products liability - occurrence .....	374		3	371
18.2 Products liability - claims-made .....				
19.1, 19.2 Private passenger auto liability .....	13,740,126	5,650,400	5,820,216	13,570,310
19.3, 19.4 Commercial auto liability .....	5,289,399	2,259,132	2,606,976	4,941,555
21. Auto physical damage .....	16,149,155	6,177,891	6,708,466	15,618,581
22. Aircraft (all perils) .....				
23. Fidelity .....				
24. Surety .....				
26. Burglary and theft .....	2,618	758	1,115	2,250
27. Boiler and machinery .....	3,887	(431)	1,365	2,091
28. Credit .....				
29. International .....				
30. Reinsurance - Nonproportional Assumed Property .....				
31. Reinsurance - Nonproportional Assumed Liability .....				
32. Reinsurance - Nonproportional Assumed Financial Lines .....				
33. Aggregate write-ins for other lines of business .....				
34. TOTALS .....	76,875,682	33,335,291	36,149,997	74,060,976
<b>DETAILS OF WRITE-INS</b>				
3301 .....				
3302 .....				
3303 .....				
3398. Summary of remaining write-ins for Line 33 from overflow page .....				
3399. Totals (Line 3301 through Line 3303 plus Line 3398) (Line 33 above) .....				

**UNDERWRITING AND INVESTMENT EXHIBIT**

**PART 1A-RECAPITULATION OF ALL PREMIUMS**

(a) Gross premiums (less reinsurance) and unearned premiums on all unexpired risks and reserve for return premiums under rate credit or retrospective rating plans based upon experience, viz:

Line of Business	1 Amount Unearned (Running One Year or Less from Date of Policy) (b)	2 Amount Unearned (Running More Than One Year from Date of Policy) (b)	3 Earned but Unbilled Premium	4 Reserve for Rate Credits and Retrospective Adjustments Based on Experience	5 Total Reserve for Unearned Premiums Columns 1 + 2 + 3 + 4
1. Fire	507,377				507,377
2. Allied lines	136,247				136,247
3. Farmowners multiple peril	502,395				502,395
4. Homeowners multiple peril	7,389,743				7,389,743
5. Commercial multiple peril	6,939,548				6,939,548
6. Mortgage guaranty					
8. Ocean marine					
9. Inland marine	328,465				328,465
10. Financial guaranty					
11.1 Medical malpractice - occurrence					
11.2 Medical malpractice - claims-made					
12. Earthquake	15,865				15,865
13. Group accident and health					
14. Credit accident and health (group and individual)					
15. Other accident and health					
16. Workers' compensation	4,885,169				4,885,169
17.1 Other liability - occurrence	307,027				307,027
17.2 Other liability - claims-made					
18.1 Products liability - occurrence	3				3
18.2 Products liability - claims-made					
19.1, 19.2 Private passenger auto liability	5,820,216				5,820,216
19.3, 19.4 Commercial auto liability	2,608,976				2,608,976
21. Auto physical damage	6,708,466				6,708,466
22. Aircraft (all perils)					
23. Fidelity					
24. Surety					
26. Burglary and theft	1,115				1,115
27. Boiler and machinery	1,365				1,365
28. Credit					
29. International					
30. Reinsurance - Nonproportional Assumed Property					
31. Reinsurance - Nonproportional Assumed Liability					
32. Reinsurance - Nonproportional Assumed Financial Lines					
33. Aggregate write-ins for other lines of business					
34. TOTALS	36,149,997				36,149,997
35. Accrued retrospective premiums based on experience					
36. Earned but unbilled premiums					
37. Balance (Sum of Line 34 through Line 36)					36,149,997
<b>DETAILS OF WRITE-INS</b>					
3301.					
3302.					
3303.					
3308. Summary of remaining write-ins for Line 33 from overflow page					
3309. Totals (Line 3301 through Line 3303 plus Line 3308) (Line 33 above)					

(a) By gross premiums is meant the aggregate of all the premiums written in the policies or renewals in force. Are they so returned in this statement? Yes (X) No ( )

(b) State here basis of computation used in each case. Daily pro-rata

ANNUAL STATEMENT FOR THE YEAR 2004 OF THE DONEGAL MUTUAL INSURANCE COMPANY

**UNDERWRITING AND INVESTMENT EXHIBIT**

**PART 1B-PREMIUMS WRITTEN**

Gross Premiums (Less Return Premiums), Including Policy and Membership Fees  
Written and Renewed During Year

Line of Business	1 Direct Business (a)	Reinsurance Assumed		Reinsurance Ceded		6 Net Premiums Written Columns 1+2+3+4+5
		2 From Affiliates	3 From Non-Affiliates	4 To Affiliates	5 To Non-Affiliates	
1. Fire	2,869,967	1,188,298		2,785,148	327,684	966,033
2. Allied lines	682,616	877,960		1,234,336	64,768	261,471
3. Farmowners multiple peril	2,738,544	3,361,974		4,783,950	309,718	1,008,850
4. Homeowners multiple peril	38,295,265	24,354,049		44,819,445	4,085,345	13,944,524
5. Commercial multiple peril	39,499,565	20,072,703		40,904,073	4,519,149	14,149,846
6. Mortgage guaranty						
8. Ocean marine						
9. Inland marine	1,997,577	1,251,717		2,370,982	205,491	672,821
10. Financial guaranty						
11.1 Medical malpractice - occurrence						
11.2 Medical malpractice - claims-made						
12. Earthquake	67,023	66,083		86,181	6,617	30,308
13. Group accident and health						
14. Credit accident and health (group and individual)						
15. Other accident and health						
16. Workers' compensation	23,530,489	16,825,317		28,191,036	2,078,045	10,086,725
17.1 Other liability - occurrence	7,409,718	810,282		2,066,228	5,581,428	672,344
17.2 Other liability - claims-made						
18.1 Products liability - occurrence	1,270	21,942		22,774	64	374
18.2 Products liability - claims-made						
19.1, 19.2 Private passenger auto liability	31,938,457	32,373,273		48,334,652	2,236,952	13,740,126
19.3, 19.4 Commercial auto liability	12,608,557	9,777,756		16,263,060	833,854	5,289,399
21. Auto physical damage	35,971,783	37,787,992		67,453,032	457,587	16,149,156
22. Aircraft (all perils)						
23. Fidelity						
24. Surety						
26. Burglary and theft	8,564	24,466		30,423	9	2,618
27. Boiler and machinery	357,940	60,528		67,200	347,381	3,887
28. Credit						
29. International						
30. Reinsurance - Nonproportional Assumed Property	X X X					
31. Reinsurance - Nonproportional Assumed Liability	X X X					
32. Reinsurance - Nonproportional Assumed Financial Lines	X X X					
33. Aggregate write-ins for other lines of business						
34. TOTALS	197,997,334	148,844,360		248,912,520	21,053,492	76,875,682
<b>DETAILS OF WRITE-INS</b>						
3301.						
3302.						
3303.						
3398. Summary of remaining write-ins for Line 33 from overflow page						
3399. Totals (Line 3301 through Line 3303 plus Line 3398) (Line 33 above)						

(a) Does the company's direct premiums written include premiums recorded on an installment basis? Yes ( ) No (X)  
 If yes:  
 1. The amount of such installment premiums \$ .....  
 2. Amount at which such installment premiums would have been reported had they been recorded on an annualized basis \$ .....

UNDERWRITING AND INVESTMENT EXHIBIT

PART 2 - LOSSES PAID AND INCURRED

Line of Business	Lesser Paid Less Salvage				5 Net Losses Unpaid Current Year (Part 2A, Column 8)	6 Net Losses Unpaid Prior Year	7 Losses Incurred Current Year (Columns 4 plus 5 minus 6)	8 Percentage of Losses Incurred (Column 7, Part 2) to Premiums Earned (Column 4, Part 1)
	1 Direct Business	2 Reinsurance Assumed	3 Reinsurance Recovered	4 Net Payments (Columns 1 plus 2 minus 3)				
1. Fire	1,086,121	471,871	1,180,340	300,602	39,070	124,050	316,672	34.0
2. Firemen's multiple pay	415,510	316,441	504,123	146,828	34,542	40,304	141,066	57.5
3. Firemen's multiple pay	920,588	489,692	1,076,605	343,646	388,051	377,087	354,680	36.7
4. Commercial multiple pay	16,820,360	11,678,200	21,394,886	7,112,064	3,488,441	4,336,672	6,243,833	46.3
5. Commercial multiple pay	14,894,465	3,595,378	14,086,816	4,353,077	8,394,172	8,395,371	4,261,829	32.2
6. Ocean marine								
7. Inland marine	481,068	157,375	459,128	179,255	39,884	44,193	174,946	26.4
8. Medical generally								
9. Medical malpractice - occurrences								
10. Medical malpractice - claims-made								
11. Earthquake								
12. Occupational and health								
13. Credit, accident and health (group and individual)								
14. Other accident and health								
15. Workers compensation	8,774,873	9,048,791	13,227,752	5,396,912	14,838,406	12,217,373	2,613,033	26.6
16. Other liability - occurrence	1,170,427	(208,346)	894,326	67,753	393,320	388,911	5,421,821	96.7
17. Products liability - occurrence								
18.1. Products liability - claims-made	24,227,189	16,183,835	30,220,703	10,165,321	17,775,795	18,210,037	9,791,080	71.7
18.2. Products liability - claims-made	4,004,056	4,718,962	6,154,533	2,589,065	6,301,953	6,649,562	2,869,096	51.9
19.1. Private passenger auto liability	14,821,760	17,184,472	24,841,212	7,165,020	374,410	389,016	7,160,414	49.8
19.2. Commercial auto liability								
20. Auto physical damage								
21. Aircraft (all perils)								
22. Fidelity								
23. Surety	65,000	6,556	6,556	27,750	1,690	35,000	1,000	70.7
24. Burglary and theft		(526,363)	(464,053)				(12,258)	(465.8)
25. Robbery and machinery								
26. Credit								
27. International								
28. Reinsurance- Nonproportional Assumed Property								
29. Reinsurance- Nonproportional Assumed Liability								
30. Reinsurance- Nonproportional Assumed Financial Lines								
31. Aggregate write-ins for other lines of business								
32. XXX								
33. XXX								
34. XXX								
35. XXX								
TOTALS	87,866,328	83,686,922	118,661,037	31,591,313	52,591,846	51,168,906	39,324,223	53.1

DETAILS OF WRITE-INS

3301. ....  
 3302. ....  
 3303. ....  
 3308. Summary of remaining write-ins for Line 33 from overflow page  
 3389. Totals (Line 3301 through Line 3308) (Line 33 above)



ANNUAL STATEMENT FOR THE YEAR 2004 OF THE DONEGAL MUTUAL INSURANCE COMPANY  
**UNDERWRITING AND INVESTMENT EXHIBIT**  
 PART 2A - UNPAID LOSSES AND LOSS ADJUSTMENT EXPENSES

Line of Business	Reported Losses			Incurred But Not Reported			8 Net Losses Unpaid (Column 4 plus 5 plus 6 minus 7)	9 Unpaid Loss Adjustment Expenses
	1 Direct	2 Reinsurance Assumed	3 Deduct Reinsurance Recoverable from Authorized and Unauthorized Companies	4 Net Losses Excluding Incurred But Not Reported (Column 1 plus 2 minus 3)	5 Direct	6 Reinsurance Assumed		
1. Fire	13,439	70,068	159,435	4,070	50,000	34,000	59,070	19,000
2. Allied lines	35,001	159,159	165,616	19,542	40,000	40,000	34,542	7,000
3. Farmowners multiple peril	1,051,868	548,138	1,289,975	315,461	32,000	82,000	389,051	67,000
4. Homeowners multiple peril	8,070,820	4,010,239	8,337,632	3,143,441	923,000	687,000	4,482,441	605,000
5. Commercial multiple peril	20,465,466	9,165,439	21,916,726	7,134,173	1,400,000	1,239,000	8,344,173	2,656,000
6. Mortgage guaranty								
7. Ocean marine								
8. Inland marine	65,200	30,291	70,697	24,684	50,000	11,000	39,884	8,000
9. Financial guaranty								
10. Medical malpractice - occurrence								
11.1 Medical malpractice - occurrence								
11.2 Medical malpractice - claims-made								
12. Earthquake								
13. Group accident and health								
14. Credit accident and health (group and individual)								
15. Other accident and health								
16. Workers compensation								
17.1 Other liability - occurrence	21,113,025	19,405,455	28,165,475	12,415,405	6,120,000	3,895,000	14,830,405	2,815,000
17.2 Other liability - claims-made	2,466,011	381,242	2,359,398	288,320	350,000	270,000	393,320	235,000
18.1 Products liability - occurrence								
18.2 Products liability - claims-made								
19.1, 19.2 Private passenger auto liability	38,872,471	26,607,892	49,884,957	16,465,735	2,640,000	3,453,000	17,775,735	4,190,000
19.3, 19.4 Commercial auto liability	8,097,468	12,598,377	14,778,912	6,391,553	1,440,000	1,252,000	6,991,553	1,417,000
20. Auto physical damage	489,154	167,440	975,164	254,418	220,000	336,000	374,418	57,000
21. Aircraft (all perils)								
22. Fidelity								
23. Surety								
24. Burglary and theft	6,000		4,200	1,800			1,800	
25. Boiler and machinery		253,684	253,684			318,000		
26. Credit								
27. International								
28. Reinsurance - Nonproportional Assumed Property	XXX							
29. Reinsurance - Nonproportional Assumed Liability	XXX							
30. Reinsurance - Nonproportional Assumed Financial Loss	XXX							
31. Aggregate write-ups for other lines of business								
32. TOTALES	192,275,744	74,391,937	129,520,355	47,146,846	13,250,000	11,769,000	52,591,846	12,016,000

(a) Including 3, ..... for present value of late indemnity claims.

DETAILS OF WRITENS

3291	
3301	
3303	
3308	Summary of remaining write-ups for Line 33 from overflow page
3309	Totals (Line 3381 through Line 3393 plus Line 3388) (Line 33 above)

UNDERWRITING AND INVESTMENT EXHIBIT

PART 3 - EXPENSES

	1	2	3	4
	Loss Adjustment Expenses	Other Underwriting Expenses	Investment Expenses	Total
1. Claim adjustment services:				
1.1 Direct	8,816,728			8,816,728
1.2 Reinsurance assumed	5,817,864			5,817,864
1.3 Reinsurance ceded	9,538,022			9,538,022
1.4 Net claim adjustment services (Line 1.1 plus Line 1.2 minus Line 1.3)	5,098,570			5,098,570
2. Commission and brokerage:				
2.1 Direct excluding contingent		25,312,413		25,312,413
2.2 Reinsurance assumed excluding contingent		8,167,468		8,167,468
2.3 Reinsurance ceded excluding contingent		23,978,367		23,978,367
2.4 Contingent - direct		6,605,366		6,605,366
2.5 Contingent - reinsurance assumed		2,419,644		2,419,644
2.6 Contingent - reinsurance ceded		6,317,521		6,317,521
2.7 Policy and membership fees				
2.8 Net commission and brokerage (Line 2.1 plus Line 2.2 minus Line 2.3 plus Line 2.4 plus Line 2.5 minus Line 2.6 plus Line 2.7)		12,209,003		12,209,003
3. Allowances to manager and agents		163,878		163,878
4. Advertising		299,365		299,365
5. Boards, bureaus and associations		418,519		418,519
6. Surveys and underwriting reports		980,178		980,178
7. Audit of assureds' records				
8. Salary and related items:				
8.1 Salaries	2,481,462	3,763,558	409,344	6,674,662
8.2 Payroll taxes	199,712	290,807	31,460	512,979
9. Employee relations and welfare	339,493	503,953	54,519	898,965
10. Insurance	40,361	61,545	6,658	108,564
11. Directors' fees	36,987	56,400	6,101	99,488
12. Travel and travel items	99,057	294,555	16,341	379,953
13. Rent and rent items	166,363	256,759	27,777	450,919
14. Equipment	371,404	358,338	61,267	791,009
15. Cost of depreciation of EDP equipment and software	607,759	1,025,583	93,235	1,726,571
16. Printing and stationery	49,713	75,804	8,201	133,718
17. Postage, telephone and telegraph, exchange and express	166,676	254,156	27,495	448,327
18. Legal and auditing		322,625	206,759	529,384
19. Totals (Line 3 through Line 18)	4,543,001	9,524,359	949,157	15,016,517
20. Taxes, licenses and fees:				
20.1 State and local insurance taxes deducting guaranty association credits of \$ (29,282)		1,598,505		1,598,505
20.2 Insurance department licenses and fees		87,606		87,606
20.3 Gross guaranty association assessments				
20.4 All other (excluding federal and foreign income and real estate)		12,178		12,178
20.5 Total taxes, licenses and fees (Line 20.1 plus Line 20.2 plus Line 20.3 plus Line 20.4)		1,698,289		1,698,289
21. Real estate expenses			953,155	953,155
22. Real estate taxes			201,763	201,763
23. Reimbursements by uninsured accident and health plans		233,100		233,100
24. Aggregate write-ins for miscellaneous expenses				
25. Total expenses incurred	9,641,571	23,664,751	2,104,075	35,410,397
26. Less unpaid expenses - current year	12,070,000	15,708,363	40,000	27,818,363
27. Add unpaid expenses - prior year	11,136,000	11,629,840	40,000	22,805,840
28. Amounts receivable relating to uninsured accident and health plans, prior year				
29. Amounts receivable relating to uninsured accident and health plans, current year				
30. TOTAL EXPENSES PAID (Line 25 minus Line 26 plus Line 27 minus Line 28 plus Line 29)	8,707,571	19,586,228	2,104,075	30,397,874
DETAILS OF WRITE-INS				
301. Miscellaneous expense		233,100		233,100
302.				
303.				
304. Summary of remaining write-ins for Line 24 (from overflow page)				
309. Totals (Line 2401 through Line 2403 plus Line 2458) (Line 24 above)		233,100		233,100

(a) Includes management fees of \$ ..... to affiliates and \$ ..... to non-affiliates.

EXHIBIT OF NET INVESTMENT INCOME

	1	2
	Collected During Year	Earned During Year
1. U.S. Government bonds	(a) 722,803	776,566
1.1 Bonds exempt from U.S. tax	(a) 13,256	13,256
1.2 Other bonds (unaffiliated)	(a) 486,336	486,761
1.3 Bonds of affiliates	(a) .....	.....
2.1 Preferred stocks (unaffiliated)	(b) 234,184	231,697
2.11 Preferred stocks of affiliates	(b) .....	.....
2.2 Common stocks (unaffiliated)	101,411	103,394
2.21 Common stocks of affiliates	2,743,747	2,743,747
3. Mortgage loans	(c) 326,300	326,300
4. Real estate	(d) 1,468,567	1,468,567
5. Contract loans	.....	.....
6. Cash, cash equivalents and short-term investments	(e) 192,452	192,351
7. Derivative instruments	(f) .....	.....
8. Other invested assets	400,009	6,362
9. Aggregate write-ins for investment income	.....	.....
10. Total gross investment income	6,701,064	6,358,934
11. Investment expenses	(g) .....	2,104,075
12. Investment taxes, licenses and fees, excluding federal income taxes	(g) .....	.....
13. Interest expense	(h) .....	.....
14. Depreciation on real estate and other invested assets	(i) .....	732,021
15. Aggregate write-ins for deductions from investment income	.....	.....
16. Totals deductions (Line 11 through Line 15)	.....	2,836,096
17. Net investment income (Line 10 minus Line 16)	.....	3,522,838
DETAILS OF WRITE-INS		
0901. ....		
0902. ....		
0903. ....		
0998. Summary of remaining write-ins for Line 9 from overflow page		
0999. Totals (Line 0901 through Line 0903 plus Line 0998 ) (Line 9 above)		
1501. ....		
1502. ....		
1503. ....		
1598. Summary of remaining write-ins for Line 15 from overflow page		
1599. Totals (Line 1501 through Line 1503 plus Line 1598 ) (Line 15 above)		

(a) Includes \$ ..... accrual of discount less \$ ..... 15,652 amortization of premium and less \$ ..... paid for accrued interest on purchases.  
 (b) Includes \$ ..... accrual of discount less \$ ..... amortization of premium and less \$ ..... paid for accrued dividends on purchases.  
 (c) Includes \$ ..... accrual of discount less \$ ..... amortization of premium and less \$ ..... paid for accrued interest on purchases.  
 (d) Includes \$ ..... 1,440,000 for company's occupancy of its own buildings; and excludes \$ ..... interest on encumbrances.  
 (e) Includes \$ ..... accrual of discount less \$ ..... amortization of premium and less \$ ..... paid for accrued interest on purchases.  
 (f) Includes \$ ..... accrual of discount less \$ ..... amortization of premium.  
 (g) Includes \$ ..... investment expenses and \$ ..... investment taxes, licenses and fees, excluding federal income taxes, attributable to segregated and Separate Accounts.  
 (h) Includes \$ ..... interest on surplus notes and \$ ..... interest on capital notes.  
 (i) Includes \$ ..... 732,021 depreciation on real estate and \$ ..... depreciation on other invested assets.

EXHIBIT OF CAPITAL GAINS (LOSSES)

	1	2	3	4
	Realized Gain (Loss) on Sales or Maturity	Other Realized Adjustments	Increases (Decreases) by Adjustment	Total
1. U.S. Government bonds	18,277			18,277
1.1 Bonds exempt from U.S. tax	.....	.....	.....	.....
1.2 Other bonds (unaffiliated)	4,624			4,624
1.3 Bonds of affiliates	.....	.....	.....	.....
2.1 Preferred stocks (unaffiliated)	23,125		(71,310)	(46,185)
2.11 Preferred stocks of affiliates	.....	.....	.....	.....
2.2 Common stocks (unaffiliated)	132,689		1,446,553	1,579,242
2.21 Common stocks of affiliates	.....	.....	2,687,352	2,687,352
3. Mortgage loans	.....	.....	.....	.....
4. Real estate	.....	.....	.....	.....
5. Contract loans	.....	.....	.....	.....
6. Cash, cash equivalents and short-term investments	.....	.....	.....	.....
7. Derivative instruments	.....	.....	.....	.....
8. Other invested assets	.....	.....	.....	.....
9. Aggregate write-ins for capital gains (losses)	.....	.....	.....	.....
10. Total capital gains (losses)	178,715		4,062,595	4,241,310
DETAILS OF WRITE-INS				
0901. ....				
0902. ....				
0903. ....				
0998. Summary of remaining write-ins for Line 9 from overflow page				
0999. Totals (Line 0901 through Line 0903 plus Line 0998 ) (Line 9 above)				

EXHIBIT OF NONADMITTED ASSETS

	1	2	3
	Current Year Total Nonadmitted Assets	Prior Year Total Nonadmitted Assets	Change in Total Nonadmitted Assets (Col. 2 - Col. 1)
1. Bonds (Schedule D) .....			
2. Stocks (Schedule D):			
2.1 Preferred stocks .....			
2.2 Common stocks .....			
3. Mortgage loans on real estate (Schedule B):			
3.1 First liens .....	209,853	327,815	117,962
3.2 Other than first liens .....			
4. Real estate (Schedule A):			
4.1 Properties occupied by the company .....			
4.2 Properties held for the production of income .....			
4.3 Properties held for sale .....			
5. Cash (Schedule E-Part 1), cash equivalents (Schedule E-Part 2) and short-term investments (Schedule DA) .....			
6. Contract loans .....			
7. Other invested assets (Schedule BA) .....	418,737	552,460	133,723
8. Receivable for securities .....			
9. Aggregate write-ins for invested assets .....			
10. Subtotals, cash and invested assets (Line 1 to Line 9) .....	628,590	880,275	251,685
11. Investment income due and accrued .....			
12. Premiums and considerations:			
12.1 Uncollected premiums and agents' balances in the course of collection .....	827,608	930,204	102,596
12.2 Deferred premiums, agents' balances and installments booked but deferred and not yet due .....			
12.3 Accrued retrospective premiums .....			
13. Reinsurance:			
13.1 Amounts recoverable from reinsurers .....			
13.2 Funds held by or deposited with reinsured companies .....			
13.3 Other amounts receivable under reinsurance contracts .....			
14. Amounts receivable relating to uninsured plans .....			
15.1 Current federal and foreign income tax recoverable and interest thereon .....			
15.2 Net deferred tax asset .....			
16. Guaranty funds receivable or on deposit .....			
17. Electronic data processing equipment and software .....	6,471,654	7,528,169	1,057,115
18. Furniture and equipment, including health care delivery assets .....	872,500	954,435	81,935
19. Net adjustment in assets and liabilities due to foreign exchange rates .....			
20. Receivable from parent, subsidiaries and affiliates .....			
21. Health care and other amounts receivable .....			
22. Other assets nonadmitted .....			
23. Aggregate write-ins for other than invested assets .....			
24. Total assets excluding Separate Accounts, Segregated Accounts and Protected Cell Accounts (Line 10 to Line 23) .....	8,789,752	10,283,083	1,493,331
25. From Separate Accounts, Segregated Accounts and Protected Cell Accounts .....			
26. Total (Line 24 and Line 25) .....	8,789,752	10,283,083	1,493,331
<b>DETAILS OF WRITE-INS</b>			
0901 .....			
0902 .....			
0903 .....			
0908. Summary of remaining write-ins for Line 9 from overflow page .....			
0909. Totals (Line 0901 through Line 0903 plus Line 0908) (Line 9 above) .....			
2301 .....			
2302 .....			
2303 .....			
2308. Summary of remaining write-ins for Line 23 from overflow page .....			
2309. Totals (Line 2301 through Line 2303 plus Line 2308) (Line 23 above) .....			

## NOTES TO FINANCIAL STATEMENTS

## 1. Summary of Significant Accounting Policies

## A. Accounting Practices

The financial statements of Donegal Mutual Insurance Company are presented on the basis of accounting practices prescribed or permitted by the Pennsylvania Insurance Department.

The National Association of Insurance Commissioners' (NAIC) Accounting Practices and Procedures manual (NAIC SAP) has been adopted as a component of the prescribed or permitted practices by the Commonwealth of Pennsylvania.

## B. Use of Estimates in the Preparation of Financial Statements

The preparation of financial statements in conformity with Statutory Accounting Principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities. Actual results could differ from those estimates.

## C. Accounting Policy

Premiums are earned over the terms of the related insurance policies and reinsurance contracts. Unearned premium reserves are established to cover the unexpired portion of premiums written. Such reserves are computed by the daily pro-rata method.

Expenses incurred in connection with acquiring new insurance business, including such acquisition costs as sales commissions, are charged to operations as incurred. Expenses incurred are reduced for ceding allowances received or receivable.

In addition, the company uses the following accounting policies:

- (1) Bonds and short-term investments are stated at amortized cost.
- (2) Preferred and common stocks are stated at fair market value.
- (3) Unpaid losses and loss adjustment expenses include an amount determined from individual case estimates and loss reports and an amount, based on past experience, for losses incurred but not reported. Such liabilities are necessarily based on assumptions and estimates and while management believes the amount is adequate, the ultimate liability may be in excess of or less than the amount provided. The methods for making such estimates and for establishing the resulting liability are continually reviewed and any adjustments are reflected in the period determined.

## 2. Accounting Changes and Corrections of Errors

None

## 3. Business Combinations and Goodwill

None

## 4. Discontinued Operations

None

## 5. Investments

Mortgage loans are carried at unpaid principal balance. Interest rates on new loans in 2004 ranged from 5.75% to 5.875%.

## 6. Joint Ventures, Partnerships and Limited Liability Companies

None

## 7. Investment Income

No investment income was excluded from surplus.

## 8. Derivative Instruments

None

## 9. Income Taxes

A. The components of the net deferred tax asset/(liability) at December 31 are as follows:

	<u>12/31/04</u>	<u>12/31/03</u>
(1) Total of all deferred tax assets (admitted and nonadmitted)	14,342,223	15,573,568
(2) Total of all deferred tax liabilities	20,218,158	18,973,492
(3) Total deferred tax assets nonadmitted in accordance w/ SSAP No. 10, Income Taxes	0	0
(4) Total admitted deferred tax assets (liabilities)	(5,875,935)	(3,399,924)
(4) Increase (decrease) in deferred tax assets nonadmitted	0	0

B. All deferred tax liabilities are recognized.

C. Current income taxes incurred consist of the following major components:

(1) Current year expense	648,000
(2) Foreign taxes paid	0
(3) Prior year accrual variance	0
Total current income taxes incurred	648,000

The main components of the December 31 deferred tax amounts are as follows:

ANNUAL STATEMENT FOR THE YEAR 2004 OF THE DONEGAL MUTUAL INSURANCE COMPANY  
**NOTES TO FINANCIAL STATEMENTS**

Deferred Tax Assets:	Statutory	Tax	Difference	Tax Effect
Unearned premium reserve	36,149,997	28,542,208	7,607,789	2,586,648
Loss discounting	64,661,846	56,581,172	8,080,674	2,747,429
Guaranty fund liability	2,010,012	0	2,010,012	683,404
Net operating loss carryover	0	11,576,629	11,576,629	3,936,054
Salvage recoverable	0	2,202,270	2,202,270	748,772
Non-admitted assets	0	8,799,752	8,799,752	2,991,916
Minimum tax credit carryover				648,000
<b>Total DTA's</b>				<b>14,342,223</b>
DTA's non-admitted				0
Deferred Tax Liabilities:	Statutory	Tax	Difference	Tax Effect
Premium tax asset	1,077,000	0	1,077,000	366,180
Unrealized gains	53,144,829	0	53,144,829	18,069,242
Depreciation	32,106,581	26,866,011	5,240,570	1,781,794
Other				942
<b>Total DTL's</b>				<b>20,218,158</b>

The changes in main components of DTA's and DTL's are as follows:

DTA's resulting from book/tax differences in	12/31/04	12/31/03	Change
Unearned premium reserve	2,586,648	2,435,546	151,102
Loss discounting	2,747,429	2,679,145	68,284
Salvage recoverable	748,772	742,042	6,730
Guaranty fund liability	683,404	855,990	(172,586)
Net operating loss carryover	3,936,054	5,361,198	(1,425,144)
Non-admitted assets	2,991,916	3,499,647	(507,731)
Minimum tax credit carryover	648,000	0	648,000
<b>Total DTAs</b>	<b>14,342,223</b>	<b>15,573,568</b>	<b>(1,231,345)</b>
DTA's non-admitted	0	0	0
DTL's resulting from book/tax differences in	12/31/04	12/31/03	Change
Unrealized gains	18,069,242	16,687,960	1,381,282
Premium tax asset	366,180	398,140	(31,960)
Depreciation	1,781,794	1,887,133	(105,339)
Other	942	259	683
<b>Total DTL's</b>	<b>20,218,158</b>	<b>18,973,492</b>	<b>1,244,666</b>

D. The following is a reconciliation of significant items that account for the differences between pre-tax net income at the federal statutory rate of 34 percent and the sum of current income tax incurred and the change in DTA's and DTL's:

	Amount	Tax Effect
Pre-tax net income	5,520,652	1,877,022
Reconciling items:		
Dividends received deduction	(2,271,435)	(772,288)
Tax exempt interest income	(13,256)	(4,507)
Proration adjustment	342,704	116,519
Nondeductible expenses	51,592	17,541
Change in non-admitted assets		507,731
Other		710
<b>Total</b>		<b>1,742,728</b>
Current income tax expense incurred		648,000
Change in deferred income tax		1,094,728
<b>Total</b>		<b>1,742,728</b>

E. (1) At December 31, 2004, the Company had \$11,576,629 of operating loss carryforwards originating in 2000 through 2003 which expire, if unused, in years 2020 through 2023. The Company had a minimum tax credit carryforward of \$648,000 as of December 31, 2004.

(2) The following are income taxes incurred in the current and prior years that will be available for recoupment in the event of future losses:

Current year (2004)	540,200
Prior year (2003)	0

F. The Company's federal income tax return is consolidated with Commonwealth Insurance Services and Darke County Insurance Agency. The Company and these affiliates are parties to a Tax Sharing Agreement pursuant to which the current income tax expense or benefit is allocated on the basis of the calculated tax liability or benefit of each member. Intercompany tax balances are settled annually after the consolidated tax return is finalized.

10. Information Concerning Parent, Subsidiaries and Affiliates

A. The Company owns 47% of Donegal Group Inc., an insurance holding company domiciled in the State of Delaware.

ANNUAL STATEMENT FOR THE YEAR 2004 OF THE DONEGAL MUTUAL INSURANCE COMPANY  
**NOTES TO FINANCIAL STATEMENTS**

- B. The Company has no direct subsidiaries.
- C. The Company, Donegal Group Inc., Atlantic States Insurance Company and Southern Insurance Company of Virginia are parties to a Services Allocation Agreement whereby the Company provides facilities, management, employees and other services to its affiliates. During 2004, the Company's affiliates reimbursed the Company a total of \$40,165,744 for these services. Amounts due from affiliates related to the Services Allocation Agreement totaled \$3,043,170 as of December 31, 2004. Such amounts are customarily reimbursed on a monthly basis.
11. Debt  
None
12. Retirement Plans, Deferred Compensation, Postretirement Benefits and Compensated Absences and Other Postretirement Benefit Plans
- A. The Company has a 401(k) plan whereby the Company matches voluntary employee contributions at a rate of 100% of amounts up to 3% of an employee's compensation and 50% of amounts from 3% to 9% of an employee's compensation.
- B. The Company does not have a deferred compensation plan.
- C. The Company does not have any other postretirement benefit plans.
13. Capital and Surplus, Dividend Restrictions and Quasi-Reorganizations  
The Company is a mutual insurance company. The company does not issue participating policies. The Company has no surplus debentures outstanding.
14. Contingencies  
The Company has received notification of the insolvencies of several insurance companies. It is expected that the insolvencies will result in substantial guaranty fund assessments against the Company. At this time, the Company is carrying liabilities of \$2,133,500, offset by premium tax offsets receivable of \$1,077,000, related to these assessments.
15. Leases  
None
16. Information About Financial Instruments With Off-Balance Sheet Risk and Financial Instruments With Concentrations of Credit Risk  
None
17. Sale, Transfer and Servicing of Financial Assets and Extinguishments of Liabilities  
None
18. Gain or Loss to the Reporting Entity from Uninsured A&H Plans and the Uninsured Portion of Partially Insured Plans  
None
19. Direct Premium Written/Produced by Managing General Agents/Third Party Administrators  
None
20. September 11 Events  
None
21. Other Items  
None
22. Events Subsequent  
None
23. Reinsurance

A. Unsecured Reinsurance Recoverables

The following schedule shows reinsurers for whom the unsecured aggregate recoverable for losses, paid and unpaid, including IBNR, loss adjustment expenses and unearned premium exceeds 3% of the Company's unassigned funds (surplus) as of December 31, 2004:

NAME OF REINSURER	NAIC#	FEDERAL IDENTIFICATION NUMBER	UNSECURED AGGREGATE RECOVERABLE
Atlantic States Insurance Company	22586	23-2430426	\$206,734,000
Southern Insurance Company of Virginia	26867	54-0386765	52,102,000
Le Mars Insurance Company	14389	42-0376770	19,276,000
Dorince Reinsurance Company	33499	38-2145898	3,480,000
Folksamerica Re	38776	13-2997499	6,265,000
Swiss Reinsurance America Corp.	25364	13-1675535	3,653,000

- B. The following schedule shows the maximum amount of return commission which would have been due reinsurers if they or the Company had cancelled all of the Company's reinsurance or insurance assumed as of the end of the period covered by this annual statement with the return of the unearned premium reserve:

## NOTES TO FINANCIAL STATEMENTS

	ASSUMED		CEDED		NET	
	Premium Reserve	Commission Equity	Premium Reserve	Commission Equity	Premium Reserve	Commission Equity
Affiliates	73,529,674	3,893,426	123,652,040	10,355,050	(50,122,366)	(6,461,624)
All Other	-0-	-0-	3,084,554	799,605	(3,084,554)	(799,605)
Total	73,529,674	3,893,426	126,736,594	11,154,655	(53,206,920)	(7,261,229)

Direct Unearned Premium Reserve \$89,356,917

- C. Additional or return commission, predicated on loss experience or on any other form of profit sharing arrangements in this annual statement as a result of existing contractual arrangements are accrued as follows:

	DIRECT	REINSURANCE		NET
		Assumed	Ceded	
Contingent Commission	8,450,000	-0-	-0-	8,450,000
Sliding Scale Adjustments	-0-	-0-	-0-	-0-
Other Profit Commission Adjustments	-0-	-0-	-0-	-0-
Total	8,450,000	-0-	-0-	8,450,000

- D. There are no reinsurance recoverables in dispute, uncollectible reinsurance, commutation of ceded reinsurance or retroactive reinsurance.

24. Retrospectively Rated Contracts & Contracts Subject to Redetermination

None

25. Change in Incurred Losses and Loss Adjustment Expense

Incurred losses and loss adjustment expenses attributable to insured events of prior years increased by \$2,964,000 in 2004 as a result of individual claim settlements and reestimation of unpaid losses and loss adjustment expenses. Original estimates are increased or decreased as additional information becomes known regarding individual claims.

26. Intercompany Pooling Arrangements

The Company and Atlantic States Insurance Company are parties to an intercompany Pooling Agreement whereby Atlantic States currently cedes 100% of its insurance business to the Company and assumes back 70% of the pooled business of the two companies.

27. Structured Settlements

None

28. Health Care Receivables

None

29. Participating Policies

None

30. Premium Deficiency Reserves

None

31. High Deductibles

None

32. Discounting of Liabilities for Unpaid Losses or Unpaid Loss Adjusting Expenses

None

33. Asbestos/Environmental Reserves

None

34. Subscriber Savings Accounts

None

35. Multiple Peril Crop Insurance

None



**SUMMARY INVESTMENT SCHEDULE**

Investment Categories	Gross Investment Holdings		Admitted Assets as Reported in the Annual Statement	
	1 Amount	2 Percentage	3 Amount	4 Percentage
<b>1. Bonds:</b>				
1.1 U.S. treasury securities	8,069,524	4.541	8,069,524	4.557
1.2 U.S. government agency and corporate obligations (excluding mortgage-backed securities):				
1.21 Issued by U.S. government agencies				
1.22 Issued by U.S. government sponsored agencies				
1.3 Foreign government (including Canada, excluding mortgage-backed securities)				
1.4 Securities issued by states, territories, and possessions and political subdivisions in the U.S.:				
1.41 States, territories and possessions general obligations	10,125	0.006	10,125	0.006
1.42 Political subdivisions of states, territories and possessions and political subdivisions general obligations	215,152	0.121	215,152	0.122
1.43 Revenue and assessment obligations	7,995,017	4.499	7,995,017	4.515
1.44 Industrial development and similar obligations				
1.5 Mortgage-backed securities (includes residential and commercial MBS):				
1.51 Pass-through securities:				
1.511 Issued or guaranteed by GNMA				
1.512 Issued or guaranteed by FNMA and FHLMC	6,808,153	3.831	6,808,153	3.845
1.513 All other				
1.52 CMOs and REMICs:				
1.521 Issued or guaranteed by GNMA, FNMA, FHLMC or VA				
1.522 Issued by non-U.S. Government issuers and collateralized by mortgage-backed securities issued or guaranteed by agencies shown in Line 1.521				
1.523 All other				
<b>2. Other debt and other fixed income securities (excluding short term):</b>				
2.1 Unaffiliated domestic securities (includes credit tenant loans rated by the SVO)	6,194,710	3.486	6,194,710	3.498
2.2 Unaffiliated foreign securities				
2.3 Affiliated securities				
<b>3. Equity interests:</b>				
3.1 Investments in mutual funds				
3.2 Preferred stocks:				
3.21 Affiliated	2,341,290	1.655	2,341,290	1.661
3.22 Unaffiliated				
3.3 Publicly traded equity securities (excluding preferred stocks):				
3.31 Affiliated	101,549,663	57.147	101,549,663	57.350
3.32 Unaffiliated	5,547,400	3.122	5,547,400	3.133
3.4 Other equity securities:				
3.41 Affiliated				
3.42 Unaffiliated	1,561,048	0.878	1,561,048	0.882
3.5 Other equity interests including tangible personal property under lease:				
3.51 Affiliated				
3.52 Unaffiliated				
<b>4. Mortgage loans:</b>				
4.1 Construction and land development				
4.2 Agricultural				
4.3 Single family residential properties	4,287,089	2.413	4,077,236	2.303
4.4 Multifamily residential properties				
4.5 Commercial loans				
4.6 Mezzanine real estate loans				
<b>5. Real estate investments:</b>				
5.1 Property occupied by company	22,554,959	12.693	22,554,959	12.738
5.2 Property held for production of income (includes \$ of property acquired in satisfaction of debt)	608,884	0.343	608,884	0.344
5.3 Property held for sale (including property acquired in satisfaction of debt)				
<b>6. Policy loans</b>				
<b>7. Receivables for securities</b>				
8. Cash, cash equivalents and short-term investments	8,228,651	4.631	8,228,651	4.647
9. Other invested assets	1,128,130	0.635	709,393	0.401
<b>10. Total invested assets</b>	<b>177,699,795</b>	<b>100.000</b>	<b>177,071,205</b>	<b>100.000</b>

**GENERAL INTERROGATORIES**  
**PART 1 - COMMON INTERROGATORIES**  
**GENERAL**

- 1.1 Is the reporting entity a member of an Insurance Holding Company System consisting of two or more affiliated persons, one or more of which is an insurer? Yes (X) No ( )
- 1.2 If yes, did the reporting entity register and file with its domiciliary State Insurance Commissioner, Director or Superintendent, or with such regulatory official of the state of domicile of the principal insurer in the Holding Company System, a registration statement providing disclosure substantially similar to the standards adopted by the National Association of Insurance Commissioners (NAIC) in its Model Insurance Holding Company System Regulatory Act and model regulations pertaining thereto, or is the reporting entity subject to standards and disclosure requirements substantially similar to those required by such Act and regulations? Yes ( ) No (X) N/A ( )
- 1.3 State Regulating? Pennsylvania
- 2.1 Has any change been made during the year of this statement in the charter, by-laws, articles of incorporation, or deed of settlement of the reporting entity? Yes ( ) No (X)
- 2.2 If yes, date of change:  
 If not previously filed, furnish herewith a certified copy of the instrument as amended. .....
- 3.1 State as of what date the latest financial examination of the reporting entity was made or is being made. 12/31/1999
- 3.2 State as of date of the latest financial examination report became available from either the state of domicile or the reporting entity. This date should be the date of the examined balance sheet and not the date the report was completed or released. 12/31/1999
- 3.3 State as of what date the latest financial examination report became available to other states or the public from either the state of domicile or the reporting entity. This is the release date or completion date of the examination report and not the date of the examination (balance sheet date). 06/11/2002
- 3.4 By what department or departments?  
 Pennsylvania Insurance Department
- 4.1 During the period covered by this statement, did any agent, broker, sales representative, non-affiliated sales/service organization or any combination thereof under common control (other than salaried employees of the reporting entity) receive credit or commissions for or control a substantial part (more than 20 percent of any major line of business measured on direct premiums) of:
- 4.11 sales of new business? Yes ( ) No (X)
- 4.12 renewals? Yes ( ) No (X)
- 4.2 During the period covered by this statement, did any sales/service organization owned in whole or in part by the reporting entity or an affiliate, receive credit or commissions for or control a substantial part (more than 20 percent of any major line of business measured on direct premiums) of:
- 4.21 sales of new business? Yes ( ) No (X)
- 4.22 renewals? Yes ( ) No (X)
- 5.1 Has the reporting entity been a party to a merger or consolidation during the period covered by this statement? Yes ( ) No (X)
- 5.2 If yes, provide name of the entity, NAIC Company Code, and state of domicile (use two letter state abbreviation) for any entity that has ceased to exist as a result of the merger or consolidation.

1 Name of Entity	2 NAIC Company Code	3 State of Domicile

- 6.1 Has the reporting entity had any Certificates of Authority, licenses or registrations (including corporate registration, if applicable) suspended or revoked by any governmental entity during the reporting period? (You need not report an action, either formal or informal, if a confidentiality clause is part of the agreement.) Yes ( ) No (X)
- 6.2 If yes, give full information:  
 .....
- 7.1 Does any foreign (non-United States) person or entity directly or indirectly control 10% or more of the reporting entity? Yes ( ) No (X)
- 7.2 If yes, ..... %
- 7.21 State the percentage of foreign control;
- 7.22 State the nationality (s) of the foreign person(s) or entity(s); or if the entity is a mutual or reciprocal, the nationality of its manager or attorney-in-fact and identify the type of entity(s) (e.g. individual, corporation, government, manager or attorney-in-fact).

1 Nationality	2 Type of Entity

ANNUAL STATEMENT FOR THE YEAR 2004 OF THE DONEGAL MUTUAL INSURANCE COMPANY

GENERAL INTERROGATORIES

8.1 Is the company a subsidiary of a bank holding company regulated by the Federal Reserve Board? Yes ( ) No (X)

8.2 If response to 8.1 is yes, please identify the name of the bank holding company.

8.3 Is the company affiliated with one or more banks, thrifts or securities firms? Yes (X) No ( )

8.4 If response to 8.3 is yes, please provide the names and location (city and state of the main office) of any affiliates regulated by a federal financial regulatory services agency (i. e. the Federal Reserve Board (FRB), the Office of the Comptroller of the Currency (OCC), the Office of Thrift Supervision (OTS), the Federal Deposit Insurance Corporation (FDIC) and the Securities Exchange Commission (SEC)) and identify the affiliate's primary federal regulator.

1 Affiliate Name	2 Location (City, State)	3 FRB	4 OCC	5 OTS	6 FDIC	7 SEC
Province Bank	Marietta, PA			OTS		

9. What is the name and address of the independent certified public accountant or accounting firm retained to conduct the annual audit?  
KPMG LLP  
1601 Market Street, Philadelphia, PA 19103

10. What is the name, address and affiliation (officer/employee of the reporting entity or actuary/consultant associated with a(n) actuarial consulting firm) of the individual providing the statement of actuarial opinion/certification?  
Kevin C McAllister, KPMG LLP  
100 Malsonford Road, Radnor, PA 19087-4568

11. FOR UNITED STATES BRANCHES OF ALIEN REPORTING ENTITIES ONLY:

11.1 What changes have been made during the year in the United States manager or the United States trustees of the reporting entity?

11.2 Does this statement contain all business transacted for the reporting entity through its United States branch on risks wherever located? Yes ( ) No ( )

11.3 Have there been any changes made to any of the trust indentures during the year? Yes ( ) No ( )

11.4 If answer to (11.3) is yes, has the domiciliary or entry state approved the changes? Yes ( ) No ( ) N/A (X)

BOARD OF DIRECTORS

12. Is the purchase or sale of all investments of the reporting entity passed upon either by the Board of Directors or a subordinate committee thereof? Yes (X) No ( )

13. Does the reporting entity keep a complete permanent record of the proceedings of its Board of Directors and all subordinate committees thereof? Yes (X) No ( )

14. Has the reporting entity an established procedure for disclosure to its board of directors or trustees of any material interest or affiliation on the part of any of its officers, directors, trustees, or responsible employees which is in or is likely to conflict with the official duties of such person? Yes (X) No ( )

FINANCIAL

15.1 Total amount loaned during the year (inclusive of Separate Accounts, exclusive of policy loans):  
 15.11 To directors or other officers \$ .....  
 15.12 To stockholders not officers \$ .....  
 15.13 Trustees, supreme or grand (Fraternal only) \$ .....

15.2 Total amount of loans outstanding at end of year (inclusive of Separate Accounts, exclusive of policy loans):  
 15.21 To directors or other officers \$ .....  
 15.22 To stockholders not officers \$ .....  
 15.23 Trustees, supreme or grand (Fraternal only) \$ .....

16.1 Were any assets reported in this statement subject to a contractual obligation to transfer to another party without the liability for such obligation being reported in the statement? Yes ( ) No (X)

16.2 If yes, state the amount thereof at December 31 of the current year:  
 16.21 Rented from others \$ .....  
 16.22 Borrowed from others \$ .....  
 16.23 Leased from others \$ .....  
 16.24 Other \$ .....

Disclose in Notes to Financial Statements the nature of each obligation.

17.1 Does this statement include payments for assessments as described in the Annual Statement Instructions other than guaranty fund or guaranty association assessments? Yes ( ) No (X)

17.2 If answer is yes:  
 17.21 Amount paid as losses or risk adjustment \$ .....  
 17.22 Amount paid as expenses \$ .....  
 17.23 Other amounts paid \$ .....

GENERAL INTERROGATORIES

INVESTMENT

18. List the following capital stock information for the reporting entity:

Class	1 Number of Shares Authorized	2 Number of Shares Outstanding	3 Par Value Per Share	4 Redemption Price if Callable	5 Is Dividend Rate Limited?	6 Are Dividends Cumulative?
Preferred					Yes ( ) No ( )	Yes ( ) No ( )
Common				XXX	XXX XXX	XXX XXX

18.1 Were all the stocks, bonds and other securities owned December 31 of current year, over which the reporting entity has exclusive control, in the actual possession of the reporting entity on said date, except as shown by Schedule E - Part 3 - Special Deposits? Yes (X) No ( )

18.2 If no, give full and complete information relating thereto:  
.....  
.....

20.1 Were any of the stocks, bonds or other assets of the reporting entity owned at December 31 of the current year not exclusively under the control of the reporting entity, except as shown on the Schedule E - Part 3 - Special Deposits, or has the reporting entity sold or transferred any assets subject to a put option contract that is currently in force? (Exclude securities subject to Interrogatory 16.1) Yes ( ) No (X)

20.2 If yes, state the amount thereof at December 31 of the current year:

20.21	Loaned to others	\$ .....
20.22	Subject to repurchase agreements	\$ .....
20.23	Subject to reverse repurchase agreements	\$ .....
20.24	Subject to dollar repurchase agreements	\$ .....
20.25	Subject to reverse dollar repurchase agreements	\$ .....
20.26	Pledged as collateral	\$ .....
20.27	Placed under option agreements	\$ .....
20.28	Letter stock or securities restricted as to sale	\$ .....
20.29	Other	\$ .....

20.3 For category (20.28) provide the following:

1 Nature of Restriction	2 Description	3 Amount
.....	.....	.....
.....	.....	.....

21.1 Does the reporting entity have any hedging transactions reported on Schedule DB? Yes ( ) No (X)

21.2 If yes, has a comprehensive description of the hedging program been made available to the domiciliary state? Yes ( ) No ( ) N/A (X)  
If no, attach a description with this statement.

22.1 Were any preferred stocks or bonds owned as of December 31 of the current year mandatorily convertible into equity, or, at the option of the issuer, convertible into equity? Yes ( ) No (X)

22.2 If yes, state the amount thereof at December 31 of the current year. \$ .....

**GENERAL INTERROGATORIES**

**INVESTMENT**

23. Excluding items in Schedule E, real estate, mortgage loans and investments held physically in the reporting entity's offices, vaults or safety deposit boxes, were all stocks, bonds and other securities, owned throughout the current year held pursuant to a custodial agreement with a qualified bank or trust company in accordance with Part 1-General, Section IV.H-Custodian or Safekeeping Agreements of the NAIC Financial Condition Examiners Handbook? Yes (X) No ( )

23.01 For agreements that comply with the requirements of the NAIC Financial Condition Examiners Handbook, complete the following:

1 Name of Custodian(s)	2 Custodian's Address
Wachovia Bank	Philadelphia, PA

23.02 For all agreements that do not comply with the requirements of the NAIC Financial Condition Examiners Handbook, provide the name, location and a complete explanation:

1 Name(s)	2 Location(s)	3 Complete Explanation(s)

23.03 Have there been any changes, including name changes, in the custodian(s) identified in 23.01 during the current year? Yes ( ) No (X)

23.04 If yes, give full and complete information relating thereto:

1 Old Custodian	2 New Custodian	3 Date of Change	4 Reason

23.05 Identify all investment advisors, brokers/dealers or individuals acting on behalf of broker/dealers that have access to the investment accounts, handle securities and have authority to make investments on behalf of the reporting entity:

1 Central Registration Depository Number(s)	2 Name	3 Address

24.1 Does the reporting entity have any diversified mutual funds reported in Schedule D, Part 2 (diversified according to the Securities and Exchange Commission (SEC) in the Investment Company Act of 1940 (Section 5 (b) (1)))? Yes ( ) No (X)

24.2 If yes, complete the following schedule:

1 CUSIP#	2 Name of Mutual Fund	3 Book/Adjusted Carrying Value
Line 24.2998 from Overflow page		
Line 24.2999 TOTAL (9999999)		

24.3 For each mutual fund listed in the table above, complete the following schedule:

1 Name of Mutual Fund (from above table)	2 Name of Significant Holding of the Mutual Fund	3 Amount of Mutual Fund's Book/Adjusted Carrying Value Attributable to the Holding	4 Date of Valuation

**GENERAL INTERROGATORIES**

**INVESTMENT**

25. Provide the following information for all short-term and long-term bonds and all preferred stocks. Do not substitute amortized value of statement value for fair value.

	1 Statement (Admitted) Value	2 Fair Value	3 Excess of Statement over Fair Value (-), or Fair Value over Statement (+)
25.1 Bonds .....	\$ 42,787,772	\$ 43,371,050	\$ 583,278
25.2 Preferred stocks .....	\$ 2,941,290	\$ 2,941,290	\$
25.3 Totals .....	\$ 45,729,062	\$ 46,312,340	\$ 583,278

26.4 Describe the sources or methods utilized in determining the fair values:  
NAIC Valuation of Securities

26.1 Have all the filing requirements of the Purposes and Procedures manual of the NAIC Securities Valuation Office been followed? Yes (X) No ( )

26.2 If no, list exceptions:

**OTHER**

27.1 Amount of payments to Trade Associations, Service Organizations and Statistical or Rating Bureaus, if any? \$ 1,361,932

27.2 List the name of the organization and the amount paid if any such payment represented 25% or more of the total payments to Trade Associations, Service Organizations and Statistical or Rating Bureaus during the period covered by this statement.

1 Name	2 Amount Paid
Insurance Services Office, Inc. ....	\$ 473,162
.....	\$
.....	\$
.....	\$

28.1 Amount of payments for legal expenses, if any? \$ 252,852

28.2 List the name of the firm and the amount paid if any such payment represented 25% or more of the total payments for legal expenses during the period covered by this statement.

1 Name	2 Amount Paid
Duane, Morris .....	\$ 252,852
.....	\$
.....	\$
.....	\$

29.1 Amount of payments for expenditures in connection with matters before legislative bodies, officers or departments of government, if any? \$

29.2 List the name of the firm and the amount paid if any such payment represented 25% or more of the total payment expenditures in connection with matters before legislative bodies officers or department of government during the period covered by this statement.

1 Name	2 Amount Paid
.....	\$
.....	\$
.....	\$
.....	\$

ANNUAL STATEMENT FOR THE YEAR 2004 OF THE DONEGAL MUTUAL INSURANCE COMPANY

**GENERAL INTERROGATORIES**  
**PART 2 - PROPERTY AND CASUALTY INTERROGATORIES**

1.1 Does the reporting entity have any direct Medicare Supplement Insurance in force? Yes ( ) No (X)

1.2 If yes, indicate premium earned on U.S. business only. \$ .....

1.3 What portion of Item (1.2) is not reported on the Medicare Supplement Insurance Experience Exhibit? \$ .....

1.31 Reason for excluding:  
.....  
.....

1.4 Indicate amount of earned premium attributable to Canadian and/or Other Alien not included in Line (1.2) above. \$ .....

1.5 Indicate total incurred claims on all Medicare Supplement insurance. \$ .....

1.6 Individual policies:

Most current three years:

1.61 Total premium earned \$ .....

1.62 Total incurred claims \$ .....

1.63 Number of covered lives .....

All years prior to most current three years:

1.64 Total premium earned \$ .....

1.65 Total incurred claims \$ .....

1.66 Number of covered lives .....

1.7 Group policies:

Most current three years:

1.71 Total premium earned \$ .....

1.72 Total incurred claims \$ .....

1.73 Number of covered lives .....

All years prior to most current three years:

1.74 Total premium earned \$ .....

1.75 Total incurred claims \$ .....

1.76 Number of covered lives .....

2. Health Test:

	1 Current Year	2 Prior Year
2.1 Premium Numerator	\$ .....	\$ .....
2.2 Premium Denominator	\$ .....	\$ .....
2.3 Premium Ratio (Line 2.1/Line 2.2)	\$ .....	\$ .....
2.4 Reserve Numerator	\$ .....	\$ .....
2.5 Reserve Denominator	\$ .....	\$ .....
2.6 Reserve Ratio (Line 2.4/Line 2.5)	\$ .....	\$ .....

3.1 Does the reporting entity issue both participating and non-participating policies? Yes ( ) No (X)

3.2 If yes, state the amount of calendar year premiums written on:

3.21 Participating \$ .....

3.22 Non-participating policies \$ .....

4. For Mutual Reporting Entities and Reciprocal Exchange only:

4.1 Does the reporting entity issue assessable policies? Yes ( ) No (X)

4.2 Does the reporting entity issue non-assessable policies? Yes ( ) No (X)

4.3 If assessable policies are issued, what is the extent of the contingent liability of the policyholders? .....%

4.4 Total amount of assessments paid or ordered to be paid during the year on deposit notes or contingent premiums. \$ .....

5. For Reciprocal Exchanges only:

5.1 Does the exchange appoint local agents? Yes ( ) No ( )

5.2 If yes, is the commission paid:

5.21 Out of Attorney's-in-fact compensation Yes ( ) No ( ) N/A (X)

5.22 As a direct expense of the exchange Yes ( ) No ( ) N/A (X)

5.3 What expenses of the Exchange are not paid out of the compensation of the Attorney-in-fact?  
.....  
.....  
.....

5.4 Has any Attorney-in-fact compensation, contingent on fulfillment of certain conditions, been deferred? Yes ( ) No ( )

5.5 If yes, give full information.  
.....  
.....

**GENERAL INTERROGATORIES**  
**PART 2 - PROPERTY AND CASUALTY INTERROGATORIES**

14.1 Is the company a cedant in a multiple cedant reinsurance contract? Yes ( ) No (X)

14.2 If yes, please describe the method of allocating and recording reinsurance among the cedants.  
 .....  
 .....

14.3 If the answer to 14.1 is yes, are the methods described in Item 14.2 entirely contained in the respective multiple cedant reinsurance contracts? Yes ( ) No (X)

14.4 If the answer to 14.3 is no, are the methods described in 14.2 entirely contained in written agreements? Yes ( ) No (X)

14.5 If the answer to 14.4 is no, please explain.  
 .....  
 .....

15.1 Has the reporting entity guaranteed any financed premium accounts? Yes ( ) No (X)

15.2 If yes, give full information.  
 .....  
 .....

16.1 Does the reporting entity own any securities of a real estate holding company or otherwise hold real estate indirectly? Yes ( ) No (X)

16.11 Name of real estate holding company  
 .....

16.12 Number of parcels involved  
 .....

16.13 Total book/adjusted carrying value \$ .....

16.2 If yes, provide explanation.  
 .....  
 .....

17.1 Does the reporting entity write any warranty business? Yes ( ) No (X)

If yes, disclose the following information for each of the following types of warranty coverage:

	1 Direct Losses Incurred	2 Direct Losses Unpaid	3 Direct Written Premium	4 Direct Premium Unearned	5 Direct Premium Earned
17.11 Home	\$ .....	\$ .....	\$ .....	\$ .....	\$ .....
17.12 Products	\$ .....	\$ .....	\$ .....	\$ .....	\$ .....
17.13 Automobile	\$ .....	\$ .....	\$ .....	\$ .....	\$ .....
17.14 Other*	\$ .....	\$ .....	\$ .....	\$ .....	\$ .....

\* Disclose type of coverage:  
 .....  
 .....



ANNUAL STATEMENT FOR THE YEAR 2004 OF THE DONEGAL MUTUAL INSURANCE COMPANY

FIVE-YEAR HISTORICAL DATA

Show amounts in whole dollars only, no cents; show percentages to one decimal place, i.e. 17.6.

	1 2004	2 2003	3 2002	4 2001	5 2000
<b>Gross Premiums Written (Page 6, Part 1B, Columns 1, 2 and 3)</b>					
1. Liability lines (Lines 11.1, 11.2, 16, 17.1, 17.2, 18.1, 18.2, 19.1, 19.2 and 19.3, 19.4)	135,297,061	121,360,944	110,700,133	105,072,251	87,820,739
2. Property lines (Lines 1, 2, 9, 12, 21 and 26)	82,894,065	71,229,060	66,755,107	59,623,757	44,668,064
3. Property and liability combined lines (Lines 3, 4, 5, 8, 22 and 27)	128,740,568	103,586,961	91,572,742	85,596,408	75,418,060
4. All other lines (Lines 6, 10, 13, 14, 15, 23, 24, 28, 29 and 33)					
5. Nonproportional reinsurance lines (Lines 30, 31 and 32)					
6. Total (Line 34)	346,941,694	296,176,965	269,027,962	250,292,416	208,106,863
<b>Net Premiums Written (Page 6, Part 1B, Column 6)</b>					
7. Liability lines (Lines 11.1, 11.2, 16, 17.1, 17.2, 18.1, 18.2, 19.1, 19.2 and 19.3, 19.4)	29,688,968	28,007,506	24,548,709	24,303,478	21,588,334
8. Property lines (Lines 1, 2, 9, 12, 21 and 26)	18,082,407	16,680,003	15,084,467	13,874,077	12,286,091
9. Property and liability combined lines (Lines 3, 4, 5, 8, 22 and 27)	29,104,307	24,287,838	21,552,805	21,351,871	19,261,056
10. All other lines (Lines 6, 10, 13, 14, 15, 23, 24, 28, 29 and 33)					
11. Nonproportional reinsurance lines (Line 30, 31 and 32)					
12. Total (Line 34)	76,875,682	68,985,348	61,165,771	59,529,366	53,135,480
<b>Statement of Income (Page 4)</b>					
13. Net underwriting gain (loss) (Line 8)	1,430,421	(6,455,037)	(8,383,889)	(8,301,213)	(2,918,838)
14. Net investment gain (loss) (Line 11)	3,701,653	4,082,736	3,405,836	3,948,758	4,647,735
15. Total other income (Line 15)	920,380	815,853	794,854	455,341	448,223
16. Dividends to policyholders (Line 17)	531,702	398,423	328,288	523,486	257,634
17. Federal and foreign income taxes incurred (Line 19)	648,000		(1,069,332)	(142,230)	278,025
18. Net income (Line 20)	4,872,652	(1,974,871)	(3,442,165)	(4,878,379)	1,641,461
<b>Balance Sheet Lines (Pages 2 and 3)</b>					
19. Total admitted assets excluding protected cell business (Page 2, Line 24, Column 3)	235,377,952	214,551,474	192,066,638	179,847,955	151,103,813
20. Premiums and considerations (Page 2, Column 3)					
20.1 In course of collection (Line 12.1)	10,114,657	6,484,650	7,125,734	6,843,053	(4,008,030)
20.2 Deferred and not yet due (Line 12.2)	30,771,662	30,415,671	24,651,738	21,351,321	17,079,919
20.3 Accrued retrospective premiums (Line 12.3)					
21. Total liabilities excluding protected cell business (Page 3, Line 24)	142,533,279	129,659,968	116,452,768	107,400,668	85,528,719
22. Losses (Page 3, Line 1 and Line 2)	57,008,381	55,385,424	54,951,524	48,295,268	43,134,569
23. Loss adjustment expenses (Page 3, Line 3)	12,070,000	11,135,000	10,555,000	9,535,000	8,607,000
24. Unearned premiums (Page 3, Line 9)	35,149,397	33,335,291	29,660,560	27,288,097	23,527,705
25. Capital paid up (Page 3, Line 28 and Line 29)					
26. Surplus as regards policyholders (Page 3, Line 35)	82,844,073	84,891,506	75,613,870	72,447,287	65,575,094
<b>Risk-Based Capital Analysis</b>					
27. Total adjusted capital	82,844,073	84,891,506	75,613,870	72,447,287	65,575,094
28. Authorized control level risk-based capital	12,497,437	10,971,368	10,576,574	14,638,228	13,142,934
<b>Percentage Distribution of Cash and Invested Assets (Page 2, Column 3) (Item divided by Page 2, Line 19, Column 3) x 100.0</b>					
29. Bonds (Line 1)	16.5	15.3	14.9	24.5	30.3
30. Stocks (Line 2.1 and Line 2.2)	63.0	60.9	56.4	53.8	48.7
31. Mortgage loans on real estate (Line 3.1 and Line 3.2)	2.3	2.7	4.5	6.1	7.9
32. Real estate (Lines 4.1, 4.2 and 4.3)	13.1	15.0	17.4	16.8	15.6
33. Cash and short-term investments (Line 5)	4.6	3.9	3.3	(1.8)	(2.6)
34. Contract loans (Line 6)					
35. Other invested assets (Line 7)	0.4	2.9	X X X	X X X	X X X
36. Receivable for securities (Line 8)			3.4	0.6	0.3
37. Aggregate write-ins for invested assets (Line 9)					
38. Cash and invested assets (Line 19)	100.0	100.0	100.0	100.0	100.0
<b>Investments in Parent, Subsidiaries and Affiliates</b>					
39. Affiliated bonds (Schedule D, Summary, Line 25, Column 1)					
40. Affiliated preferred stocks (Schedule D, Summary, Line 39, Column 1)					
41. Affiliated common stocks (Schedule D, Summary, Line 53, Column 2)	101,549,663	88,989,517	71,066,763	62,471,855	55,288,210
42. Affiliated short-term investments (subtotals included in Schedule DA, Part 2, Column 5 Line 11)					
43. Affiliated mortgage loans on real estate					
44. All other affiliated					
45. Total of above Line 39 through Line 44	101,549,663	88,989,517	71,066,763	62,471,855	55,288,210
46. Percentage of investments in parent, subsidiaries and affiliates to surplus as regards policyholders (Line 45 above divided by Page 3, Column 1, Line 35 x 100.0)	109.4	104.8	94.0	86.2	84.3

ANNUAL STATEMENT FOR THE YEAR 2004 OF THE DONEGAL MUTUAL INSURANCE COMPANY

**FIVE-YEAR HISTORICAL DATA**

(Continued)

	1 2004	2 2003	3 2002	4 2001	5 2000
<b>Capital and Surplus Accounts (Page 4)</b>					
47. Net unrealized capital gains (losses) (Line 23).....	2,681,312	13,959,090	8,673,351	10,480,622	1,554,782
48. Dividends to stockholders (Line 34) .....					
49. Change in surplus as regards policyholders for the year (Line 37).....	7,882,567	9,277,636	3,166,583	6,872,193	4,165,198
<b>Gross Losses Paid (Page 9, Part 2, Columns 1 and 2)</b>					
50. Liability lines (Lines 11.1, 11.2, 16, 17.1, 17.2, 18.1, 18.2, 19.1, 19.2 and 19.3, 19.4) .....	68,725,765	66,298,708	66,999,755	51,352,259	50,497,552
51. Property lines (Lines 1, 2, 9, 12, 21 and 26) .....	34,652,114	33,667,329	31,803,845	28,496,405	24,269,175
52. Property and liability combined lines (Lines 3, 4, 5, 8, 22 and 27) .....	47,904,551	51,929,164	44,497,485	38,953,043	35,141,338
53. All other lines (Lines 6, 10, 13, 14, 15, 23, 24, 28, 29 and 33).....					
54. Nonproportional reinsurance lines (Lines 30, 31, and 32) .....					
55. Total (Line 34) .....	151,982,450	151,895,191	143,291,665	118,801,707	109,908,065
<b>Net Losses Paid (Page 9, Part 2, Column 4)</b>					
56. Liability lines (Lines 11.1, 11.2, 16, 17.1, 17.2, 18.1, 18.2, 19.1, 19.2 and 19.3, 19.4) .....	18,228,071	17,557,892	18,174,592	14,762,281	14,329,433
57. Property lines (Lines 1, 2, 9, 12, 21 and 26) .....	7,871,755	7,905,429	7,318,656	6,945,179	7,063,158
58. Property and liability combined lines (Lines 3, 4, 5, 8, 22 and 27) .....	11,831,487	13,526,507	10,429,493	10,417,088	10,589,426
59. All other lines (Lines 6, 10, 13, 14, 15, 23, 24, 28, 29 and 33).....					
60. Nonproportional reinsurance lines (Lines 30, 31, and 32) .....					
61. Total (Line 34) .....	37,931,313	38,989,738	35,922,741	32,124,555	31,982,017
<b>Operating Percentages (Page 4) (Item divided by Page 4, Line 1) x 100.0</b>					
62. Premiums earned (Line 1) .....	100.0	100.0	100.0	100.0	100.0
63. Losses incurred (Line 2).....	53.1	63.8	69.0	65.3	60.3
64. Loss expenses incurred (Line 3).....	13.0	13.9	14.9	15.6	13.2
65. Other underwriting expenses incurred (Line 4) .....	32.0	32.3	30.3	35.1	31.9
66. Net underwriting gain (loss) (Line 8) .....	1.9	(9.9)	(14.3)	(16.0)	(5.4)
<b>Other Percentages</b>					
67. Other underwriting expenses to net premiums written (Page 4, Line 4 plus Line 5 minus Line 15 divided by Page 4, Line 1 x 100.0) .....	29.6	29.3	27.9	32.2	31.9
68. Losses and loss expenses incurred to premiums earned (Page 4, Line 2 plus Line 3 divided by Page 4, Line 1 x 100.0) .....	66.1	77.7	83.9	80.8	73.5
69. Net premiums written to policyholders' surplus (Page 6, Part 1B, Column 6, Line 34 divided by Page 3, Line 35, Column 1 x 100.0).....	82.8	81.3	79.0	82.2	81.0
<b>One Year Loss Development (000 omitted)</b>					
70. Development in estimated losses and loss expenses incurred prior to current year (Schedule P, Part 2 - Summary, Line 12, Column 11) .....	(2,964)	521	3,271	4,218	744
71. Percent of development of losses and loss expenses incurred to policyholders' surplus of prior year end (Line 70 above divided by Page 4, Line 21, Column 1 x 100.0).....	(3.5)	0.7	4.5	6.4	1.2
<b>Two Year Loss Development (000 omitted)</b>					
72. Development in estimated losses and loss expenses incurred 2 years before the current year and prior year (Schedule P, Part 2 - Summary, Line 12, Column 12) .....	(1,792)	3,326	5,104	2,415	(2,070)
73. Percent of development of losses and loss expenses incurred to reported policyholders' surplus of second prior year end (Line 72 above divided by Page 4, Line 21, Column 2 x 100.0).....	(2.4)	4.6	7.0	3.9	(2.1)

**EXHIBIT OF PREMIUMS AND LOSSES (Statutory Page 14)  
BUSINESS IN THE STATE OF GRAND TOTAL DURING THE YEAR 2004**

Line of Business	1 Gross Premiums, including Policy and Membership Fees, Less Return Premiums and Premiums on Policies not Taken		2 Direct Premiums Earned	3 Dividends Paid or Credited to Policyholders on Direct Business	4 Direct Unearned Premium Reserves	5 Direct Losses Paid (deducting salvage)	6 Direct Losses Incurred	7 Direct Losses Unpaid	8 Direct Defense and Cost Containment Expenses Paid	9 Direct Defense and Cost Containment Expenses Incurred	10 Direct Defense and Cost Containment Expenses Unpaid	11 Commissions and Brokerage Expenses	12 Taxes, Licenses and Fees
	1 Direct Premiums Written	2 Direct Premiums Earned											
1. Fire	2,889,987	2,783,762	1,944,297	1,095,121	883,859	453,430	1,095,121	453,430	10,859	15,443	4,000	533,845	24,788
2.1 Allied lines	682,615	647,454	395,012	415,510	428,117	165,061	415,510	165,061	14,831	13,630	2,000	131,137	5,655
2.2 Multiple peril crop													
2.3 Federal flood													
3. Farmowners multiple peril	2,738,944	2,650,293	1,498,444	299,599	820,303	1,123,888	299,599	1,123,888	76,783	(8,217)	32,000	503,222	22,489
4. Farmowners multiple peril	38,255,265	37,595,432	20,012,594	16,828,590	15,201,684	8,989,820	16,828,590	8,989,820	657,851	(27,139)	275,000	7,514,044	326,471
5.1 Commercial multiple peril (non-liability portion)	31,599,652	30,093,394	15,062,275	11,851,872	11,851,872	17,540,373	11,851,872	17,540,373	1,889,790	521,591	2,134,400	6,230,024	271,041
5.2 Commercial multiple peril (liability portion)	7,889,919	7,518,846	3,765,919	2,986,393	2,994,504	4,386,063	2,986,393	4,386,063	287,188	12,787	533,800	1,392,595	67,780
6. Mortgage guaranty													
7. Ocean marine													
8. Infant marine	1,937,571	1,971,517	984,738	481,068	483,288	115,420	481,068	115,420	(720)	(3,720)	2,000	307,256	17,134
9. Financial guaranty													
10. Medical malpractice													
11. Medical malpractice	67,023	66,517	33,464									13,190	975
12. Earthquake													
13. Group accident and health (b)													
14. Credit A and H (group and individual)													
15.1 Collectively renewable and (b)													
15.2 Non-cancelable A and (b)													
15.3 Guaranteed renewable A and (b)													
15.4 Non-renewable for stated reasons only (b)													
16. Other accident (b)													
17. Federal employees health benefits program premium (b)													
18. Other liability	23,530,489	22,878,811	10,889,780	9,774,873	16,888,162	27,233,326	9,774,873	27,233,326	703,538	536,537	1,357,000	1,394,522	201,829
19. Private passenger auto no-fault (personal injury protection)	7,489,716	7,267,939	3,466,016	1,766,427	1,392,634	3,196,011	1,766,427	3,196,011	96,875	(61,128)	355,000	1,190,572	83,595
20. Other liability	1,270	1,267	8									47	11
21. Private passenger auto no-fault (personal injury protection)	567,510	550,054	232,338	700,643	1,017,983	1,321,519	700,643	1,321,519	11,866	1,668	35,000	86,468	4,688
22. Other private passenger auto liability	31,270,947	31,244,469	11,662,512	23,571,546	21,110,892	41,381,233	23,571,546	41,381,233	2,026,947	12,946	2,924,000	4,382,161	269,079
23. Commercial auto no-fault (personal injury protection)	594,800	551,439	278,389	168,660	77,424	79,899	168,660	79,899	34,198	27,139	6,000	106,272	5,076
24. Other commercial auto liability	12,023,737	11,447,255	5,862,989	3,927,996	4,898,259	9,153,089	3,927,996	9,153,089	234,388	22,369	506,000	2,236,424	89,152
25. Private passenger auto physical damage	30,469,307	29,325,371	11,266,238	11,873,322	12,688,334	502,588	11,873,322	502,588	202,532	184,633	2,000	4,258,286	260,831
26. Commercial auto physical damage	5,562,396	5,290,274	2,381,020	1,948,228	1,973,690	187,546	1,948,228	187,546	21,731	12,731	1,000	1,029,736	47,711
27. Aircraft (all perils)													
28. Fidelity													
29. Surety													
30. Burglary and theft	8,594	7,388	3,716	6,000	6,000	6,000	6,000	6,000	5,967	967		1,743	73
31. Boiler and machinery	357,940	319,300	113,952	65,000	(5,000)	(5,000)						54,684	3,070
32. Credit													
33. Aggregate write-ins for other lines of business			89,356,917	87,685,529	92,683,339	115,325,244	87,685,529	115,325,244	5,991,564	561,652	6,189,000	31,917,600	1,086,289
34. TOTALS (a)	197,397,334	192,708,653	89,356,917	87,685,529	92,683,339	115,325,244	87,685,529	115,325,244	5,991,564	561,652	6,189,000	31,917,600	1,086,289
<b>DETAILS OF WRITE-INS</b>													
3301													
3302													
3303													
3398	Summary of remaining write-ins for Line 33 from overflow page												
3399	Totals (Line 3301 through Line 3303 plus Line 3398) (Line 33 above)												

(a) Finance and service charges not included in Line 1 to Line 34 \$ 2,387,600

(b) For health business on indicated lines report Number of persons insured under PPO managed care products ..... and number of persons insured under indemnity only products .....

ANNUAL STATEMENT FOR THE YEAR 2004 OF THE DONEGAL MUTUAL INSURANCE COMPANY  
**EXHIBIT OF PREMIUMS AND LOSSES (Statutory Page 14)**  
**BUSINESS IN THE STATE OF DELAWARE DURING THE YEAR 2004**

1 3 6 9 2 2 0 0 4 4 3 0 0 8 1 0 0

Line of Business	Gross Premiums, Including Policy and Membership Fees, Less Return Premiums and Premiums on Policies not Taken		Dividends Paid or Credited to Policyholders on Direct Business	Direct Unearned Premium Reserves	Direct Losses Paid (deducting salvage)	Direct Losses Incurred	Direct Losses Unpaid	Direct Defense and Cost Containment Expense Paid	Direct Defense and Cost Containment Expense Incurred	Direct Defense and Cost Containment Expense Unpaid	Commissions and Brokerage Expenses	Taxes, Licenses and Fees
	1 Direct Premiums Written	2 Direct Premiums Earned										
1. Fire	79,548	78,707		40,146	10,588	10,588		341	341		15,322	685
2.1 Allied lines	81	546		118	(17,604)	(17,604)		2,493	1,810		108	5
2.2 Multiple peril crop												
2.3 Federal flood												
3. Farmowners multiple peril	411,300	392,456		213,911	145,921	145,921	42,000	4,527	(1,338)	1,229	78,261	3,534
4. Homeowners multiple peril	2,378,427	2,277,923		1,144,438	821,310	821,310	1,230,584	97,050	(27,239)	152,518	475,445	20,401
5.1 Commercial multiple peril (non-liability portion)	594,007	556,981		286,110	155,375	155,375	307,573	24,253	(6,869)	38,155	119,111	5,100
5.2 Commercial multiple peril (liability portion)												
6. Mortgage guaranty												
7. Ocean marine												
8. Inland marine	59,649	102,400		45,312	16,526	16,526		(53)	(392)		19,320	855
9. Financial guaranty												
10. Medical malpractice												
11. Earthquake												
12. Group accident and health (b)												
13. Credit A and H (group and individual)												
14. Collectively renewable A and H (b)												
15.1 Non-cancelable A and H (b)												
15.2 Guaranteed renewable A and H (b)												
15.3 Non-renewable for stated reasons only (b)												
15.4 All other A and H (b)												
15.5 Other accident only												
15.6 Federal employees health benefits program premium (b)												
15.7 Workers' compensation												
16. Other liability	3,089,119	3,650,213	78,112	1,355,431	1,232,202	2,474,730	3,483,257	82,597	70,978	198,162	207,990	26,316
17. Products liability	575,225	514,176		268,570	85	39,065	49,881	887	2,718	3,740	97,435	4,594
18. Private passenger auto no-fault (personal injury protection)	(193)	(193)									(52)	(1)
19.1 Other private passenger auto liability	230,226	218,513		92,281	314,427	262,277	79,281	1,571	(2,189)	1,892	32,622	1,975
19.2 Commercial auto no-fault (personal injury protection)	1,288,055	1,209,351		505,199	917,977	334,562	1,648,301	55,439	(89,997)	117,327	176,042	10,689
19.3 Other commercial auto liability	189,044	106,100		55,859	11,830	(25,959)	2,050	2,050	(2,423)	35,637	19,816	535
19.4 Private passenger auto physical damage	1,072,825	1,069,881		543,572	482,236	239,336	570,600	14,620	(34,676)	35,637	95,869	9,202
21.1 Commercial auto physical damage	788,011	556,491		283,849	267,405	267,706	9,681	4,804	4,236	63	96,864	6,065
21.2 Aircraft (all perils)	378,637	386,172		190,119	94,890	61,525	1,800	1,341	(1,788)	11	78,995	3,248
22. Fidelity												
23. Surety												
24. Burglary and theft	293	292		118							51	2
25. Boiler and machinery	16,324	19,054		8,278							2,494	140
26. Credit												
27. Aggregate write-ins for other lines of business												
28. TOTALS (e)	10,387,747	11,163,808	78,112	5,084,134	4,483,544	4,464,547	7,423,388	292,039	(65,746)	548,834	1,655,753	94,247

DETAILS OF WRITE-INS  
 381.  
 382.  
 383.  
 384. Summary of remaining write-ins for Line 33 from overflow page  
 385. 389. Totals (Line 381 through Line 386 plus Line 388) [Line 33 above]  
 390. (a) Finance and service charges not included in Line 1 to Line 34 \$ ..... 131, 07  
 (b) For health business on indicated lines report Number of persons insured under PPO managed care products ..... and number of persons insured under indemnity only products .....

**EXHIBIT OF PREMIUMS AND LOSSES (Statutory Page 14)  
BUSINESS IN THE STATE OF ILLINOIS DURING THE YEAR 2004**

NAIC Company Code: 13692  
NAIC Group Code: 0250

Line of Business	Gross Premiums, Including Policy and Membership Fees, Less Return Premiums and Premiums on Policies not Taken		Dividends Paid or Credited to Policyholders on Direct Business	Direct Unearned Premium Reserves	Direct Losses Paid (deducting salvage)	Direct Losses Incurred	Direct Losses Unpaid	Direct Defense and Cost Containment Expense Paid	Direct Defense and Cost Containment Expense Incurred	Direct Defense and Cost Containment Expense Unpaid	Commissions and Brokerage Expenses	Taxes, Licenses and Fees
	1 Direct Premiums Written	2 Direct Premiums Earned										
1. Fire												
2.1 Allied lines												
2.2 Multiple peril crop												
2.3 Federal flood												
3. Farmowners multiple peril												
4. Homeowners multiple peril												
5.1 Commercial multiple peril (non-ability portion)												
5.2 Commercial multiple peril (ability portion)												
6. Mortgage guaranty												
8. Ocean marine												
9. Inland marine												
10. Financial guaranty												
11. Medical malpractice												
12. Earthquake												
13. Group accident and health (b)												
14. Credit A and H (group and individual)												
15.1 Collectively renewable A and H (b)												
15.2 Non-renewable A and H (b)												
15.3 Guaranteed renewable A and H (b)												
15.4 Non-renewable for stated reasons only (b)												
15.5 Other accident only												
15.6 All other A and H (b)												
15.7 Federal employees health benefit program premium (b)												
16. Workers' compensation												
17. Other liability												
18. Products liability												
19.1 Private passenger auto no-fault (personal injury protection)												
19.2 Other private passenger auto liability												
19.3 Commercial auto no-fault (personal injury protection)												
19.4 Other commercial auto liability												
21.1 Private passenger auto physical damage												
21.2 Commercial auto physical damage												
22. Aircraft (all perils)												
23. Fidelity												
24. Surety												
25. Burglary and theft												
27. Boiler and machinery												
28. Credit												
33. Aggregate write-ins for other lines of business												
34. TOTALS (a)												
DETAILS OF WRITE-INS												
301.												
302.												
303.												
308. Summary of remaining write-ins for Line 33 from overflow page												
309. Total (Line 301 through Line 306 plus Line 308) (Line 33 above)												

NONE

(a) Finance and service charges not included in Line 1 to Line 34 \$ ..... and number of persons insured under indemnity only products .....

(b) For health business on indicated lines report Number of persons insured under PPO managed care products .....



**EXHIBIT OF PREMIUMS AND LOSSES (Statutory Page 14)  
 BUSINESS IN THE STATE OF INDIANA DURING THE YEAR 2004**

Line of Business	Gross Premiums, Including Policy and Membership Fees, Less Return Premiums and Premiums on Policies not Taken		Dividends Paid or Credited to Policyholders on Direct Business	Direct Unearned Premium Reserves	Direct Losses Paid (deducting salvage)	Direct Losses Incurred	Direct Losses Unpaid	Direct Defense and Cost Containment Expense Paid	Direct Defense and Cost Containment Expense Incurred	Direct Defense and Cost Containment Expense Unpaid	Commissions and Brokerage Expenses	Taxes, Licenses and Fees
	1 Direct Premiums Written	2 Direct Premiums Earned										
1. Fire												
2.1. Allied lines												
2.2. Multiple peril crop												
2.3. Federal flood												
3. Earthquake												
4. Homeowners multiple peril												
5.1. Commercial multiple peril (non-liability portion)												
5.2. Commercial multiple peril (liability portion)												
6. Mortgage guaranty												
8. Ocean marine												
9. Inland marine												
10. Financial guaranty												
11. Medical malpractice												
12. Earthquake												
13. Group accident and health (b)												
14. Credit A and H (group and individual)												
15.1. Collectively renewable A and H (b)												
15.2. Non-renewable A and H (b)												
15.3. Guaranteed renewable A and H (b)												
15.4. Non-renewable for stated reasons only (b)												
15.5. Other accident only												
15.6. All other A and H (b)												
15.7. Federal employees health benefits program premium (b)												
16. Workers' compensation												
17. Other liability												
18. Products liability												
19.1. Private passenger auto no-fault (personal injury protection)												
19.2. Other private passenger auto liability												
19.3. Commercial auto no-fault (personal injury protection)												
19.4. Other commercial auto liability												
21.1. Private passenger auto physical damage												
21.2. Commercial auto physical damage												
22. Aircraft (all perils)												
23. Fidelity												
24. Surety												
25. Burglary and theft												
27. Boiler and machinery												
28. Credit												
33. Aggregate write-ins for other lines of business												
34. TOTALS (a)												
<b>DETAILS OF WRITE-INS</b>												
3901.												
3902.												
3903.												
3906.												
3909.												

NONE

(a) Finance and service charges not included in Line 1 to Line 34

(b) For health business on indicated lines report: Number of persons insured under PPO managed care products ..... and number of persons insured under indemnity only products .....

**EXHIBIT OF PREMIUMS AND LOSSES (Statutory Page 14)  
BUSINESS IN THE STATE OF MARYLAND DURING THE YEAR 2004**

Line of Business	Gross Premiums, including Policy and Membership Fees, Less Return Premiums and Premiums on Policies not Taken		3	4	5	6	7	8	9	10	11	12
	1	2										
	Direct Premiums Written	Direct Premiums Earned	Dividends Paid or Credited to Policyholders on Direct Business	Direct Unearned Premium Reserves	Direct Losses Paid (deducting salvage)	Direct Losses Incurred	Direct Losses Unpaid	Direct Defense and Cost Containment Expense Paid	Direct Defense and Cost Containment Expense Incurred	Direct Defense and Cost Containment Expense Unpaid	Commissions and Brokerage Expenses	Taxes, Licenses and Fees
1. Fire	54,855	141,253	78,390	18,115	12,420	(20,369)	1,000	391	(6,019)	35	23,677	1,338
2.1 Allied lines	31,973	29,770	18,115	18,115	4,578	3,576	1,000	170	128	35	5,142	274
2.2 Multiple peril crop												
2.3 Federal flood												
3. Farmowners multiple peril	250,313	231,366	192,520	192,520	77,066	81,068	7,000	2,774	2,822	265	47,550	2,147
4. Farmowners multiple peril	3,590,827	3,245,560	1,945,007	1,945,007	1,516,573	1,694,235	790,155	62,757	22,884	24,388	704,529	30,789
5.1 Commercial multiple peril (non-liability portion)	2,530,399	2,434,261	1,193,069	1,193,069	1,519,499	462,339	1,591,320	152,973	(169,174)	98,333	56,888	21,704
5.2 Commercial multiple peril (liability portion)	692,399	696,570	294,767	294,767	319,865	120,592	385,338	38,243	(42,294)	49,593	156,722	5,428
6. Mortgage guaranty												
8. Ocean marine												
9. Inland marine												
10. Financial guaranty	263,775	241,597	132,396	132,396	70,592	55,562	3,000	(111)	(739)	92	51,141	2,263
11. Medical malpractice												
12. Earthquake	493	469		295								4
13. Group accident and health (b)												
14. Credit A and H (group and individual)												
15.1 Collectively renewable A and H (b)												
15.2 Non-renewable A and H (b)												
15.3 Guaranteed renewable A and H (b)												
15.4 Non-renewable for stated reasons only (b)												
15.5 Other accident only												
15.6 All other A and H (b)												
15.7 Federal employees health benefits program premium (b)												
16. Workers compensation	1,705,135	1,590,665	746,223	746,223	655,530	788,365	1,485,481	92,795	(46,399)	83,261	115,576	14,628
17. Other liability	702,068	671,827	303,296	303,296	950,000	493,000	571,000	701	(109,873)	68,730	112,995	6,077
18. Products liability												
19.1 Private passenger auto no-fault (personal injury protection)	337,274	331,571	140,055	140,055	137,150	145,368	51,089	2,220	1,612	1,122	47,787	2,683
19.2 Other private passenger auto liability	2,995,951	2,837,674	1,276,290	1,276,290	2,028,471	1,978,670	3,024,826	164,769	32,438	214,033	444,066	24,505
19.3 Commercial auto no-fault (personal injury protection)	29,865	28,623	13,812	13,812	26,677	21,290	2,000		142	365	5,265	299
19.4 Other commercial auto liability	1,310,692	1,253,747	694,746	694,746	974,633	344,276	1,066,118	28,164	(66,659)	69,004	240,579	11,242
21.1 Private passenger auto physical damage	2,919,914	2,794,199	1,245,011	1,245,011	1,293,396	1,293,972	24,596	23,333	20,447	162	483,881	25,048
21.2 Commercial auto physical damage	370,368	351,656	168,572	168,572	143,168	130,960	3,861	3,861	2,532	5	86,675	3,162
22. Aircraft (all perils)												
23. Priority												
24. Surety	2,060	2,169	158	158	6,000	6,000	6,000	5,987	967		419	8
26. Burglary and theft	27,340	25,667	13,171	13,171	65,000	(35,000)					4,199	254
27. Boiler and machinery												
28. Credit												
33. Aggregate write-ins for other lines of business												
34. TOTALS (a)	17,765,018	16,791,708	41,382	8,217,823	10,014,567	7,592,963	9,019,710	579,983	(284,869)	708,239	2,361,017	162,365

(a) Finance and service charges not included in Line 1 in Line 34 \$ 212,011  
(b) For health business on indicated lines report: Number of persons insured under PPO managed care products ..... and number of persons insured under indemnity only products .....

**DETAILS OF WRITES**

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**EXHIBIT OF PREMIUMS AND LOSSES (Statutory Page 14)  
BUSINESS IN THE STATE OF NEW YORK DURING THE YEAR 2004**

1 3 6 9 2 2 0 0 4 4 3 0 3 3 0 0 0 0

Line of Business	1 Gross Premiums, including Policy and Membership Fees, Less Return Premiums and Premiums on Policies not Taken		2 Direct Premiums Earned	3 Dividends Paid or Credited to Policyholders on Direct Business	4 Direct Unearned Premium Reserves	5 Direct Losses Paid (deducting salvage)	6 Direct Losses Incurred	7 Direct Losses Unpaid	8 Direct Defense and Cost Containment Expense Paid	9 Direct Defense and Cost Containment Expense Incurred	10 Direct Defense and Cost Containment Expense Unpaid	11 Commissions and Brokerage Expenses	12 Taxes, Licenses and Fees
	1 Direct Premiums Written	2 Direct Premiums Earned											
<b>NONE</b>													
<b>DETAILS OF WRITES</b>													
3361													
3362													
3383													
3388													
3389													
<b>TOTALS (a)</b>													

(a) Finance and service charges not included in Line 1 to Line 34  
(b) Fire health business on indicated lines report. Number of persons insured under PPO managed care products ..... and number of persons insured under indemnity only products .....



**EXHIBIT OF PREMIUMS AND LOSSES (Statutory Page 14)  
BUSINESS IN THE STATE OF NORTH CAROLINA DURING THE YEAR 2004**

Line of Business	Gross Premiums, Including Policy and Membership Fees, Less Return Premiums and Premiums on Policies not Taken		Direct Premiums Earned	Direct Premiums Written	3	4	5	6	7	8	9	10	11	12
	1	2												
	Direct Premiums Written	Direct Premiums Earned	Direct Unearned Premium Reserves	Direct Losses Paid (deducting salvage)	Direct Losses Incurred	Direct Defense and Cost Containment Expense Paid	Direct Defense and Cost Containment Expense Incurred	Direct Defense and Cost Containment Expense Unpaid	Direct Losses Unpaid	Commissions and Brokerage Expenses	Taxes, Licenses and Fees			
1. Fire														
2.1 Allied lines														
2.2 Multiple peril crop														
2.3 Federal flood														
3. Farmowners multiple peril														
4. Homeowners multiple peril														
5.1 Commercial multiple peril (non-lease portion)														
5.2 Commercial multiple peril (lease portion)														
6. Mortgage guaranty														
8. Ocean marine														
9. Inland marine														
10. Financial guaranty														
11. Medical malpractice														
12. Earthquakes														
13. Civil accident and health (b)														
14. Group accident and health (b)														
15.1 Class A and H (group A and H)														
15.2 Class B and H (group A and H)														
15.3 Non-assignable A and H (b)														
15.4 Commercial automobile A and H (b)														
15.5 Non-assignable for stated reasons only (b)														
15.6 All other A and H (b)														
15.7 Federal employees health benefits program premium (b)														
16. Workers' compensation														
17. Other liability														
18. Products liability														
19.1 Private passenger auto no-fault (personal injury protection)														
19.2 Other private passenger auto liability														
19.3 Commercial auto no-fault (personal injury protection)														
19.4 Other commercial auto liability														
21.1 Private passenger auto physical damage														
21.2 Commercial auto physical damage														
22. Aircraft (all perils)														
23. Fidelity														
24. Surety														
26. Burglary and theft														
27. Boiler and machinery														
28. Credit														
33. Aggregate write-ins for other lines of business														
34. TOTALS (a)														
<b>DETAILS OF WRITE-INS</b>														
3391.														
3392.														
3393.														
3398.														
3399.														
Summary of remaining write-ins for Line 33 from overflow page														
Totals (Line 3301 through Line 3308) (Line 33 above)														

NONE

(a) Finance and service charges not included in Line 1 to Line 34 \$ ..... and number of persons insured under PPO managed care products .....  
 (b) For health business on indicated lines report: Number of persons insured under indemnity only products .....

**EXHIBIT OF PREMIUMS AND LOSSES (Statutory Page 14)  
BUSINESS IN THE STATE OF OHIO DURING THE YEAR 2004**



Line of Business	Gross Premiums, including Policy and Membership Fees, Less Return Premiums and Premiums on Policies not Taken		3	4	5	6	7	8	9	10	11	12
	1	2										
	Direct Premiums Written	Direct Premiums Earned	Dividends Paid or Credited to Policyholders on Direct Business	Direct Unearned Premium Reserves	Direct Losses Paid (deducting salvage)	Direct Losses Incurred	Direct Losses Unpaid	Direct Defense and Cost Containment Expense Paid	Direct Defense and Cost Containment Expense Incurred	Direct Defense and Cost Containment Expense Unpaid	Commissions and Brokerage Expenses	Taxes, Licenses and Fees
1. Fire	55,135	45,842		20,756	25	25					10,565	473
2.1 Allied lines												
2.2 Multiple peril crop												
2.3 Federal flood												
3. Farmowners multiple peril	(289)	(289)		6							(45)	(2)
4. Homeowners multiple peril	31,841	17,461		16,725	1,364	1,364	395,189	29,233	(36,884)	49,303	5,206	21
5.1 Commercial multiple peril (non-liability portion)	2,849,384	2,850,070		1,453,255	630,702	441,874	96,547	7,388	(9,071)	12,326	570,327	24,450
5.2 Commercial multiple peril (liability portion)	719,346	647,517		361,066	157,675	110,468					142,697	6,110
6. Storage guaranty												
7. Ocean marine												
8. Inland marine												
9. Financial guaranty	21,827	17,949		9,083	21,958	16,850			(72)		4,292	187
10. Medical malpractice												
11. Earthquake												
12. Group accident and health (a)												
13. Credit A and H (group and individual)	778	284		542							163	7
14. Voluntary term life A and H (b)												
15.1 Non-convertible A and H (b)												
15.2 Convertible A and H (b)												
15.3 Non-convertible A and H (b)												
15.4 Convertible A and H (b)												
15.5 Other accident and health reasons only (b)												
15.6 All other A and H (b)												
15.7 Federal employees health benefits program premium (b)												
16. Workers' compensation												
17. Other liability	707,733	700,129		379,825	20,000	20,000	28,000				113,716	6,070
18. Products liability	(1,151)	(1,151)									(679)	(15)
19.1 Private passenger auto no-fault (personal injury protection)												
19.2 Other private passenger auto liability												
19.3 Commercial auto no-fault (personal injury protection)	1,451,251	1,377,500		522,526	639,942	708,472	614,503	29,382	11,338	42,771	281,739	12,448
19.4 Other commercial auto liability	1,102,391	1,151,376		618,070	285,118	699,699	690,496	13,642	37,235	34,976	218,811	10,228
20.1 Private passenger auto physical damage	1,445,167	1,328,010		511,154	699,830	647,283	41,663	9,699	195,769	275	195,769	12,138
21.1 Commercial auto physical damage	386,159	375,336		151,864	121,880	135,218	28,232	2,580	1,349	179	56,665	2,526
21.2 Aircraft (all perils)												
22. Freshly												
23. Surety												
24. Burglary and theft	2,435	1,277		1,149							484	21
25. Boiler and machinery	46,427	39,339		23,906							7,094	393
26. Credit												
27. Aggregate write-ups for other lines of business												
28. TOTALS (a)	8,700,715	8,258,363		4,072,777	2,492,494	2,771,346	1,747,620	80,644	8,383	199,830	1,530,765	75,400
<b>DETAILS OF WRITE-INS</b>												
3301.												
3302.												
3303.												
3398.	Summary of remaining write-ins for Line 33 from overflow page											
3399.	Totals (Line 3301 through Line 3303 plus Line 3398) (Line 33 above)											

(a) Finance and service charges not included in Line 1 to Line 24 \$ 104,304  
(b) For health business on indicated lines report. Number of persons insured under PPO managed care products ..... and number of persons insured under indemnity only products .....

**EXHIBIT OF PREMIUMS AND LOSSES (Statutory Page 14)  
BUSINESS IN THE STATE OF PENNSYLVANIA DURING THE YEAR 2004**

Line of Business	1 Gross Premiums, Including Policy and Membership Fees, Less Return Premiums and Premiums on Policies not Taken		2 Direct Premiums Earned	3 Dividends Paid or Credited to Policyholders on Direct Business	4 Direct Unearned Premium Reserves	5 Direct Losses Paid (deducting salvage)	6 Direct Losses Incurred	7 Direct Losses Unpaid	8 Direct Defense and Cost Containment Expense Paid	9 Direct Defense and Cost Containment Expense Incurred	10 Direct Defense and Cost Containment Expense Unpaid	11 Commissions and Brokerage Expenses	12 Taxes, Licenses and Fees
	Written	Net											
1. Fire	2,827,823	2,466,855	1,288,205		950,351	881,289	183,439	9,380	882	4,000	470,070	21,098	
2.1. All risks	853,695	612,460	333,146		410,932	442,263	104,001	12,188	11,892	1,384	122,124	5,453	
2.2. Federal flood													
2.3. Multiple peril crop													
3. Firearm/multiple peril	2,075,680	1,854,395	1,055,057		706,552	622,219	1,079,689	83,542	(9,703)	30,656	384,456	17,810	
4. Firearm/multiple peril (non-eligibility portion)	34,872,697	34,872,697	18,659,772		15,393,101	13,299,975	9,885,663	349,385	(249,249)	20,632	6,880,307	291,402	
5.1. Commercial multiple peril (eligibility portion)	21,250,581	20,472,256	10,257,064		8,432,232	3,777,081	3,686,029	306,894	191,810	1,652,724	4,285,314	92,546	
5.2. Commercial multiple peril (non-eligibility portion)	3,320,645	3,118,089	2,364,286		2,106,066	2,444,421	3,414,336	280,897	47,314	413,183	1,065,628	65,607	
6. Burglary/guaranty													
7. Ocean marine													
8. Flight marine	1,540,533	1,536,104	789,329		363,680	367,880	112,200	(566)	(2,377)	1,588	280,069	13,220	
9. Financial guaranty													
10. Medical malpractice													
11. Errors and omissions	65,792	65,754	32,677								12,948	584	
12. Credit and health (b)													
13. Credit A and H (group and individual)													
14. Credit A and H (group and individual)													
15.1. Collectively renewable A and H (b)													
15.2. Non-cancelable A and H (b)													
15.3. Guaranteed renewable A and H (b)													
15.4. Non-renewable for stated reasons only (b)													
15.5. Other accident only													
15.6. All other A and H (b)													
15.7. Federal employees health benefits program premium (b)	17,634,513	16,920,387	8,456,296		6,234,688	12,419,523	20,769,813	514,394	446,717	592,972	1,288,843	152,972	
16. Workers' compensation	5,320,533	5,297,226	2,432,179	665,788	2,201,282	855,472	2,455,600	94,900	56,884	292,530	864,888	45,636	
17. Other liability	3,424	3,416	8								1,124	29	
18. Products liability													
19.1. Private passenger auto no-fault (personal injury protection)													
19.2. Other private passenger auto liability	25,747,690	25,819,061	9,468,218		610,368	610,368	1,191,209	8,075	2,434	31,586	3,390,160	220,847	
19.3. Commercial auto no-fault (personal injury protection)	433,117	409,589	201,911		19,935,156	18,088,168	35,103,463	1,793,319	38,701	2,549,869	78,705	3,716	
19.4. Other commercial auto liability	8,220,803	7,857,711	3,789,105		71,553	83,120	77,399	28,088	29,420	5,695	78,705	70,513	
20.1. Private passenger auto physical damage	25,389,295	25,050,761	9,226,735		2,844,500	3,641,452	6,920,690	177,526	183,106	365,687	3,582,372	217,592	
21.1. Commercial auto physical damage	4,427,314	4,218,281	2,042,593		1,483,062	1,545,327	154,900	13,691	10,139	784	819,605	37,975	
21.2. Aircraft (all perils)													
22. Fidelity													
23. Surety													
24. Burglary and theft	2,721	2,392	2,090								554	21	
25. Boiler and machinery	234,904	212,108	116,357								35,894	2,015	
26. Credit													
27. Aggregate write-ins for other lines of business													
28. TOTALS (a)	155,842,861	152,287,733	69,848,988	665,788	68,321,524	76,208,331	94,957,322	4,470,199	812,458	6,695,492	25,011,825	1,335,000	
<b>DETAILS OF WRITE-INS</b>													
3301.													
3302.													
3303.													
3304.													
3305. Summary of remaining write-ins for Line 33 from overflow page													
3306. Totals (Line 3301 through Line 3305 plus Line 3308) (Line 33 above)													
3307. Finance and service charges not included in Line 1 to Line 34													1,857,383
3308. For health business on indicated lines report. Number of persons insured under PPO managed care products													1,857,383
3309. Totals (Line 3301 through Line 3305 plus Line 3308) (Line 33 above)													1,857,383

(a) Finance and service charges not included in Line 1 to Line 34  
(b) For health business on indicated lines report. Number of persons insured under PPO managed care products

1 3 6 9 2 2 0 0 4 4 3 0 4 3 0 0 0 0

**EXHIBIT OF PREMIUMS AND LOSSES (Statutory Page 14)  
 BUSINESS IN THE STATE OF TENNESSEE DURING THE YEAR 2004**

Line of Business	Gross Premiums, Including Policy and Membership Fees, Less Return Premiums and Premiums on Policies not Taken		3	4	5	6	7	8	9	10	11	12
	1	2										
	Direct Premiums Written	Direct Premiums Earned	Dividends Paid or Credited to Policyholders on Direct Business	Direct Unearned Premium Reserves	Direct Losses Paid (deducting salvage)	Direct Losses Incurred	Direct Losses Unpaid	Direct Defense and Cost Containment Expense Paid	Direct Defense and Cost Containment Expense Incurred	Direct Defense and Cost Containment Expense Unpaid	Commissions and Brokerage Expenses	Taxes, Licenses and Fees
1. Fire												
2.1 Auto lines												
2.2 Multiple peril crop												
2.3 Federal flood												
3. Firearmers multiple peril												
4. Firearmers multiple peril												
5.1 Commercial multiple peril (no-liability period)												
5.2 Commercial multiple peril (liability period)												
6. Air/sea/generality												
7. Ocean marine												
8. Inland marine												
9. Finance/generality												
10. Medical malpractice												
11. Earthquake												
12. Aircraft and health (b)												
13. Credit A and H (guar. and insur.)												
14. Credit A and H (guar. and insur.)												
15.1 Non-convertible A and H (b)												
15.2 Guaranteed renewable A and H (b)												
15.3 Non-convertible A and H (b)												
15.4 Guaranteed renewable A and H (b)												
15.5 Other accident only												
15.6 All other A and H (b)												
15.7 Federal employees health benefits program premium (b)												
16. Workers' compensation												
17. Other liability												
18. Products liability												
19.1 Private passenger auto no-fault (personal injury protection)												
19.2 Other private passenger auto liability												
19.3 Commercial auto no-fault (personal injury protection)												
19.4 Other commercial auto liability												
21.1 Private passenger auto physical damage												
21.2 Commercial auto physical damage												
22. Aircraft (all perils)												
23. Fidelity												
24. Surety												
25. Burglary and theft												
26. Boiler and machinery												
27. Credit												
28. Credit												
33. Aggregate write-ins for other lines of business												
34. TOTALS (a)												
DETAILS OF WRITE-INS												
3391												
3392												
3393												
3398. Summary of remaining write-ins for Line 33 from overflow page												
3399. Totals (Line 3391 through Line 3398) (Line 33 above)												

NONE

(a) Finance and service charges not included in Line 1 to Line 34  
 (b) For health business on indicated lines report. Number of persons insured under PPO managed care products ..... and number of persons insured under indemnity only products .....

**EXHIBIT OF PREMIUMS AND LOSSES (Statutory Page 14)  
BUSINESS IN THE STATE OF VIRGINIA DURING THE YEAR 2004**

Line of Business	Gross Premiums, Including Policy and Membership Fees, Less Return Premiums and Premiums on Policies not Issued		3	4	5	6	7	8	9	10	11	12
	1	2										
	Direct Premiums Written	Direct Premiums Earned	Dividends Paid or Credits to Policyholders on Direct Business	Direct Unearned Premium Reserves	Direct Losses Paid (deducting salvage)	Direct Losses Incurred	Direct Losses Unpaid	Direct Defense and Cost Containment Expense Paid	Direct Defense and Cost Containment Expense Incurred	Direct Defense and Cost Containment Expense Unpaid	Commissions and Brokerage Expenses	Taxes, Licenses and Fees
1. Fire	147,206	117,405		16,710	5,737	(3,263)		37			28,211	1,263
2.1 Allied lines	14,365	4,738		9,635							2,763	123
2.2 Multiple peril crop												
2.3 Federal flood												
3. Farmowners multiple peril		2,014										
4. Homeowners multiple peril		2,354,715		1,026,442	471,870	614,594	684,109	166,630	93,500	81,352	512,639	21,948
5.1 Commercial multiple peril (non-ability portion)	639,176	388,678		256,610	117,698	153,848	171,027	26,707	23,367	20,341	128,147	5,467
5.2 Commercial multiple peril (ability portion)												
6. Mortgage guaranty												
8. Ocean marine												
9. Inland marine	69,883	73,327		28,658	7,872	7,872					13,534	589
10. Financial guaranty												
11. Medical malpractice												
12. Earthquake												
13. Group accident and health (a)												
14. Credit A and H (group and individual)												
15.1 Casualty (rentals A and H) (b)												
15.2 Non-comparable A and H (b)												
15.3 Guaranteed (rentals A and H) (b)												
15.4 Non-renewable (for stated reasons only) (b)												
15.5 All other accident and health (b)												
15.6 Workers' compensation	32,722	738,155		333,830	618,053	695,544	1,485,275	19,414	(7,525)	82,055	62,543	7,915
16. Workers' compensation	103,621	114,361	43,755	67,146	59	(5,854)		377	(653)		16,650	883
17. Products liability	(245)	(245)									(89)	(2)
18. Private passenger auto no-fault (personal injury protection)												
19.1 Other private passenger auto liability	13,570	7,803		5,787	48,598	83,589	35,000	955	3,242	2,286	2,468	116
19.2 Commercial auto no-fault (personal injury protection)	227,026	124,610		102,552							41,861	1,947
19.3 Other commercial auto liability												
21.1 Private passenger auto physical damage	79,278	41,229		38,052	98,240	109,140	1,800	488	479	11	14,676	680
21.2 Commercial auto physical damage												
22. Aircraft (all perils)												
23. Fidelity												
24. Surety												
25. Burglary and theft	1,104	1,278		213							225	9
26. Boiler and machinery	32,945	28,852		12,580							5,054	283
27. Credit												
28. Aggregate write-ins for other lines of business												
33. TOTALS (a)	4,893,993	4,197,361	43,755	2,153,195	1,363,289	1,646,091	2,377,211	148,889	92,225	186,665	228,410	41,257
DETAILS OF WRITE-INS												
3301												
3302												
3303												
3398												
3399												

(a) Finance and service charges not included in Line 1 to Line 34 \$ 57,400  
(b) For health business on indicated lines report: Number of persons insured under PPO managed care products ..... and number of persons insured under indemnity only products .....

ANNUAL STATEMENT FOR THE YEAR 2004 OF THE DONEGAL MUTUAL INSURANCE COMPANY

**SCHEDULE A - VERIFICATION BETWEEN YEARS**

1. Book/adjusted carrying value, December 31, prior year (prior year statement)	23,828,872
2. Increase (decrease) by adjustment:	
2.1 Totals, Part 1, Column 11	(732,021)
2.2 Totals, Part 3, Column 7	
3. Cost of acquired, (Totals, Part 2, Column 6, net of encumbrances (Column 7) and net of additions and permanent improvements (Column 9))	
4. Cost of additions and permanent improvements:	
4.1 Totals, Part 1, Column 14	66,992
4.2 Totals, Part 3, Column 9	
5. Total profit (loss) on sales, Part 3, Column 14	
6. Increase (decrease) by foreign exchange adjustment:	
6.1 Totals, Part 1, Column 12	
6.2 Totals, Part 3, Column 8	
7. Amounts received on sales, Part 3, Column 11 and Part 1, Column 13	
8. Book/adjusted carrying value at end of current period	23,163,843
9. Total valuation allowance	
10. Subtotal (Line 8 plus Line 9)	23,163,843
11. Total nonadmitted amounts	
12. Statement value, current period (Page 2, real estate lines, Net Admitted Assets column)	23,163,843

**SCHEDULE B - VERIFICATION BETWEEN YEARS**

1. Book value/recorded investment excluding accrued interest on mortgages owned, December 31 of prior year	4,558,055
2. Amount loaned during year:	
2.1 Actual cost at time of acquisitions	507,963
2.2 Additional investment made after acquisitions	507,963
3. Accrual of discount and mortgage interest points and commitment fees	
4. Increase (decrease) by adjustment	
5. Total profit (loss) on sale	
6. Amounts paid on account or in full during the year	778,929
7. Amortization of premium	
8. Increase (decrease) by foreign exchange adjustment	
9. Book value/recorded investment excluding accrued interest on mortgages owned at end of current period	4,287,089
10. Total valuation allowance	
11. Subtotal (Line 9 plus Line 10)	4,287,089
12. Total nonadmitted amounts	209,853
13. Statement value of mortgages owned at end of current period (Page 2, mortgage lines, Net Admitted Assets column)	4,077,236

**SCHEDULE BA - VERIFICATION BETWEEN YEARS**

1. Book/adjusted carrying value of long-term invested assets owned, December 31 of prior year	5,216,992
2. Cost of acquisitions during year:	
2.1 Actual cost at time of acquisitions	185,000
2.2 Additional investment made after acquisitions	55,000
3. Accrual of discount	

**SCHEDULE D - SUMMARY BY COUNTRY**

Long-Term Bonds and Stocks OWNED December 31 of Current Year

Description	1	2	3	4
	Book/Adjusted Carrying Value	Fair Value	Actual Cost	Par Value of Bonds
<b>BONDS</b>				
Governments (Including all obligations guaranteed by governments)	1. United States .....	8,069,525	8,205,000	8,100,547
	2. Canada .....			
	3. Other Countries .....			
	4. Totals .....	8,069,525	8,205,000	8,100,547
States, Territories and Possessions (Direct and guaranteed)	5. United States .....	10,125	10,000	10,301
	6. Canada .....			
	7. Other Countries .....			
	8. Totals .....	10,125	10,000	10,301
Political Subdivisions of States, Territories and Possessions (Direct and guaranteed)	9. United States .....	215,152	218,600	214,432
	10. Canada .....			
	11. Other Countries .....			
	12. Totals .....	215,152	218,600	214,432
Special revenue and special assessment obligations and all non-guaranteed obligations of agencies and authorities of governments and their political subdivisions	13. United States .....	14,803,169	14,783,359	14,799,369
	14. Canada .....			
	15. Other Countries .....			
	16. Totals .....	14,803,169	14,783,359	14,799,369
Public Utilities (unaffiliated)	17. United States .....			
	18. Canada .....			
	19. Other Countries .....			
	20. Totals .....			
Industrial and Miscellaneous and Credit Tenant Loans (unaffiliated)	21. United States .....	6,194,710	6,659,000	6,193,101
	22. Canada .....			
	23. Other Countries .....			
	24. Totals .....	6,194,710	6,659,000	6,193,101
Parent, Subsidiaries and Affiliates	25. Totals .....			
	26. Total Bonds .....	29,292,681	29,875,959	29,317,750
<b>PREFERRED STOCKS</b>				
Public Utilities (unaffiliated)	27. United States .....			
	28. Canada .....			
	29. Other Countries .....			
	30. Totals .....			
Banks, Trust and Insurance Companies (unaffiliated)	31. United States .....	2,368,240	2,368,240	2,312,500
	32. Canada .....			
	33. Other Countries .....			
	34. Totals .....	2,368,240	2,368,240	2,312,500
Industrial and Miscellaneous (unaffiliated)	35. United States .....	573,050	573,050	625,000
	36. Canada .....			
	37. Other Countries .....			
	38. Totals .....	573,050	573,050	625,000
Parent, Subsidiaries and Affiliates	39. Totals .....			
	40. Total Preferred Stocks .....	2,941,290	2,941,290	2,937,500
<b>COMMON STOCKS</b>				
Public Utilities (unaffiliated)	41. United States .....	160,700	160,700	238,700
	42. Canada .....			
	43. Other Countries .....			
	44. Totals .....	160,700	160,700	238,700
Banks, Trust and Insurance Companies (unaffiliated)	45. United States .....	2,533,239	2,533,239	1,331,783
	46. Canada .....			
	47. Other Countries .....			
	48. Totals .....	2,533,239	2,533,239	1,331,783
Industrial and Miscellaneous (unaffiliated)	49. United States .....	4,414,508	4,414,508	2,583,379
	50. Canada .....			
	51. Other Countries .....			
	52. Totals .....	4,414,508	4,414,508	2,583,379
Parent, Subsidiaries and Affiliates	53. Totals .....	101,549,663	101,549,663	51,363,203
	54. Total Common Stocks .....	108,658,110	108,658,110	55,517,066
	55. Total Stocks .....	111,599,400	111,599,400	58,454,586
	56. Total Bonds and Stocks .....	140,892,081	141,475,359	87,772,315

**SCHEDULE D - VERIFICATION BETWEEN YEARS**

1. Book/adjusted carrying value of bonds and stocks, prior year .....	120,430,583	6. Foreign Exchange Adjustment:	
2. Cost of bonds and stocks acquired, Column 7, Part 3 .....	32,259,850	6.1 Column 15, Part 1 .....	
3. Increase (decrease) by adjustment:		6.2 Column 19, Part 2, Section 1 .....	
3.1 Column 12 plus Column 13 minus Column 14, Part 1 .....	(1,953)	6.3 Column 16, Part 2, Section 2 .....	
3.2 Column 18, Part 2, Section 1 .....	(26,940)	6.4 Column 15, Part 4 .....	
3.3 Column 15, Part 2, Section 2 .....	4,133,910	7. Book/adjusted carrying value at end of current period .....	140,892,081
3.4 Column 14, Part 4 .....	(58,658)	8. Total valuation allowance .....	
4. Total gain (loss), Column 19, Part 4 .....	4,046,949	9. Subtotal (Line 7 plus Line 8) .....	140,892,081
5. Deduct consideration for bonds and stocks disposed of Column 7, Part 4 .....	16,024,016	10. Total nonadmitted amounts .....	
		11. Statement value of bonds and stocks, current period .....	140,892,081

ANNUAL STATEMENT FOR THE YEAR 2004 OF THE DONEGAL MUTUAL INSURANCE COMPANY

SCHEDULE D - PART 1A - SECTION 1

Quality and Maturity Distribution of All Bonds Owned December 31, at Book/Adjusted Carrying Values by Major Types of Issues and NAIC Designations

Quality Rating per the NAIC Designation	1 1 Year or Less	2 Over 1 Year Through 5 Years	3 Over 5 Years Through 10 Years	4 Over 10 Years Through 20 Years	5 Over 20 Years	6 Total Current Year	7 Column 6 as a % of Line 10.7	8 Total from Column 6 Prior Year	9 % From Column 7 Prior Year	10 Total Publicly Traded	11 Total Privately Placed (a)
<b>1. U.S. Governments, Schedules D and DA (Group 1)</b>											
1.1 Class 1	10,497,867	3,465,868	1,997,288		2,074,797	18,066,020	42.2	6,075,051	16.9	18,066,020	
1.2 Class 2											
1.3 Class 3											
1.4 Class 4											
1.5 Class 5											
1.6 Class 6											
1.7 Totals	10,497,867	3,465,868	1,997,288		2,074,797	18,066,020	42.2	6,075,051	16.9	18,066,020	
<b>2. All Other Governments, Schedules D and DA (Group 2)</b>											
2.1 Class 1											
2.2 Class 2											
2.3 Class 3											
2.4 Class 4											
2.5 Class 5											
2.6 Class 6											
2.7 Totals											
<b>3. States, Territories and Possessions etc., Guaranteed, Schedules D and DA (Group 3)</b>											
3.1 Class 1		10,125				10,125		10,148		10,125	
3.2 Class 2											
3.3 Class 3											
3.4 Class 4											
3.5 Class 5											
3.6 Class 6											
3.7 Totals		10,125				10,125		10,148		10,125	
<b>4. Political Subdivisions of States, Territories and Possessions, Guaranteed, Schedules D and DA (Group 4)</b>											
4.1 Class 1		215,152				215,152	0.5			215,152	
4.2 Class 2											
4.3 Class 3											
4.4 Class 4											
4.5 Class 5											
4.6 Class 6											
4.7 Totals		215,152				215,152	0.5			215,152	
<b>5. Special Revenue and Special Assessment Obligations etc., Non-Guaranteed, Schedules D and DA (Group 5)</b>											
5.1 Class 1	4,764,895	8,790,979	1,247,495			14,803,369	34.6	10,527,923	29.3	14,803,369	
5.2 Class 2											
5.3 Class 3											
5.4 Class 4											
5.5 Class 5											
5.6 Class 6											
5.7 Totals	4,764,895	8,790,979	1,247,495			14,803,369	34.6	10,527,923	29.3	14,803,369	



**SCHEDULE D - PART 1A - SECTION 1 (continued)**

Quality and Maturity Distribution of All Bonds Owned December 31, at Book/Adjusted Carrying Values by Major Types of Issues and NAIC Designations

Quality Rating per the NAIC Designation	1	2	3	4	5	6	7	8	9	10	11
Quality Rating per the NAIC Designation	1 Year or Less	Over 1 Year Through 5 Years	Over 5 Years Through 10 Years	Over 10 Years Through 20 Years	Over 20 Years	Column 6 as a % of Line 10, 7	Column 6 as a % of Line 10, 7	Total from Column 6 Prior Year	% From Column 7 Prior Year	Total Publicly Traded	Total Privately Placed (a)
<b>6. Public Utilities (Unaffiliated), Schedules D and DA (Group 6)</b>											
6.1 Class 1											
6.2 Class 2											
6.3 Class 3											
6.4 Class 4											
6.5 Class 5											
6.6 Class 6											
6.7 Totals											
<b>7. Industrial and Miscellaneous (Unaffiliated), Schedules D and DA (Group 7)</b>											
7.1 Class 1	4,748,846	2,180,089	2,246,361			21.5	19,301,832	9,193,336	53.7	9,193,336	
7.2 Class 2	500,000					1.2		500,000		500,000	
7.3 Class 3											
7.4 Class 4											
7.5 Class 5											
7.6 Class 6											
7.7 Totals	5,248,846	2,180,089	2,246,361			22.7	19,301,832	9,693,336	53.7	9,693,336	
<b>8. Credit Tenant/Leases, Schedules D and DA (Group 8)</b>											
8.1 Class 1											
8.2 Class 2											
8.3 Class 3											
8.4 Class 4											
8.5 Class 5											
8.6 Class 6											
8.7 Totals											
<b>9. Parent, Subsidiaries and Affiliates, Schedules D and DA (Group 9)</b>											
9.1 Class 1											
9.2 Class 2											
9.3 Class 3											
9.4 Class 4											
9.5 Class 5											
9.6 Class 6											
9.7 Totals											

ANNUAL STATEMENT FOR THE YEAR 2004 OF THE DONEGAL MUTUAL INSURANCE COMPANY

**SCHEDULE D - PART 1A - SECTION 1 (continued)**

Quality and Maturity Distribution of All Bonds Owned December 31, at Book/Adjusted Carrying Values by Major Types of Issues and NAIC Designations

Quality Rating per the NAIC Designation	1 1 Year or Less	2 Over 1 Year Through 5 Years	3 Over 5 Years Through 10 Years	4 Over 10 Years Through 20 Years	5 Over 20 Years	6 Total Current Year	7 Column 6 as a % of Line 10.7	8 Total from Column 6 Prior Year	9 % From Column 7 Prior Year	10 Total Publicly Traded	11 Total Privately Placed (a)
<b>10. Total Bonds Current Year</b>											
10.1 Class 1	20,041,508	14,710,323	5,491,144		2,074,797	42,287,772	98.8	XXX	XXX	42,287,772	XXX
10.2 Class 2	500,000					500,000	1.2	XXX	XXX	500,000	XXX
10.3 Class 3								XXX	XXX		XXX
10.4 Class 4								XXX	XXX		XXX
10.5 Class 5								XXX	XXX		XXX
10.6 Class 6								XXX	XXX		XXX
10.7 Totals	20,541,508	14,710,323	5,491,144		2,074,797	42,787,772	100.0	XXX	XXX	42,787,772	XXX
10.8 Line 10.7 as a % of Column 6	47.9	34.4	12.8		4.8	100.0		XXX	XXX	100.0	
<b>11. Total Bonds Prior Year</b>											
11.1 Class 1	16,875,244	14,725,809	2,237,857		2,076,423	35,915,554		35,915,554	100.0	35,915,554	
11.2 Class 2											
11.3 Class 3											
11.4 Class 4											
11.5 Class 5											
11.6 Class 6											
11.7 Totals	16,875,244	14,725,809	2,237,857		2,076,423	35,915,554		35,915,554	100.0	35,915,554	
11.8 Line 11.7 as a % of Column 8	47.0	41.0	6.2		5.8	100.0		100.0	XXX	100.0	
<b>12. Total Publicly Traded Bonds</b>											
12.1 Class 1	20,041,508	14,710,323	5,491,144		2,074,797	42,287,772	98.8	35,915,554	100.0	42,287,772	XXX
12.2 Class 2	500,000					500,000	1.2	35,915,554	100.0	500,000	XXX
12.3 Class 3											XXX
12.4 Class 4											XXX
12.5 Class 5											XXX
12.6 Class 6											XXX
12.7 Totals	20,541,508	14,710,323	5,491,144		2,074,797	42,787,772	100.0	35,915,554	100.0	42,787,772	XXX
12.8 Line 12.7 as a % of Column 6	47.9	34.4	12.8		4.8	100.0		XXX	XXX	100.0	XXX
12.9 Line 12.7 as a % of Line 10.7, Column 6, Section 10	47.9	34.4	12.8		4.8	100.0		XXX	XXX	100.0	XXX
<b>13. Total Privately Placed Bonds</b>											
13.1 Class 1											XXX
13.2 Class 2											XXX
13.3 Class 3											XXX
13.4 Class 4											XXX
13.5 Class 5											XXX
13.6 Class 6											XXX
13.7 Totals											XXX
13.8 Line 13.7 as a % of Column 6											XXX
13.9 Line 13.7 as a % of Line 10.7, Column 6, Section 10											XXX

(a) Includes \$ ..... freely tradable under SEC Rule 144 or qualified for resale under SEC Rule 144A.  
 (b) Includes \$ ..... current year, \$ ..... prior year of bonds with 2 designations and \$ ..... current year, \$ ..... prior year of bonds with 7 designations. The letter "Z" means the NAIC designation was not assigned by the Securities Valuation Office (SVO) at the date of the statement. "Z" means the SVO could not evaluate the obligation because valuation procedures for the security class is under regulatory review.  
 (c) Includes \$ ..... current year, \$ ..... prior year of bonds with 3 designations and \$ ..... current year, \$ ..... prior year of bonds with 6 designations. "5" means the NAIC designation was assigned by the SVO in reliance on the issuer's certification that the issuer is current in all principal and interest payments. "6" means the NAIC designation was assigned by the SVO due to inadequate certification of principal and interest payments.

ANNUAL STATEMENT FOR THE YEAR 2004 OF THE DONEGAL MUTUAL INSURANCE COMPANY

**SCHEDULE D - PART 1A - SECTION 2**

Maturity Distribution of All Bonds Owned December 31, At Book/Adjusted Carrying Values by Major Type and Subtype of Issues

Distribution by Type	1 1 Year or Less	2 Over 1 Year Through 5 Years	3 Over 5 Years Through 10 Years	4 Over 10 Years Through 20 Years	5 Over 20 Years	6 Total Current Year	7 Column 6 as a % of Line 10.7	8 Total From Column 6 Prior Year	9 % From Column 7 Prior Year	10 Total Publicly Traded	11 Total Private Placed
<b>1. U.S. Governments, Schedules D and DA (Group 1)</b>											
1.1 Issuer Obligations	10,497,397	3,495,938	1,997,288		2,074,797	18,066,020	42.2	6,075,661	16.9	18,066,020	
1.2 Single Class Mortgage-Backed/Asset-Backed Securities											
1.7 Totals	10,497,397	3,495,938	1,997,288		2,074,797	18,066,020	42.2	6,075,661	16.9	18,066,020	
<b>2. All Other Governments, Schedules D and DA (Group 2)</b>											
2.1 Issuer Obligations											
2.2 Single Class Mortgage-Backed/Asset-Backed Securities											
<b>MULTI-CLASS RESIDENTIAL MORTGAGE-BACKED SECURITIES:</b>											
2.3 Defined											
2.4 Other											
<b>MULTI-CLASS COMMERCIAL MORTGAGE-BACKED/ASSET-BACKED SECURITIES:</b>											
2.5 Defined											
2.6 Other											
2.7 Totals											
<b>3. States, Territories and Possessions, Guaranteed, Schedules D and DA (Group 3)</b>											
3.1 Issuer Obligations		10,125				10,125		10,148		10,125	
3.2 Single Class Mortgage-Backed/Asset-Backed Securities											
<b>MULTI-CLASS RESIDENTIAL MORTGAGE-BACKED SECURITIES:</b>											
3.3 Defined											
3.4 Other											
<b>MULTI-CLASS COMMERCIAL MORTGAGE-BACKED/ASSET-BACKED SECURITIES:</b>											
3.5 Defined											
3.6 Other											
3.7 Totals		10,125				10,125		10,148		10,125	
<b>4. Political Subdivisions of States, Territories and Possessions, Guaranteed, Schedules D and DA (Group 4)</b>											
4.1 Issuer Obligations		215,152				215,152	0.5			215,152	
4.2 Single Class Mortgage-Backed/Asset-Backed Securities											
<b>MULTI-CLASS RESIDENTIAL MORTGAGE-BACKED SECURITIES:</b>											
4.3 Defined											
4.4 Other											
<b>MULTI-CLASS COMMERCIAL MORTGAGE-BACKED/ASSET-BACKED SECURITIES:</b>											
4.5 Defined											
4.6 Other											
4.7 Totals		215,152				215,152	0.5			215,152	
<b>5. Special Revenue and Special Assessment Obligations etc., Non-Guaranteed, Schedules D and DA (Group 5)</b>											
5.1 Issuer Obligations	3,501,085	4,494,011				7,995,016	18.7	7,402,288	20.6	7,995,016	
5.2 Single Class Mortgage-Backed/Asset-Backed Securities	1,285,680	4,256,968	1,247,485			6,800,133	15.9	3,121,637	8.7	6,800,133	
<b>MULTI-CLASS RESIDENTIAL MORTGAGE-BACKED SECURITIES:</b>											
5.3 Defined											
5.4 Other											
<b>MULTI-CLASS COMMERCIAL MORTGAGE-BACKED/ASSET-BACKED SECURITIES:</b>											
5.5 Defined											
5.6 Other											
5.7 Totals	4,786,865	8,750,979	1,247,485			14,805,169	34.6	10,527,923	29.3	14,805,169	

ANNUAL STATEMENT FOR THE YEAR 2004 OF THE DONEGAL MUTUAL INSURANCE COMPANY

**SCHEDULE D - PART 1A - SECTION 2 (continued)**

Maturity Distribution of All Bonds Owned December 31, At Book/Adjusted Carrying Values by Major Type and Subtype of Issues

Distribution by Type	1 1 Year or Less	2 Over 1 Year Through 5 Years	3 Over 5 Years Through 10 Years	4 Over 10 Years Through 20 Years	5 Over 20 Years	6 Total Current Year	7 Column 6 as a % of Line 10.7	8 Total From Column 5 Prior Year	9 % From Column 7 Prior Year	10 Total Publicly Traded	11 Total Privately Placed
<b>6. Public Utilities (Unaffiliated), Schedules D and DA (Group 6)</b>											
6.1 Issuer Obligations											
6.2 Single Class Mortgage-Backed/Asset-Backed Securities											
<b>MULTI-CLASS RESIDENTIAL MORTGAGE-BACKED SECURITIES:</b>											
6.3 Defined											
6.4 Other											
<b>MULTI-CLASS COMMERCIAL MORTGAGE-BACKED/ASSET-BACKED SECURITIES:</b>											
6.5 Defined											
6.6 Other											
6.7 Totals											
<b>7. Industrial and Miscellaneous (Unaffiliated), Schedules D and DA (Group 7)</b>											
7.1 Issuer Obligations	5,248,846	2,198,099	2,246,361			9,693,306	22.7	19,301,632	53.7	9,693,306	
7.2 Single Class Mortgage-Backed/Asset-Backed Securities											
<b>MULTI-CLASS RESIDENTIAL MORTGAGE-BACKED SECURITIES:</b>											
7.3 Defined											
7.4 Other											
<b>MULTI-CLASS COMMERCIAL MORTGAGE-BACKED/ASSET-BACKED SECURITIES:</b>											
7.5 Defined											
7.6 Other											
7.7 Totals	5,248,846	2,198,099	2,246,361			9,693,306	22.7	19,301,632	53.7	9,693,306	
<b>8. Credit Tenant Leases, Schedules D and DA (Group 8)</b>											
8.1 Issuer Obligations											
8.7 Totals											
<b>9. Parent, Subsidiaries and Affiliates, Schedules D and DA (Group 9)</b>											
9.1 Issuer Obligations											
9.2 Single Class Mortgage-Backed/Asset-Backed Securities											
<b>MULTI-CLASS RESIDENTIAL MORTGAGE-BACKED SECURITIES:</b>											
9.3 Defined											
9.4 Other											
<b>MULTI-CLASS COMMERCIAL MORTGAGE-BACKED/ASSET-BACKED SECURITIES:</b>											
9.5 Defined											
9.6 Other											
9.7 Totals											

**SCHEDULE D - PART 1A - SECTION 2 (continued)**

Maturity Distribution of All Bonds Owned December 31, At Book/Adjusted Carrying Values by Major Type and Subtype of Issues

Distribution by Type	1 1 Year or Less	2 Over 1 Year Through 5 Years	3 Over 5 Years Through 10 Years	4 Over 10 Years Through 20 Years	5 Over 20 Years	6 Total Current Year	7 Column 6 as a % of Line 10.7	8 Total From Column 6 Prior Year	9 % From Column 7 Prior Year	10 Total Publicly Traded	11 Total Privately Placed
<b>10. Total Bonds Current Year</b>											
10.1 Issuer Obligations	19,247,818	10,413,355	4,243,649		2,074,797	35,979,619	84.1	XXX	XXX	35,979,619	
10.2 Single Class Mortgage-Backed/Asset-Backed Securities	1,263,690	4,256,869	1,247,485			6,808,153	15.9	XXX	XXX	6,808,153	
<b>MULTI-CLASS RESIDENTIAL MORTGAGE-BACKED SECURITIES:</b>											
10.3 Defined								XXX	XXX		
10.4 Other								XXX	XXX		
<b>MULTI-CLASS COMMERCIAL MORTGAGE-BACKED/ASSET-BACKED SECURITIES:</b>											
10.5 Defined								XXX	XXX		
10.6 Other								XXX	XXX		
<b>Totals</b>	20,511,508	14,710,323	5,491,144		2,074,797	42,787,772	100.0	XXX	XXX	42,787,772	
10.8 Line 10.7 as a % of Column 6	47.9	34.4	12.8		4.8	100.0	XXX	XXX	XXX	100.0	
<b>11. Total Bonds Prior Year</b>											
11.1 Issuer Obligations	19,254,098	12,702,831	1,789,555		2,076,423	35,822,907	84.1	XXX	91.3	32,793,917	
11.2 Single Class Mortgage-Backed/Asset-Backed Securities	821,246	2,022,859	417,252			3,261,357	15.9	XXX	8.7	3,121,687	
<b>MULTI-CLASS RESIDENTIAL MORTGAGE-BACKED SECURITIES:</b>											
11.3 Defined								XXX	XXX		
11.4 Other								XXX	XXX		
<b>MULTI-CLASS COMMERCIAL MORTGAGE-BACKED/ASSET-BACKED SECURITIES:</b>											
11.5 Defined								XXX	XXX		
11.6 Other								XXX	XXX		
<b>Totals</b>	19,975,344	14,725,690	2,206,807		2,076,423	35,915,554	100.0	XXX	100.0	35,915,554	
11.8 Line 11.7 as a % of Column 8	47.0	41.0	9.2		5.8	100.0	XXX	XXX	XXX	100.0	
<b>12. Total Privately Traded Bonds</b>											
12.1 Issuer Obligations	19,247,818	10,413,355	4,243,649		2,074,797	35,979,619	84.1	XXX	91.3	35,979,619	XXX
12.2 Single Class Mortgage-Backed/Asset-Backed Securities	1,263,690	4,256,869	1,247,485			6,808,153	15.9	XXX	8.7	6,808,153	XXX
<b>MULTI-CLASS RESIDENTIAL MORTGAGE-BACKED SECURITIES:</b>											
12.3 Defined								XXX	XXX		XXX
12.4 Other								XXX	XXX		XXX
<b>MULTI-CLASS COMMERCIAL MORTGAGE-BACKED/ASSET-BACKED SECURITIES:</b>											
12.5 Defined								XXX	XXX		XXX
12.6 Other								XXX	XXX		XXX
<b>Totals</b>	20,511,508	14,710,323	5,491,144		2,074,797	42,787,772	100.0	XXX	100.0	42,787,772	XXX
12.8 Line 12.7 as a % of Column 6	47.9	34.4	12.8		4.8	100.0	XXX	XXX	XXX	100.0	XXX
12.9 Line 12.7 as a % of Line 10.7, Column 6, Section 10	47.9	34.4	12.8		4.8	100.0	XXX	XXX	XXX	100.0	XXX
<b>13. Total Privately Placed Bonds</b>											
13.1 Issuer Obligations										XXX	XXX
13.2 Single Class Mortgage-Backed/Asset-Backed Securities										XXX	XXX
<b>MULTI-CLASS RESIDENTIAL MORTGAGE-BACKED SECURITIES:</b>											
13.3 Defined										XXX	XXX
13.4 Other										XXX	XXX
<b>MULTI-CLASS COMMERCIAL MORTGAGE-BACKED/ASSET-BACKED SECURITIES:</b>											
13.5 Defined										XXX	XXX
13.6 Other										XXX	XXX
<b>Totals</b>										XXX	XXX
13.8 Line 13.7 as a % of Column 6										XXX	XXX
13.9 Line 13.7 as a % of Line 10.7, Column 6, Section 10										XXX	XXX

ANNUAL STATEMENT FOR THE YEAR 2004 OF THE DONEGAL MUTUAL INSURANCE COMPANY

**SCHEDULE DA - PART 2**

Verification of SHORT-TERM INVESTMENTS Between Years

	1	2	3	4	5
	Total	Bonds	Mortgage Loans	Other Short-term Investment Assets (e)	Investments in Parent, Subsidiaries and Affiliates
1. Book/adjusted carrying value, December 31 of prior year .....	11,462,419	11,462,419			
2. Cost of short-term investments acquired .....	265,100,519	265,100,519			
3. Increase (decrease) by adjustment .....					
4. Increase (decrease) by foreign exchange adjustment .....					
5. Total profit (loss) on disposal of short-term investments .....					
6. Consideration received on disposal of short-term investments .....	263,187,847	263,187,847			
7. Book/adjusted carrying value, current year .....	13,485,091	13,485,091			
8. Total valuation allowance .....					
9. Subtotal (Line 7 plus Line 8) .....	13,485,091	13,485,091			
10. Total nonadmitted amounts .....					
11. Statement value (Line 9 minus Line 10) .....	13,485,091	13,485,091			
12. Income collected during year .....	132,068	132,068			
13. Income earned during year .....	129,912	129,912			

(e) Indicate the category of such assets, for example, joint ventures, transportation equipment.

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Schedule DB, Part A, Verification Between Years  
**NONE**

Schedule DB, Part B, Verification Between Years  
**NONE**

**Page 31**

Schedule DB, Part C, Verification Between Years  
**NONE**

Schedule DB, Part D, Verification Between Years  
**NONE**

Schedule DB, Part E, Verification of Statement and Fair Values  
**NONE**

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Sch. DB, Pt. F, Sn. 1, Summary Replicated (Syn.) Assets Open  
**NONE**

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Sch. DB, Pt. F, Sn. 2, Reconciliation Replicated (Syn.) Assets  
**NONE**

ANNUAL STATEMENT FOR THE YEAR 2004 OF THE DONEGAL MUTUAL INSURANCE COMPANY

SCHEDULE F - PART 1

Assumed Reinsurance as of December 31, Current Year (000 Omitted)

1 Federal ID Number	2 NAIC Company Code	3 Name of Reinsured	4 Domiciliary Jurisdiction	5 Assumed Premium	6 Reinsurance On		7 Unpaid Case Losses and LAE	8 Column 6 plus Column 7	9 Contingent Commissions Payable	10 Assumed Premiums Receivable	11 Unearned Premium	12 Funds Held By or Deposited With Reinsured Companies	13 Letters of Credit Posted	14 Amount of Assets Pledged or Compensating Balances to Secure Letters of Credit
					5 Paid Losses and Loss Adjustment Expenses	6 4,244								
Affiliates - U.S. Intercompany Pooling														
23-043006	72586	ATLANTIC STATES INSURANCE COMPANY	PENNSYLVANIA	67,238	4,244	45,182	49,426	49,426		5,382	34,728			
0168989		Subtotal - Affiliates - U.S. Intercompany Pooling		67,238	4,244	45,182	49,426	49,426		5,382	34,728			
Affiliates - U.S. Non-Pool														
54-036765	28972	SOUTHERN INSURANCE COMPANY OF VIRGINIA	VIRGINIA	56,918	73	28,308	28,381	28,381		778	78,881			
42-037870	14389	LE MARS INSURANCE COMPANY	ICWA	24,811		5,492	5,492	5,492		28	10,520			
0289999		Subtotal - Affiliates - U.S. Non-Pool		81,729	73	29,210	29,283	29,283		801	89,401			
0469999		Subtotal - Affiliates		148,967	4,417	74,392	78,869	78,869		5,683	73,529			
9999999 - TOTAL - Schedule F, Part 1														
				148,967	4,417	74,392	78,869	78,869		5,683	73,529			



ANNUAL STATEMENT FOR THE YEAR 2004 OF THE DONEGAL MUTUAL INSURANCE COMPANY

**SCHEDULE F - PART 2**

Premium Portfolio Reinsurance Effected or (Cancelled) during Current Year

1 Federal ID Number	2 NAIC Company Code	3 Name of Company	4 Date of Contract	5 Original Premium	6 Reinsurance Premium
<b>Reinsurance Ceded by Portfolio</b>					
424376770	14389	LE MARS INSURANCE COMPANY	04/01/2004	9,437,732	9,437,732
0199999		TOTAL Reinsurance Ceded by Portfolio		9,437,732	9,437,732
<b>Reinsurance Assumed by Portfolio</b>					
424376770	14389	LE MARS INSURANCE COMPANY	04/01/2004	9,437,732	9,437,732
0299999		TOTAL Reinsurance Assumed by Portfolio		9,437,732	9,437,732

ANNUAL STATEMENT FOR THE YEAR 2004 OF THE DONEGAL MUTUAL INSURANCE COMPANY

SCHEDULE F - PART 3

Ceded Reinsurance as of December 31, Current Year (000 Omitted)

1 Federal ID Number	2 NAIC Company Code	3 Name of Reinsurer	4 Domestic Jurisdiction	5 Reinsurance Contracts Ceding 75% or More of Direct Premiums Written	6 Reinsurance Premiums Ceded	Reinsurance Recoverable On							Reinsurance Payable			18 Net Amount Recoverable From Reinsurers (10 + 17)	19 Funds Held by Company Under Reinsurance Treaties
						7 Paid Losses	8 Paid LAE	9 Known Case Loss Reserves	10 Known Case LAE Reserves	11 IBNR Loss Reserves	12 IBNR/LAE Reserves	13 Unearned Premiums	14 Contingent Commissions	15 Column 7 through Column 14 Totals	16 Ceded Balances Payable		
0988899	2288	ATLANTIC STATES INSURANCE COMPANY	PENNSYLVANIA		170,572	8,580	857	91,452	12,705	8,780	84,350	13,501	206,734	13,501	193,233		
0988899	2288	ATLANTIC STATES INSURANCE COMPANY	PENNSYLVANIA		170,572	8,580	857	91,452	12,705	8,780	84,350	13,501	206,734	13,501	193,233		
0288899	2687	SOUTHERN INSURANCE COMPANY OF VIRGINIA	VIRGINIA		54,001			17,312	4,724	1,685	28,981		52,692		52,692		
0288899	2687	SOUTHERN INSURANCE COMPANY OF VIRGINIA	VIRGINIA		54,001			17,312	4,724	1,685	28,981		52,692		52,692		
0288899	14389	LE MARS INSURANCE COMPANY	IOWA		24,444			5,300	2,654	1,389	16,321		19,276		19,276		
0288899	14389	LE MARS INSURANCE COMPANY	IOWA		24,444			5,300	2,654	1,389	16,321		19,276		19,276		
0288899	2292	HANNOVER RE	CONNECTICUT		78,445			23,214	6,888	1,974	39,392		71,376		71,376		
0288899	2292	HANNOVER RE	CONNECTICUT		78,445			23,214	6,888	1,974	39,392		71,376		71,376		
0488899	25384	SWISS REINSURANCE AMERICA CORP.	NEW YORK		249,017	8,580	857	114,665	19,593	10,764	123,652	13,501	278,112	13,501	264,611		
0488899	25384	SWISS REINSURANCE AMERICA CORP.	NEW YORK		249,017	8,580	857	114,665	19,593	10,764	123,652	13,501	278,112	13,501	264,611		
13-074125	1027	AMERICAN REINSURANCE COMPANY	NEW JERSEY		963	41		1,270			448	3	1,752	3	1,759		
13-074125	1027	AMERICAN REINSURANCE COMPANY	NEW JERSEY		963	41		1,270			448	3	1,752	3	1,759		
37-633380	25143	STATE FARM FIRE & CASUALTY	ILLINOIS		99			64					740		740		
37-633380	25143	STATE FARM FIRE & CASUALTY	ILLINOIS		99			64					740		740		
38-7416268	33498	DORICO REINSURANCE COMPANY	MICHIGAN		3,335	23	25	3,078		193			3,480	(301)	3,179		
38-7416268	33498	DORICO REINSURANCE COMPANY	MICHIGAN		3,335	23	25	3,078		193			3,480	(301)	3,179		
15-2907469	37776	FOLKSAMERICA RE	NEW YORK		6,903	411	45	5,450		589			6,265	(541)	5,724		
15-2907469	37776	FOLKSAMERICA RE	NEW YORK		6,903	411	45	5,450		589			6,265	(541)	5,724		
13-512825	2292	HANNOVER RE	CONNECTICUT		3,068	183	20	2,422		193			2,794	(241)	2,553		
13-512825	2292	HANNOVER RE	CONNECTICUT		3,068	183	20	2,422		193			2,794	(241)	2,553		
06-0394880	11452	HARTFORD STEAM BOILER	CONNECTICUT		346	1		1		10			172	25	197		
06-0394880	11452	HARTFORD STEAM BOILER	CONNECTICUT		346	1		1		10			172	25	197		
13-1675335	25384	SWISS REINSURANCE AMERICA CORP.	NEW YORK		5,398			1,228		2,425			3,653	434	3,219		
13-1675335	25384	SWISS REINSURANCE AMERICA CORP.	NEW YORK		5,398			1,228		2,425			3,653	434	3,219		
59-212692	97655	THE HEALTH AND HEALTH INSURANCE CO.	TEXAS		741			741					741		741		
59-212692	97655	THE HEALTH AND HEALTH INSURANCE CO.	TEXAS		741			741					741		741		
0588899	Other U.S. Unaffiliated Insurers				406	94	90	73		717			269	19	288		
0588899	Other U.S. Unaffiliated Insurers				406	94	90	73		717			269	19	288		
0588899	Subtotal - Authorized				20,949	1,060	90	14,634			3,065	(602)	19,885	(602)	20,487		
0588899	Subtotal - Authorized				20,949	1,060	90	14,634			3,065	(602)	19,885	(602)	20,487		
AA-3184139	06000	AXIS SPECIALTY LIMITED	BERMUDA		104								41	3	39		
0898899	Subtotal - Authorized				104								41	3	39		
0898899	Subtotal - Authorized				104								41	3	39		
1988899	Subtotal - Authorized and Unauthorized				270,070	9,681	947	129,520	19,593	11,461	126,737	12,902	297,959	12,902	285,057		
1988899	Subtotal - Authorized and Unauthorized				270,070	9,681	947	129,520	19,593	11,461	126,737	12,902	297,959	12,902	285,057		
9988899	TOTAL - Schedule F, Part 3				270,070	9,681	947	129,520	19,593	11,461	126,737	12,902	297,959	12,902	285,057		
9988899	TOTAL - Schedule F, Part 3				270,070	9,681	947	129,520	19,593	11,461	126,737	12,902	297,959	12,902	285,057		

NOTE: Report the five largest provisional commission rates included in the cedant's reinsurance treaties. The commission rate to be reported is by contract with ceded premium in excess of \$50,000.

1 Name of Company	2 Commission Rate	3 Ceded Premium
1)		
2)		
3)		
4)		
5)		

**SCHEDULE F - PART 4**

Aging of Ceded Reinsurance as of December 31, Current Year (000 Omitted)

1 Federal ID Number	2 NAIC Company Code	3 Name of Reinsurer	4 Domiciliary Jurisdiction	5 Reinsurance Recoverable on Paid Losses and Paid Loss Adjustment Expenses										11 Total Due Column 5 plus Column 10	12 Percentage Overdue Column 10 divided by Column 11	13 Percentage more Than 120 Days Overdue Column 9 divided by Column 11
				6 Overdue												
				7 1 to 29 Days	8 30 - 89 Days	9 90 - 120 Days	10 Over 120 Days	Total Overdue Columns 6 + 7 + 8 + 9								
Authorized - Affiliates - U.S. Intercompany Pooling 23-233426 Z2586		ATLANTIC STATES INSURANCE COMPANY	PENNSYLVANIA	9,437											9,437	
0192699 - Subtotal - Authorized - Affiliates - U.S. Intercompany Pooling				9,437											9,437	
0498999 - Subtotal - Authorized - Affiliates				9,437											9,437	
Authorized - Other U.S. Unaffiliated Insurers																
13-624125 10271		AMERICAN REINSURANCE COMPANY	NEW JERSEY	44											44	
37-033080 25143		STATE FARM FIRE & CASUALTY	ILLINOIS	99											99	
38-214398 33493		DORRICO REINSURANCE COMPANY	MICHIGAN	253											253	
13-291749 37176		FOLKSAMERICA RE	NEW YORK	456											456	
13-312625 22292		HANNOVER RE	NEW JERSEY	283											283	
06-636680 11452		HARTFORD STEAM BOILER	CONNECTICUT	1											1	
0598999 - Subtotal - Authorized - Other U.S. Unaffiliated Ins. <\$100K				94											94	
0598999 - Subtotal - Authorized - Other U.S. Unaffiliated Insurers				1,150											1,150	
Authorized - Other Non-U.S. Insurers																
04-919419 08000		AXIS SPECIALTY LIMITED	BERMUDA	41											41	
0289399 - Subtotal - Authorized - Other Non-U.S. Insurers				41											41	
0393999 - Subtotal - Authorized				10,628											10,628	
1098999 - Subtotal - Authorized and Unauthorized				10,628											10,628	
9689899 - TOTAL - Schedule F, Part 4				10,628											10,628	

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Sch. F, Pt. 5, Provision for Unauthorized Reinsurance

**NONE**

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Sch. F, Pt. 6, Provision for Overdue Authorized Reinsurance

**NONE**

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Sch. F, Pt. 7, Provision for Overdue Reinsurance

**NONE**

ANNUAL STATEMENT FOR THE YEAR 2004 OF THE DONEGAL MUTUAL INSURANCE COMPANY

**SCHEDULE F - PART 8**

Restatement of Balance Sheet to Identify Net Credit for Reinsurance

	1	2	3
	As Reported (Net of Ceded)	Restatement Adjustments	Restated (Gross of Ceded)
<b>ASSETS</b> (Page 2, Column 3)			
1. Cash and invested assets (Line 10) .....	177,071,204		177,071,204
2. Premiums and considerations (Line 12) .....	40,886,319		40,886,319
3. Reinsurance recoverable on loss and loss adjustment expense payments (Line 13.1) .....	10,627,656	(10,627,656)	
4. Funds held by or deposited with reinsured companies (Line 13.2) .....			
5. Other assets .....	6,792,173		6,792,173
6. Net amount recoverable from reinsurers .....		299,237,550	299,237,550
7. Totals (Line 26) .....	235,377,352	286,609,884	523,987,246
<b>LIABILITIES</b> (Page 3)			
8. Losses and loss adjustment expenses (Line 1 through Line 3) .....	69,078,981	174,775,335	243,854,316
9. Taxes, expenses, and other obligations (Line 4 through Line 8) .....	22,701,298		22,701,298
10. Unearned premiums (Line 9) .....	36,149,597	126,736,594	162,886,591
11. Advance premiums (Line 10) .....			
12. Dividends declared and unpaid (Line 11.1 and Line 11.2) .....	867,000		867,000
13. Ceded reinsurance premiums payable (net of ceding commissions) (Line 12) .....	12,902,035	(12,902,035)	
14. Funds held by company under reinsurance treaties (Line 13) .....			
15. Amounts withheld or retained by company for account of others (Line 14) .....	758,295		758,295
16. Provision for reinsurance (Line 16) .....			
17. Other liabilities (Line 15 and Line 17 through Line 23) .....	75,673		75,673
18. Total liabilities excluding protected cell business (Line 26 minus Line 25) .....	142,533,279	286,609,884	431,143,173
19. Surplus as regards policyholders (Line 35) .....	92,844,073	X X X	92,844,073
20. Totals (Line 36) .....	235,377,352	286,609,884	523,987,246

NOTE: Is the restatement of this exhibit the result of grossing up balances ceded to affiliates under 100 percent reinsurance or pooling arrangements? Yes (X) No ( )

If yes, give full explanation:

The Company has entered into 100% retrocessional agreements with Southern Insurance Company of Virginia and Le Mars Insurance Company (the latter was effective April 1, 2004).

.....  
 .....  
 .....

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Sch. H, Accident and Health Exhibit, Part 1  
**NONE**

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Sch. H, Accident and Health Exhibit, Part 2  
**NONE**

Sch. H, Accident and Health Exhibit, Part 3  
**NONE**

Sch. H, Accident and Health Exhibit, Part 4  
**NONE**

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Sch. H, Pt. 5, Health Claims  
**NONE**

**SCHEDULE P - ANALYSIS OF LOSSES AND LOSS EXPENSES**

**SCHEDULE P - PART 1 - SUMMARY**

(\$000 Omitted)

Years in Which Premiums Earned and Losses Incurred	Premiums Earned			Loss and Loss Expense Payments								12 Number of Claims Reported - Direct and Assumed
	1 Direct and Assumed	2 Ceded	3 Net (Columns 1 - 2)	Loss Payments		Defense and Cost Containment Payments		Adjusting and Other Payments		10 Salvage and Subrogation Received	11 Total Net Paid (Columns 4 - 5 + 6 - 7 + 8 - 9)	
				4 Direct and Assumed	5 Ceded	6 Direct and Assumed	7 Ceded	8 Direct and Assumed	9 Ceded			
1. Prior	XXX	XXX	XXX	197	110	83	50	48	6	23	162	XXX
2. 1995	135,870	84,633	51,237	69,312	41,683	6,958	4,273	3,384	88	1,390	33,610	XXX
3. 1996	154,821	107,792	47,029	103,746	71,318	9,395	6,589	4,044	204	1,615	39,074	XXX
4. 1997	166,863	117,405	49,578	87,857	60,978	8,609	5,918	4,185	317	1,558	33,438	XXX
5. 1998	173,180	121,846	51,334	94,882	62,635	7,167	4,715	4,622	380	1,538	38,941	XXX
6. 1999	184,728	124,752	54,977	107,955	73,934	6,928	4,667	5,527	790	1,922	41,029	XXX
7. 2000	198,887	144,356	54,529	112,208	80,079	5,985	4,090	6,877	2,267	1,707	38,635	XXX
8. 2001	232,665	177,104	55,761	118,221	88,491	6,285	4,539	6,973	2,327	1,485	36,212	XXX
9. 2002	254,494	195,673	58,821	121,678	90,615	4,066	2,804	6,526	1,988	1,763	36,263	XXX
10. 2003	282,850	217,539	65,311	124,272	92,652	2,620	1,368	7,178	2,638	1,722	37,412	XXX
11. 2004	323,559	249,498	74,061	92,835	71,720	1,382	581	5,223	1,779	1,028	25,460	XXX
12. Totals	XXX	XXX	XXX	1,032,673	734,124	59,476	39,594	54,587	12,784	15,751	360,236	XXX

Losses Unpaid				Defense and Cost Containment Unpaid				Adjusting and Other Unpaid		23 Salvage and Subrogation Anticipated	24 Total Net Losses and Expenses Unpaid	25 Number of Claims Outstanding - Direct & Assumed
Case Basis		Bulk + IBNR		Case Basis		Bulk + IBNR		21 Direct and Assumed	22 Ceded			
13 Direct and Assumed	14 Ceded	15 Direct and Assumed	16 Ceded	17 Direct and Assumed	18 Ceded	19 Direct and Assumed	20 Ceded					
3,427	2,879	263	263			209	143	135	53		687	XXX
696	589	2	2			25	16	40	24		154	XXX
2,869	2,257	3	3			339	278	237	149		761	XXX
1,361	1,029	4	4			73	45	120	75		405	XXX
5,006	3,320	2	2			581	431	539	321		2,054	XXX
6,390	4,349	2	2			535	363	612	346		2,479	XXX
11,428	7,913	4	4			1,091	781	1,327	636		4,336	XXX
19,001	13,078	442	352			1,632	1,075	2,319	1,495		7,594	XXX
27,951	20,190	1,175	980			2,327	1,581	3,219	2,114		9,607	XXX
36,561	27,046	3,644	3,044			3,053	2,132	4,382	2,981		12,437	XXX
61,954	46,889	19,497	14,937			6,399	4,656	8,647	5,767		24,128	XXX
176,666	129,519	25,038	19,593			16,265	11,481	21,477	14,181		64,662	XXX

Total Losses and Loss Expenses Incurred			Loss and Loss Expense Percentage (Incurred/Premiums Earned)			Nonlabular Discount		34 Inter-Company Pooling Participation Percentage	Net Balance Sheet Reserves After Discount	
26 Direct and Assumed	27 Ceded	28 Net	29 Direct and Assumed	30 Ceded	31 Net	32 Loss	33 Loss Expense		35 Losses Unpaid	36 Loss Expenses Unpaid
XXX	XXX	XXX	XXX	XXX	XXX			XXX	548	139
80,419	46,655	33,764	69.2	55.1	65.9			40.0	129	25
120,653	89,798	30,855	77.9	75.0	84.7			35.0	632	149
102,209	68,366	33,843	61.2	58.2	68.3			35.0	332	73
112,799	71,804	40,995	65.1	59.9	79.9			35.0	1,886	368
127,559	84,451	43,108	69.3	65.1	79.1			35.0	2,041	426
138,920	95,949	42,971	69.8	66.5	78.8			30.0	3,515	821
154,673	111,287	43,386	66.5	62.8	78.2			30.0	5,019	1,381
168,942	120,272	48,670	65.4	61.5	78.3			30.0	7,856	1,851
181,710	131,851	49,849	64.2	60.6	76.3			30.0	10,115	2,322
195,937	146,949	48,988	60.6	58.7	67.0			30.0	19,625	4,503
XXX	XXX	XXX	XXX	XXX	XXX			XXX	52,582	12,070

Part 2 and 4 are gross of all discounting, including tabular discounting. Part 1 is gross of only nonlabular discounting, which is reported in Columns 32 and 33 of Part 1. The tabular discount, if any, is reported in the Notes to Financial Statements which will reconcile Part 1 with Parts 2 and 4.

ANNUAL STATEMENT FOR THE YEAR 2004 OF THE DONEGAL MUTUAL INSURANCE COMPANY

**SCHEDULE P - PART 2 - SUMMARY**

Years in Which Losses Were Incurred	INCURRED NET LOSSES AND DEFENSE AND COST CONTAINMENT EXPENSES REPORTED AT YEAR END (\$000 OMITTED)										DEVELOPMENT		
	1	2	3	4	5	6	7	8	9	10	11	12	
	1995	1996	1997	1998	1999	2000	2001	2002	2003	2004	One Year	Two Year	
1. Prior									725	725	725		
2. 1995	33,229	33,116	33,768	32,940	31,553	31,090	30,855	30,672	30,518	30,452	(66)	(220)	
3. 1996	XXX	36,682	36,304	36,657	36,881	35,878	36,149	35,982	35,967	35,927	(40)	(55)	
4. 1997	XXX	XXX	29,939	30,930	31,130	31,198	30,385	29,994	30,107	29,930	(177)	(64)	
5. 1998	XXX	XXX	XXX	33,668	35,389	35,982	36,858	36,920	36,593	36,535	(58)	(305)	
6. 1999	XXX	XXX	XXX	XXX	35,589	37,735	39,269	39,586	38,831	38,505	(326)	(1,081)	
7. 2000	XXX	XXX	XXX	XXX	XXX	34,433	37,018	38,370	38,841	37,870	(971)	(500)	
8. 2001	XXX	XXX	XXX	XXX	XXX	XXX	35,369	37,701	38,442	38,138	(306)	435	
9. 2002	XXX	XXX	XXX	XXX	XXX	XXX	XXX	40,349	40,869	40,427	(442)	78	
10. 2003	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	44,486	43,908	(578)	XXX	
11. 2004	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	43,384	XXX	XXX	
											12. Totals	(2,964)	(1,792)

**SCHEDULE P - PART 3 - SUMMARY**

Years in Which Losses Were Incurred	CUMULATIVE PAID NET LOSSES AND DEFENSE AND COST CONTAINMENT EXPENSES REPORTED AT YEAR END (\$000 OMITTED)										11	12	
	1	2	3	4	5	6	7	8	9	10	Number of Claims Closed With Loss Payment	Number of Claims Closed Without Loss Payment	
	1995	1996	1997	1998	1999	2000	2001	2002	2003	2004			
1. Prior	000										120	XXX	XXX
2. 1995	16,164	21,874	24,826	26,925	28,505	29,417	29,914	30,150	30,317	30,314	XXX	XXX	XXX
3. 1996	XXX	20,900	27,125	29,660	31,910	32,959	33,670	34,424	34,782	35,234	XXX	XXX	XXX
4. 1997	XXX	XXX	16,236	21,818	24,103	26,304	28,027	28,995	29,273	29,570	XXX	XXX	XXX
5. 1998	XXX	XXX	XXX	19,384	25,607	28,520	31,080	33,042	34,152	34,699	XXX	XXX	XXX
6. 1999	XXX	XXX	XXX	XXX	19,938	26,714	30,167	33,277	35,073	36,292	XXX	XXX	XXX
7. 2000	XXX	XXX	XXX	XXX	XXX	19,426	26,320	29,699	32,248	34,025	XXX	XXX	XXX
8. 2001	XXX	XXX	XXX	XXX	XXX	XXX	18,425	24,809	28,665	31,566	XXX	XXX	XXX
9. 2002	XXX	XXX	XXX	XXX	XXX	XXX	XXX	21,341	28,233	31,725	XXX	XXX	XXX
10. 2003	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	24,957	32,872	XXX	XXX	XXX
11. 2004	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	22,016	XXX	XXX	XXX

**SCHEDULE P - PART 4 - SUMMARY**

Years in Which Losses Were Incurred	BULK AND IBNR RESERVES ON NET LOSSES AND DEFENSE AND COST CONTAINMENT EXPENSES REPORTED AT YEAR END (\$000 OMITTED)										
	1	2	3	4	5	6	7	8	9	10	
	1995	1996	1997	1998	1999	2000	2001	2002	2003	2004	
1. Prior											57
2. 1995	5,420	1,842	1,661	945	419	198	125	62	15	9	
3. 1996	XXX	4,794	1,469	1,150	862	377	323	209	157	61	
4. 1997	XXX	XXX	3,870	1,483	1,180	769	259	112	100	28	
5. 1998	XXX	XXX	XXX	3,892	1,638	1,180	818	430	256	150	
6. 1999	XXX	XXX	XXX	XXX	4,364	1,859	1,402	873	402	172	
7. 2000	XXX	XXX	XXX	XXX	XXX	4,521	1,636	1,322	899	330	
8. 2001	XXX	XXX	XXX	XXX	XXX	XXX	5,684	1,982	1,465	847	
9. 2002	XXX	XXX	XXX	XXX	XXX	XXX	XXX	5,503	1,976	941	
10. 2003	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	5,919	1,521	
11. 2004	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	6,303	



ANNUAL STATEMENT FOR THE YEAR 2004 OF THE DONEGAL MUTUAL INSURANCE COMPANY

SCHEDULE P - PART 1A - HOMEOWNERS/FARMOWNERS

(\$000 Omitted)

Years in Which Premiums Were Earned and Losses Were Incurred	Premiums Earned			Loss and Loss Expense Payments							12 Number of Claims Reported - Direct and Assumed	
	1 Direct and Assumed	2 Ceded	3 Net (Columns 1 - 2)	Loss Payments		Defense and Cost Containment Payments		Adjusting and Other Payments		10 Salvage and Subrogation Received		11 Total Net Paid (Columns 4 - 5 + 6 - 7 + 8 - 9)
				4 Direct and Assumed	5 Ceded	6 Direct and Assumed	7 Ceded	8 Direct and Assumed	9 Ceded			
1. Prior	XXX	XXX	XXX	(17)	(20)						3	XXX
2. 1993	21,633	13,319	8,314	14,978	8,574	937	574	723	4	191	7,486	9,027
3. 1994	26,851	19,371	7,480	31,039	21,384	1,856	1,423	1,058	10	308	11,156	17,823
4. 1995	31,740	22,800	8,940	17,886	12,113	1,298	927	763	16	249	6,689	8,538
5. 1996	34,834	24,914	9,920	22,116	13,982	1,044	681	1,130	40	113	9,589	10,239
6. 1997	37,461	26,690	10,801	23,352	15,802	1,116	783	1,361	185	287	9,059	9,264
7. 2000	39,850	29,006	10,844	22,276	15,682	834	603	1,712	622	178	7,715	7,462
8. 2001	44,587	33,787	10,800	21,802	16,071	602	466	1,469	526	65	6,810	8,317
9. 2002	47,959	36,544	11,415	24,270	17,610	337	263	1,633	589	66	7,778	8,219
10. 2003	54,266	42,940	12,246	37,184	27,252	632	248	2,580	1,152	99	11,744	9,873
11. 2004	63,204	48,743	14,461	21,899	16,904	153	106	1,738	730	21	6,050	7,156
12. Totals	XXX	XXX	XXX	236,587	165,534	8,809	6,074	14,167	3,876	1,597	84,079	XXX

Losses Unpaid				Defense and Cost Containment Unpaid				Adjusting and Other Unpaid		23 Salvage and Subrogation Anticipated	24 Total Net Losses and Expenses Unpaid	25 Number of Claims Outstanding - Direct & Assumed
Case Basis		Bulk + IBNR		Case Basis		Bulk + IBNR		21 Direct and Assumed	22 Ceded			
13 Direct and Assumed	14 Ceded	15 Direct and Assumed	16 Ceded	17 Direct and Assumed	18 Ceded	19 Direct and Assumed	20 Ceded					
1. 180	143					6	5					
2. 25	16					2	2	3	2	10	1	
3. 230	191					9	7	16	11	46	7	
4. 434	332					12	9	42	26	119	7	
5. 663	678					29	20	124	84	334	28	
6. 627	562	66	58			31	22	110	73	311	23	
7. 1,247	927	37	37			39	28	154	109	376	41	
8. 3,155	2,342	117	117			99	71	364	251	954	91	
9. 6,661	5,017	1,727	1,367			281	213	621	540	2,353	692	
10. 13,722	10,208	1,939	1,579			509	378	1,645	1,105	4,546	692	

Total Losses and Loss Expenses Incurred			Loss and Loss Expense Percentage (Incurred/Premiums Earned)			Nonlabular Discount		34 Inter-Company Pooling Participation Percentage	Net Balance Sheet Reserves After Discount	
26 Direct and Assumed	27 Ceded	28 Net	29 Direct and Assumed	30 Ceded	31 Net	32 Loss	33 Loss Expense		35 Losses Unpaid	36 Loss Expenses Unpaid
1. XXX	XXX	XXX	XXX	XXX	XXX			XXX	37	6
2. 16,640	9,154	7,486	76.9	68.7	90.0			40.0		
3. 33,982	22,816	11,166	126.6	117.8	149.3			35.0	9	1
4. 19,747	13,058	6,689	62.2	57.3	74.8			35.0		
5. 24,547	14,912	9,635	70.5	59.9	97.1			35.0	39	7
6. 26,317	17,139	9,178	70.2	64.2	85.0			35.0	102	17
7. 25,938	17,899	8,049	65.1	61.7	74.2			30.0	285	49
8. 24,899	17,778	7,121	55.8	52.8	65.9			30.0	265	46
9. 27,717	19,563	8,154	57.8	53.5	71.4			30.0	320	56
10. 44,181	31,433	12,698	81.3	74.8	103.7			30.0	613	141
11. 33,280	24,877	8,403	52.7	51.0	58.1			30.0	2,004	349
12. XXX	XXX	XXX	XXX	XXX	XXX			XXX	3,674	672

**SCHEDULE P - PART 1B - PRIVATE PASSENGER AUTO LIABILITY/MEDICAL**

(\$000 Omitted)

Years in Which Premiums Were Earned and Losses Were Incurred	Premiums Earned			Loss and Loss Expense Payments								Number Claims Reported Directly Assumed
	1 Direct and Assumed	2 Ceded	3 Net (Columns 1 - 2)	Loss Payments		Defense and Cost Containment Payments		Adjusting and Other Payments		10 Salvage and Subrogation Received	11 Total Net Paid (Columns 4 - 6 + 6 - 7 + 8 - 9)	
				4 Direct and Assumed	5 Ceded	6 Direct and Assumed	7 Ceded	8 Direct and Assumed	9 Ceded			
1. Prior	X X X	X X X	X X X	237	219	33	19	13		4	45	X X
2. 1995	29,720	18,355	11,365	18,030	11,080	1,786	1,691	929	11	46	8,573	
3. 1996	32,157	21,915	10,242	21,753	14,612	2,198	1,369	1,051	48	81	8,975	
4. 1997	34,808	24,203	10,605	20,100	13,576	2,194	1,384	1,148	60	64	6,440	
5. 1998	36,797	25,652	11,145	22,506	15,240	1,905	1,221	1,108	111	53	8,947	
6. 1999	38,458	26,777	11,681	24,906	17,127	1,884	1,158	1,258	195	76	9,588	
7. 2000	39,439	28,298	11,141	23,860	16,347	1,584	955	1,329	315	43	9,136	
8. 2001	49,120	37,964	11,156	30,890	23,282	1,828	1,258	1,475	387	60	9,266	
9. 2002	54,267	42,256	12,011	33,383	24,407	1,527	857	1,406	293	71	10,754	
10. 2003	57,846	44,811	13,235	26,259	19,989	873	190	984	226	51	7,531	
11. 2004	61,819	48,249	13,570	17,842	13,888	777	145	642	120	37	5,288	
12. Totals	X X X	X X X	X X X	239,866	169,749	16,369	9,817	11,243	1,769	588	86,443	X X

	Losses Unpaid				Defense and Cost Containment Unpaid				Adjusting and Other Unpaid		23 Salvage and Subrogation Anticipated	24 Total Net Losses and Expenses Unpaid	Number Claims Outstanding Directly Assumed
	Case Basis		Bulk + IBNR		Case Basis		Bulk + IBNR		21 Direct and Assumed	22 Ceded			
	13 Direct and Assumed	14 Ceded	15 Direct and Assumed	16 Ceded	17 Direct and Assumed	18 Ceded	19 Direct and Assumed	20 Ceded					
1.	1,213	979					24	2	36	3		289	
2.	67	40					5	3	9	5		33	
3.	637	432					44	25	79	49		254	
4.	654	518					29	17	53	33		168	
5.	829	574					61	38	98	61		315	
6.	1,319	917					97	60	148	90		497	
7.	2,895	2,198					195	131	284	184		861	
8.	6,320	4,625	190	70			410	252	676	428		2,131	
9.	10,820	7,945	269	209			789	520	1,271	848		3,627	
10.	14,308	10,881	730	640			1,073	732	1,626	1,091		4,593	
11.	27,420	21,087	5,194	4,084			2,370	1,685	3,208	2,138		9,188	
12.	66,482	49,986	6,293	5,083			5,997	3,465	7,488	4,930		21,966	

	Total Losses and Loss Expenses Incurred			Loss and Loss Expense Percentage (Incurred/Premiums Earned)			Nontabular Discount		34 Inter-Company Pooling Participation Percentage	Net Balance Sheet Reserves After Discount	
	26 Direct and Assumed	27 Ceded	28 Net	29 Direct and Assumed	30 Ceded	31 Net	32 Loss	33 Loss Expense		35 Losses Unpaid	36 Loss Expense Unpaid
1.	X X X	X X X	X X X	X X X	X X X	X X X			X X X		234
2.	20,826	12,220	8,606	70.1	66.6	75.7			40.0		27
3.	25,762	16,533	9,229	80.1	75.4	80.1			35.0		205
4.	24,178	15,570	8,608	69.5	64.3	81.2			35.0		136
5.	28,507	17,245	9,262	72.0	67.2	83.1			35.0		255
6.	29,612	19,547	10,065	77.0	73.0	86.2			35.0		402
7.	30,127	20,130	9,997	76.4	71.1	89.7			30.0		697
8.	41,699	30,382	11,397	84.9	79.8	102.3			30.0		1,725
9.	49,465	35,084	14,381	91.2	83.0	119.7			30.0		2,935
10.	45,653	33,529	12,124	78.9	75.2	81.6			30.0		5,717
11.	57,553	43,147	14,406	93.1	89.4	106.2			30.0		7,443
12.	X X X	X X X	X X X	X X X	X X X	X X X			X X X		17,776

**SCHEDULE P - PART 1C  
COMMERCIAL AUTO/TRUCK LIABILITY/MEDICAL**

(\$000 Omitted)

Years in Which Premiums Were Earned and Losses Were Incurred	Premiums Earned			Loss and Loss Expense Payments								12 Number of Claims Reported - Direct and Assumed
	1 Direct and Assumed	2 Ceded	3 Net (Columns 1 - 2)	Loss Payments		Defense and Cost Containment Payments		Adjusting and Other Payments		10 Salvage and Subrogation Received	11 Total Net Paid (Columns 4 - 5 + 6 - 7 + 8 - 9)	
				4 Direct and Assumed	5 Ceded	6 Direct and Assumed	7 Ceded	8 Direct and Assumed	9 Ceded			
1. Prior	XXX	XXX	XXX	3	2						1	XXX
2. 1995	8,231	4,945	3,286	4,296	2,550	592	361	202	9	11	2,172	1,759
3. 1996	9,551	6,292	3,259	6,420	4,394	717	516	252	23	40	2,456	2,072
4. 1997	10,449	6,984	3,465	6,648	4,465	643	426	276	35	12	2,643	2,067
5. 1998	11,122	7,461	3,661	6,079	5,484	917	621	346	49	38	3,188	2,428
6. 1999	12,493	8,304	4,099	9,545	6,573	761	528	408	80	105	3,533	2,198
7. 2000	14,359	10,007	4,352	8,446	5,924	574	401	337	112	30	2,920	2,030
8. 2001	15,679	11,297	4,382	6,558	4,766	391	288	389	106	15	2,176	2,459
9. 2002	16,592	12,347	5,185	5,185	3,765	308	232	338	64	13	1,770	1,736
10. 2003	17,568	13,099	4,469	3,880	2,813	123	90	213	51	19	1,262	1,584
11. 2004	20,397	15,455	4,942	2,955	2,207	17	10	162	29	7	896	1,719
12. Totals	XXX	XXX	XXX	62,027	42,943	5,043	3,473	2,925	558	290	23,021	XXX

13 Direct and Assumed	Losses Unpaid		Defense and Cost Containment Unpaid				Adjusting and Other Unpaid		23 Salvage and Subrogation Anticipated	24 Total Net Losses and Expenses Unpaid	25 Number of Claims Outstanding - Direct & Assumed		
	Case Basis		Bulk + IBNR		Case Basis		Bulk + IBNR					21 Direct and Assumed	22 Ceded
	14 Ceded	15 Direct and Assumed	16 Ceded	17 Direct and Assumed	18 Ceded	19 Direct and Assumed	20 Ceded						
1.													
2.													
3.	50	33					5	3	6	4	21	1	
4.	159	103					14	9	20	13	68	8	
5.	1,425	943					224	182	159	103	590	14	
6.	628	388					55	34	78	50	289	13	
7.	1,504	1,095					147	106	176	121	585	26	
8.	2,807	2,075					250	177	333	236	1,002	57	
9.	3,583	2,487	125	95			312	213	404	272	1,357	70	
10.	5,327	3,781	354	294			453	311	599	411	1,936	130	
11.	5,448	3,823	1,913	1,463			636	454	736	493	2,502	362	
12.	21,091	14,728	2,382	1,892			2,098	1,489	2,511	1,703	8,320	651	

	Total Losses and Loss Expenses Incurred			Loss and Loss Expense Percentage (Incurred/Premiums Earned)			Nontabular Discount		34 Inter-Company Pooling Participation Percentage	Net Balance Sheet Reserves After Discount	
	26 Direct and Assumed	27 Ceded	28 Net	29 Direct and Assumed	30 Ceded	31 Net	32 Loss	33 Loss Expense		35 Losses Unpaid	36 Loss Expenses Unpaid
1.	XXX	XXX	XXX	XXX	XXX	XXX			XXX		
2.	5,082	2,920	2,172	61.9	59.0	66.1			40.0		
3.	7,450	4,973	2,477	78.0	79.0	76.0			35.0	17	
4.	7,762	5,051	2,711	74.3	72.3	78.2			35.0	56	1
5.	11,150	7,382	3,768	100.3	98.9	102.9			35.0	482	95
6.	11,475	7,653	3,822	91.9	91.2	93.2			35.0	240	49
7.	11,244	7,759	3,485	78.3	77.5	80.1			30.0	469	96
8.	10,826	7,646	3,180	69.1	67.7	72.6			30.0	832	170
9.	10,255	7,128	3,127	61.8	57.7	73.7			30.0	1,126	231
10.	10,949	7,751	3,198	62.3	59.2	71.6			30.0	1,606	339
11.	11,879	8,479	3,400	58.2	54.9	68.8			30.0	2,075	427
12.	XXX	XXX	XXX	XXX	XXX	XXX			XXX	6,903	1,417

**SCHEDULE P - PART 1D - WORKERS' COMPENSATION**

(\$000 Omitted)

Years in Which Premiums Were Earned and Losses Were Incurred	Premiums Earned			Loss and Loss Expense Payments							12	Number Claim Reports Direct Assumed	
	1 Direct and Assumed	2 Ceded	3 Net (Columns 1-2)	Loss Payments		Defense and Cost Containment Payments		Adjusting and Other Payments		10 Salvage and Subrogation Received			11 Total Net Paid (Columns 4-5 + 6-7 + 8-9)
				4 Direct and Assumed	5 Ceded	6 Direct and Assumed	7 Ceded	8 Direct and Assumed	9 Ceded				
1. Prior	XXX	XXX	XXX	385	302	26	19	32	5		97	XX	
2. 1995	25,585	15,618	9,967	9,597	5,886	906	551	442	24	58	4,484		
3. 1996	26,708	18,103	8,605	10,417	6,670	968	640	392	29	72	4,438		
4. 1997	25,138	17,692	7,446	10,285	7,178	995	716	530	37	110	3,879		
5. 1998	22,283	15,789	6,494	11,018	7,135	918	588	444	43	67	4,614		
6. 1999	23,808	16,951	6,857	15,673	10,782	1,053	734	690	115	56	5,785		
7. 2000	25,733	19,402	6,331	15,460	10,711	1,046	735	616	152	69	5,524		
8. 2001	28,403	21,709	6,694	14,901	10,447	1,080	771	645	140	5	5,268		
9. 2002	29,014	21,921	7,093	12,406	8,882	812	605	610	120	28	4,221		
10. 2003	34,280	25,753	8,527	9,687	7,061	558	414	490	91	9	3,149		
11. 2004	39,050	29,232	9,818	5,456	4,639	132	97	279	49		1,682		
12. Totals	XXX	XXX	XXX	116,285	79,113	6,494	5,870	5,170	805	474	43,141	XX	

	Losses Unpaid				Defense and Cost Containment Unpaid				Adjusting and Other Unpaid		23 Salvage and Subrogation Anticipated	24 Total Net Losses and Expenses Unpaid	25 Number Claims Outstanding - Direct Assumed
	Case Basis		Bulk + IBNR		Case Basis		Bulk + IBNR		21 Direct and Assumed	22 Ceded			
	13 Direct and Assumed	14 Ceded	15 Direct and Assumed	16 Ceded	17 Direct and Assumed	18 Ceded	19 Direct and Assumed	20 Ceded					
1.	1,650	1,467				128	115	43	22		217		
2.	628	527				18	11	31	19		120		
3.	1,137	854				233	212	88	55		337		
4.	454	340				21	13	34	21		135		
5.	1,731	1,063				184	136	149	71		784		
6.	3,338	2,276				272	195	231	106		1,264		
7.	3,252	2,008				293	200	304	153		1,528		
8.	4,879	2,891	244	184		345	196	549	308		2,448		
9.	7,076	4,960	579	489		510	350	676	417		2,625		
10.	7,069	4,994	1,828	1,483		582	407	883	599		2,879		
11.	9,266	6,737	7,275	5,355		1,294	970	1,785	1,262		5,298		
12.	40,520	28,107	9,926	7,511		3,880	2,805	4,773	3,033		17,643	1	

	Total Losses and Loss Expenses Incurred			Loss and Loss Expense Percentage (Incurred/Premiums Earned)			Nontabular Discount		34 Inter-Company Pooling Participation Percentage	Net Balance Sheet Reserves After Discount	
	26 Direct and Assumed	27 Ceded	28 Net	29 Direct and Assumed	30 Ceded	31 Net	32 Loss	33 Loss Expense		35 Losses Unpaid	36 Loss Expense Unpaid
1.	XXX	XXX	XXX	XXX	XXX	XXX			XXX	183	
2.	11,622	7,018	4,604	45.4	44.9	46.2			35.0	40.0	101
3.	13,235	8,460	4,775	49.6	46.7	55.5			35.0	283	
4.	12,319	8,305	4,014	49.0	45.9	53.9			35.0	114	
5.	14,444	9,036	5,408	84.8	57.2	83.3			35.0	668	
6.	21,257	14,208	7,049	89.3	83.8	102.8			35.0	1,062	
7.	21,011	13,959	7,052	81.7	71.9	111.4			30.0	1,284	
8.	22,643	14,927	7,716	79.7	68.8	115.3			30.0	2,058	
9.	22,669	15,823	6,846	78.1	72.2	96.5			30.0	2,206	
10.	21,097	15,069	6,028	81.5	58.5	70.7			30.0	2,420	
11.	25,467	18,509	6,958	65.3	63.3	71.1			30.0	4,449	
12.	XXX	XXX	XXX	XXX	XXX	XXX			XXX	14,828	2.

**SCHEDULE P - PART 1E - COMMERCIAL MULTIPLE PERIL**

(\$000 Omitted)

Years in Which Premiums Were Earned and Losses Were Incurred	Premiums Earned			Loss and Loss Expense Payments							12 Number of Claims Reported - Direct and Assumed	
	1 Direct and Assumed	2 Ceded	3 Net (Columns 1-2)	Loss Payments		Defense and Cost Containment Payments		Adjusting and Other Payments		10 Salvage and Subrogation Received		11 Total Net Paid (Columns 4-5 + 6-7 + 8-9)
				4 Direct and Assumed	5 Ceded	6 Direct and Assumed	7 Ceded	8 Direct and Assumed	9 Ceded			
Prior	XXX	XXX	XXX	16	3	17	9	1	6	22	XXX	
1985	22,662	14,788	7,874	9,840	6,104	2,013	1,272	488	37	142	4,442	
1986	27,696	19,453	8,243	16,176	13,577	2,816	2,062	782	95	176	6,227	
1987	28,510	20,110	8,400	15,122	10,901	2,712	1,959	882	159	140	5,697	
1988	28,584	20,083	8,501	11,474	7,695	2,105	1,418	695	132	143	4,097	
1989	29,609	20,585	9,024	13,165	9,100	1,764	1,214	805	170	146	3,694	
1990	32,339	23,235	9,104	13,259	9,539	1,743	1,226	1,199	595	136	4,930	
1991	35,408	26,961	9,447	14,717	11,431	2,077	1,516	1,266	562	85	3,898	
1992	38,353	29,063	9,290	13,139	10,597	791	597	800	355	151	2,821	
1993	43,070	32,766	10,302	13,175	9,519	465	341	1,100	471	153	3,063	
1994	53,395	40,166	13,229	10,940	8,584	161	129	784	361	23	2,700	
Totals	XXX	XXX	XXX	133,023	97,050	16,664	11,743	8,821	2,847	1,285	46,868	XXX

Losses Unpaid				Defense and Cost Containment Unpaid				Adjusting and Other Unpaid		23 Salvage and Subrogation Anticipated	24 Total Net Losses and Expenses Unpaid	25 Number of Claims Outstanding - Direct & Assumed
Case Basis		Bulk + IBNR		Case Basis		Bulk + IBNR		21 Direct and Assumed	22 Ceded			
13 Direct and Assumed	14 Ceded	15 Direct and Assumed	16 Ceded	17 Direct and Assumed	18 Ceded	19 Direct and Assumed	20 Ceded					
93	49					13	7	16	8		56	5
1	1											1
296	193					44	29	50	32		136	5
80	57					9	6	11	7		30	6
789	548					103	68	117	75		316	16
659	433					99	65	113	72		311	26
2,372	1,663					337	234	377	253		936	44
3,936	2,836	27	27			569	409	624	432		1,452	100
4,365	3,072	141	126			614	424	660	432		1,726	130
5,855	4,435	376	316			766	551	841	583		1,953	224
11,190	8,631	2,155	1,660			1,613	1,168	1,680	1,155		4,040	667
29,652	21,916	2,699	2,129			4,167	2,951	4,499	3,049		10,960	1,244

Total Losses and Loss Expenses Incurred			Loss and Loss Expense Percentage (Incurred/Premiums Earned)			Nonlabular Discount		34 Inler-Company Pooling Participation Percentage	Net Balance Sheet Reserves After Discount	
26 Direct and Assumed	27 Ceded	28 Net	29 Direct and Assumed	30 Ceded	31 Net	32 Loss	33 Loss Expense		35 Losses Unpaid	36 Loss Expenses Unpaid
XXX	XXX	XXX	XXX	XXX	XXX			XXX	44	14
12,352	7,414	4,938	54.5	50.1	62.7			40.0		
22,164	15,988	6,176	81.8	82.2	80.8			35.0	103	33
18,816	13,069	5,727	66.0	65.1	68.2			35.0	23	7
15,283	9,936	5,347	53.5	49.5	62.9			35.0	241	77
16,619	11,054	5,561	56.1	53.7	61.7			35.0	236	75
19,286	13,420	5,866	59.6	57.8	64.4			30.0	709	227
23,216	17,213	6,003	63.8	63.8	63.5			30.0	1,100	352
20,510	15,603	4,907	53.5	53.7	52.8			30.0	1,308	416
22,578	16,216	6,362	62.4	49.5	61.8			30.0	1,460	473
28,549	21,688	6,861	53.5	54.0	51.9			30.0	3,060	980
XXX	XXX	XXX	XXX	XXX	XXX			XXX	8,304	2,656

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Sch. P, Pt. 1F, Sn. 1, Medical Malpractice, Occurrence  
**NONE**

**Page 53**

Sch. P, Pt. 1F, Sn. 2, Medical Malpractice, Claims Made  
**NONE**

**SCHEDULE P - PART 1G - SPECIAL LIABILITY  
(OCEAN, MARINE, AIRCRAFT (ALL PERILS),  
BOILER AND MACHINERY)**

(\$000 Omitted)

Years in Which Premiums Were Earned and Losses Were Incurred	Premiums Earned			Loss and Loss Expense Payments							12 Number of Claims Reported - Direct and Assumed	
	1 Direct and Assumed	2 Ceded	3 Net (Columns 1 - 2)	Loss Payments		Defense and Cost Containment Payments		Adjusting and Other Payments		10 Salvage and Subrogation Received		11 Total Net Paid (Columns 4 - 5 + 6 - 7 + 8 - 9)
				4 Direct and Assumed	5 Ceded	6 Direct and Assumed	7 Ceded	8 Direct and Assumed	9 Ceded			
1. Prior	XXX	XXX	XXX									XXX
2. 1995	45	49	(4)									XXX
3. 1996	123	119	4									XXX
4. 1997	139	143	(4)	2	2							XXX
5. 1998	174	179	(5)									XXX
6. 1999	208	213	(5)	65	42	5	3	46	28		43	XXX
7. 2000	242	245	(3)									XXX
8. 2001	250	243	7									XXX
9. 2002	243	240	3					2			2	XXX
10. 2003	286	264	22					9	6		3	XXX
11. 2004	303	301	2									XXX
12. Totals	XXX	XXX	XXX	67	44	5	3	57	34		46	XXX

Losses Unpaid				Defense and Cost Containment Unpaid				Adjusting and Other Unpaid		23 Salvage and Subrogation Anticipated	24 Total Net Losses and Expenses Unpaid	25 Number of Claims Outstanding - Direct & Assumed
Case Basis		Bulk + IBNR		Case Basis		Bulk + IBNR		21 Direct and Assumed	22 Ceded			
13 Direct and Assumed	14 Ceded	15 Direct and Assumed	16 Ceded	17 Direct and Assumed	18 Ceded	19 Direct and Assumed	20 Ceded					
1.												
2.												
3.												
4.												
5.												
6.												
7.												
8.												
9.												
10.												
11.												
12.												

Total Losses and Loss Expenses Incurred			Loss and Loss Expense Percentage (Incurred/Premiums Earned)			Nontabular Discount		34 Inter-Company Pooling Participation Percentage	Net Balance Sheet Reserves After Discount	
26 Direct and Assumed	27 Ceded	28 Net	29 Direct and Assumed	30 Ceded	31 Net	32 Loss	33 Loss Expense		35 Losses Unpaid	36 Loss Expenses Unpaid
XXX	XXX	XXX	XXX	XXX	XXX			XXX		
								40.0		
								35.0		
2	2		1.4	1.4				35.0		
								38.0		
116	73	43	55.8	34.3	(800.0)			35.0		
								30.0		
								30.0		
2		2	0.8		66.7			30.0		
9	6	3	3.4	2.3	150.0			30.0		
								30.0		
XXX	XXX	XXX	XXX	XXX	XXX			XXX		

**SCHEDULE P - PART 1H - SECTION 1  
OTHER LIABILITY - OCCURRENCE**

(\$000 Omitted)

Years in Which Premiums Were Earned and Losses Were Incurred	Premiums Earned			Loss and Loss Expense Payments							12 Number of Claims Reported-Direct and Assumed	
	1 Direct and Assumed	2 Ceded	3 Net (Columns 1 - 2)	Loss Payments		Defense and Cost Containment Payments		Adjusting and Other Payments		10 Salvage and Subrogation Received		11 Total Net Paid (Columns 4 - 5 + 6 - 7 + 8 - 9)
				4 Direct and Assumed	5 Ceded	6 Direct and Assumed	7 Ceded	8 Direct and Assumed	9 Ceded			
1. Prior	XXX	XXX	XXX									XXX
2. 1995	2,863	2,337	526	106	45	112	67	17				123
3. 1996	3,133	2,687	446	69	28	151	111	16				97
4. 1997	3,252	2,783	469	1,076	1,054	24	17	19	7			41
5. 1998	3,367	2,956	401	222	177	9	6	8				56
6. 1999	3,655	3,223	432	354	295	62	41	12	2	1		90
7. 2000	4,231	3,795	436	4,226	4,133	68	52	32	12			129
8. 2001	4,671	4,242	429	630	625	90	72	13	6			130
9. 2002	5,392	4,968	424	959	953	49	29	16	6			36
10. 2003	6,681	6,199	482	(96)	(106)	(68)	(68)	1				10
11. 2004	7,751	7,200	551	(41)	(44)	(33)	(33)					3
12. Totals	XXX	XXX	XXX	7,505	7,061	464	294	134	33	1	715	XXX

	Losses Unpaid				Defense and Cost Containment Unpaid				Adjusting and Other Unpaid		23 Salvage and Subrogation Anticipated	24 Total Net Losses and Expenses Unpaid	25 Number Claims Outstanding - Direct Assumed
	Case Basis		Bulk + IBNR		Case Basis		Bulk + IBNR		21 Direct and Assumed	22 Ceded			
	13 Direct and Assumed	14 Ceded	15 Direct and Assumed	16 Ceded	17 Direct and Assumed	18 Ceded	19 Direct and Assumed	20 Ceded					
1.	100	50				28	14	28	13		80		
2.													
3.	741	727				12	8	11	7		22		
4.													
5.													
6.													
7.	336	268				90	70	62	41		111		
8.	105	78	3	3		27	19	25	17		43		
9.	843	783	15	15		63	46	54	36		95		
10.	784	762	230	165		80	60	62	41		108		
11.	318	274	372	312		186	155	96	63		168		
12.	3,227	2,940	620	515		467	372	338	218		627		

	Total Losses and Loss Expenses Incurred			Loss and Loss Expense Percentage (Incurred/Premiums Earned)			Nonleblular Discount		34 Inter-Company Pooling Participation Percentage	Net Balance Sheet Reserves After Discount	
	26 Direct and Assumed	27 Ceded	28 Net	29 Direct and Assumed	30 Ceded	31 Net	32 Loss	33 Loss Expense		35 Losses Unpaid	36 Loss Expenses Unpaid
1.	XXX	XXX	XXX	XXX	XXX	XXX			XXX	50	
2.	235	112	123	8.2	4.8	23.4			40.0		
3.	1,000	881	119	31.9	32.8	26.7			35.0	14	
4.	1,119	1,078	41	34.4	38.7	8.7			35.0		
5.	239	183	56	7.1	6.2	14.0			35.0		
6.	428	338	90	11.7	19.5	28.8			35.0		
7.	4,814	4,574	240	119.8	120.5	55.0			39.0	70	
8.	893	720	173	19.1	17.0	40.3			30.0	27	
9.	1,899	1,868	31	37.1	37.6	30.9			30.0	80	
10.	993	875	118	14.9	14.1	24.5			30.0	67	
11.	898	727	171	11.6	10.1	31.0			30.0	104	
12.	XXX	XXX	XXX	XXX	XXX	XXX			XXX	392	238



**SCHEDULE P - PART 1H - SECTION 2  
OTHER LIABILITY - CLAIMS-MADE**

(\$000 Omitted)

Years in Which Premiums Were Earned and Losses Were Incurred	Premiums Earned			Loss and Loss Expense Payments							12 Number of Claims Reported - Direct and Assumed	
	1 Direct and Assumed	2 Ceded	3 Net (Columns 1 - 2)	Loss Payments		Defense and Cost Containment Payments		Adjusting and Other Payments		10 Salvage and Subrogation Received		11 Total Net Paid (Columns 4 - 5 + 6 - 7 + 8 - 9)
				4 Direct and Assumed	5 Ceded	6 Direct and Assumed	7 Ceded	8 Direct and Assumed	9 Ceded			
1. Prior	XXX	XXX	XXX									
2. 1995												
3. 1996												XXX
4. 1997												
5. 1998												
6. 1999												
7. 2000												
8. 2001												
9. 2002												
10. 2003												
11. 2004												
12. Totals	XXX	XXX	XXX									XXX

Losses Unpaid				Defense and Cost Containment Unpaid				Adjusting and Other Unpaid		23 Salvage and Subrogation Anticipated	24 Total Net Losses and Expenses Unpaid	25 Number of Claims Outstanding - Direct & Assumed
Case Basis		Bulk + IBNR		Case Basis		Bulk + IBNR		21 Direct and Assumed	22 Ceded			
13 Direct and Assumed	14 Ceded	15 Direct and Assumed	16 Ceded	17 Direct and Assumed	18 Ceded	19 Direct and Assumed	20 Ceded					
1.												
2.												
3.												
4.												
5.												
6.												
7.												
8.												
9.												
10.												
11.												
12.												

**NONE**

	Total Losses and Loss Expenses Incurred			Loss and Loss Expense Percentage (Incurred/Premiums Earned)			Nontabular Discount		34 Inter-Company Pooling Participation Percentage	Net Balance Sheet Reserves After Discount	
	26 Direct and Assumed	27 Ceded	28 Net	29 Direct and Assumed	30 Ceded	31 Net	32 Loss	33 Loss Expense		35 Losses Unpaid	36 Loss Expenses Unpaid
1.	XXX	XXX	XXX	XXX	XXX	XXX			XXX		
2.											
3.											
4.											
5.											
6.											
7.											
8.											
9.											
10.											
11.											
12.	XXX	XXX	XXX	XXX	XXX	XXX			XXX		

ANNUAL STATEMENT FOR THE YEAR 2004 OF THE DONEGAL MUTUAL INSURANCE COMPANY  
**SCHEDULE P - PART 11 - SPECIAL PROPERTY (FIRE, ALLIED  
 LINES, INLAND MARINE, EARTHQUAKE, BURGLARY AND THEFT)**

(\$000 Omitted)

Years in Which Premiums Were Earned and Losses Were Incurred	Premiums Earned			Loss and Loss Expense Payments								12 Number of Claims Reported - Direct and Assumed
	1 Direct and Assumed	2 Ceded	3 Net (Columns 1 - 2)	Loss Payments		Defense and Cost Containment Payments		Adjusting and Other Payments		10 Salvage and Subrogation Received	11 Total Net Paid (Columns 4 - 9 + 6 - 7 + 8 - 9)	
				4 Direct and Assumed	5 Ceded	6 Direct and Assumed	7 Ceded	8 Direct and Assumed	9 Ceded			
1. Prior	XXX	XXX	XXX	(24)	(22)	18	12	3	1	7	6	XXX
2. 2003	8,802	5,276	1,526	2,919	2,295	49	23	188	88	2	748	XXX
3. 2004	8,156	6,267	1,889	2,204	1,639	9	7	142	56	1	599	XXX
4. Totals	XXX	XXX	XXX	5,099	3,966	76	42	331	145	10	1,353	XXX

	Losses Unpaid				Defense and Cost Containment Unpaid				Adjusting and Other Unpaid		23 Salvage and Subrogation Anticipated	24 Total Net Losses and Expenses Unpaid	25 Number of Claims Outstanding - Direct & Assumed
	Case Basis		Bulk + IBNR		Case Basis		Bulk + IBNR		21 Direct and Assumed	22 Ceded			
	13 Direct and Assumed	14 Ceded	15 Direct and Assumed	16 Ceded	17 Direct and Assumed	18 Ceded	19 Direct and Assumed	20 Ceded					
1.		34						7	5		16	1	
2.	46	366						11	60		147	56	
3.	442	235		190									
4.	490	400	235	190			11	6	67	44	163	26	

	Total Losses and Loss Expenses Incurred			Loss and Loss Expense Percentage (Incurred/Premiums Earned)			Nontabular Discount		34 Inter-Company Pooling Participation Percentage	Net Balance Sheet Reserves After Discount	
	26 Direct and Assumed	27 Ceded	28 Net	29 Direct and Assumed	30 Ceded	31 Net	32 Loss	33 Loss Expense		35 Losses Unpaid	36 Loss Expenses Unpaid
1.	XXX	XXX	XXX	XXX	XXX	XXX			XXX		
2.	3,208	2,445	764	47.2	46.3	50.1			30.0	14	2
3.	3,103	2,357	746	38.0	37.5	39.9			39.0	121	26
4.	XXX	XXX	XXX	XXX	XXX	XXX			XXX	135	25

ANNUAL STATEMENT FOR THE YEAR 2004 OF THE DONEGAL MUTUAL INSURANCE COMPANY

**SCHEDULE P - PART 1J - AUTO PHYSICAL DAMAGE**

(\$000 Omitted)

Years in Which Premiums Were Earned and Losses Were Incurred	Premiums Earned			Loss and Loss Expense Payments							12 Number of Claims Reported - Direct and Assumed	
	1 Direct and Assumed	2 Ceded	3 Net (Columns 1 - 2)	Loss Payments		Defense and Cost Containment Payments		Adjusting and Other Payments		10 Salvage and Subrogation Received		11 Total Net Paid (Cols 4 - 5 + 6 - 7 + 8 - 9)
				4 Direct and Assumed	5 Ceded	6 Direct and Assumed	7 Ceded	8 Direct and Assumed	9 Ceded			
1. Prior	XXX	XXX	XXX	(251)	(162)	83	60			88	(46)	XXX
2. 2003	62,053	47,532	14,521	31,279	23,845	188	130	1,616	554	1,389	6,554	17,760
3. 2004	69,413	53,795	15,616	31,571	24,446	165	121	1,468	435	939	8,200	15,690
4. Totals	XXX	XXX	XXX	62,599	48,111	436	311	3,084	989	2,416	16,708	XXX

	Losses Unpaid				Defense and Cost Containment Unpaid				Adjusting and Other Unpaid		23 Salvage and Subrogation Anticipated	24 Total Net Losses and Expenses Unpaid	25 Number of Claims Outstanding - Direct & Assumed
	Case Basis		Bulk + IBNR		Case Basis		Bulk + IBNR		21 Direct and Assumed	22 Ceded			
	13 Direct and Assumed	14 Ceded	15 Direct and Assumed	16 Ceded	17 Direct and Assumed	18 Ceded	19 Direct and Assumed	20 Ceded					
1.	29	21							2			10	
2.	6	8										(2)	
3.	1,193	945	616	496			6	5	151	97		423	
4.	1,228	974	616	496			6	5	153	97		431	

	Total Losses and Loss Expenses Incurred			Loss and Loss Expense Percentage (Incurred/Premiums Earned)			Nontabular Discount		34 Inter-Company Pooling Participation Percentage	Net Balance Sheet Reserves After Discount	
	26 Direct and Assumed	27 Ceded	28 Net	29 Direct and Assumed	30 Ceded	31 Net	32 Loss	33 Loss Expense		35 Losses Unpaid	36 Loss Expenses Unpaid
1.	XXX	XXX	XXX	XXX	XXX	XXX			XXX	8	2
2.	33,089	24,537	8,552	53.3	51.6	58.9			30.0	(2)	
3.	35,170	26,547	8,623	50.7	49.3	55.2			30.0	368	55
4.	XXX	XXX	XXX	XXX	XXX	XXX			XXX	374	57

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Sch. P, Pt. 1K, Fidelity/Surety  
**NONE**

**Page 60**

Sch. P, Pt. 1L, Other (Including Credit, Accident/Health)  
**NONE**

**Page 61**

Sch. P, Pt. 1M, International  
**NONE**

**Page 62**

Sch. P, Pt. 1N, Reinsurance Property  
**NONE**

**SCHEDULE P - PART 10 - REINSURANCE**

**Nonproportional Assumed Liability (\$000 Omitted)**

Years in Which Premiums Were Earned and Losses Were Incurred	Premiums Earned			Loss and Loss Expense Payments							12 Number of Claims Reported - Direct and Assumed	
	1 Direct and Assumed	2 Ceded	3 Net (Columns 1 - 2)	Loss Payments		Defense and Cost Containment Payments		Adjusting and Other Payments		10 Salvage and Subrogation Received		11 Total Net Paid (Columns 4 - 5 + 6 - 7 + 8 - 9)
				4 Direct and Assumed	5 Ceded	6 Direct and Assumed	7 Ceded	8 Direct and Assumed	9 Ceded			
1. Prior	XXX	XXX	XXX	(383)	(383)							XXX
2. 1995				(5)	(5)							XXX
3. 1996				(8)	(8)							XXX
4. 1997				(8)	(8)							XXX
5. 1998				(6)	(6)							XXX
6. 1999				(10)	(10)	1	1					XXX
7. 2000				(14)	(14)	1	1					XXX
8. 2001				(29)	(29)	1	1					XXX
9. 2002				(49)	(49)	3	3					XXX
10. 2003				(15)	(15)							XXX
11. 2004	58	58										XXX
12. Totals	XXX	XXX	XXX	(527)	(527)	6	6					XXX

Losses Unpaid				Defense and Cost Containment Unpaid				Adjusting and Other Unpaid		23 Salvage and Subrogation Anticipated	24 Total Net Losses and Expenses Unpaid	25 Number of Claims Outstanding - Direct & Assumed
Case Basis		Bulk + IBNR		Case Basis		Bulk + IBNR		21 Direct and Assumed	22 Ceded			
13 Direct and Assumed	14 Ceded	15 Direct and Assumed	16 Ceded	17 Direct and Assumed	18 Ceded	19 Direct and Assumed	20 Ceded					
1. 191	191	263	263									XXX
2. 2	2	2	2									XXX
3. 3	3	3	3									XXX
4. 4	4	4	4									XXX
5. 2	2	2	2									XXX
6. 2	2	2	2									XXX
7. 6	6	4	4									XXX
8. 13	13	10	10									XXX
9. 12	12	9	9									XXX
10. 9	9	9	9									XXX
11. 10	10	10	10									XXX
12. 254	254	318	318									XXX

Total Losses and Loss Expenses Incurred			Loss and Loss Expense Percentage (Incurred/Premiums Earned)			Nonlabular Discount		34 Inter-Company Pooling Participation Percentage	Net Balance Sheet Reserves After Discount	
26 Direct and Assumed	27 Ceded	28 Net	29 Direct and Assumed	30 Ceded	31 Net	32 Loss	33 Loss Expense		35 Losses Unpaid	36 Loss Expenses Unpaid
1. XXX	XXX	XXX	XXX	XXX	XXX			XXX		
2. (1)	(1)									
3. (2)	(2)									
4. (2)	(2)									
5. (5)	(5)									
6. (3)	(3)									
7. (5)	(5)									
8. (25)	(25)									
9. 3	3									
10. 20	20		34.5	34.5						
11. XXX	XXX	XXX	XXX	XXX	XXX			XXX		

**SCHEDULE P - PART 1P - REINSURANCE**

**Nonproportional Assumed Financial Lines (\$000 Omitted)**

Years in Which Premiums Were Earned and Losses Were Incurred	Premiums Earned			Loss and Loss Expense Payments								Number of Claims Reported Directly Assured
	1 Direct and Assumed	2 Ceded	3 Net (Columns 1 - 2)	Loss Payments		Defense and Cost Containment Payments		Adjusting and Other Payments		10 Salvage and Subrogation Received	11 Total Net Paid (Columns 4 - 9) + 6 - 7 + 8 - 9)	
				4 Direct and Assumed	5 Ceded	6 Direct and Assumed	7 Ceded	8 Direct and Assumed	9 Ceded			
1. Prior	XXX	XXX	XXX									XX
2. 1995												XX
3. 1996												XX
4. 1997												XX
5. 1998												XX
6. 1999												XX
7. 2000												XX
8. 2001												XX
9. 2002												XX
10. 2003												XX
11. 2004												XX
12. Totals	XXX	XXX	XXX									XX

	Losses Unpaid				Defense and Cost Containment Unpaid				Adjusting and Other Unpaid		23 Salvage and Subrogation Anticipated	24 Total Net Losses and Expenses Unpaid	Net Change in Cash
	Case Basis		Bulk + IBNR		Case Basis		Bulk + IBNR		21 Direct and Assumed	22 Ceded			
	13 Direct and Assumed	14 Ceded	15 Direct and Assumed	16 Ceded	17 Direct and Assumed	18 Ceded	19 Direct and Assumed	20 Ceded					
1.													
2.													
3.													
4.													
5.													
6.													
7.													
8.													
9.													
10.													
11.													
12.													

NONE

	Total Losses and Loss Expenses Incurred			Loss and Loss Expense Percentage (Incurred/Premiums Earned)			Nonlabular Discount		34 Inter-Company Pooling Participation Percentage	Net Balance Sheet Reserves After Discount	
	26 Direct and Assumed	27 Ceded	28 Net	29 Direct and Assumed	30 Ceded	31 Net	32 Loss	33 Loss Expense		35 Losses Unpaid	36 Loss Exp Unpaid
1.	XXX	XXX	XXX	XXX	XXX	XXX			XXX		
2.											
3.											
4.											
5.											
6.											
7.											
8.											
9.											
10.											
11.											
12.	XXX	XXX	XXX	XXX	XXX	XXX			XXX		

**SCHEDULE P - PART 1R - SECTION 1  
PRODUCTS LIABILITY - OCCURRENCE**

(\$000 Omitted)

Years in Which Premiums Were Earned and Losses Were Incurred	Premiums Earned			Loss and Loss Expense Payments							12 Number of Claims Reported - Direct and Assumed	
	1 Direct and Assumed	2 Ceded	3 Net (Columns 1 - 2)	Loss Payments		Defense and Cost Containment Payments		Adjusting and Other Payments		10 Salvage and Subrogation Received		11 Total Net Paid (Columns 4 - 5 + 6 - 7 + 8 - 9)
				4 Direct and Assumed	5 Ceded	6 Direct and Assumed	7 Ceded	8 Direct and Assumed	9 Ceded			
1. Prior	XXX	XXX	XXX								XXX	
2. 1995	152	92	60	12	7			1			6	
3. 1996	206	140	66									
4. 1997	219	151	68									
5. 1998	175	121	54	1							1	
6. 1999	143	99	44									
7. 2000	63	38	25	102	109						23	
8. 2001	5	4	1					3			3	
9. 2002												
10. 2003	(3)	(2)	(1)									
11. 2004	13	13										
12. Totals	XXX	XXX	XXX	145	116			4			33	

	Losses Unpaid				Defense and Cost Containment Unpaid				Adjusting and Other Unpaid		23 Salvage and Subrogation Anticipated	24 Total Net Losses and Expenses Unpaid	25 Number of Claims Outstanding - Direct & Assumed
	Case Basis		Bulk + IBNR		Case Basis		Bulk + IBNR		21 Direct and Assumed	22 Ceded			
	13 Direct and Assumed	14 Ceded	15 Direct and Assumed	16 Ceded	17 Direct and Assumed	18 Ceded	19 Direct and Assumed	20 Ceded					
1.													
2.													
3.													
4.													
5.													
6.													
7.													
8.													
9.													
10.													
11.													
12.													

	Total Losses and Loss Expenses Incurred			Loss and Loss Expense Percentage (Incurred/Premiums Earned)			Nontabular Discount		34 Inter-Company Pooling Participation Percentage	Net Balance Sheet Reserves After Discount	
	26 Direct and Assumed	27 Ceded	28 Net	29 Direct and Assumed	30 Ceded	31 Net	32 Loss	33 Loss Expense		35 Losses Unpaid	36 Loss Expenses Unpaid
1.	XXX	XXX	XXX	XXX	XXX	XXX			XXX		
2.	13	7	6	8.6	7.6	10.0			40.0		
3.									35.0		
4.									35.0		
5.	1		1	0.6		1.9			35.0		
6.									35.0		
7.	132	109	23	249.1	286.8	153.3			30.0		
8.	3		3	60.0		300.0			30.0		
9.									30.0		
10.									30.0		
11.									30.0		
12.	XXX	XXX	XXX	XXX	XXX	XXX			XXX		

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Sch. P, Pt. 1R, Sn. 2, Products Liability, Claims Made  
**NONE**

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Sch. P, Pt. 1S, Financial Guaranty/Mortgage Guaranty  
**NONE**



ANNUAL STATEMENT FOR THE YEAR 2004 OF THE DONEGAL MUTUAL INSURANCE COMPANY

**SCHEDULE P - PART 2A - HOMEOWNERS/FAROWNERS**

Years in Which Losses Were Incurred	INCURRED NET LOSSES AND DEFENSE AND COST CONTAINMENT EXPENSES REPORTED AT YEAR END (\$000 OMITTED)										DEVELOPMENT	
	1	2	3	4	5	6	7	8	9	10	11	12
	1995	1996	1997	1998	1999	2000	2001	2002	2003	2004	One Year	Two Year
1. Prior									41	41		
2. 1995	6,591	6,812	6,957	8,918	6,854	6,864	6,831	6,792	6,793	6,767	(26)	(25)
3. 1996	XXX	10,186	10,489	10,517	10,346	10,147	10,139	10,132	10,117	10,117	(15)	(22)
4. 1997	XXX	XXX	5,880	6,097	6,065	6,024	6,021	6,001	5,989	5,944	(45)	(61)
5. 1998	XXX	XXX	XXX	7,964	6,468	6,532	6,673	6,621	6,582	6,540	(42)	(81)
6. 1999	XXX	XXX	XXX	XXX	7,801	8,238	8,141	8,067	7,996	7,888	(16)	(79)
7. 2000	XXX	XXX	XXX	XXX	XXX	6,968	6,894	6,956	7,024	6,919	(105)	(39)
8. 2001	XXX	XXX	XXX	XXX	XXX	XXX	6,233	6,580	6,280	6,141	(139)	(439)
9. 2002	XXX	XXX	XXX	XXX	XXX	XXX	XXX	6,977	7,183	7,065	(118)	88
10. 2003	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	11,453	11,157	(296)	XXX
11. 2004	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	7,114	XXX	XXX
12. Totals											(794)	(654)

**SCHEDULE P - PART 2B  
PRIVATE PASSENGER AUTO LIABILITY/MEDICAL**

1. Prior									288	288	288		
2. 1995	8,988	8,990	8,767	8,297	7,768	7,730	7,694	7,685	7,667	7,664	17	(1)	
3. 1996	XXX	8,490	8,315	8,411	8,368	8,334	8,165	8,115	8,113	8,194	61	79	
4. 1997	XXX	XXX	7,756	8,227	7,997	7,916	7,647	7,515	7,563	7,590	(63)	(15)	
5. 1998	XXX	XXX	XXX	8,435	8,683	8,535	8,641	8,458	8,370	8,228	(82)	(230)	
6. 1999	XXX	XXX	XXX	XXX	8,650	9,465	9,689	9,469	9,151	8,944	(207)	(525)	
7. 2000	XXX	XXX	XXX	XXX	XXX	7,943	9,655	9,179	8,044	8,893	(161)	(296)	
8. 2001	XXX	XXX	XXX	XXX	XXX	XXX	8,956	10,559	10,439	10,061	(378)	(508)	
9. 2002	XXX	XXX	XXX	XXX	XXX	XXX	XXX	13,768	13,875	12,850	(1,025)	(918)	
10. 2003	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	11,323	10,831	(492)	XXX	
11. 2004	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	12,814	XXX	XXX	
12. Totals											(2,310)	(2,414)	

**SCHEDULE P - PART 2C  
COMMERCIAL AUTO/TRUCK LIABILITY/MEDICAL**

1. Prior									1	1	1		
2. 1995	2,222	2,438	2,324	2,590	2,192	2,063	2,013	2,013	1,979	1,979		(34)	
3. 1996	XXX	2,190	2,197	2,297	2,316	2,212	2,263	2,238	2,247	2,246	(1)	8	
4. 1997	XXX	XXX	2,192	2,512	2,684	2,671	2,542	2,506	2,454	2,461	7	(45)	
5. 1998	XXX	XXX	XXX	2,682	3,179	3,310	3,367	3,460	3,463	3,415	(48)	(65)	
6. 1999	XXX	XXX	XXX	XXX	3,027	3,347	3,662	3,668	3,520	3,466	(54)	(202)	
7. 2000	XXX	XXX	XXX	XXX	XXX	2,682	3,154	3,311	3,278	3,205	(73)	(106)	
8. 2001	XXX	XXX	XXX	XXX	XXX	XXX	3,007	2,907	2,911	2,800	(111)	(107)	
9. 2002	XXX	XXX	XXX	XXX	XXX	XXX	XXX	2,684	2,635	2,721	86	57	
10. 2003	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	2,684	2,848	164	XXX	
11. 2004	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	3,024	XXX	XXX	
12. Totals											(30)	(484)	

**SCHEDULE P - PART 2D - WORKERS' COMPENSATION**

1. Prior									266	266	266		
2. 1995	4,334	4,151	4,806	4,599	4,299	4,309	4,292	4,283	4,226	4,174	(52)	(93)	
3. 1996	XXX	3,935	4,180	4,264	4,314	4,055	4,174	4,269	4,309	4,379	70	116	
4. 1997	XXX	XXX	3,362	3,611	3,680	3,677	3,472	3,411	3,436	3,508	72	37	
5. 1998	XXX	XXX	XXX	3,311	3,931	4,232	4,753	4,840	4,824	4,929	105	55	
6. 1999	XXX	XXX	XXX	XXX	4,340	4,917	5,601	6,373	6,185	6,349	184	(24)	
7. 2000	XXX	XXX	XXX	XXX	XXX	4,233	5,401	6,297	6,734	6,437	(297)	(45)	
8. 2001	XXX	XXX	XXX	XXX	XXX	XXX	5,368	6,627	6,271	6,970	690	1,343	
9. 2002	XXX	XXX	XXX	XXX	XXX	XXX	XXX	4,663	5,256	6,097	841	1,234	
10. 2003	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	4,673	5,345	672	XXX	
11. 2004	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	6,225	XXX	XXX	
12. Totals											2,274	2,930	

**SCHEDULE P - PART 2E - COMMERCIAL MULTIPLE PERIL**

1. Prior									71	71	71		
2. 1995	5,221	5,200	5,448	5,357	5,021	4,688	4,651	4,545	4,480	4,477	(3)	(68)	
3. 1996	XXX	5,985	5,525	5,632	5,952	5,839	5,874	5,693	5,635	5,471	(164)	(222)	
4. 1997	XXX	XXX	5,235	4,921	5,138	5,507	5,189	5,044	4,791	5,000	(144)	(44)	
5. 1998	XXX	XXX	XXX	4,482	4,384	4,693	4,719	4,837	4,742	4,742	11	(95)	
6. 1999	XXX	XXX	XXX	XXX	4,627	4,862	5,282	5,134	5,082	4,865	(197)	(249)	
7. 2000	XXX	XXX	XXX	XXX	XXX	5,166	5,144	5,278	5,389	5,045	(330)	(229)	
8. 2001	XXX	XXX	XXX	XXX	XXX	XXX	4,591	4,848	5,384	5,107	(287)	289	
9. 2002	XXX	XXX	XXX	XXX	XXX	XXX	XXX	4,330	4,432	4,234	(198)	(96)	
10. 2003	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	5,660	5,475	(185)	XXX	
11. 2004	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	5,693	XXX	XXX	
12. Totals											(1,717)	(744)	

**SCHEDULE P - PART 2F - SECTION 1 - MEDICAL MALPRACTICE - OCCURRENCE**

Years in Which Losses Were Incurred	INCURRED NET LOSSES AND DEFENSE AND COST CONTAINMENT EXPENSES REPORTED AT YEAR END (\$'000 OMITTED)										DEVELOPMENT	
	1 1995	2 1996	3 1997	4 1998	5 1999	6 2000	7 2001	8 2002	9 2003	10 2004	11 One Year	12 Two Year
1. Prior												
2. 1995												
3. 1996	XXX											
4. 1997	XXX	XXX										
5. 1998	XXX	XXX	XXX									
6. 1999	XXX	XXX	XXX	XXX								
7. 2000	XXX	XXX	XXX	XXX	XXX							
8. 2001	XXX	XXX	XXX	XXX	XXX	XXX						
9. 2002	XXX	XXX	XXX	XXX	XXX	XXX	XXX					XXX
10. 2003	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX			XXX	XXX
11. 2004	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	X			
<b>NONE</b>												
12. Totals												

**SCHEDULE P - PART 2F - SECTION 2 - MEDICAL MALPRACTICE - CLAIMS-MADE**

Years in Which Losses Were Incurred	INCURRED NET LOSSES AND DEFENSE AND COST CONTAINMENT EXPENSES REPORTED AT YEAR END (\$'000 OMITTED)										DEVELOPMENT	
	1 1995	2 1996	3 1997	4 1998	5 1999	6 2000	7 2001	8 2002	9 2003	10 2004	11 One Year	12 Two Year
1. Prior												
2. 1995												
3. 1996	XXX											
4. 1997	XXX	XXX										
5. 1998	XXX	XXX	XXX									
6. 1999	XXX	XXX	XXX	XXX								
7. 2000	XXX	XXX	XXX	XXX	XXX							
8. 2001	XXX	XXX	XXX	XXX	XXX	XXX						
9. 2002	XXX	XXX	XXX	XXX	XXX	XXX	XXX					XXX
10. 2003	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX			XXX	XXX
11. 2004	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	X			
<b>NONE</b>												
12. Totals												

**SCHEDULE P - PART 2G - SPECIAL LIABILITY (OCEAN MARINE, AIRCRAFT (ALL PERILS), BOILER AND MACHINERY)**

Years in Which Losses Were Incurred	INCURRED NET LOSSES AND DEFENSE AND COST CONTAINMENT EXPENSES REPORTED AT YEAR END (\$'000 OMITTED)										DEVELOPMENT	
	1 1995	2 1996	3 1997	4 1998	5 1999	6 2000	7 2001	8 2002	9 2003	10 2004	11 One Year	12 Two Year
1. Prior												
2. 1995												
3. 1996	XXX											
4. 1997	XXX	XXX										
5. 1998	XXX	XXX	XXX									
6. 1999	XXX	XXX	XXX	XXX					37	25	(12)	
7. 2000	XXX	XXX	XXX	XXX	XXX							
8. 2001	XXX	XXX	XXX	XXX	XXX	XXX						
9. 2002	XXX	XXX	XXX	XXX	XXX	XXX	XXX					
10. 2003	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX			XXX	XXX
11. 2004	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX			
12. Totals											(12)	

**SCHEDULE P - PART 2H - SECTION 1 - OTHER LIABILITY - OCCURRENCE**

Years in Which Losses Were Incurred	INCURRED NET LOSSES AND DEFENSE AND COST CONTAINMENT EXPENSES REPORTED AT YEAR END (\$'000 OMITTED)										DEVELOPMENT	
	1 1995	2 1996	3 1997	4 1998	5 1999	6 2000	7 2001	8 2002	9 2003	10 2004	11 One Year	12 Two Year
1. Prior												
2. 1995	276	143	153	163	152	122	105	65	65	65	65	
3. 1996	XXX	234	125	126	149	115	97	100	106	102	99	(3)
4. 1997	XXX	XXX	97	63	86	30	29	29	29	29	29	
5. 1998	XXX	XXX	XXX	157	81	54	48	48	48	48	48	
6. 1999	XXX	XXX	XXX	XXX	106	71	92	85	80	80	80	
7. 2000	XXX	XXX	XXX	XXX	XXX	72	165	168	163	169	169	
8. 2001	XXX	XXX	XXX	XXX	XXX	XXX	76	227	248	156	156	(65)
9. 2002	XXX	XXX	XXX	XXX	XXX	XXX	XXX	55	103	103	103	
10. 2003	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	83	96	96	13
11. 2004	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	136	136	
12. Totals											(59)	

**SCHEDULE P - PART 2H - SECTION 2 - OTHER LIABILITY - CLAIMS-MADE**

Years in Which Losses Were Incurred	INCURRED NET LOSSES AND DEFENSE AND COST CONTAINMENT EXPENSES REPORTED AT YEAR END (\$'000 OMITTED)										DEVELOPMENT	
	1 1995	2 1996	3 1997	4 1998	5 1999	6 2000	7 2001	8 2002	9 2003	10 2004	11 One Year	12 Two Year
1. Prior												
2. 1995												
3. 1996	XXX											
4. 1997	XXX	XXX										
5. 1998	XXX	XXX	XXX									
6. 1999	XXX	XXX	XXX	XXX								
7. 2000	XXX	XXX	XXX	XXX	XXX							
8. 2001	XXX	XXX	XXX	XXX	XXX	XXX						
9. 2002	XXX	XXX	XXX	XXX	XXX	XXX	XXX					XXX
10. 2003	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX			XXX	XXX
11. 2004	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	X			
<b>NONE</b>												
12. Totals												

**SCHEDULE P - PART 2I - SPECIAL PROPERTY (FIRE, ALLIED LINES, INLAND MARINE, EARTHQUAKE, BURGLARY, AND THEFT)**

Years in Which Losses Were Incurred	INCURRED NET LOSSES AND DEFENSE AND COST CONTAINMENT EXPENSES REPORTED AT YEAR END (\$000 OMITTED)										DEVELOPMENT	
	1	2	3	4	5	6	7	8	9	10	11	12
	1995	1996	1997	1998	1999	2000	2001	2002	2003	2004	One Year	Two Year
1. Prior	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX		
2. 2003	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX
3. 2004	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX
										4. Totals	4	

**SCHEDULE P - PART 2J - AUTO PHYSICAL DAMAGE**

1. Prior	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	377	23	(38)	(61)	(415)	
2. 2003	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	7,749	7,490	(209)	XXX	
3. 2004	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	7,536	XXX	XXX	
												4. Totals	(320)	(415)

**SCHEDULE P - PART 2K - FIDELITY, SURETY**

1. Prior	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX						
2. 2003	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	X				XXX	
3. 2004	XXX	XXX	XXX	XXX	XXX	XXX	NONE	X	XXX	XXX	XXX		XXX	
												4. Totals		

**SCHEDULE P - PART 2L - OTHER (INCLUDING CREDIT, ACCIDENT AND HEALTH)**

1. Prior	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX						
2. 2003	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	X				XXX	
3. 2004	XXX	XXX	XXX	XXX	XXX	XXX	NONE	X	XXX	XXX	XXX		XXX	
												4. Totals		

**SCHEDULE P - PART 2M - INTERNATIONAL**

1. Prior														
2. 1995														
3. 1996	XXX													
4. 1997	XXX	XXX												
5. 1998	XXX	XXX	XXX											
6. 1999	XXX	XXX	XXX	XXX										
7. 2000	XXX	XXX	XXX	XXX	XXX									
8. 2001	XXX	XXX	XXX	XXX	XXX									
9. 2002	XXX	XXX	XXX	XXX	XXX									
10. 2003	XXX	XXX	XXX	XXX	XXX								XXX	
11. 2004	XXX	XXX	XXX	XXX	XXX							XXX	XXX	
												12. Totals		



**SCHEDULE P - PART 2R - SECTION 1  
PRODUCTS LIABILITY - OCCURRENCE**

Years in Which Losses Were Incurred	INCURRED NET LOSSES AND DEFENSE AND COST CONTAINMENT EXPENSES REPORTED AT YEAR END ( \$000 OMITTED )										DEVELOPMENT	
	1	2	3	4	5	6	7	8	9	10	11	12
	1995	1996	1997	1998	1999	2000	2001	2002	2003	2004	One Year	Two Year
1. Prior												
2. 1995	6	6	5	5	5	5	5	5	5	5		
3. 1996	XXX											
4. 1997	XXX	XXX										
5. 1998	XXX	XXX	XXX	1	1	1	1	1	1	1		
6. 1999	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX		
7. 2000	XXX	XXX	XXX	XXX	XXX	24	23	23	23	23		
8. 2001	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX		
9. 2002	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX		
10. 2003	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX		XXX
11. 2004	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX
12. Totals												

**SCHEDULE P - PART 2R - SECTION 2  
PRODUCTS LIABILITY - CLAIMS-MADE**

1. Prior												
2. 1995												
3. 1996	XXX											
4. 1997	XXX	XXX										
5. 1998	XXX	XXX	XXX									
6. 1999	XXX	XXX	XXX									
7. 2000	XXX	XXX	XXX									
8. 2001	XXX	XXX	XXX									
9. 2002	XXX	XXX	XXX									
10. 2003	XXX	XXX	XXX									XXX
11. 2004	XXX	XXX	XXX									XXX
<b>NONE</b>												
12. Totals												

**SCHEDULE P - PART 2S  
FINANCIAL GUARANTY / MORTGAGE GUARANTY**

1. Prior	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX		
2. 2003	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX		XXX
3. 2004	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX
<b>NONE</b>												
4. Totals												

ANNUAL STATEMENT FOR THE YEAR 2004 OF THE DONEGAL MUTUAL INSURANCE COMPANY

**SCHEDULE P - PART 3A - HOMEOWNERS/FARMOWNERS**

Years in Which Losses Were Incurred	CUMULATIVE PAID NET LOSSES AND DEFENSE AND COST CONTAINMENT EXPENSES REPORTED AT YEAR END (\$'000 OMITTED)										11 Number of Claims Closed With Loss Payment	12 Number of Claims Closed Without Loss Payment
	1 1995	2 1996	3 1997	4 1998	5 1999	6 2000	7 2001	8 2002	9 2003	10 2004		
1. Prior	0 0 0										3	2
2. 1995	4,320	6,177	6,384	6,571	6,714	6,728	6,767	6,792	6,793	6,767	6,120	2,997
3. 1996	XXX	7,882	9,733	10,038	10,024	10,027	10,057	10,108	10,120	10,108	12,478	5,478
4. 1997	XXX	XXX	4,438	5,545	5,674	5,833	5,946	5,958	5,857	5,944	5,650	2,987
5. 1998	XXX	XXX	XXX	6,261	7,759	7,957	8,234	8,315	8,388	8,499	6,957	3,365
6. 1999	XXX	XXX	XXX	XXX	6,600	7,372	7,688	7,724	7,782	7,683	7,455	1,802
7. 2000	XXX	XXX	XXX	XXX	XXX	4,719	5,353	5,519	5,683	6,625	6,980	548
8. 2001	XXX	XXX	XXX	XXX	XXX	XXX	4,164	5,647	5,811	5,867	5,435	3,101
9. 2002	XXX	XXX	XXX	XXX	XXX	XXX	XXX	5,103	6,653	6,734	4,952	3,327
10. 2003	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	8,065	8,065	6,664	3,219
11. 2004	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	5,042	5,042	4,284	2,180

**SCHEDULE P - PART 3B  
PRIVATE PASSENGER AUTO LIABILITY/MEDICAL**

1. Prior	0 0 0										32	1	2
2. 1995	2,630	4,539	5,774	6,584	7,109	7,484	7,553	7,607	7,634	7,655	5,587	2,906	
3. 1996	XXX	2,863	4,719	5,814	6,813	7,110	7,349	7,574	7,754	7,970	6,093	2,742	
4. 1997	XXX	XXX	2,883	4,720	5,628	6,302	6,889	7,160	7,243	7,352	6,143	2,786	
5. 1998	XXX	XXX	XXX	2,936	4,817	6,015	6,825	7,491	7,892	7,950	6,451	3,126	
6. 1999	XXX	XXX	XXX	XXX	3,264	5,094	6,555	7,941	8,189	8,505	6,442	1,228	
7. 2000	XXX	XXX	XXX	XXX	XXX	3,574	5,383	6,531	7,630	8,122	5,122	937	
8. 2001	XXX	XXX	XXX	XXX	XXX	XXX	3,522	5,843	6,850	8,178	6,202	2,441	
9. 2002	XXX	XXX	XXX	XXX	XXX	XXX	XXX	5,327	7,925	9,546	6,468	3,661	
10. 2003	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	4,314	6,773	6,888	3,163	
11. 2004	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	4,686	4,686	5,305	2,292	

**SCHEDULE P - PART 3C  
COMMERCIAL AUTO/TRUCK LIABILITY/MEDICAL**

1. Prior	0 0 0										1	1	
2. 1995	579	933	1,287	1,435	1,684	1,856	1,960	1,980	1,979	1,979	1,265	563	
3. 1996	XXX	658	1,084	1,281	1,826	2,060	2,146	2,207	2,222	2,227	1,467	650	
4. 1997	XXX	XXX	718	1,097	1,341	1,681	1,936	2,255	2,300	2,400	1,459	691	
5. 1998	XXX	XXX	XXX	809	1,399	1,779	2,235	2,611	2,738	2,891	1,720	746	
6. 1999	XXX	XXX	XXX	XXX	960	1,580	2,006	2,760	2,957	3,205	1,772	598	
7. 2000	XXX	XXX	XXX	XXX	XXX	993	1,585	2,012	2,412	2,695	1,776	819	
8. 2001	XXX	XXX	XXX	XXX	XXX	XXX	823	1,321	1,582	1,895	1,683	816	
9. 2002	XXX	XXX	XXX	XXX	XXX	XXX	XXX	628	1,042	1,496	1,146	591	
10. 2003	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	623	1,100	1,017	477	
11. 2004	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	765	982	375	

**SCHEDULE P - PART 3D - WORKERS' COMPENSATION**

1. Prior	0 0 0										70	18	4
2. 1995	943	1,886	2,657	3,186	3,560	3,728	3,984	4,015	4,058	4,065	2,853	939	
3. 1996	XXX	1,181	2,344	2,915	3,258	3,503	3,644	3,822	3,998	4,075	2,558	1,092	
4. 1997	XXX	XXX	871	1,741	2,326	2,898	2,980	3,255	3,340	3,386	2,460	1,416	
5. 1998	XXX	XXX	XXX	1,013	2,040	2,704	3,378	3,767	4,088	4,213	2,012	706	
6. 1999	XXX	XXX	XXX	XXX	1,326	2,616	3,471	4,289	4,884	5,210	2,019	496	
7. 2000	XXX	XXX	XXX	XXX	XXX	1,166	2,537	3,584	4,312	5,060	1,715	787	
8. 2001	XXX	XXX	XXX	XXX	XXX	XXX	1,063	2,354	3,857	4,763	2,194	855	
9. 2002	XXX	XXX	XXX	XXX	XXX	XXX	XXX	1,284	2,914	3,731	2,018	728	
10. 2003	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	1,457	2,750	2,182	699	
11. 2004	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	1,452	1,452	1,727	650	

**SCHEDULE P - PART 3E - COMMERCIAL MULTIPLE PERIL**

1. Prior	0 0 0										21	2	3
2. 1995	1,886	2,949	3,366	3,781	4,037	4,222	4,277	4,482	4,480	4,477	2,334	2,184	
3. 1996	XXX	3,025	3,764	4,132	4,504	4,759	4,989	5,106	5,179	5,353	3,543	2,852	
4. 1997	XXX	XXX	2,323	3,232	3,661	4,308	4,808	4,861	4,921	4,974	2,436	2,034	
5. 1998	XXX	XXX	XXX	2,203	2,953	3,382	3,720	4,175	4,364	4,405	2,213	1,831	
6. 1999	XXX	XXX	XXX	XXX	2,333	3,228	3,619	4,146	4,408	4,615	2,587	1,298	
7. 2000	XXX	XXX	XXX	XXX	XXX	2,165	3,262	3,678	4,034	4,237	2,808	1,623	
8. 2001	XXX	XXX	XXX	XXX	XXX	XXX	2,237	2,922	3,420	3,847	2,203	1,713	
9. 2002	XXX	XXX	XXX	XXX	XXX	XXX	XXX	1,690	2,319	2,736	1,482	1,255	
10. 2003	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	2,744	3,760	1,682	1,225	
11. 2004	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	2,388	2,388	1,176	637	

**SCHEDULE P - PART 3F - SECTION 1 - MEDICAL MALPRACTICE - OCCURRENCE**

Years in Which Losses Were Incurred	CUMULATIVE PAID NET LOSSES AND DEFENSE AND COST CONTAINMENT EXPENSES REPORTED AT YEAR END (\$000 OMITTED)										11 Number of Claims Closed With Loss Payment	12 Number of Claims Closed Without Loss Payment	
	1 1995	2 1996	3 1997	4 1998	5 1999	6 2000	7 2001	8 2002	9 2003	10 2004			
1. Prior	000												
2. 1995	XXX												
3. 1996	XXX	XXX											
4. 1997	XXX	XXX	XXX										
5. 1998	XXX	XXX	XXX	XXX									
6. 1999	XXX	XXX	XXX	XXX	XXX								
7. 2000	XXX	XXX	XXX	XXX	XXX	XXX							
8. 2001	XXX	XXX	XXX	XXX	XXX	XXX	XXX						
9. 2002	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX					
10. 2003	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX				
11. 2004	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX			

**NONE**

**SCHEDULE P - PART 3F - SECTION 2 - MEDICAL MALPRACTICE - CLAIMS-MADE**

Years in Which Losses Were Incurred	1 1995	2 1996	3 1997	4 1998	5 1999	6 2000	7 2001	8 2002	9 2003	10 2004	11 2004	12 2004
1. Prior	000											
2. 1995	XXX											
3. 1996	XXX	XXX										
4. 1997	XXX	XXX	XXX									
5. 1998	XXX	XXX	XXX	XXX								
6. 1999	XXX	XXX	XXX	XXX	XXX							
7. 2000	XXX	XXX	XXX	XXX	XXX	XXX						
8. 2001	XXX	XXX	XXX	XXX	XXX	XXX	XXX					
9. 2002	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX				
10. 2003	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX			
11. 2004	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX		

**NONE**

**SCHEDULE P - PART 3G - SPECIAL LIABILITY (OCEAN MARINE, AIRCRAFT (ALL PERILS), BOILER AND MACHINERY)**

Years in Which Losses Were Incurred	1 1995	2 1996	3 1997	4 1998	5 1999	6 2000	7 2001	8 2002	9 2003	10 2004	11 2004	12 2004
1. Prior	000											
2. 1995	XXX										XXX	XXX
3. 1996	XXX	XXX									XXX	XXX
4. 1997	XXX	XXX	XXX								XXX	XXX
5. 1998	XXX	XXX	XXX	XXX							XXX	XXX
6. 1999	XXX	XXX	XXX	XXX	XXX						XXX	XXX
7. 2000	XXX	XXX	XXX	XXX	XXX	XXX				25	XXX	XXX
8. 2001	XXX	XXX	XXX	XXX	XXX	XXX	XXX				XXX	XXX
9. 2002	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX			XXX	XXX
10. 2003	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX		XXX	XXX
11. 2004	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX

**SCHEDULE P - PART 3H - SECTION 1 - OTHER LIABILITY - OCCURRENCE**

Years in Which Losses Were Incurred	1 1995	2 1996	3 1997	4 1998	5 1999	6 2000	7 2001	8 2002	9 2003	10 2004	11 2004	12 2004
1. Prior	000											
2. 1995	24											
3. 1996	XXX	49										
4. 1997	XXX	21	55									
5. 1998	XXX	XXX	37	60								
6. 1999	XXX	XXX	15	42	86							
7. 2000	XXX	XXX	XXX	16	21	94						
8. 2001	XXX	XXX	XXX	5	46	21	105					
9. 2002	XXX	XXX	XXX	XXX	14	29	76	106				
10. 2003	XXX	XXX	XXX	XXX	XXX	29	80	81	106			
11. 2004	XXX	XXX	XXX	XXX	XXX	46	48	48	81	106		
						21	29	29	29	43	68	72
						46	46	48	48	41	41	45
						21	30	46	80	43	43	42
						6	17	95	109	27	27	46
						XXX	XXX	123	65	22	22	38
						XXX	XXX	1	8	13	13	33
						XXX	XXX	XXX	9	10	10	21
						XXX	XXX	XXX	1	3	3	7

**SCHEDULE P - PART 3H - SECTION 2 - OTHER LIABILITY - CLAIMS-MADE**

Years in Which Losses Were Incurred	1 1995	2 1996	3 1997	4 1998	5 1999	6 2000	7 2001	8 2002	9 2003	10 2004	11 2004	12 2004
1. Prior	000											
2. 1995	XXX											
3. 1996	XXX	XXX										
4. 1997	XXX	XXX	XXX									
5. 1998	XXX	XXX	XXX	XXX								
6. 1999	XXX	XXX	XXX	XXX	XXX							
7. 2000	XXX	XXX	XXX	XXX	XXX	XXX						
8. 2001	XXX	XXX	XXX	XXX	XXX	XXX	XXX					
9. 2002	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX				
10. 2003	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX			
11. 2004	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX		

**NONE**

**SCHEDULE P - PART 3I - SPECIAL PROPERTY (FIRE, ALLIED LINES, INLAND MARINE, EARTHQUAKE, BURGLARY, AND THEFT)**

Years in Which Losses Were Incurred	CUMULATIVE PAID NET LOSSES AND DEFENSE AND COST CONTAINMENT EXPENSES REPORTED AT YEAR END (\$'000 OMITTED)										11 Number of Claims Closed With Loss Payment	12 Number of Claims Closed Without Loss Payment
	1 1995	2 1996	3 1997	4 1998	5 1999	6 2000	7 2001	8 2002	9 2003	10 2004		
1. Prior .....	XXX	XXX	XXX	XXX	XXX	XXX	XXX	000	.....	4	XXX	XXX
2. 2003 .....	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	453	650	XXX	XXX
3. 2004 .....	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	513	XXX	XXX

**SCHEDULE P - PART 3J - AUTO PHYSICAL DAMAGE**

1. Prior .....	XXX	XXX	XXX	XXX	XXX	XXX	XXX	000	.....	(46)	24	10
2. 2003 .....	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	7,369	7,492	15,396	2,416
3. 2004 .....	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	7,167	13,403	2,103

**SCHEDULE P - PART 3K - FIDELITY, SURETY**

1. Prior .....	XXX	XXX	XXX	XXX	XXX	XXX	XXX	000	.....	.....	XXX	XXX
2. 2003 .....	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	.....	.....	XXX	XXX
3. 2004 .....	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	.....	.....	XXX	XXX

**SCHEDULE P - PART 3L - OTHER (INCLUDING CREDIT, ACCIDENT AND HEALTH)**

1. Prior .....	XXX	XXX	XXX	XXX	XXX	XXX	XXX	000	.....	.....	XXX	XXX
2. 2003 .....	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	.....	.....	XXX	XXX
3. 2004 .....	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	.....	.....	XXX	XXX

**SCHEDULE P - PART 3M - INTERNATIONAL**

1. Prior .....	000	.....	.....	.....	.....	.....	.....	.....	.....	.....	XXX	XXX
2. 1995 .....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	XXX	XXX
3. 1996 .....	XXX	.....	.....	.....	.....	.....	.....	.....	.....	.....	XXX	XXX
4. 1997 .....	XXX	XXX	.....	.....	.....	.....	.....	.....	.....	.....	XXX	XXX
5. 1998 .....	XXX	XXX	XXX	.....	.....	.....	.....	.....	.....	.....	XXX	XXX
6. 1999 .....	XXX	XXX	XXX	.....	.....	.....	.....	.....	.....	.....	XXX	XXX
7. 2000 .....	XXX	XXX	XXX	.....	.....	.....	.....	.....	.....	.....	XXX	XXX
8. 2001 .....	XXX	XXX	XXX	.....	.....	.....	.....	.....	.....	.....	XXX	XXX
9. 2002 .....	XXX	XXX	XXX	.....	.....	.....	.....	.....	.....	.....	XXX	XXX
10. 2003 .....	XXX	XXX	XXX	.....	.....	.....	.....	.....	.....	.....	XXX	XXX
11. 2004 .....	XXX	XXX	XXX	.....	.....	.....	.....	.....	.....	.....	XXX	XXX



**SCHEDULE P - PART 3N - REINSURANCE**  
**Nonproportional Assumed Property**

Years in Which Losses Were Incurred	CUMULATIVE PAID NET LOSSES AND DEFENSE AND COST CONTAINMENT EXPENSES REPORTED AT YEAR END ( \$000 OMITTED )										11 Number of Claims Closed With Loss Payment	12 Number of Claims Closed Without Loss Payment	
	1 1995	2 1996	3 1997	4 1998	5 1999	6 2000	7 2001	8 2002	9 2003	10 2004			
1. Prior	0 0 0											XXX	XXX
2. 1995	XXX											XXX	XXX
3. 1996	XXX	XXX										XXX	XXX
4. 1997	XXX	XXX	XXX									XXX	XXX
5. 1998	XXX	XXX	XXX	XXX								XXX	XXX
6. 1999	XXX	XXX	XXX	XXX	XXX							XXX	XXX
7. 2000	XXX	XXX	XXX	XXX	XXX	XXX						XXX	XXX
8. 2001	XXX	XXX	XXX	XXX	XXX	XXX	XXX					XXX	XXX
9. 2002	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX				XXX	XXX
10. 2003	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX			XXX	XXX
11. 2004	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX		XXX	XXX

**SCHEDULE P - PART 3O - REINSURANCE**  
**Nonproportional Assumed Liability**

1. Prior	0 0 0											XXX	XXX
2. 1995	XXX											XXX	XXX
3. 1996	XXX	XXX										XXX	XXX
4. 1997	XXX	XXX	XXX									XXX	XXX
5. 1998	XXX	XXX	XXX	XXX								XXX	XXX
6. 1999	XXX	XXX	XXX	XXX	XXX							XXX	XXX
7. 2000	XXX	XXX	XXX	XXX	XXX	XXX						XXX	XXX
8. 2001	XXX	XXX	XXX	XXX	XXX	XXX	XXX					XXX	XXX
9. 2002	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX				XXX	XXX
10. 2003	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX			XXX	XXX
11. 2004	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX		XXX	XXX

**SCHEDULE P - PART 3P - REINSURANCE**  
**Nonproportional Assumed Financial Lines**

1. Prior	0 0 0											XXX	XXX
2. 1995	XXX											XXX	XXX
3. 1996	XXX	XXX										XXX	XXX
4. 1997	XXX	XXX	XXX									XXX	XXX
5. 1998	XXX	XXX	XXX	XXX								XXX	XXX
6. 1999	XXX	XXX	XXX	XXX	XXX							XXX	XXX
7. 2000	XXX	XXX	XXX	XXX	XXX	XXX						XXX	XXX
8. 2001	XXX	XXX	XXX	XXX	XXX	XXX	XXX					XXX	XXX
9. 2002	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX				XXX	XXX
10. 2003	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX			XXX	XXX
11. 2004	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX		XXX	XXX

**SCHEDULE P - PART 3R - SECTION 1  
PRODUCTS LIABILITY - OCCURRENCE**

Years in Which Losses Were Incurred	CUMULATIVE PAID NET LOSSES AND DEFENSE AND COST CONTAINMENT EXPENSES REPORTED AT YEAR END ( \$000 OMITTED )										11 Number of Claims Closed With Loss Payment	12 Number of Claims Closed Without Loss Payment	
	1 1995	2 1996	3 1997	4 1998	5 1999	6 2000	7 2001	8 2002	9 2003	10 2004			
1. Prior	000												
2. 1995	5	5	5	5	5	5	5	5	5	5		3	2
3. 1996	XXX												2
4. 1997	XXX	XXX											1
5. 1998	XXX	XXX	XXX		1	1	1	1	1	1	1	1	
6. 1999	XXX	XXX	XXX	XXX									
7. 2000	XXX	XXX	XXX	XXX	XXX	XXX	23	23	23	23		1	
8. 2001	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX			
9. 2002	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX			
10. 2003	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX			
11. 2004	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX			

**SCHEDULE P - PART 3R - SECTION 2  
PRODUCTS LIABILITY - CLAIMS-MADE**

1. Prior	000												
2. 1995													
3. 1996	XXX												
4. 1997	XXX	XXX											
5. 1998	XXX	XXX	XXX										
6. 1999	XXX	XXX	XXX	XXX									
7. 2000	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX			
8. 2001	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX			
9. 2002	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX			
10. 2003	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX			
11. 2004	XXX	XXX	XXX							XXX			

**NONE**

**SCHEDULE P - PART 3S  
FINANCIAL GUARANTY / MORTGAGE GUARANTY**

1. Prior	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX
2. 2003	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX
3. 2004	XXX	XXX	XXX	XXX	XXX	NONE	XXX	XXX	XXX	XXX	XXX	XXX

ANNUAL STATEMENT FOR THE YEAR 2004 OF THE DONEGAL MUTUAL INSURANCE COMPANY

**SCHEDULE P - PART 4A  
HOMEOWNERS/FARMOWNERS**

Years In Which Losses Were Incurred	BULK AND IBNR RESERVES ON NET LOSSES AND DEFENSE AND COST CONTAINMENT EXPENSES REPORTED AT YEAR END (\$000 OMITTED)									
	1 1995	2 1996	3 1997	4 1998	5 1999	6 2000	7 2001	8 2002	9 2003	10 2004
1. Prior										1
2. 1995	359	70	69	45	13	12	6			
3. 1996	XXX	931	86	52	48	17	8	3	1	
4. 1997	XXX	XXX	335	80	54	20	7	4	4	
5. 1998	XXX	XXX	XXX	324	119	72	41	30	23	2
6. 1999	XXX	XXX	XXX	XXX	379	136	59	33	26	3
7. 2000	XXX	XXX	XXX	XXX	XXX	657	98	59	53	9
8. 2001	XXX	XXX	XXX	XXX	XXX	XXX	563	137	71	9
9. 2002	XXX	XXX	XXX	XXX	XXX	XXX	XXX	480	94	11
10. 2003	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	746	28
11. 2004	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	428

**SCHEDULE P - PART 4B  
PRIVATE PASSENGER AUTO LIABILITY/MEDICAL**

1. Prior											22
2. 1995	1,723	740	487	259	104	24	54	8	3		2
3. 1996	XXX	1,406	483	376	237	89	79	54	35		19
4. 1997	XXX	XXX	1,127	508	377	217	75	35	32		12
5. 1998	XXX	XXX	XXX	1,104	567	384	245	95	42		23
6. 1999	XXX	XXX	XXX	XXX	1,316	637	443	261	95		37
7. 2000	XXX	XXX	XXX	XXX	XXX	993	544	377	203		64
8. 2001	XXX	XXX	XXX	XXX	XXX	XXX	1,138	668	469		168
9. 2002	XXX	XXX	XXX	XXX	XXX	XXX	XXX	1,831	760		329
10. 2003	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	1,808		431
11. 2004	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX		1,795

**SCHEDULE P - PART 4C  
COMMERCIAL AUTO/TRUCK LIABILITY/MEDICAL**

1. Prior											
2. 1995	740	322	182	120	40	18	5	5			
3. 1996	XXX	619	174	155	78	13	11	3	2		2
4. 1997	XXX	XXX	386	269	177	121	56	24	14		5
5. 1998	XXX	XXX	XXX	506	350	194	142	82	67		42
6. 1999	XXX	XXX	XXX	XXX	536	250	214	122	52		21
7. 2000	XXX	XXX	XXX	XXX	XXX	379	239	176	111		41
8. 2001	XXX	XXX	XXX	XXX	XXX	XXX	241	175	175		73
9. 2002	XXX	XXX	XXX	XXX	XXX	XXX	629	241	226		129
10. 2003	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	643		202
11. 2004	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX		634

**SCHEDULE P - PART 4D  
WORKERS' COMPENSATION**

1. Prior											13
2. 1995	1,130	282	434	168	62	46	30	22	12		7
3. 1996	XXX	967	328	219	158	45	51	31	23		21
4. 1997	XXX	XXX	674	308	212	150	48	14	7		8
5. 1998	XXX	XXX	XXX	731	323	203	96	55	48		48
6. 1999	XXX	XXX	XXX	XXX	968	429	305	267	96		77
7. 2000	XXX	XXX	XXX	XXX	XXX	1,111	499	331	241		93
8. 2001	XXX	XXX	XXX	XXX	XXX	XXX	2,036	434	264		269
9. 2002	XXX	XXX	XXX	XXX	XXX	XXX	XXX	1,388	300		250
10. 2003	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	1,407		520
11. 2004	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX		2,244

**SCHEDULE P - PART 4E  
COMMERCIAL MULTIPLE PERIL**

1. Prior											6
2. 1995	986	374	453	297	184	65	70	27			
3. 1996	XXX	1,149	359	314	306	203	169	112	88		15
4. 1997	XXX	XXX	1,120	349	329	261	79	35	43		3
5. 1998	XXX	XXX	XXX	964	341	300	167	126	71		35
6. 1999	XXX	XXX	XXX	XXX	935	378	363	188	130		34
7. 2000	XXX	XXX	XXX	XXX	XXX	1,108	414	352	264		103
8. 2001	XXX	XXX	XXX	XXX	XXX	XXX	935	427	427		160
9. 2002	XXX	XXX	XXX	XXX	XXX	XXX	XXX	569	559		205
10. 2003	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	1,098		275
11. 2004	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX		940

**SCHEDULE P - PART 4F - SECTION 1  
MEDICAL MALPRACTICE - OCCURRENCE**

BULK AND IBNR RESERVES ON NET LOSSES AND DEFENSE AND COST CONTAINMENT EXPENSES REPORTED AT YEAR END (\$000 OMITTED)										
Years in Which Losses Were Incurred	1	2	3	4	5	6	7	8	9	10
	1995	1996	1997	1998	1999	2000	2001	2002	2003	2004
1. Prior										
2. 1995										
3. 1996	XXX									
4. 1997	XXX	XXX								
5. 1998	XXX	XXX	XXX							
6. 1999	XXX	XXX	XXX	XXX						
7. 2000	XXX	XXX	XXX	XXX	XXX					
8. 2001	XXX	XXX	XXX	XXX	XXX	XXX				
9. 2002	XXX	XXX	XXX	XXX	XXX	XXX	XXX			
10. 2003	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	
11. 2004	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX

**SCHEDULE P - PART 4F - SECTION 2  
MEDICAL MALPRACTICE - CLAIMS-MADE**

1. Prior										
2. 1995										
3. 1996	XXX									
4. 1997	XXX	XXX								
5. 1998	XXX	XXX	XXX							
6. 1999	XXX	XXX	XXX	XXX						
7. 2000	XXX	XXX	XXX	XXX	XXX					
8. 2001	XXX	XXX	XXX	XXX	XXX	XXX				
9. 2002	XXX	XXX	XXX	XXX	XXX	XXX	XXX			
10. 2003	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	
11. 2004	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX

**SCHEDULE P - PART 4G - SPECIAL LIABILITY  
(OCEAN MARINE, AIRCRAFT (ALL PERILS),  
BOILER AND MACHINERY)**

1. Prior										
2. 1995										
3. 1996	XXX									
4. 1997	XXX	XXX								
5. 1998	XXX	XXX	XXX	XXX						
6. 1999	XXX	XXX	XXX	XXX	XXX					2
7. 2000	XXX	XXX	XXX	XXX	XXX	XXX				
8. 2001	XXX	XXX	XXX	XXX	XXX	XXX	XXX			
9. 2002	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX		
10. 2003	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	
11. 2004	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX

**SCHEDULE P - PART 4H - SECTION 1  
OTHER LIABILITY - OCCURRENCE**

1. Prior										
2. 1995										15
3. 1996	XXX	227								
4. 1997	XXX	XXX	59							
5. 1998	XXX	XXX	143	36	39					
6. 1999	XXX	XXX	XXX	28	34	16				
7. 2000	XXX	XXX	XXX	75	29	35	7			
8. 2001	XXX	XXX	XXX	116	26	30	1	5	6	7
9. 2002	XXX	XXX	XXX	116	26	30	7	18	12	26
10. 2003	XXX	XXX	XXX	XXX	50	43	20	39	41	26
11. 2004	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	38

**SCHEDULE P - PART 4H - SECTION 2  
OTHER LIABILITY - CLAIMS-MADE**

1. Prior										
2. 1995										
3. 1996	XXX									
4. 1997	XXX	XXX								
5. 1998	XXX	XXX	XXX							
6. 1999	XXX	XXX	XXX	XXX						
7. 2000	XXX	XXX	XXX	XXX	XXX					
8. 2001	XXX	XXX	XXX	XXX	XXX	XXX				
9. 2002	XXX	XXX	XXX	XXX	XXX	XXX	XXX			
10. 2003	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	
11. 2004	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX

**SCHEDULE P - PART 4I - SPECIAL PROPERTY (FIRE, ALLIED LINES, INLAND MARINE, EARTHQUAKE, BURGLARY AND THEFT)**

BULK AND IBNR RESERVES ON NET LOSSES AND DEFENSE AND COST CONTAINMENT EXPENSES REPORTED AT YEAR END (\$000 OMITTED)										
Years in Which Losses Were Incurred	1 1995	2 1996	3 1997	4 1998	5 1999	6 2000	7 2001	8 2002	9 2003	10 2004
1. Prior .....	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX
2. 2003 .....	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	22	XXX
3. 2004 .....	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	50

**SCHEDULE P - PART 4J - AUTO PHYSICAL DAMAGE**

1. Prior .....	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	151
2. 2003 .....	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	121
3. 2004 .....	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	121

**SCHEDULE P - PART 4K - FIDELITY/SURETY**

1. Prior .....	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX
2. 2003 .....	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX
3. 2004 .....	XXX	XXX	XXX	XXX	NONE	XXX	XXX	XXX	XXX	XXX

**SCHEDULE P - PART 4L - OTHER (INCLUDING CREDIT, ACCIDENT AND HEALTH)**

1. Prior .....	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX
2. 2003 .....	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX
3. 2004 .....	XXX	XXX	XXX	XXX	NONE	XXX	XXX	XXX	XXX	XXX

**SCHEDULE P - PART 4M - INTERNATIONAL**

1. Prior .....	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX
2. 2003 .....	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX
3. 2004 .....	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX
4. 2005 .....	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX
5. 2006 .....	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX
6. 2007 .....	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX
7. 2008 .....	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX
8. 2009 .....	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX
9. 2010 .....	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX
10. 2011 .....	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX
11. 2012 .....	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX
12. 2013 .....	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX
13. 2014 .....	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX

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Sch. P, Pt. 4N, Reinsurance  
**NONE**

Sch. P, Pt. 4O, Reinsurance  
**NONE**

Sch. P, Pt. 4P, Reinsurance  
**NONE**

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Sch. P, Pt. 4R, Sn. 1, Products Liability, Occurrence  
**NONE**

Sch. P, Pt. 4R, Sn. 2, Products Liability, Claims Made  
**NONE**

Sch. P, Pt. 4S, Financial Guaranty/Mortgage Guaranty  
**NONE**

**SCHEDULE P - PART 5A - HOMEOWNERS/FAROWNERS**

**SECTION 1**

Years in Which Premiums Were Earned and Losses Were Incurred	CUMULATIVE NUMBER OF CLAIMS CLOSED WITH LOSS PAYMENT DIRECT AND ASSUMED AT YEAR END									
	1	2	3	4	5	6	7	8	9	10
	1995	1996	1997	1998	1999	2000	2001	2002	2003	2004
1. Prior										
2. 1995	5,033	6,044	6,086	6,102	6,112	6,115	6,118	6,120	6,120	6,120
3. 1996	XXX	11,484	12,372	12,432	12,450	12,458	12,466	12,476	12,478	12,478
4. 1997	XXX	XXX	4,982	5,577	5,818	5,633	5,642	5,646	5,648	5,650
5. 1998	XXX	XXX	XXX	5,755	6,872	6,920	6,938	6,943	6,951	6,957
6. 1999	XXX	XXX	XXX	XXX	6,442	7,344	7,407	7,436	7,447	7,455
7. 2000	XXX	XXX	XXX	XXX	XXX	5,637	6,902	6,955	6,973	6,980
8. 2001	XXX	XXX	XXX	XXX	XXX	XXX	4,655	5,388	5,421	5,438
9. 2002	XXX	XXX	XXX	XXX	XXX	XXX	XXX	4,128	4,919	4,952
10. 2003	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	5,800	6,664
11. 2004	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	4,284

**SECTION 2**

Years in Which Premiums Were Earned and Losses Were Incurred	NUMBER OF CLAIMS OUTSTANDING DIRECT AND ASSUMED AT YEAR END									
	1	2	3	4	5	6	7	8	9	10
	1995	1996	1997	1998	1999	2000	2001	2002	2003	2004
1. Prior										2
2. 1995	984	107	58	30	12	9	6			
3. 1996	XXX	843	126	61	28	24	16	6	2	1
4. 1997	XXX	XXX	666	97	48	32	14	11	7	7
5. 1998	XXX	XXX	XXX	837	97	53	30	11	11	7
6. 1999	XXX	XXX	XXX	XXX	902	128	56	26	15	7
7. 2000	XXX	XXX	XXX	XXX	XXX	1,228	124	58	38	28
8. 2001	XXX	XXX	XXX	XXX	XXX	XXX	603	94	53	23
9. 2002	XXX	XXX	XXX	XXX	XXX	XXX	XXX	841	85	41
10. 2003	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	894	91
11. 2004	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	682

**SECTION 3**

Years in Which Premiums Were Earned and Losses Were Incurred	CUMULATIVE NUMBER OF CLAIMS REPORTED DIRECT AND ASSUMED AT YEAR END									
	1	2	3	4	5	6	7	8	9	10
	1995	1996	1997	1998	1999	2000	2001	2002	2003	2004
1. Prior										
2. 1995	8,378	8,991	9,019	9,027	9,027	9,027	9,027	9,027	9,027	9,027
3. 1996	XXX	17,231	17,756	17,803	17,816	17,821	17,823	17,823	17,823	17,823
4. 1997	XXX	XXX	8,125	8,496	8,524	8,531	8,538	8,538	8,538	8,538
5. 1998	XXX	XXX	XXX	9,477	10,209	10,228	10,234	10,236	10,236	10,239
6. 1999	XXX	XXX	XXX	XXX	8,892	9,217	9,252	9,265	9,260	9,264
7. 2000	XXX	XXX	XXX	XXX	XXX	6,865	7,412	7,451	7,459	7,462
8. 2001	XXX	XXX	XXX	XXX	XXX	XXX	7,858	8,206	8,314	8,317
9. 2002	XXX	XXX	XXX	XXX	XXX	XXX	XXX	7,816	8,195	8,219
10. 2003	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	9,558	9,873
11. 2004	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	7,166

**SCHEDULE P - PART 5B  
PRIVATE PASSENGER AUTO LIABILITY/MEDICAL**

**SECTION 1**

Years in Which Premiums Were Earned and Losses Were Incurred	CUMULATIVE NUMBER OF CLAIMS CLOSED WITH LOSS PAYMENT DIRECT AND ASSUMED AT YEAR END									
	1	2	3	4	5	6	7	8	9	10
	1995	1996	1997	1998	1999	2000	2001	2002	2003	2004
1. Prior										
2. 1995	3,597	5,079	5,332	5,445	5,514	5,540	5,547	5,553	5,556	5,557
3. 1996	XXX	4,043	5,631	5,896	5,996	6,044	6,061	6,079	6,088	6,093
4. 1997	XXX	XXX	4,257	5,710	5,964	6,042	6,098	6,127	6,134	6,143
5. 1998	XXX	XXX	XXX	4,485	5,979	6,263	6,366	6,419	6,442	6,451
6. 1999	XXX	XXX	XXX	XXX	4,620	6,027	6,245	6,352	6,407	6,442
7. 2000	XXX	XXX	XXX	XXX	XXX	4,640	5,744	5,972	6,066	6,122
8. 2001	XXX	XXX	XXX	XXX	XXX	XXX	4,203	5,746	6,071	6,292
9. 2002	XXX	XXX	XXX	XXX	XXX	XXX	XXX	4,291	6,172	6,468
10. 2003	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	5,274	6,696
11. 2004	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	5,305

**SECTION 2**

Years in Which Premiums Were Earned and Losses Were Incurred	NUMBER OF CLAIMS OUTSTANDING DIRECT AND ASSUMED AT YEAR END									
	1	2	3	4	5	6	7	8	9	10
	1995	1996	1997	1998	1999	2000	2001	2002	2003	2004
1. Prior										31
2. 1995	2,147	625	284	152	70	30	19	8	5	4
3. 1996	XXX	2,254	566	261	125	75	47	22	10	6
4. 1997	XXX	XXX	2,086	546	229	137	62	28	20	7
5. 1998	XXX	XXX	XXX	2,256	591	237	109	54	39	17
6. 1999	XXX	XXX	XXX	XXX	2,355	629	311	141	87	33
7. 2000	XXX	XXX	XXX	XXX	XXX	2,230	536	229	115	60
8. 2001	XXX	XXX	XXX	XXX	XXX	XXX	2,403	635	258	124
9. 2002	XXX	XXX	XXX	XXX	XXX	XXX	XXX	2,692	659	290
10. 2003	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	2,335	589
11. 2004	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	2,274

**SECTION 3**

Years in Which Premiums Were Earned and Losses Were Incurred	CUMULATIVE NUMBER OF CLAIMS REPORTED DIRECT AND ASSUMED AT YEAR END									
	1	2	3	4	5	6	7	8	9	10
	1995	1996	1997	1998	1999	2000	2001	2002	2003	2004
1. Prior										
2. 1995	7,345	7,838	7,892	7,908	7,915	7,917	7,917	7,917	7,917	7,917
3. 1996	XXX	8,053	8,539	8,562	8,592	8,599	8,599	8,599	8,599	8,599
4. 1997	XXX	XXX	8,187	8,513	8,557	8,572	8,575	8,576	8,577	8,577
5. 1998	XXX	XXX	XXX	8,911	9,337	9,376	9,388	9,384	9,385	9,386
6. 1999	XXX	XXX	XXX	XXX	7,708	8,110	8,179	8,192	8,198	8,200
7. 2000	XXX	XXX	XXX	XXX	XXX	8,970	9,279	9,336	9,348	9,351
8. 2001	XXX	XXX	XXX	XXX	XXX	XXX	9,630	9,685	10,045	10,057
9. 2002	XXX	XXX	XXX	XXX	XXX	XXX	XXX	8,497	8,694	8,842
10. 2003	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	10,008	10,361
11. 2004	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	9,872



**SCHEDULE P - PART 5C - COMMERCIAL AUTO/TRUCK LIABILITY/MEDICAL**

**SECTION 1**

Years in Which Premiums Were Earned and Losses Were Incurred	CUMULATIVE NUMBER OF CLAIMS CLOSED WITH LOSS PAYMENT DIRECT AND ASSUMED AT YEAR END									
	1	2	3	4	5	6	7	8	9	10
	1995	1996	1997	1998	1999	2000	2001	2002	2003	2004
1. Prior										
2. 1995	845	1,129	1,201	1,219	1,247	1,256	1,263	1,263	1,264	1,265
3. 1996	XXX	1,058	1,328	1,391	1,433	1,457	1,461	1,465	1,465	1,467
4. 1997	XXX	XXX	1,048	1,305	1,362	1,407	1,421	1,449	1,455	1,459
5. 1998	XXX	XXX	XXX	1,194	1,569	1,646	1,680	1,700	1,710	1,720
6. 1999	XXX	XXX	XXX	XXX	1,272	1,803	1,884	1,739	1,759	1,772
7. 2000	XXX	XXX	XXX	XXX	XXX	1,317	1,637	1,722	1,763	1,778
8. 2001	XXX	XXX	XXX	XXX	XXX	XXX	1,262	1,596	1,656	1,663
9. 2002	XXX	XXX	XXX	XXX	XXX	XXX	XXX	849	1,090	1,148
10. 2003	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	806	1,017
11. 2004	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	662

**SECTION 2**

Years in Which Premiums Were Earned and Losses Were Incurred	NUMBER OF CLAIMS OUTSTANDING DIRECT AND ASSUMED AT YEAR END									
	1	2	3	4	5	6	7	8	9	10
	1995	1996	1997	1998	1999	2000	2001	2002	2003	2004
1. Prior										
2. 1995	423	164	80	56	22	12	2	2		
3. 1996	XXX	476	180	103	45	18	13	5	4	1
4. 1997	XXX	XXX	431	188	98	64	44	23	16	8
5. 1998	XXX	XXX	XXX	583	225	124	72	38	25	14
6. 1999	XXX	XXX	XXX	XXX	578	199	107	49	28	13
7. 2000	XXX	XXX	XXX	XXX	XXX	548	191	93	48	26
8. 2001	XXX	XXX	XXX	XXX	XXX	XXX	514	169	96	57
9. 2002	XXX	XXX	XXX	XXX	XXX	XXX	XXX	401	143	70
10. 2003	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	356	130
11. 2004	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	362

**SECTION 3**

Years in Which Premiums Were Earned and Losses Were Incurred	CUMULATIVE NUMBER OF CLAIMS REPORTED DIRECT AND ASSUMED AT YEAR END									
	1	2	3	4	5	6	7	8	9	10
	1995	1996	1997	1998	1999	2000	2001	2002	2003	2004
1. Prior										
2. 1995	1,575	1,725	1,745	1,750	1,750	1,750	1,750	1,750	1,750	1,750
3. 1996	XXX	1,926	2,050	2,067	2,070	2,072	2,072	2,072	2,072	2,072
4. 1997	XXX	XXX	1,897	2,027	2,056	2,063	2,064	2,067	2,067	2,067
5. 1998	XXX	XXX	XXX	2,249	2,405	2,421	2,425	2,427	2,428	2,428
6. 1999	XXX	XXX	XXX	XXX	2,036	2,153	2,188	2,193	2,196	2,196
7. 2000	XXX	XXX	XXX	XXX	XXX	1,865	2,005	2,025	2,029	2,030
8. 2001	XXX	XXX	XXX	XXX	XXX	XXX	2,306	2,435	2,449	2,459
9. 2002	XXX	XXX	XXX	XXX	XXX	XXX	XXX	1,645	1,724	1,736
10. 2003	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	1,503	1,584
11. 2004	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	1,719

**SCHEDULE P - PART 5D - WORKERS' COMPENSATION**

SECTION 1

Years in Which Premiums Were Earned and Losses Were Incurred	CUMULATIVE NUMBER OF CLAIMS CLOSED WITH LOSS PAYMENT DIRECT AND ASSUMED AT YEAR END									
	1	2	3	4	5	6	7	8	9	10
	1995	1996	1997	1998	1999	2000	2001	2002	2003	2004
1. Prior										18
2. 1995	1,813	2,593	2,696	2,782	2,814	2,824	2,834	2,838	2,844	2,853
3. 1996	XXX	1,659	2,215	2,456	2,497	2,509	2,523	2,539	2,550	2,558
4. 1997	XXX	XXX	1,274	1,306	1,357	1,409	1,422	1,446	1,456	1,469
5. 1998	XXX	XXX	XXX	1,306	1,857	1,943	1,978	1,999	2,010	2,012
6. 1999	XXX	XXX	XXX	XXX	1,274	1,836	1,916	1,907	1,906	2,019
7. 2000	XXX	XXX	XXX	XXX	XXX	1,097	1,495	1,619	1,682	1,719
8. 2001	XXX	XXX	XXX	XXX	XXX	XXX	1,212	1,907	2,129	2,154
9. 2002	XXX	XXX	XXX	XXX	XXX	XXX	XXX	1,317	1,919	2,018
10. 2003	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	1,548	2,182
11. 2004	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	1,727

SECTION 2

Years in Which Premiums Were Earned and Losses Were Incurred	NUMBER OF CLAIMS OUTSTANDING DIRECT AND ASSUMED AT YEAR END									
	1	2	3	4	5	6	7	8	9	10
	1995	1996	1997	1998	1999	2000	2001	2002	2003	2004
1. Prior										49
2. 1995	620	225	147	84	55	44	27	25	20	14
3. 1996	XXX	783	235	137	82	66	56	42	34	26
4. 1997	XXX	XXX	685	161	98	59	44	33	13	10
5. 1998	XXX	XXX	XXX	616	175	192	57	37	26	24
6. 1999	XXX	XXX	XXX	XXX	616	200	128	84	69	52
7. 2000	XXX	XXX	XXX	XXX	XXX	822	215	134	80	60
8. 2001	XXX	XXX	XXX	XXX	XXX	XXX	602	210	117	73
9. 2002	XXX	XXX	XXX	XXX	XXX	XXX	XXX	620	164	104
10. 2003	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	653	194
11. 2004	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	664

SECTION 3

Years in Which Premiums Were Earned and Losses Were Incurred	CUMULATIVE NUMBER OF CLAIMS REPORTED DIRECT AND ASSUMED AT YEAR END									
	1	2	3	4	5	6	7	8	9	10
	1995	1996	1997	1998	1999	2000	2001	2002	2003	2004
1. Prior										
2. 1995	3,269	3,641	3,673	3,680	3,682	3,682	3,682	3,683	3,683	3,683
3. 1996	XXX	2,983	3,255	3,268	3,268	3,269	3,269	3,269	3,269	3,269
4. 1997	XXX	XXX	2,451	2,725	2,746	2,750	2,751	2,755	2,755	2,755
5. 1998	XXX	XXX	XXX	2,434	2,646	2,658	2,662	2,663	2,663	2,664
6. 1999	XXX	XXX	XXX	XXX	2,271	2,454	2,477	2,483	2,485	2,485
7. 2000	XXX	XXX	XXX	XXX	XXX	1,919	2,111	2,141	2,153	2,156
8. 2001	XXX	XXX	XXX	XXX	XXX	XXX	2,624	2,857	2,885	2,893
9. 2002	XXX	XXX	XXX	XXX	XXX	XXX	XXX	2,495	2,878	2,892
10. 2003	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	2,752	2,932
11. 2004	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	3,071

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**SCHEDULE P - PART 5E - COMMERCIAL MULTIPLE PERIL**

**SECTION 1**

Years in Which Premiums Were Earned and Losses Were Incurred	CUMULATIVE NUMBER OF CLAIMS CLOSED WITH LOSS PAYMENT DIRECT AND ASSUMED AT YEAR END									
	1	2	3	4	5	6	7	8	9	10
	1995	1996	1997	1998	1999	2000	2001	2002	2003	2004
1. Prior										2
2. 1995	1,622	2,133	2,220	2,289	2,289	2,320	2,327	2,331	2,334	2,334
3. 1996	X X X	2,815	3,294	3,397	3,453	3,493	3,510	3,523	3,534	3,543
4. 1997	X X X	X X X	1,839	2,244	2,327	2,365	2,406	2,419	2,429	2,436
5. 1998	X X X	X X X	X X X	1,600	2,033	2,123	2,165	2,166	2,201	2,213
6. 1999	X X X	X X X	X X X	X X X	1,934	2,428	2,489	2,548	2,573	2,587
7. 2000	X X X	X X X	X X X	X X X	X X X	1,864	2,458	2,533	2,581	2,608
8. 2001	X X X	X X X	X X X	X X X	X X X	X X X	1,682	2,068	2,164	2,203
9. 2002	X X X	X X X	X X X	X X X	X X X	X X X	X X X	1,145	1,437	1,492
10. 2003	X X X	X X X	X X X	X X X	X X X	X X X	X X X	X X X	1,270	1,672
11. 2004	X X X	X X X	X X X	X X X	X X X	X X X	X X X	X X X	X X X	1,176

**SECTION 2**

Years in Which Premiums Were Earned and Losses Were Incurred	NUMBER OF CLAIMS OUTSTANDING DIRECT AND ASSUMED AT YEAR END									
	1	2	3	4	5	6	7	8	9	10
	1995	1996	1997	1998	1999	2000	2001	2002	2003	2004
1. Prior										8
2. 1995	982	380	232	116	53	22	13	5	1	1
3. 1996	X X X	955	382	205	123	71	50	31	14	5
4. 1997	X X X	X X X	753	297	159	99	47	27	15	6
5. 1998	X X X	X X X	X X X	703	297	276	182	80	45	16
6. 1999	X X X	X X X	X X X	X X X	981	283	156	75	52	26
7. 2000	X X X	X X X	X X X	X X X	X X X	863	286	164	89	44
8. 2001	X X X	X X X	X X X	X X X	X X X	X X X	651	286	183	100
9. 2002	X X X	X X X	X X X	X X X	X X X	X X X	X X X	510	222	130
10. 2003	X X X	X X X	X X X	X X X	X X X	X X X	X X X	X X X	616	224
11. 2004	X X X	X X X	X X X	X X X	X X X	X X X	X X X	X X X	X X X	687

**SECTION 3**

Years in Which Premiums Were Earned and Losses Were Incurred	CUMULATIVE NUMBER OF CLAIMS REPORTED DIRECT AND ASSUMED AT YEAR END									
	1	2	3	4	5	6	7	8	9	10
	1995	1996	1997	1998	1999	2000	2001	2002	2003	2004
1. Prior										
2. 1995	3,913	4,331	4,413	4,435	4,439	4,440	4,440	4,441	4,441	4,442
3. 1996	X X X	5,663	6,095	6,199	6,216	6,217	6,224	6,226	6,227	6,227
4. 1997	X X X	X X X	3,966	4,336	4,413	4,426	4,435	4,438	4,439	4,441
5. 1998	X X X	X X X	X X X	3,640	4,905	4,980	4,986	4,989	4,989	4,997
6. 1999	X X X	X X X	X X X	X X X	3,310	3,564	3,555	3,577	3,586	3,594
7. 2000	X X X	X X X	X X X	X X X	X X X	2,727	3,139	3,201	3,230	3,241
8. 2001	X X X	X X X	X X X	X X X	X X X	X X X	3,476	3,772	3,873	3,893
9. 2002	X X X	X X X	X X X	X X X	X X X	X X X	X X X	2,469	2,757	2,821
10. 2003	X X X	X X X	X X X	X X X	X X X	X X X	X X X	X X X	2,774	3,053
11. 2004	X X X	X X X	X X X	X X X	X X X	X X X	X X X	X X X	X X X	2,700

**Page 88**

Sch. P, Pt. 5F, Sn. 1A, Medical Malpractice, Occurrence  
**NONE**

Sch. P, Pt. 5F, Sn. 2A, Medical Malpractice, Occurrence  
**NONE**

Sch. P, Pt. 5F, Sn. 3A, Medical Malpractice, Occurrence  
**NONE**

**Page 89**

Sch. P, Pt. 5F, Sn. 1B, Medical Malpractice, Claims Made  
**NONE**

Sch. P, Pt. 5F, Sn. 2B, Medical Malpractice, Claims Made  
**NONE**

Sch. P, Pt. 5F, Sn. 3B, Medical Malpractice, Claims Made  
**NONE**

ANNUAL STATEMENT FOR THE YEAR 2004 OF THE DONEGAL MUTUAL INSURANCE COMPANY

**SCHEDULE P - PART 5H - OTHER LIABILITY - OCCURRENCE**

SECTION 1A

Years in Which Premiums Were Earned and Losses Were Incurred	CUMULATIVE NUMBER OF CLAIMS CLOSED WITH LOSS PAYMENT DIRECT AND ASSUMED AT YEAR END									
	1	2	3	4	5	6	7	8	9	10
	1995	1996	1997	1998	1999	2000	2001	2002	2003	2004
1. Prior										
2. 1995	42									
3. 1996	XXX	57								
4. 1997	XXX	44	61							
5. 1998	XXX	XXX	62	61						
6. 1999	XXX	XXX	28	62	66	67	68	68	68	68
7. 2000	XXX	XXX	XXX	24	64	68	69	70	70	70
8. 2001	XXX	XXX	XXX	XXX	38	43	43	43	43	43
9. 2002	XXX	XXX	XXX	XXX	36	37	38	41	41	41
10. 2003	XXX	XXX	XXX	XXX	23	38	41	42	43	43
11. 2004	XXX	XXX	XXX	XXX	XXX	13	20	25	25	27

SECTION 2A

Years in Which Premiums Were Earned and Losses Were Incurred	NUMBER OF CLAIMS OUTSTANDING DIRECT AND ASSUMED AT YEAR END									
	1	2	3	4	5	6	7	8	9	10
	1995	1996	1997	1998	1999	2000	2001	2002	2003	2004
1. Prior										1
2. 1995	26									
3. 1996	XXX	13								
4. 1997	XXX	29	13							
5. 1998	XXX	XXX	19	8						
6. 1999	XXX	XXX	12	17	3	3	5	1	4	4
7. 2000	XXX	XXX	XXX	22	10	12	1			
8. 2001	XXX	XXX	XXX	XXX	4	2	4	2	1	7
9. 2002	XXX	XXX	XXX	XXX	25	12	16	12	11	7
10. 2003	XXX	XXX	XXX	XXX	XXX	23	14	13	9	4
11. 2004	XXX	XXX	XXX	XXX	XXX	XXX	XXX	13	9	8

SECTION 3A

Years in Which Premiums Were Earned and Losses Were Incurred	CUMULATIVE NUMBER OF CLAIMS REPORTED DIRECT AND ASSUMED AT YEAR END									
	1	2	3	4	5	6	7	8	9	10
	1995	1996	1997	1998	1999	2000	2001	2002	2003	2004
1. Prior										
2. 1995	98									
3. 1996	XXX	125								
4. 1997	XXX	117	131							
5. 1998	XXX	XXX	141	132						
6. 1999	XXX	XXX	66	155	160	161	161	161	161	162
7. 2000	XXX	XXX	XXX	80	85	86	87	87	87	87
8. 2001	XXX	XXX	XXX	63	75	77	78	79	79	79
9. 2002	XXX	XXX	XXX	XXX	60	69	72	72	72	72
10. 2003	XXX	XXX	XXX	XXX	XXX	36	44	50	54	55
11. 2004	XXX	XXX	XXX	XXX	XXX	XXX	49	57	61	63

ANNUAL STATEMENT FOR THE YEAR 2004 OF THE DONEGAL MUTUAL INSURANCE COMPANY

**SCHEDULE P - PART 5H - OTHER LIABILITY - CLAIMS-MADE**

SECTION 1B

Years in Which Premiums Were Earned and Losses Were Incurred	CUMULATIVE NUMBER OF CLAIMS CLOSED WITH LOSS PAYMENT DIRECT AND ASSUMED AT YEAR END									
	1	2	3	4	5	6	7	8	9	10
	1995	1996	1997	1998	1999	2000	2001	2002	2003	2004
1. Prior										
2. 1995										
3. 1996	XXX									
4. 1997	XXX	XXX								
5. 1998	XXX	XXX								
6. 1999	XXX	XXX								
7. 2000	XXX	XXX								
8. 2001	XXX	XXX								
9. 2002	XXX	XXX						XXX		
10. 2003	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	
11. 2004	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX

SECTION 2B

Years in Which Premiums Were Earned and Losses Were Incurred	NUMBER OF CLAIMS OUTSTANDING DIRECT AND ASSUMED AT YEAR END									
	1	2	3	4	5	6	7	8	9	10
	1995	1996	1997	1998	1999	2000	2001	2002	2003	2004
1. Prior										
2. 1995										
3. 1996	XXX									
4. 1997	XXX	XXX								
5. 1998	XXX	XXX								
6. 1999	XXX	XXX								
7. 2000	XXX	XXX								
8. 2001	XXX	XXX								
9. 2002	XXX	XXX						XXX		
10. 2003	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	
11. 2004	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX

SECTION 3B

Years in Which Premiums Were Earned and Losses Were Incurred	CUMULATIVE NUMBER OF CLAIMS REPORTED DIRECT AND ASSUMED AT YEAR END									
	1	2	3	4	5	6	7	8	9	10
	1995	1996	1997	1998	1999	2000	2001	2002	2003	2004
1. Prior										
2. 1995										
3. 1996	XXX									
4. 1997	XXX	XXX								
5. 1998	XXX	XXX								
6. 1999	XXX	XXX								
7. 2000	XXX	XXX								
8. 2001	XXX	XXX								
9. 2002	XXX	XXX						XXX		
10. 2003	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	
11. 2004	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX

**SCHEDULE P - PART 5R - PRODUCTS LIABILITY - OCCURRENCE**

SECTION 1A

Years in Which Premiums Were Earned and Losses Were Incurred	CUMULATIVE NUMBER OF CLAIMS CLOSED WITH LOSS PAYMENT DIRECT AND ASSUMED AT YEAR END									
	1	2	3	4	5	6	7	8	9	10
	1995	1996	1997	1998	1999	2000	2001	2002	2003	2004
1. Prior										
2. 1995	3	3	3	3	3	3	3	3	3	3
3. 1996	XXX									
4. 1997	XXX	XXX								
5. 1998	XXX	XXX	XXX							
6. 1999	XXX	XXX	XXX	XXX						
7. 2000	XXX	XXX	XXX	XXX	XXX					
8. 2001	XXX	XXX	XXX	XXX	XXX	XXX				
9. 2002	XXX	XXX	XXX	XXX	XXX	XXX	XXX			
10. 2003	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX		
11. 2004	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	

SECTION 2A

Years in Which Premiums Were Earned and Losses Were Incurred	NUMBER OF CLAIMS OUTSTANDING DIRECT AND ASSUMED AT YEAR END									
	1	2	3	4	5	6	7	8	9	10
	1995	1996	1997	1998	1999	2000	2001	2002	2003	2004
1. Prior										
2. 1995										
3. 1996	XXX	2								
4. 1997	XXX	XXX	1							
5. 1998	XXX	XXX	XXX							
6. 1999	XXX	XXX	XXX	XXX						
7. 2000	XXX	XXX	XXX	XXX	XXX	1				
8. 2001	XXX	XXX	XXX	XXX	XXX	XXX				
9. 2002	XXX	XXX	XXX	XXX	XXX	XXX	XXX			
10. 2003	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX		
11. 2004	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	

SECTION 3A

Years in Which Premiums Were Earned and Losses Were Incurred	CUMULATIVE NUMBER OF CLAIMS REPORTED DIRECT AND ASSUMED AT YEAR END									
	1	2	3	4	5	6	7	8	9	10
	1995	1996	1997	1998	1999	2000	2001	2002	2003	2004
1. Prior										
2. 1995	5	5	5	5	5	5	5	5	5	5
3. 1996	XXX	2								
4. 1997	XXX	XXX	1							
5. 1998	XXX	XXX	XXX	1						
6. 1999	XXX	XXX	XXX	XXX						
7. 2000	XXX	XXX	XXX	XXX	XXX	1				
8. 2001	XXX	XXX	XXX	XXX	XXX	XXX	1			
9. 2002	XXX	XXX	XXX	XXX	XXX	XXX	XXX			
10. 2003	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX		
11. 2004	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	

**SCHEDULE P - PART 5R - PRODUCTS LIABILITY - CLAIMS-MADE**

**SECTION 1B**

Years in Which Premiums Were Earned and Losses Were Incurred	CUMULATIVE NUMBER OF CLAIMS CLOSED WITH LOSS PAYMENT DIRECT AND ASSUMED AT YEAR END									
	1	2	3	4	5	6	7	8	9	10
	1995	1996	1997	1998	1999	2000	2001	2002	2003	2004
1. Prior										
2. 1995										
3. 1996	XXX									
4. 1997	XXX	XXX								
5. 1998	XXX	XXX								
6. 1999	XXX	XXX								
7. 2000	XXX	XXX								
8. 2001	XXX	XXX								
9. 2002	XXX	XXX						XXX		
10. 2003	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	
11. 2004	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	

**SECTION 2B**

Years in Which Premiums Were Earned and Losses Were Incurred	NUMBER OF CLAIMS OUTSTANDING DIRECT AND ASSUMED AT YEAR END									
	1	2	3	4	5	6	7	8	9	10
	1995	1996	1997	1998	1999	2000	2001	2002	2003	2004
1. Prior										
2. 1995										
3. 1996	XXX									
4. 1997	XXX	XXX								
5. 1998	XXX	XXX								
6. 1999	XXX	XXX								
7. 2000	XXX	XXX								
8. 2001	XXX	XXX								
9. 2002	XXX	XXX						XXX		
10. 2003	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	
11. 2004	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	

**SECTION 3B**

Years in Which Premiums Were Earned and Losses Were Incurred	CUMULATIVE NUMBER OF CLAIMS REPORTED DIRECT AND ASSUMED AT YEAR END									
	1	2	3	4	5	6	7	8	9	10
	1995	1996	1997	1998	1999	2000	2001	2002	2003	2004
1. Prior										
2. 1995										
3. 1996	XXX									
4. 1997	XXX	XXX								
5. 1998	XXX	XXX								
6. 1999	XXX	XXX								
7. 2000	XXX	XXX								
8. 2001	XXX	XXX								
9. 2002	XXX	XXX						XXX		
10. 2003	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	
11. 2004	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	



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SCHEDULE P - PART 6C - COMMERCIAL AUTO/TRUCK LIABILITY/MEDICAL

SECTION 1

Years in Which Premiums Were Earned and Losses Were Incurred	CUMULATIVE PREMIUMS EARNED DIRECT AND ASSUMED AT YEAR END (\$000 OMITTED)										11 Current Year Premiums Earned
	1	2	3	4	5	6	7	8	9	10	
	1995	1996	1997	1998	1999	2000	2001	2002	2003	2004	
1. Prior											
2. 1995	8,231		8,231	8,231	8,231	8,231	8,231	8,231	8,231	8,231	8,231
3. 1996	XXX	9,551	9,551	9,551	9,551	9,551	9,551	9,551	9,551	9,551	9,551
4. 1997	XXX	XXX	10,449	10,449	10,449	10,449	10,449	10,449	10,449	10,449	10,449
5. 1998	XXX	XXX	XXX	11,122	11,122	11,122	11,122	11,122	11,122	11,122	11,122
6. 1999	XXX	XXX	XXX	XXX	12,493	12,493	12,493	12,493	12,493	12,493	12,493
7. 2000	XXX	XXX	XXX	XXX	XXX	14,359	14,359	14,359	14,359	14,359	14,359
8. 2001	XXX	XXX	XXX	XXX	XXX	XXX	15,679	15,679	15,679	15,679	15,679
9. 2002	XXX	XXX	XXX	XXX	XXX	XXX	XXX	16,592	16,592	16,592	16,592
10. 2003	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	17,568	17,568	17,568
11. 2004	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	20,397	20,397
12. Total	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	20,397
13. Earned Premiums (Sc-P-PI 1)	8,231	9,551	10,449	11,122	12,493	14,359	15,679	16,592	17,568	20,397	XXX

SECTION 2

Years in Which Premiums Were Earned and Losses Were Incurred	CUMULATIVE PREMIUMS EARNED CEDED AT YEAR END (\$000 OMITTED)										11 Current Year Premiums Earned
	1	2	3	4	5	6	7	8	9	10	
	1995	1996	1997	1998	1999	2000	2001	2002	2003	2004	
1. Prior											
2. 1995	4,945		4,945	4,945	4,945	4,945	4,945	4,945	4,945	4,945	4,945
3. 1996	XXX	6,292	6,292	6,292	6,292	6,292	6,292	6,292	6,292	6,292	6,292
4. 1997	XXX	XXX	8,984	8,984	8,984	8,984	8,984	8,984	8,984	8,984	8,984
5. 1998	XXX	XXX	XXX	7,461	7,461	7,461	7,461	7,461	7,461	7,461	7,461
6. 1999	XXX	XXX	XXX	XXX	8,394	8,394	8,394	8,394	8,394	8,394	8,394
7. 2000	XXX	XXX	XXX	XXX	XXX	10,007	10,007	10,007	10,007	10,007	10,007
8. 2001	XXX	XXX	XXX	XXX	XXX	XXX	11,297	11,297	11,297	11,297	11,297
9. 2002	XXX	XXX	XXX	XXX	XXX	XXX	XXX	12,347	12,347	12,347	12,347
10. 2003	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	13,099	13,099	13,099
11. 2004	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	15,455	15,455
12. Total	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	15,455
13. Earned Premiums (Sc-P-PI 1)	4,945	6,292	6,984	7,461	8,394	10,007	11,297	12,347	13,099	15,455	XXX

SCHEDULE P - PART 6D - WORKERS' COMPENSATION

SECTION 1

Years in Which Premiums Were Earned and Losses Were Incurred	CUMULATIVE PREMIUMS EARNED DIRECT AND ASSUMED AT YEAR END (\$000 OMITTED)										11 Current Year Premiums Earned
	1	2	3	4	5	6	7	8	9	10	
	1995	1996	1997	1998	1999	2000	2001	2002	2003	2004	
1. Prior											
2. 1995	25,585		25,585	25,585	25,585	25,585	25,585	25,585	25,585	25,585	25,585
3. 1996	XXX	26,708	26,708	26,708	26,708	26,708	26,708	26,708	26,708	26,708	26,708
4. 1997	XXX	XXX	25,138	25,138	25,138	25,138	25,138	25,138	25,138	25,138	25,138
5. 1998	XXX	XXX	XXX	22,283	22,283	22,283	22,283	22,283	22,283	22,283	22,283
6. 1999	XXX	XXX	XXX	XXX	23,808	23,808	23,808	23,808	23,808	23,808	23,808
7. 2000	XXX	XXX	XXX	XXX	XXX	25,733	25,733	25,733	25,733	25,733	25,733
8. 2001	XXX	XXX	XXX	XXX	XXX	XXX	28,403	28,403	28,403	28,403	28,403
9. 2002	XXX	XXX	XXX	XXX	XXX	XXX	XXX	29,014	29,014	29,014	29,014
10. 2003	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	34,280	34,280	34,280
11. 2004	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	39,050	39,050
12. Total	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	39,050
13. Earned Premiums (Sc-P-PI 1)	25,585	26,708	25,138	22,283	23,808	25,733	28,403	29,014	34,280	39,050	XXX

SECTION 2

Years in Which Premiums Were Earned and Losses Were Incurred	CUMULATIVE PREMIUMS EARNED CEDED AT YEAR END (\$000 OMITTED)										11 Current Year Premiums Earned
	1	2	3	4	5	6	7	8	9	10	
	1995	1996	1997	1998	1999	2000	2001	2002	2003	2004	
1. Prior											
2. 1995	15,618		15,618	15,618	15,618	15,618	15,618	15,618	15,618	15,618	15,618
3. 1996	XXX	18,103	18,103	18,103	18,103	18,103	18,103	18,103	18,103	18,103	18,103
4. 1997	XXX	XXX	17,692	17,692	17,692	17,692	17,692	17,692	17,692	17,692	17,692
5. 1998	XXX	XXX	XXX	15,789	15,789	15,789	15,789	15,789	15,789	15,789	15,789
6. 1999	XXX	XXX	XXX	XXX	16,951	16,951	16,951	16,951	16,951	16,951	16,951
7. 2000	XXX	XXX	XXX	XXX	XXX	19,402	19,402	19,402	19,402	19,402	19,402
8. 2001	XXX	XXX	XXX	XXX	XXX	XXX	21,709	21,709	21,709	21,709	21,709
9. 2002	XXX	XXX	XXX	XXX	XXX	XXX	XXX	21,921	21,921	21,921	21,921
10. 2003	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	25,753	25,753	25,753
11. 2004	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	29,232	29,232
12. Total	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	29,232
13. Earned Premiums (Sc-P-PI 1)	15,618	18,103	17,692	15,789	16,951	19,402	21,709	21,921	25,753	29,232	XXX

ANNUAL STATEMENT FOR THE YEAR 2004 OF THE DONEGAL MUTUAL INSURANCE COMPANY

**SCHEDULE P - PART 6E - COMMERCIAL MULTIPLE PERIL**

SECTION 1

Years in Which Premiums Were Earned and Losses Were Incurred	CUMULATIVE PREMIUMS EARNED DIRECT AND ASSUMED AT YEAR END (\$000 OMITTED)										11 Current Year Premiums Earned	
	1	2	3	4	5	6	7	8	9	10		
	1995	1996	1997	1998	1999	2000	2001	2002	2003	2004		
1. Prior												
2. 1995	22,662	22,662	22,662	22,662	22,662	22,662	22,662	22,662	22,662	22,662	22,662	
3. 1996	XXX	27,096	27,096	27,096	27,096	27,096	27,096	27,096	27,096	27,096	27,096	
4. 1997	XXX	XXX	28,510	28,510	28,510	28,510	28,510	28,510	28,510	28,510	28,510	
5. 1998	XXX	XXX	XXX	28,584	28,584	28,584	28,584	28,584	28,584	28,584	28,584	
6. 1999	XXX	XXX	XXX	XXX	29,609	29,609	29,609	29,609	29,609	29,609	29,609	
7. 2000	XXX	XXX	XXX	XXX	XXX	32,339	32,339	32,339	32,339	32,339	32,339	
8. 2001	XXX	XXX	XXX	XXX	XXX	XXX	36,408	36,408	36,408	36,408	36,408	
9. 2002	XXX	XXX	XXX	XXX	XXX	XXX	XXX	38,353	38,353	38,353	38,353	
10. 2003	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	43,070	43,070	43,070	
11. 2004	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	53,395	53,395
12. Total	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	53,395
13. Earned Premiums (Sc P-Pl 1)	22,662	27,096	28,510	28,584	29,609	32,339	36,408	36,353	43,070	53,395	XXX	XXX

SECTION 2

Years in Which Premiums Were Earned and Losses Were Incurred	CUMULATIVE PREMIUMS EARNED CEDED AT YEAR END (\$000 OMITTED)										11 Current Year Premiums Earned	
	1	2	3	4	5	6	7	8	9	10		
	1995	1996	1997	1998	1999	2000	2001	2002	2003	2004		
1. Prior												
2. 1995	14,788	14,788	14,788	14,788	14,788	14,788	14,788	14,788	14,788	14,788	14,788	
3. 1996	XXX	19,453	19,453	19,453	19,453	19,453	19,453	19,453	19,453	19,453	19,453	
4. 1997	XXX	XXX	20,110	20,110	20,110	20,110	20,110	20,110	20,110	20,110	20,110	
5. 1998	XXX	XXX	XXX	20,083	20,083	20,083	20,083	20,083	20,083	20,083	20,083	
6. 1999	XXX	XXX	XXX	XXX	20,595	20,595	20,595	20,595	20,595	20,595	20,595	
7. 2000	XXX	XXX	XXX	XXX	XXX	23,235	23,235	23,235	23,235	23,235	23,235	
8. 2001	XXX	XXX	XXX	XXX	XXX	XXX	26,961	26,961	26,961	26,961	26,961	
9. 2002	XXX	XXX	XXX	XXX	XXX	XXX	XXX	29,063	29,063	29,063	29,063	
10. 2003	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	32,768	32,768	32,768	
11. 2004	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	40,166	40,166
12. Total	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	40,166
13. Earned Premiums (Sc P-Pl 1)	14,788	19,453	20,110	20,083	20,595	23,235	26,961	29,063	32,768	40,166	XXX	XXX

**SCHEDULE P - PART 6H - OTHER LIABILITY - OCCURRENCE**

SECTION 1A

Years in Which Premiums Were Earned and Losses Were Incurred	CUMULATIVE PREMIUMS EARNED DIRECT AND ASSUMED AT YEAR END (\$000 OMITTED)										11 Current Year Premiums Earned	
	1	2	3	4	5	6	7	8	9	10		
	1995	1996	1997	1998	1999	2000	2001	2002	2003	2004		
1. Prior												
2. 1995	2,863	2,863	2,863	2,863	2,863	2,863	2,863	2,863	2,863	2,863	2,863	
3. 1996	XXX	3,133	3,133	3,133	3,133	3,133	3,133	3,133	3,133	3,133	3,133	
4. 1997	XXX	XXX	3,252	3,252	3,252	3,252	3,252	3,252	3,252	3,252	3,252	
5. 1998	XXX	XXX	XXX	3,357	3,357	3,357	3,357	3,357	3,357	3,357	3,357	
6. 1999	XXX	XXX	XXX	XXX	3,655	3,655	3,655	3,655	3,655	3,655	3,655	
7. 2000	XXX	XXX	XXX	XXX	XXX	4,231	4,231	4,231	4,231	4,231	4,231	
8. 2001	XXX	XXX	XXX	XXX	XXX	XXX	4,671	4,671	4,671	4,671	4,671	
9. 2002	XXX	XXX	XXX	XXX	XXX	XXX	XXX	5,392	5,392	5,392	5,392	
10. 2003	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	6,681	6,681	6,681	
11. 2004	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	7,751	7,751	7,751
12. Total	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	7,751
13. Earned Premiums (Sc P-Pl 1)	2,863	3,133	3,252	3,357	3,655	4,231	4,671	5,392	6,681	7,751	XXX	XXX

SECTION 2A

Years in Which Premiums Were Earned and Losses Were Incurred	CUMULATIVE PREMIUMS EARNED CEDED AT YEAR END (\$000 OMITTED)										11 Current Year Premiums Earned	
	1	2	3	4	5	6	7	8	9	10		
	1995	1996	1997	1998	1999	2000	2001	2002	2003	2004		
1. Prior												
2. 1995	2,337	2,337	2,337	2,337	2,337	2,337	2,337	2,337	2,337	2,337	2,337	
3. 1996	XXX	2,687	2,687	2,687	2,687	2,687	2,687	2,687	2,687	2,687	2,687	
4. 1997	XXX	XXX	2,783	2,783	2,783	2,783	2,783	2,783	2,783	2,783	2,783	
5. 1998	XXX	XXX	XXX	2,956	2,956	2,956	2,956	2,956	2,956	2,956	2,956	
6. 1999	XXX	XXX	XXX	XXX	3,223	3,223	3,223	3,223	3,223	3,223	3,223	
7. 2000	XXX	XXX	XXX	XXX	XXX	3,795	3,795	3,795	3,795	3,795	3,795	
8. 2001	XXX	XXX	XXX	XXX	XXX	XXX	4,242	4,242	4,242	4,242	4,242	
9. 2002	XXX	XXX	XXX	XXX	XXX	XXX	XXX	4,968	4,968	4,968	4,968	
10. 2003	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	6,199	6,199	6,199	
11. 2004	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	7,200	7,200	7,200
12. Total	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	7,200
13. Earned Premiums (Sc P-Pl 1)	2,337	2,687	2,783	2,956	3,223	3,795	4,242	4,968	6,199	7,200	XXX	XXX

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Sch. P, Pt. 6H, Sn. 1B, Other Liability, Claims Made  
**NONE**

Sch. P, Pt. 6H, Sn. 2B, Other Liability, Claims Made  
**NONE**

Sch. P, Pt. 6M, Sn. 1, International  
**NONE**

Sch. P, Pt. 6M, Sn. 2, International  
**NONE**

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Sch. P, Pt. 6N, Sn. 1, Reinsurance  
**NONE**

Sch. P, Pt. 6N, Sn. 2, Reinsurance  
**NONE**

Sch. P, Pt. 6O, Sn. 1, Reinsurance  
**NONE**

Sch. P, Pt. 6O, Sn. 2, Reinsurance  
**NONE**

ANNUAL STATEMENT FOR THE YEAR 2004 OF THE DONEGAL MUTUAL INSURANCE COMPANY  
**SCHEDULE P - PART 6R - PRODUCTS LIABILITY - OCCURRENCE**

SECTION 1A

Years in Which Premiums Were Earned and Losses Were Incurred	CUMULATIVE PREMIUMS EARNED DIRECT AND ASSUMED AT YEAR END (\$000 OMITTED)										11 Current Year Premiums Earned	
	1	2	3	4	5	6	7	8	9	10		
	1995	1996	1997	1998	1999	2000	2001	2002	2003	2004		
1. Prior												
2. 1995	152	152	152	152	152	152	152	152	152	152	152	152
3. 1996	XXX	208	208	208	208	208	208	208	208	208	208	208
4. 1997	XXX	XXX	219	219	219	219	219	219	219	219	219	219
5. 1998	XXX	XXX	XXX	175	175	175	175	175	175	175	175	175
6. 1999	XXX	XXX	XXX	XXX	143	143	143	143	143	143	143	143
7. 2000	XXX	XXX	XXX	XXX	XXX	53	53	53	53	53	53	53
8. 2001	XXX	XXX	XXX	XXX	XXX	XXX	5	5	5	5	5	5
9. 2002	XXX	XXX	XXX	XXX	XXX	XXX	XXX	5	5	5	5	5
10. 2003	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	(3)	(3)	(3)	(3)
11. 2004	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	13	13
12. Total	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	13	13
13. Earned Premiums (Sc P-Pl 1)	152	208	219	175	143	53	5		(3)	13	13	XXX

SECTION 2A

Years in Which Premiums Were Earned and Losses Were Incurred	CUMULATIVE PREMIUMS EARNED CEDED AT YEAR END (\$000 OMITTED)										11 Current Year Premiums Earned	
	1	2	3	4	5	6	7	8	9	10		
	1995	1996	1997	1998	1999	2000	2001	2002	2003	2004		
1. Prior												
2. 1995	92	92	92	92	92	92	92	92	92	92	92	92
3. 1996	XXX	140	140	140	140	140	140	140	140	140	140	140
4. 1997	XXX	XXX	151	151	151	151	151	151	151	151	151	151
5. 1998	XXX	XXX	XXX	121	121	121	121	121	121	121	121	121
6. 1999	XXX	XXX	XXX	XXX	99	99	99	99	99	99	99	99
7. 2000	XXX	XXX	XXX	XXX	XXX	38	38	38	38	38	38	38
8. 2001	XXX	XXX	XXX	XXX	XXX	XXX	4	4	4	4	4	4
9. 2002	XXX	XXX	XXX	XXX	XXX	XXX	XXX	4	4	4	4	4
10. 2003	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	(2)	(2)	(2)	(2)
11. 2004	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	13	13
12. Total	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	13	13
13. Earned Premiums (Sc P-Pl 1)	92	140	151	121	99	38	4		(2)	13	13	XXX

**SCHEDULE P - PART 6R - PRODUCTS LIABILITY - CLAIMS-MADE**

SECTION 1B

Years in Which Premiums Were Earned and Losses Were Incurred	CUMULATIVE PREMIUMS EARNED DIRECT AND ASSUMED AT YEAR END (\$000 OMITTED)										11 Current Year Premiums Earned	
	1	2	3	4	5	6	7	8	9	10		
	1995	1996	1997	1998	1999	2000	2001	2002	2003	2004		
1. Prior												
2. 1995												
3. 1996	XXX	XXX										
4. 1997	XXX	XXX										
5. 1998	XXX	XXX										
6. 1999	XXX	XXX										
7. 2000	XXX	XXX										
8. 2001	XXX	XXX										
9. 2002	XXX	XXX										
10. 2003	XXX	XXX										
11. 2004	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX
12. Total	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX
13. Earned Premiums (Sc P-Pl 1)												XXX

SECTION 2B

Years in Which Premiums Were Earned and Losses Were Incurred	CUMULATIVE PREMIUMS EARNED CEDED AT YEAR END (\$000 OMITTED)										11 Current Year Premiums Earned	
	1	2	3	4	5	6	7	8	9	10		
	1995	1996	1997	1998	1999	2000	2001	2002	2003	2004		
1. Prior												
2. 1995												
3. 1996	XXX	XXX										
4. 1997	XXX	XXX										
5. 1998	XXX	XXX										
6. 1999	XXX	XXX										
7. 2000	XXX	XXX										
8. 2001	XXX	XXX										
9. 2002	XXX	XXX										
10. 2003	XXX	XXX										
11. 2004	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX
12. Total	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX
13. Earned Premiums (Sc P-Pl 1)												XXX

ANNUAL STATEMENT FOR THE YEAR 2004 OF THE DONEGAL MUTUAL INSURANCE COMPANY

**SCHEDULE P - PART 7A - PRIMARY LOSS SENSITIVE CONTRACTS**

(\$000 OMITTED)

SECTION 1

Schedule P - Part 1	1 Total Net Losses and Expenses Unpaid	2 Net Losses and Expenses Unpaid on Loss Sensitive Contracts	3 Loss Sensitive as Percentage of Total	4 Total Net Premiums Written	5 Net Premiums Written on Loss Sensitive Contracts	6 Loss Sensitive as Percentage of Total
1. Homeowners/Farmowners	4,548			14,952		
2. Private Passenger Auto Liability/Medical	21,995			13,740		
3. Commercial Auto/Truck Liability/Medical	8,319			5,289		
4. Workers' Compensation	17,645			10,087		
5. Commercial Multiple Peril	10,960			14,149		
6. Medical Malpractice - Occurrences						
7. Medical Malpractice - Claims-made						
8. Special Liability				4		
9. Other Liability - Occurrence	628			572		
10. Other Liabilities - Claims-made						
11. Special Property	164			1,934		
12. Auto Physical Damage	432			16,149		
13. Fidelity/Surety						
14. Other						
15. Intentional						
16. Reinsurance - Nonproportional Assumed Property	XXX	XXX	XXX	XXX	XXX	XXX
17. Reinsurance - Nonproportional Assumed Liability	XXX	XXX	XXX	XXX	XXX	XXX
18. Reinsurance - Nonproportional Assumed Financial Lines	XXX	XXX	XXX	XXX	XXX	XXX
19. Products Liability - Occurrence						
20. Products Liability - Claims - made						
21. Financial Guaranty/Mortgage Guaranty						
22. Totals	84,662			76,876		

SECTION 2

Years in Which Policies Were Issued	INCURRED LOSSES AND DEFENSE AND COST CONTAINMENT EXPENSES REPORTED AT YEAR END (\$000 OMITTED)									
	1 1995	2 1996	3 1997	4 1998	5 1999	6 2000	7 2001	8 2002	9 2003	10 2004
1. Prior										
2. 1995										
3. 1996	XXX									
4. 1997	XXX	XXX								
5. 1998	XXX	XXX								
6. 1999	XXX	XXX								
7. 2000	XXX	XXX								
8. 2001	XXX	XXX								
9. 2002	XXX	XXX								
10. 2003	XXX	XXX					XXX			
11. 2004	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	

SECTION 3

Years in Which Policies Were Issued	BULK AND INCURRED BUT NOT REPORTED RESERVES FOR LOSSES AND DEFENSE AND COST CONTAINMENT EXPENSES AT YEAR END (\$000 OMITTED)									
	1 1995	2 1996	3 1997	4 1998	5 1999	6 2000	7 2001	8 2002	9 2003	10 2004
1. Prior										
2. 1995										
3. 1996	XXX									
4. 1997	XXX	XXX								
5. 1998	XXX	XXX								
6. 1999	XXX	XXX								
7. 2000	XXX	XXX								
8. 2001	XXX	XXX								
9. 2002	XXX	XXX								
10. 2003	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX		
11. 2004	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	

ANNUAL STATEMENT FOR THE YEAR 2004 OF THE DONEGAL MUTUAL INSURANCE COMPANY  
**SCHEDULE P - PART 7A - PRIMARY LOSS SENSITIVE CONTRACTS**

**(continued)**

SECTION 4

Years in Which Policies Were Issued	NET EARNED PREMIUMS REPORTED AT YEAR END (\$000 OMITTED)									
	1 1995	2 1996	3 1997	4 1998	5 1999	6 2000	7 2001	8 2002	9 2003	10 2004
1. Prior .....										
2. 1995 .....										
3. 1996 .....	XXX									
4. 1997 .....	XXX	XXX								
5. 1998 .....	XXX	XXX								
6. 1999 .....	XXX	XXX								
7. 2000 .....	XXX	XXX								
8. 2001 .....	XXX	XXX								
9. 2002 .....	XXX	XXX						XXX XXX		
10. 2003 .....	XXX	XXX							XXX	
11. 2004 .....	XXX	XXX	XXX	XXX	XXX	XXX	XXX			

SECTION 5

Years in Which Policies Were Issued	NET RESERVE FOR PREMIUM ADJUSTMENTS AND ACCRUED RETROSPECTIVE PREMIUMS AT YEAR END (\$000 OMITTED)									
	1 1995	2 1996	3 1997	4 1998	5 1999	6 2000	7 2001	8 2002	9 2003	10 2004
1. Prior .....										
2. 1995 .....										
3. 1996 .....	XXX									
4. 1997 .....	XXX	XXX								
5. 1998 .....	XXX	XXX								
6. 1999 .....	XXX	XXX								
7. 2000 .....	XXX	XXX								
8. 2001 .....	XXX	XXX								
9. 2002 .....	XXX	XXX						XXX XXX		
10. 2003 .....	XXX	XXX							XXX	
11. 2004 .....	XXX	XXX	XXX	XXX	XXX	XXX	XXX			

**SCHEDULE P - PART 7B - REINSURANCE LOSS SENSITIVE CONTRACTS**

(\$000 OMITTED)

SECTION 1

Schedule P - Part 1	1 Total Net Losses and Expenses Unpaid	2 Net Losses and Expenses Unpaid on Loss Sensitive Contracts	3 Loss Sensitive as Percentage of Total	4 Total Net Premiums Written	5 Net Premiums Written on Loss Sensitive Contracts	6 Loss Sensitive as Percentage of Total
1. Homeowners/Farmowners	4,548			14,852		
2. Private Passenger Auto Liability/Medical	21,866			13,740		
3. Commercial Auto/Truck Liability/Medical	8,319			5,289		
4. Workers' Compensation	17,645			10,087		
5. Commercial Multiple Peril	10,360			14,149		
6. Medical Malpractice - Occurrence						
7. Medical Malpractice - Claims-made						
8. Special Liability				4		
9. Other Liability - Occurrence	628			572		
10. Other Liabilities - Claims-made						
11. Special Property	164			1,934		
12. Auto Physical Damage	432			16,149		
13. Fidelity/Surety						
14. Other						
15. International						
16. Reinsurance - Nonproportional Assumed Property						
17. Reinsurance - Nonproportional Assumed Liability						
18. Reinsurance - Nonproportional Assumed Financial Lines						
19. Products Liability - Occurrence						
20. Products Liability - Claims - made						
21. Financial Guaranty/Mortgage Guaranty						
22. Totals	64,662			78,876		

SECTION 2

INCURRED LOSSES AND DEFENSE AND COST CONTAINMENT EXPENSES REPORTED AT YEAR END (\$000 OMITTED)

Years in Which Policies Were Issued	1 1995	2 1996	3 1997	4 1998	5 1999	6 2000	7 2001	8 2002	9 2003	10 2004
1. Prior										
2. 1995										
3. 1996	XXX									
4. 1997	XXX	XXX								
5. 1998	XXX	XXX								
6. 1999	XXX	XXX								
7. 2000	XXX	XXX								
8. 2001	XXX	XXX								
9. 2002	XXX	XXX								
10. 2003	XXX	XXX						XXX XXX		
11. 2004	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX XXX	XXX	

SECTION 3

BULK AND INCURRED BUT NOT REPORTED RESERVES FOR LOSSES AND DEFENSE AND COST CONTAINMENT EXPENSES AT YEAR END (\$000 OMITTED)

Years in Which Policies Were Issued	1 1995	2 1996	3 1997	4 1998	5 1999	6 2000	7 2001	8 2002	9 2003	10 2004
1. Prior										
2. 1995										
3. 1996	XXX									
4. 1997	XXX	XXX								
5. 1998	XXX	XXX								
6. 1999	XXX	XXX								
7. 2000	XXX	XXX								
8. 2001	XXX	XXX								
9. 2002	XXX	XXX								
10. 2003	XXX	XXX						XXX XXX		
11. 2004	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX XXX	XXX	

ANNUAL STATEMENT FOR THE YEAR 2004 OF THE DONEGAL MUTUAL INSURANCE COMPANY  
**SCHEDULE P - PART 7B - REINSURANCE LOSS SENSITIVE CONTRACTS**  
 (continued)

SECTION 4

Years in Which Policies Were Issued	NET EARNED PREMIUMS REPORTED AT YEAR END (\$000 OMITTED)									
	1 1995	2 1996	3 1997	4 1998	5 1999	6 2000	7 2001	8 2002	9 2003	10 2004
1. Prior										
2. 1995										
3. 1996	XXX									
4. 1997	XXX	XXX								
5. 1998	XXX	XXX								
6. 1999	XXX	XXX								
7. 2000	XXX	XXX								
8. 2001	XXX	XXX								
9. 2002	XXX	XXX								
10. 2003	XXX	XXX						XXX		
11. 2004	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	

SECTION 5

Years in Which Policies Were Issued	NET RESERVE FOR PREMIUM ADJUSTMENTS AND ACCRUED RETROSPECTIVE PREMIUMS AT YEAR END (\$000 OMITTED)									
	1 1995	2 1996	3 1997	4 1998	5 1999	6 2000	7 2001	8 2002	9 2003	10 2004
1. Prior										
2. 1995										
3. 1996	XXX									
4. 1997	XXX	XXX								
5. 1998	XXX	XXX								
6. 1999	XXX	XXX								
7. 2000	XXX	XXX								
8. 2001	XXX	XXX								
9. 2002	XXX	XXX								
10. 2003	XXX	XXX						XXX		
11. 2004	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	

SECTION 6

Years in Which Policies Were Issued	INCURRED ADJUSTABLE COMMISSIONS REPORTED AT YEAR END (\$000 OMITTED)									
	1 1995	2 1996	3 1997	4 1998	5 1999	6 2000	7 2001	8 2002	9 2003	10 2004
1. Prior										
2. 1995										
3. 1996	XXX									
4. 1997	XXX	XXX								
5. 1998	XXX	XXX								
6. 1999	XXX	XXX								
7. 2000	XXX	XXX								
8. 2001	XXX	XXX								
9. 2002	XXX	XXX								
10. 2003	XXX	XXX						XXX		
11. 2004	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	

SECTION 7

Years in Which Policies Were Issued	RESERVES FOR COMMISSION ADJUSTMENTS AT YEAR END (\$000 OMITTED)									
	1 1995	2 1996	3 1997	4 1998	5 1999	6 2000	7 2001	8 2002	9 2003	10 2004
1. Prior										
2. 1995										
3. 1996	XXX									
4. 1997	XXX	XXX								
5. 1998	XXX	XXX								
6. 1999	XXX	XXX								
7. 2000	XXX	XXX								
8. 2001	XXX	XXX								
9. 2002	XXX	XXX								
10. 2003	XXX	XXX						XXX		
11. 2004	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	



**SCHEDULE P INTERROGATORIES**

1. What is the extended loss and expense reserve - direct and assumed - for the following classes? An example of an extended loss and expense reserve is the actuarial reserve for the free-tail coverage arising upon death, disability or retirement in most medical malpractice policies. Such a liability is to be reported here even if it was not reported elsewhere in Schedule P, but otherwise reported as a liability item on Page 3. Show the full reserve amount, not just the change during the current year.

Years in which premiums were earned and losses were incurred	1 Medical Malpractice	2 Other Liability	3 Products Liability
1.01 Prior			
1.02 1995			
1.03 1996			
1.04 1997			
1.05 1998			
1.06 1999			
1.07 2000			
1.08 2001			
1.09 2002			
1.10 2003			
1.11 2004			
1.12 TOTALS			

2. The definition of allocated loss adjustment expenses (ALAE) and, therefore, unallocated loss adjustment expenses (ULAE) was changed effective January 1, 1998. This change in definition applies to both paid and unpaid expenses. Are these expenses (now reported as "Defense and Cost Containment" and "Adjusting and Other") reported in compliance with these definitions in this statement? Yes (X) No ( )

3. The Adjusting and Other expense payments and reserves should be allocated to the years in which the losses were incurred based on the number of claims reported, closed and outstanding in those years. When allocating Adjusting and Other expense between companies in a group or a pool, the Adjusting and Other expense should be allocated in the same percentage used for the loss amounts and the claim counts. For reinsurers, Adjusting and Other expense assumed should be reported according to the reinsurance contract. For Adjusting and Other expense incurred by reinsurers, or in those situations where suitable claim count information is not available, Adjusting and Other expense should be allocated by a reasonable method determined by the company and described in Interrogatory 7, below. Are they so reported in this Statement? Yes (X) No ( )

4. Do any lines in Schedule P include reserves that are reported gross of any discount to present value of future payments, and that are reported net of such discounts on Page 10? Yes ( ) No (X)

If Yes, proper reporting must be made in the Notes to Financial Statements, as specified in the instructions. Also, the discounts must be reported in Schedule P - Part 1, Column 32 and Column 33.

Schedule P must be completed gross of non-tabular discounting. Work papers relating to discount calculations must be available for examination upon request.

Discounting is allowed only if expressly permitted by the state insurance department to which this Annual Statement is being filed.

5. What were the net premiums in force at the end of the year for:  
 (in thousands of dollars) 5.1 Fidelity \$ .....  
5.2 Surety \$ .....

6. Claim count information is reported per claim or per claimant. (Indicate which). per Claimant  
 If not the same in all years, explain in Interrogatory 7.

7.1 The information provided in Schedule P will be used by many persons to estimate the adequacy of the current loss and expense reserves, among other things. Are there any especially significant events, coverage, retention or accounting changes which have occurred which must be considered when making such analyses? Yes ( ) No (X)

7.2 An extended statement may be attached:  
 .....  
 .....  
 .....

ANNUAL STATEMENT FOR THE YEAR 2004 OF THE DONEGAL MUTUAL INSURANCE COMPANY

**SCHEDULE T - EXHIBIT OF PREMIUMS WRITTEN**

Allocated by States and Territories

States, Etc.	1 Is insurer Licensed? (Yes or No)	Gross Premiums, Including Policy and Membership Fees Less Return Premiums and Premiums on Policies Not Taken		4 Dividends Paid or Credited to Policyholders on Direct Business	5 Direct Losses Paid (Deducting Savage)	6 Direct Losses Incurred	7 Direct Losses Unpaid	8 Finance and Service Charges Not Included in Premiums	9 Direct Premium Written for Federal Purchasing Groups (Included in Column 2)
		2 Direct Premiums Written	3 Direct Premiums Earned						
1. Alabama	AL No								
2. Alaska	AK No								
3. Arizona	AZ No								
4. Arkansas	AR No								
5. California	CA No								
6. Colorado	CO No								
7. Connecticut	CT No								
8. Delaware	DE Yes	10,987,747	11,163,608	78,112	4,493,644	4,464,547	7,423,388	131,122	
9. Dist. Columbia	DC No								
10. Florida	FL No								
11. Georgia	GA No								
12. Hawaii	HI No								
13. Idaho	ID No								
14. Illinois	IL Yes								
15. Indiana	IN Yes								
16. Iowa	IA No								
17. Kansas	KS No								
18. Kentucky	KY No								
19. Louisiana	LA No								
20. Maine	ME No								
21. Maryland	MD Yes	17,786,816	16,791,788	41,382	10,014,567	7,592,863	9,016,783	212,611	
22. Massachusetts	MA No								
23. Michigan	MI No								
24. Minnesota	MN No								
25. Mississippi	MS No								
26. Missouri	MO No								
27. Montana	MT No								
28. Nebraska	NE No								
29. Nevada	NV No								
30. New Hampshire	NH No								
31. New Jersey	NJ No								
32. New Mexico	NM No								
33. New York	NY Yes								
34. North Carolina	NC Yes								
35. North Dakota	ND No								
36. Ohio	OH Yes	6,790,715	8,258,963		2,492,494	2,771,348	1,747,820	104,904	
37. Oklahoma	OK No								
38. Oregon	OR No								
39. Pennsylvania	PA Yes	165,642,661	152,297,733	665,788	69,321,524	76,206,331	94,957,322	1,667,363	
40. Rhode Island	RI No								
41. South Carolina	SC No								
42. South Dakota	SD No								
43. Tennessee	TN Yes								
44. Texas	TX No								
45. Utah	UT No								
46. Vermont	VT No								
47. Virginia	VA Yes	4,809,993	4,197,361	43,755	1,363,299	1,646,090	2,377,211	57,400	
48. Washington	WA No								
49. West Virginia	WV No								
50. Wisconsin	WI No								
51. Wyoming	WY No								
52. American Samoa	AS No								
53. Guam	GU No								
54. Puerto Rico	PR No								
55. U. S. Virgin Islands	VI No								
56. Canada	CN No								
57. Aggregate other alien	OT XXX								
58. Totals	(a) 10	197,997,334	192,708,853	829,037	87,685,526	92,683,339	115,525,244	2,362,600	
<b>DETAILS OF WRITE-INS</b>									
5701	XXX								
5702	XXX								
5703	XXX								
5798. Summary of remaining write-ins for Line 57 from overflow page	XXX								
5799. Totals (Line 5701 through Line 5703 plus Line 5798) (Line 57 above)	XXX								

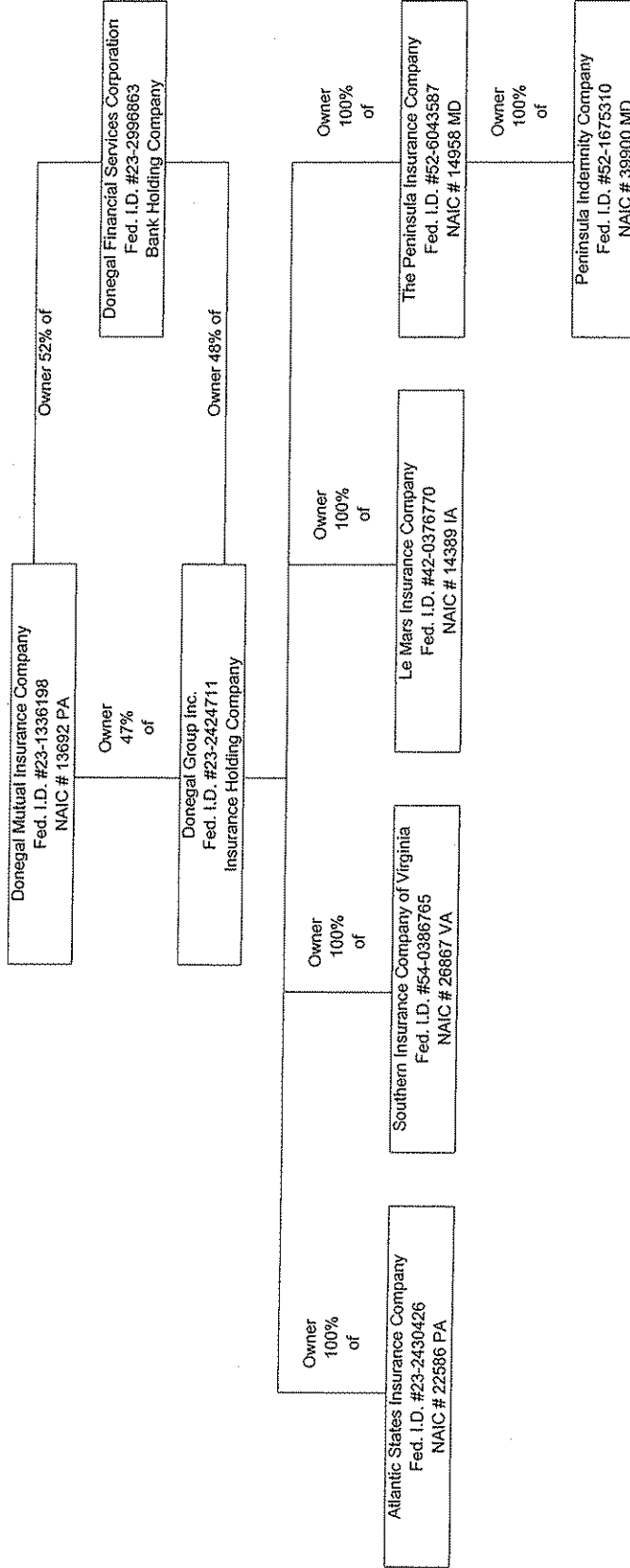
Explanation of basis of allocation of premiums by states, etc.

Location of risk.

(a) Insert the number of yes responses except for Canada and Other Alien.

**SCHEDULE Y - INFORMATION CONCERNING ACTIVITIES OF INSURER MEMBERS OF A HOLDING COMPANY GROUP**

**PART 1 - ORGANIZATIONAL CHART**



ANNUAL STATEMENT FOR THE YEAR 2004 OF THE DONEGAL MUTUAL INSURANCE COMPANY  
 SCHEDULE Y (Continued)

PART 2 - SUMMARY OF INSURER'S TRANSACTIONS WITH ANY AFFILIATES

1	2	3	4	5	6	7	8	9	10	11	12	13
NAC Company Code	Federal ID Number	Names of Insurers and Parent, Subsidiaries or Affiliates	Shareholder Dividends	Capital Contributions	Purchases, Sales or Exchanges of Loans, Securities, Real Estate, Mortgage Loans or Other Investments	Income/ (Disbursements) Incurred in Connection with Guarantees or Underwritings for the Benefit of any Affiliate(s)	Management Agreements and Service Contracts	Income/ (Disbursements) Incurred Under Reinsurance Agreements	*	Any Other Material Activity Not in the Ordinary Course of the Insurer's Business	Totals	Reinsurance Receivable/ (Payable) on Losses and/or Reserve Credit Taken (Liability)
1363	21-6336168	DONEGAL MUTUAL INSURANCE COMPANY	2,743,747				4,541,115	789,686			8,465,549	(7,365,563)
4005	21-7120714	DONEGAL GROUP INC.	(1,753,177)	(5,500,000)							(6,253,177)	
2266	21-2429825	ATLANTIC STATES INSURANCE COMPANY	(600,000)								(600,000)	
2687	54-0987606	SOUTHERN INSURANCE COMPANY OF VIRGINIA	(900,000)	5,500,000			(9,655,044)	(653,723)			(8,608,767)	7,418,001
4438	42-0076770	LE HANS INSURANCE COMPANY	(200,000)				(989,107)	(196,354)			(1,185,461)	(23,333)
4463	51-8943537	THE PENINSULA INSURANCE COMPANY	(200,000)								(200,000)	
3900	52-1675310	PENNSULA INDEMNITY COMPANY	(50,000)								(50,000)	
888888		CONTROL TOTALS										

If the nature of the transactions reported in Part 2 requires explanation, report such in the following explanatory note:  
 .....  
 .....  
 .....

### SUPPLEMENTAL EXHIBITS AND SCHEDULES INTERROGATORIES

The following supplemental reports are required to be filed as part of your statement filing. However, in the event that your company does not transact the type of business for which the special report must be filed, your response of NO to the specific interrogatory will be accepted in lieu of filing a "NONE" report and a bar code will be printed below. If the supplement is required of your company but is not being filed for whatever reason, enter SEE EXPLANATION and provide an explanation following the interrogatory questions.

MARCH FILING	RESPONSE
1. Will Supplement A to Schedule T (Medical Malpractice Supplement) be filed by March 1?	No
EXPLANATION: No business transacted.	
BARCODE: Document Identifier 450:	1 3 6 9 2 2 0 0 4 4 5 0 0 0 0 0 0
2. Will Schedule SIS (Stockholder Information Supplement) be filed with the state of domicile by March 1?	No
EXPLANATION: Does not apply.	
BARCODE: Document Identifier 420:	1 3 6 9 2 2 0 0 4 4 2 0 0 0 0 0 0
3. Will the Financial Guaranty Insurance Exhibit be filed by March 1?	No
EXPLANATION: No business transacted.	
BARCODE: Document Identifier 240:	1 3 6 9 2 2 0 0 4 2 4 0 0 0 0 0 0
4. Will the Medicare Supplement Insurance Experience Exhibit be filed with the state of domicile and the NAIC by March 1?	No
EXPLANATION: No business transacted.	
BARCODE: Document Identifier 360:	1 3 6 9 2 2 0 0 4 3 6 0 0 0 0 0 0
5. Will an actuarial opinion be filed by March 1?	Yes
EXPLANATION:	
BARCODE: Document Identifier 440:	
6. Will the Trusteed Surplus Statement be filed with the state of domicile and the NAIC by March 1?	No
EXPLANATION: Does not apply.	
BARCODE: Document Identifier 490:	1 3 6 9 2 2 0 0 4 4 9 0 0 0 0 0 0
7. Will the Supplemental Compensation Exhibit be filed with the state of domicile by March 1?	Yes
EXPLANATION:	
BARCODE: Document Identifier 460:	

ANNUAL STATEMENT FOR THE YEAR 2004 OF THE DONEGAL MUTUAL INSURANCE COMPANY

## SUPPLEMENTAL EXHIBITS AND SCHEDULES INTERROGATORIES

(Continued)

The following supplemental reports are required to be filed as part of your statement filing. However, in the event that your company does not transact the type of business for which the special report must be filed, your response of NO to the specific interrogatory will be accepted in lieu of filing a "NONE" report and a bar code will be printed below. If the supplement is required of your company but is not being filed for whatever reason, enter SEE EXPLANATION and provide an explanation following the interrogatory questions.

	RESPONSE
8. Will the Risk-based Capital Report be filed with the NAIC by March 17	Yes
EXPLANATION: .....	
BARCODE: Document Identifier 399:	
9. Will the Risk-based Capital Report be filed with the state of domicile, if required, by March 17	Yes
EXPLANATION: .....	
BARCODE: Document Identifier 390:	
10. Will the Premiums Attributed to Protected Cells Exhibit be filed by March 17	No
EXPLANATION: No business transacted.	
BARCODE: Document Identifier 385:	1 3 6 9 2 2 0 0 4 3 6 5 0 0 0 0 0 0
	APRIL FILING
11. Will the Insurance Expense Exhibit be filed with the state of domicile and the NAIC by April 17	Yes
EXPLANATION: .....	
BARCODE: Document Identifier 270:	
12. Will Management's Discussion and Analysis be filed by April 17	Yes
EXPLANATION: .....	
BARCODE: Document Identifier 350:	
13. Will the Credit Insurance Experience Exhibit be filed with the state of domicile and the NAIC by April 17	No
EXPLANATION: No business transacted.	
BARCODE: Document Identifier 230:	1 3 6 9 2 2 0 0 4 2 3 0 0 0 0 0 0 0
14. Will the Long-term Care Experience Reporting Forms be filed with the state of domicile and the NAIC by April 17	No
EXPLANATION: No business transacted.	
BARCODE: Document Identifier 330:	1 3 6 9 2 2 0 0 4 3 3 0 0 0 0 0 0 0

ANNUAL STATEMENT FOR THE YEAR 2004 OF THE DONEGAL MUTUAL INSURANCE COMPANY  
**SUPPLEMENTAL EXHIBITS AND SCHEDULES INTERROGATORIES**  
**(Continued)**

The following supplemental reports are required to be filed as part of your statement filing. However, in the event that your company does not transact the type of business for which the special report must be filed, your response of NO to the specific interrogatory will be accepted in lieu of filing a "NONE" report and a bar code will be printed below. If the supplement is required of your company but is not being filed for whatever reason, enter SEE EXPLANATION and provide an explanation following the interrogatory questions.

RESPONSE

15. Will the Accident and Health Policy Experience Exhibit be filed by April 1?

No

EXPLANATION:

No business transacted.

BARCODE:

Document Identifier 210:



16. Will the Investment Risks Interrogatories be filed by April 1?

Yes

EXPLANATION:

BARCODE:

Document Identifier 285:

MAY FILING

17. Will this company be included in a combined annual statement which is filed with the NAIC by May 1?

Yes

EXPLANATION:

BARCODE:

Document Identifier 201:

JUNE FILING

18. Will an audited financial report be filed by June 1?

Yes

EXPLANATION:

BARCODE:

Document Identifier 220:

ANNUAL STATEMENT FOR THE YEAR 2004 OF THE DONEGAL MUTUAL INSURANCE COMPANY

SCHEDULE A - PART 1

Showing all Real Estate Owned December 31 of Current Year

1 Description of Property	2 Code	3 Location		4 State	5 Date Acquired	6 Date of Last Appraisal	7 Actual Cost	8 Amount of Encumbrances	9 Book/Adjusted Carrying Value Less Encumbrances	10 Fair Value Less Encumbrances	11 Increase (Decrease) by Adjustment	12 Increase (Decrease) by Foreign Exchange Adjustment	13 Amounts Received During Year	14 Expended for Additions, Improvements and Changes in Encumbrances During Year	15 Gross Income Earned Less Interest Incurred on Encumbrances	16 Taxes, Repairs and Expenses Incurred	
		City															
Properties occupied by the reporting entity - Administrative																	
HOME OFFICE COMPLEX (BUILDING & LAND)		MARIETTA		PA	01/01/1953	05/30/2001	24,553,410		18,818,212	19,997,577	(612,121)		45,780	1,440,000	1,110,448		
TRAINING CENTER		MARIETTA		PA	12/31/1998	05/30/2001	4,394,021		3,736,747	3,323,000	(119,900)		21,212	16,667	39,062		
029999 - Properties occupied by the reporting entity - Administrative							28,947,431		22,554,959	23,320,577	(732,021)		66,992	1,456,667	1,149,510		
039999 - TOTAL Properties occupied by the reporting entity							28,947,431		22,554,959	23,320,577	(732,021)		66,992	1,456,667	1,149,510		
Properties held for the production of income																	
BARR & 75 ACRE TRACT OF LAND		MARIETTA		PA	09/11/1935	05/30/2001	686,884		686,884	1,541,500					12,000	5,498	
049999 - Properties held for the production of income							686,884		686,884	1,541,500					12,000	5,498	
999999 - TOTALS							29,634,315		23,241,843	25,262,077	(732,021)		66,992	1,468,667	1,154,918		



**Page E02**

Schedule A, Pt. 2, Real Estate Acquired  
**NONE**

**Page E03**

Schedule A, Pt. 3, Real Estate Sold  
**NONE**

ANNUAL STATEMENT FOR THE YEAR 2004 OF THE DONEGAL MUTUAL INSURANCE COMPANY

SCHEDULE B - PART 1

Showing all Mortgage Loans OWNED December 31 of Current Year

1 Loan Number	2 Code	3 Location		5 Loan Type	6 Date Acquired	7 Rate of Interest	8 Book Value/Revised Investment Excluding Accrued Interest	9 Increase (Decrease) by Adjustment	10 Increase (Decrease) by Foreign Exchange Adjustment	11 Value of Land and Buildings	12 Date of Last Appraisal or Valuation
		City	State								
Mortgages in good standing - Mortgages in good standing not shown on lines 0169989 through 069989											
99		MECHANICSBURG	PA		04/01/1996	10.500	10,500				
141		MARRETTA	PA		12/27/1991	9.000	297,200				
147		JOHNSTOWN	PA		02/07/1992	8.250	1,979				
206		HARTFIELD	VA		10/18/1993	7.000	72,848				
220		MANHEIM	PA		10/11/1993	6.750	2,599				
223		MOUNT JOY	PA		10/07/1993	6.750	16,997				
233		LANCASTER	PA		10/29/1993	6.750	17,050				
239		CAMP HILL	PA	E	11/29/1993	6.750	7,278				
239		LANDISVILLE	PA		12/13/1993	6.750	16,902				
245		COLUMBIA	PA		02/08/1994	6.750	19,066				
246		CAMP HILL	PA		02/24/1994	6.750	23,335				
259		COLUMBIA	PA		10/31/1994	7.500	63,582				
269		MIDLOTHIAN	VA		08/28/1996	7.500	94,875				
270		ELIZABETHTOWN	PA		04/10/1996	7.500	55,995				
281		COLUMBIA	PA		04/14/1997	7.250	3,298				
306		MOUNT JOY	PA		06/05/1998	6.750	35,889				
310		LANCASTER	PA		07/21/1998	6.750	81,612				
310		MANHEIM	PA		10/09/1998	7.000	41,611				
310		MOUNT JOY	PA		02/25/1999	6.750	50,961				
310		LANCASTER	PA	E	03/29/1999	6.500	92,713				
322		WEIGHTSVILLE	PA		04/13/1999	6.500	31,797				
328		CENTERSVILLE	OH		05/04/1999	6.875	18,739				
332		ROHS	PA		06/26/1999	6.875	82,242				
332		MARRETTA	PA		07/07/1999	6.500	71,073				
335		MIDLETTOWN	PA		07/08/1999	6.500	70,972				
338		MAYTOWN	PA		05/19/2000	6.500	31,490				
338		STRASBURG	PA		06/19/2000	6.500	61,800				
342		COLUMBIA	PA	E	07/31/2000	6.500	26,092				
345		HARRISBURG	PA		11/13/2001	6.375	72,669				
349		MARRETTA	PA		03/14/2001	6.500	92,867				
352		COLUMBIA	PA		08/19/2002	6.250	139,000				
353		YORK	PA		09/11/2002	6.250	157,535				
354		GLEN ROCK	PA		10/14/2002	6.750	49,278				
355		HARRISBURG	PA		11/14/2002	6.000	193,259				
357		MOUNT JOY	PA		09/14/2003	6.000	67,584				
359		LITZ	PA	E	08/11/2003	5.900	91,947				
360		WINTON	VA		07/11/2003	5.875	113,551				
361		GREENVILLE	OH		07/11/2003	5.875	412,510				
361		GLOUCESTER	VA		07/31/2003	5.875	66,287				
362		HOLTHOOD	PA		08/04/2003	5.750	103,000				

(continues)

- General Interrogatory:
- Mortgages in good standing \$ ..... unpaid taxes \$ ..... interest due and unpaid.
  - Restructured mortgages \$ ..... unpaid taxes \$ ..... interest due and unpaid.
  - Mortgages with overdue interest over 90 days not in process of foreclosure \$ ..... unpaid taxes \$ ..... interest due and unpaid.
  - Mortgages in process of foreclosure \$ ..... unpaid taxes \$ ..... interest due and unpaid.

# SCHEDULE B - PART 1

Showing all Mortgage Loans OWNED December 31 of Current Year

1 Loan Number	2 Code	3 Location		4 State	5 Loan Type	6 Date Acquired	7 Rate of Interest	8 Book Value/Rescheduled Investment Excluding Accrued Interest	9 Increase (Decrease) by Adjustment	10 Increase (Decrease) by Foreign Exchange Adjustment	11 Value of Land and Buildings	12 Date of Last Appraisal or Valuation
		City										
Mortgages in good standing - Mortgages in good standing not shown on lines 0199999 through 0699999 (continue)												
383		YORK		PA		06/18/2003	5.625	53,387			129,000	
384		MOUNT JOY		PA		06/19/2003	5.750	143,511			220,000	
385		LANCASTER		PA		07/29/2003	6.000	87,053			150,000	
387		LANCASTER		PA		01/20/2004	5.750	28,365			400,000	
388		COLUMBIA		PA		12/17/2004	5.625	118,811			150,000	
389		GLEN ALLEN		VA				245,000			400,000	
0199999 - Mortgages in good standing - Mortgages in good standing not shown on lines 0199999 through 0699999								4,287,089			8,145,702	
0699999 - TOTALS								4,287,089			8,145,702	
								4,287,089			8,145,702	

ANNUAL STATEMENT FOR THE YEAR 2004 OF THE DONEGAL MUTUAL INSURANCE COMPANY

SCHEDULE B - PART 2

Showing all Mortgage Loans SOLD, transferred or paid in full during the Year

1 Loan Number	2 Location		3 State	4 Loan Type	5 Date Acquired	6 Book Value Recorded Investment Excluding Accrued Interest Prior Year	7 Increase (Decrease) by Adjustment	8 Increase (Decrease) by Foreign Exchange Adjustment	9 Book Value Recorded Investment Excluding Accrued Interest at Disposition	10 Consideration Received	11 Foreign Exchange Profit (Loss) on Sale	12 Realized Profit (Loss) on Sale	13 Total Profit (Loss) on Sale
	City												
Mortgages closed by repayment													
210	WISCONSIN	WISCONSIN	VA		10/27/1993	42,058			42,058				
271	WISCONSIN	WISCONSIN	PA		10/07/1993	290			290				
284	WISCONSIN	WISCONSIN	PA		11/24/1993	655			655				
284	WISCONSIN	WISCONSIN	PA		12/24/1993	53,383			53,383				
317	WISCONSIN	WISCONSIN	PA		03/19/1999	29,370			29,370				
328	WISCONSIN	WISCONSIN	PA		08/27/1999	63,577			63,577				
330	WISCONSIN	WISCONSIN	PA		08/30/1999	88,347			88,347				
333	WISCONSIN	WISCONSIN	PA		12/15/1999	88,915			88,915				
351	WISCONSIN	WISCONSIN	PA		03/27/2002	125,160			125,160				
265	WISCONSIN	WISCONSIN	PA		05/30/1995	122,885			122,885				
368	WISCONSIN	WISCONSIN	MD		10/07/2003	94,269			94,269				
0198899 - Mortgages closed by repayment						778,929			778,929				
9888899 - TOTALS						778,929			778,929				

ANNUAL STATEMENT FOR THE YEAR 2004 OF THE DONEGAL MUTUAL INSURANCE COMPANY

SCHEDULE BA - PART 1

Showing Other Long-Term Invested Assets Owned December 31 of Current Year

1 Number of Units and Description Surplus Debentures, etc.	2 Code	3 Location		4 State	5 Name of Vendor	6 Date Acquired	7 Actual Cost	8 Amount of Encumbrances	9 Book/Adjusted Carrying Value Less Encumbrances	10 Increase (Decrease) by Adjustment	11 Increase (Decrease) by Foreign Exchange Adjustment
		City	Location								
SURPLUS DEBENTURES - AMERICAN MUTUAL INSURANCE CO.		CHICAGO	IL		DIRECT	01/01/1954	618,518		618,518		
Collateral Loans											
COLLATERAL LOAN - JIVERS & BELL INSURANCE AGENCY		STEVENS	PA		DIRECT	11/10/2000	251,659		251,659		
COLLATERAL LOAN - CSC INSURANCE GROUP		MCMANSABELLA	PA		DIRECT	10/22/2001	3,370		3,370		
COLLATERAL LOAN - AMERICAN HERITAGE INS. GROUP		CINCINNATI	OH		DIRECT	06/22/2001	55,000		55,000		
COLLATERAL LOAN - DUNCAN INSURANCE GROUP		NORTH HUNTINGTON	PA		DIRECT	11/26/2002	14,583		14,583		
COLLATERAL LOAN - CHRISTIANBAKER CO.		CAMP HILL	PA		DIRECT	02/23/2004	60,000		60,000		
COLLATERAL LOAN - USFRIESE INSURANCE GROUP INC.		MONESSEN	PA		DIRECT	04/29/2004	100,000		100,000		
COLLATERAL LOAN - GREG ZARTMAN AND ASSOCIATES		LITTLETON	PA		DIRECT	09/29/2004	5,000		5,000		
COLLATERAL LOAN - INTERSTATE INSURANCE SERVICES		CINCINNATI	OH		DIRECT	10/25/2004	20,000		20,000		
126859 - Subtotal - Collateral Loans							509,612		509,612		
998859 - TOTALS							1,128,130		1,128,130		

ANNUAL STATEMENT FOR THE YEAR 2004 OF THE DONEGAL MUTUAL INSURANCE COMPANY

SCHEDULE BA - PART 2

Showing Other Long-Term Invested Assets SOLD, transferred or paid in full during the Year

1 Number of Units and Description	2 Location		3 State	4 Name of Purchaser or Nature of Disposition	5 Date Acquired	6 Book/Adjusted Carrying Value Less Encumbrances, Prior Year	7 Increase (Decrease) by Adjustment	8 Increase (Decrease) by Foreign Exchange Adjustment	9 Book/Adjusted Carrying Value Less Encumbrances at Disposition	10 Consideration Received	11 Foreign Exchange Profit (Loss) on Sale	12 Realized Profit (Loss) on Sale	13 Total Profit (Loss) on Sale
	City												
Surplus Debentures, etc.													
SURPLUS DRAFTS - AMERICAN MUTUAL INSURANCE CO	CHICAGO	IL		DIRECT	01/01/1994	186,226			186,226	186,226			186,226
SURPLUS DRAFT - LEHMAN MUTUAL INSURANCE CO	LEHARS	IA		DIRECT	06/12/2002	4,000,000			4,000,000	4,000,000			4,000,000
159999 - Subtotal - Surplus Debentures, etc.						4,186,226			4,186,226	4,186,226			4,186,226
Collateral Loans													
COLLATERAL LOAN - BENJAMIN EYER INC.	DOYLESTOWN	PA		DIRECT	02/11/2000	6,999			6,999	6,999			6,999
COLLATERAL LOAN - MYERS & BELL INSURANCE	STEVENS	PA		DIRECT	11/10/2000	18,375			18,375	18,375			18,375
COLLATERAL LOAN - WRITING INSURANCE AGENCY	COXACK	NY		DIRECT	08/18/2001	6,648			6,648	6,648			6,648
COLLATERAL LOAN - L. CALVIN JONES	CANFIELD	OH		DIRECT	09/25/2001	50,000			50,000	50,000			50,000
COLLATERAL LOAN - CSC INSURANCE GROUP	MONONGAHELA	PA		DIRECT	09/22/2001	38,738			38,738	38,738			38,738
COLLATERAL LOAN - AMERICAN HERITAGE INS.	CINCINNATI	OH		DIRECT	06/22/2001	15,000			15,000	15,000			15,000
COLLATERAL LOAN - DURCAN INSURANCE GROUP	NORTH HUNTINGTON	PA		DIRECT	11/26/2002	27,478			27,478	27,478			27,478
129999 - Subtotal - Collateral Loans						162,658			162,658	162,658			162,658
999999 - TOTALS						4,328,884			4,328,882	4,328,882			4,328,882

SCHEDULE D - PART 1

Showing all Long-Term Bonds Owned December 31 of Current Year

1	2	3			6	7	8		10	11					Interest					Maturity																						
		4	5	Foreign			Bond CHRR	NAC Designation		Actual Cost	Rate Used to Obtain Fair Value	Fair Value	Par Value	Book/ Adjusted Carrying Value	12	13	14	15	16		17	18	19	20	21	22																
CUSIP Identification	Description																																									
	U.S. Government - Issuer Obligations																																									
	ISSUER DESIGNATIONS																																									
912814AA	U.S. TREASURY BONDS	05				57.28	116.00	575.00	500.00																																	
912815AA	U.S. TREASURY BONDS	05				1,059.28	1,000.00	1,000.00	1,000.00																																	
912816AA	U.S. TREASURY BONDS	05				950.00	900.00	900.00	900.00																																	
912817AA	U.S. TREASURY BONDS	05				822.62	770.00	770.00	770.00																																	
912818AA	U.S. TREASURY BONDS	05				572.69	500.00	500.00	500.00																																	
912819AA	U.S. TREASURY BONDS	05				1,029.85	900.00	900.00	900.00																																	
912820AA	U.S. TREASURY NOTES	05				668.25	500.00	500.00	500.00																																	
912821AA	U.S. TREASURY NOTES	05				897.58	750.00	750.00	750.00																																	
912822AA	U.S. TREASURY NOTES	05				820.57	600.00	600.00	600.00																																	
912823AA	U.S. Government - Issuer Obligations					8,203.57	8,200.00	8,200.00	8,200.00																																	
030208	Subsid - U.S. Government					8,300.57	8,300.00	8,300.00	8,300.00																																	
	States, Territories and Possessions (Direct and Guaranteed) - Issuer Obligations																																									
	ISSUER DESIGNATIONS																																									
614583ZF	RESERVE BANK OF CALIFORNIA					0.321	0.00	0.00	0.00																																	
103999	State, Territory and Possession (Direct and Guaranteed) - Issuer Obligations					0.321	0.00	0.00	0.00																																	
103999	State, Territory and Possession (Direct and Guaranteed)					0.321	0.00	0.00	0.00																																	
	Political Subdivisions of States, Territories and Possessions (Direct and Guaranteed) - Issuer Obligations																																									
	ISSUER DESIGNATIONS																																									
935932AC1	CORPADO WATER RESOURCES CORP					29.834	30.00	30.00	30.00																																	
944051CA	LAKESHORE CO. BANHORS AUTH. (EIT)					46.000	50.00	50.00	50.00																																	
796258R9	SAN ANTONIO TRAILBLAZERS (EIT)					30.798	30.00	30.00	30.00																																	
939999	Political Subdivisions of States, Territories and Possessions (Direct and Guaranteed) - Issuer Obligations					214.432	214.432	214.432	214.432																																	
939999	Political Subdivisions of States, Territories and Possessions (Direct and Guaranteed)					214.432	214.432	214.432	214.432																																	
249999	Special Revenue and Special Assessment Obligations and All Non-Guaranteed Obligations of Agencies and Authorities of Governments and Their Political Subdivisions - Issuer Obligations					214.432	214.432	214.432	214.432																																	
	SPECIAL REVENUE AND ASSESSMENTS																																									
939442Z	FANNIE MAE NOTES					500.000	500.000	500.000	500.000																																	
	(continues)																																									





SCHEDULE D - PART 1

Showing all Long-Term Bonds Owned December 31 of Current Year

1	2	3					7	8		10	11					12					13					14					15					16					17					18					19					20					21					22				
		CUSIP Identification	Description	Foreign	Bond CHAR	NAIC Designation		Actual Cost	Rate Used To Obtain Fair Value		Fair Value	Par Value	Book/ Adjusted Carrying Value	Unrealized Valuation Increase/ (Decrease)	Current Year's (Amortization)/ Accretion	Current Year's Other Than Temporary Impairment Recognized	Total Foreign Exchange Change in B./A.C.V.	Rate of	Effective Rate of	How Paid	Admitted Amount Due and Accrued	Gross Amount Received During Year	Acquired	Maturity																																														
ISSUER OBLIGATIONS																																																																						
INDUSTRIAL AND MANUFACTURING - Issuer Obligations																																																																						
06331-0C-9	AMERICAN GENERAL FINANCE CORP.			FE	86,800	15.00	93,000	93,000	93,000	497,871		261			7.50	7.24	FA	4,330	31,300	03/14/2000	01/11/2017																																																	
00555-A1-2	AMERICAN GENERAL FINANCE CORP.			FE	60,728	97.00	50,000	50,000	50,000	499,531		15			6.50	4.20	JJ	14,179	30,750	02/10/1993	01/15/2008																																																	
06224-A0-0	BANK ONE CORP. NOTES			FE	80,000	93.00	93,000	93,000	93,000	501,000		15			7.62	7.70	FA	15,953	30,750	02/02/2000	01/01/2005																																																	
02071-A0-2	CT GROUP HOLDINGS, INC. GLOBAL			FE	51,171	93.00	72,500	72,500	72,500	750,240		(19)			7.60	7.13	FA	21,448	57,393	01/02/2000	01/15/2005																																																	
30325-01-3	FORD MOTOR CREDIT CORP. NOTES			FE	65,250	92.00	90,000	90,000	90,000	500,000		43			3.90	7.44	FA	15,831	30,000	01/02/2000	01/01/2005																																																	
30325-01-3	GENERAL ELECTRIC CAPITAL CORP.			FE	65,250	92.00	90,000	90,000	90,000	495,000		43			3.90	3.67	MS	5,208	4,750	02/02/2004	01/02/2011																																																	
41810-04-0	HUSHELD FINANCE CORP. GLOBAL NOTE			FE	97,800	18.00	95,000	95,000	95,000	501,000		(1,27)			7.85	7.78	MS	3,125	30,250	01/15/2000	01/15/2005																																																	
41810-04-0	HUSHELD FINANCE CORP. NOTES			FE	1,050,000	18.00	1,180,000	1,180,000	1,180,000	1,000,500		(1,27)			8.00	8.07	JJ	38,388	30,000	01/01/2000	07/15/2010																																																	
54010-05-2	PACIFIC BELL TELEPHONE NOTES			FE	693,335	95.00	530,000	530,000	530,000	488,308		78			6.25	6.26	FA	11,598	30,625	02/01/1993	02/15/2008																																																	
72804-A1-7	ROCKWELL INTERNATIONAL CORP. NOTES			FE	688,250	95.00	530,000	530,000	530,000	498,231		51			6.50	6.28	JJ	14,179	30,750	01/01/1993	01/15/2008																																																	
72804-06-4	ST. PAUL COMPANIES, INC. MTN			FE	14,580	87.00	24,000	24,000	24,000	97,689		83			7.69	7.24	MTN	2,115	14,100	01/01/2000	01/01/2007																																																	
80004-00-3	SUNSHINE BANCSHARES, INC.			FE	248,615	95.00	250,000	250,000	250,000	249,249		12			6.00	6.21	MTN	2,501	15,125	11/01/2002	11/01/2012																																																	
80004-00-3	COUNTRY TOTAL - U.S.			FE	6,183,911	95.00	6,200,000	6,200,000	6,200,000	6,194,719		36						197,624	420,228																																																			
30399-01	Industrial and Manufacturing - Issuer Obligations				6,183,911		6,658,000	6,200,000	6,200,000	8,194,719		36						197,624	420,228																																																			
62999-01	Subtotal - Industrial and Manufacturing (Unaffiliated)				6,183,911		6,658,000	6,200,000	6,200,000	8,194,719		36						197,624	420,228																																																			
50999-01	Total Bonds - Subtotal - Issuer Obligations				22,931,400		23,972,600	23,625,000	23,625,000	22,644,528		715						365,420	900,298																																																			
50999-01	Total Bonds - Subtotal - Single Class Mortgage-Backed/Asset-Backed Securities				5,144,350		6,303,250	6,374,146	6,303,153	6,303,153		(2,65)						9,725	195,318																																																			
50999-01	TOTALS				28,317,750		29,815,550	29,728,146	29,728,146	29,292,691		(1,98)						365,145	1,085,316																																																			

**SCHEDULE D - PART 2 - SECTION 1**

Showing all PREFERRED STOCKS Owned December 31 of Current Year

1	2	3	4	5	6	7	8	9		10		11		12					19	20	21																		
								Code	Foreign	Rate Per Share Used to Obtain Fair Value	Fair Value	Actual Cost	Declared but Unpaid	Amount Received During Year	Nonadmitted Declared but Unpaid	Unrealized Valuation Increases/Decreases	Current Year's (Amortization) Accretion	Current Year's Other Than Temporary Impairment Recognized				Total Change in B./A.C.V. (1/1/15-1/1)	Total Foreign Exchange Change in B./A.C.V.	IMUC Designation	Date Acquired														
Preferred Stocks - Banks, Trust and Insurance Companies (Unaffiliated)																																							
00203-00-1	ABBAY NATIONAL PLC 7.25%			5,000,000		26.390	131,600	26.390	31,600	125,000	9,062		(2,059)							PIL	07/31/2001																		
02113-10-5	AMERICAN NATIONAL FINANCIAL GROUP 7%			10,000,000		26.570	265,700	26.570	265,700	250,000	7,500		(3,900)							PIL	01/10/2001																		
06562-20-1	BANK OF NY CAPITAL TRUST VI 6.875%			2,000,000		25.290	50,580	25.290	50,580	50,000	3,437		700						PIL	01/25/1998																			
06220-20-4	BANK ONE CAPITAL TRUST VI 7.2%			10,000,000		26.590	265,900	26.590	265,900	250,000	18,000		(4,000)						PIL	01/21/2001																			
12870-20-5	BANK ONE CAPITAL TR 8%			5,000,000		24.630	123,150	24.630	123,150	125,000	1,875		(350)						PIL	01/17/2004																			
12870-20-5	CITICORP CAPITAL TR 8%			5,000,000		26.450	132,250	26.450	132,250	125,000	6,946		(1,350)						PIL	07/19/2001																			
12870-20-3	CITICORP CAPITAL VII 6.125%			5,000,000		26.180	130,900	26.180	130,900	125,000	6,887		(1,550)						PIL	09/18/2001																			
12870-20-4	CITICORP CAPITAL VIII 6.875%			5,000,000		26.690	133,450	26.690	133,450	125,000	8,450		(6,780)						PIL	06/13/2000																			
33987-20-2	FLEET CAPITAL TRUST VI 8.80%			4,000,000		26.590	106,720	26.590	106,720	100,000	700								PIL	09/18/2001																			
34397-20-2	FLEET CAPITAL TRUST VII 7.20%			10,000,000		26.590	265,900	26.590	265,900	250,000	1,800								PIL	09/18/2001																			
41862-20-7	FORD MOTOR CREDIT CO. 7.375%			10,000,000		25.780	257,800	25.780	257,800	250,000	5,000		(3,620)						PIL	06/18/2000																			
5502L-20-3	HOUSEHOLD CAPITAL TRUST IV 10%			2,000,000		25.730	51,460	25.730	51,460	50,000	1,000								PIL	11/14/1985																			
59275-20-4	MANA CORPORATION 7.5% SER. A			5,000,000		26.650	133,250	26.650	133,250	125,000	3,500		(2,000)						PIL	08/19/1988																			
6174H-10-9	MERRILL LYNCH CAPITAL TRUST I 6%			2,000,000		26.890	53,780	26.890	53,780	50,000	2,000		(2,000)						PIL	07/17/2001																			
66031-20-6	NORTHWESTERN CAPITAL FIN. 11.2%			5,000,000		26.490	132,450	26.490	132,450	125,000	3,995		(1,000)						PIL	11/18/1988																			
66785-20-1	SUNTRUST CAPITAL TRUST IV 7.125%			5,000,000		26.310	131,550	26.310	131,550	125,000	3,700		(2,650)						PIL	01/11/2001																			
94016-20-7	WELLS FARGO CAP. TRUST IV 7%			5,000,000		26.280	131,400	26.280	131,400	125,000	5,990		(3,890)						PIL	01/22/2001																			
629599	COUNTRY TOTAL - U.S.			2,360,240			2,360,240		2,360,240	2,372,500	157,222		(36,890)																										
629599	Subtotal - Preferred Stocks - Banks, Trust and Insurance Companies (Unaffiliated)			2,360,240			2,360,240		2,360,240	2,372,500	157,222		(36,890)																										
Preferred Stocks - Industrial and Miscellaneous (Unaffiliated)																																							
04276-00-8	AMSTRONG & MISCUELAGOUS - U.S.			6,000,000		17.100	102,600	17.100	102,600	150,000	26,000		26,000						PIL	01/28/1998																			
31040-08-3	FEDERAL HOME LOAN INTG. CORP.			2,000,000		25.280	50,560	25.280	50,560	50,000	560		(6,000)						PIL	01/28/1998																			
31042-16-5	GENERAL MOTORS 7.10%			10,000,000		26.370	263,700	26.370	263,700	250,000	13,700		(7,500)						PIL	01/28/2001																			
74460-08-7	PUBLIC STORAGE INC. 6%			5,000,000		26.370	131,850	26.370	131,850	125,000	6,850		(2,650)						PIL	01/28/2001																			
538589	COUNTRY TOTAL - U.S.			573,060			573,060		573,060	625,000	33,437		9,560																										
538589	Subtotal - Preferred Stocks - Industrial and Miscellaneous (Unaffiliated)			573,060			573,060		573,060	625,000	33,437		9,560																										
639589	TOTAL - Preferred Stocks			2,943,280			2,943,280		2,943,280	2,997,500	190,759		(26,940)																										

ANNUAL STATEMENT FOR THE YEAR 2004 OF THE DONEGAL MUTUAL INSURANCE COMPANY

**SCHEDULE D - PART 2 - SECTION 2**

Showing all COMMON STOCKS Owned December 31 of Current Year

1 CUSIP Identification	2 Description	3 Codes		5 Number of Shares	6 Book/Adjusted Carrying Value	7 Rate Per Share Used to Obtain Fair Value	8 Fair Value	9 Actual Cost	10 Dividends				11 Changes in Book/Adjusted Carrying Value				17 NAIC Market Indicator (a)	18 Date Acquired
		3	4						10	11	12	13	14	15	16			
Common Stocks - Public Utilities (Unaffiliated)																		
58931-07	PUBLIC UTILITIES - U.S.			5,000,000	160,700	32.140	160,700	238,700	1,250	3,750	(78,000)	(78,000)	(78,000)	(78,000)	(78,000)		03/08/2004	
58931-07	MERCK & CO., INC.			103,000	169,700		169,700	238,700	1,250	3,750	(78,000)	(78,000)	(78,000)	(78,000)	(78,000)		01/01/2002	
71802E-09	THE PHOENIX COMPANIES			103,000	169,700		169,700	238,700	1,250	3,750	(78,000)	(78,000)	(78,000)	(78,000)	(78,000)		01/01/2002	
695999 - Subtotal - Common Stocks - Public Utilities (Unaffiliated)					169,700		169,700	238,700	1,250	3,750	(78,000)	(78,000)	(78,000)	(78,000)	(78,000)			
Common Stocks - Banks, Trust and Insurance Companies (Unaffiliated)																		
86903-04	BANKS, TRUST AND INSURANCE COMPANIES (Unaffiliated)			20,000,000	499,000	24.950	499,000	59,151	17,000	17,000	(1,200)	(1,200)	(1,200)	(1,200)	(1,200)		09/01/1993	
916747-01	BUSINESS BANK SERVICES			74,650,960	2,094,239	27.250	2,094,239	1,772,632	47,777	47,777	391,918	391,918	391,918	391,918	391,918		05/18/2001	
695999 - Subtotal - Common Stocks - Banks, Trust and Insurance Companies (Unaffiliated)					2,593,239		2,593,239	1,331,783	65,577	65,577	390,718	390,718	390,718	390,718	390,718			
Common Stocks - Industrial and Miscellaneous (Unaffiliated)																		
614074-03	INDUSTRIAL & MISCELLANEOUS - U.S.			10,000,000	671,600	17.160	671,600	245,181			(63,381)	(63,381)	(63,381)	(63,381)	(63,381)		03/08/2004	
69483-02	ARPEX SILVER MINES LTD.			5,000,000	11,150	22.310	11,150	11,150									03/03/2004	
65724-07	ARCHER DANIEL'S MIDLAND CO.			5,000,000	60,050	42.070	60,050	52,150	1,125	1,125	77,900	77,900	77,900	77,900	77,900		03/08/2004	
28391-09	BAKER HUGHES INC.			10,000,000	10,000	10.000	10,000	10,000	800	800	30,700	30,700	30,700	30,700	30,700		03/08/2004	
01310-07	EVERGREEN MONEY MARKET			162,559,820	162,559,820	99.000	162,559,820	162,559,820	1,903	1,903	883,760	883,760	883,760	883,760	883,760		11/30/2004	
45050-109	INSURANCE SERVICES OFFICE, INC.			9,781,000	1,851,000	18.920	1,851,000	908,400	2,400	2,400	(9,650)	(9,650)	(9,650)	(9,650)	(9,650)		04/01/1997	
53018-043	MERRILL LYNCH & CO., INC.			5,000,000	281,850	56.370	281,850	281,850			18,000	18,000	18,000	18,000	18,000		03/03/2004	
65327-013	NEXTEL COMMUNICATIONS INC.			5,000,000	150,650	30.130	150,650	150,650			13,216	13,216	13,216	13,216	13,216		11/05/2004	
68074-205	NORTHWESTERN CORP. WARRANTS			472,000	4,735	10.030	4,735	4,735			4,434	4,434	4,434	4,434	4,434		11/05/2004	
68074-115	NORTHWESTERN CORP. WARRANTS			95,000	4,735	10.030	4,735	4,735			4,434	4,434	4,434	4,434	4,434		11/05/2004	
67802-046	OIL SERVICE HOLDERS TRUST			5,000,000	45,350	9.070	45,350	370,300	741	741	55,050	55,050	55,050	55,050	55,050		03/08/2004	
73048-07	POGO PRODUCING CO.			5,000,000	242,450	48.490	242,450	231,844	813	813	19,602	19,602	19,602	19,602	19,602		03/03/2004	
73728-017	POTLATCH CORP.			5,000,000	295,000	59.000	295,000	285,240	14,750	14,750	37,680	37,680	37,680	37,680	37,680		03/04/2004	
91290-043	UNITED STATES STEEL CORP.			5,000,000	258,250	51.250	258,250	187,250	800	800	1,133,841	1,133,841	1,133,841	1,133,841	1,133,841		01/08/2004	
695999 - Subtotal - Common Stocks - Industrial and Miscellaneous (Unaffiliated)					4,414,538		4,414,538	2,363,379	800	28,495	1,133,841	1,133,841	1,133,841	1,133,841	1,133,841			
Common Stocks - Parent, Subsidiaries, and Affiliates																		
20371-04	PARENTS, SUBSIDIARIES AND AFFILIATES - U.S.			5,000,000	3,764	0.753	3,764	5,000									12/28/1995	
00000-004	COMMONWEALTH INSURANCE SERVICES			1,000,000	15,284	15.284	15,284	15,284									03/31/1997	
01907-004	DARKE COUNTY INSURANCE AGENCY			2,100,010	8,541,434	4,067.300	8,541,434	7,458,000	1,951,261	1,951,261	(590,262)	(590,262)	(590,262)	(590,262)	(590,262)		06/30/2003	
25701-201	DONEGAL FINANCIAL SERVICES			4,289,877,553	62,941,233	14.670	62,941,233	71,907,110	1,924,466	1,924,466	464,838	464,838	464,838	464,838	464,838		11/15/2004	
257701-300	DONEGAL GROUP INC., CLASS A			2,056,384,000	30,084,888	14.630	30,084,888	31,393,739	2,143,747	2,143,747	2,687,351	2,687,351	2,687,351	2,687,351	2,687,351		12/29/2004	
695999 - Subtotal - Common Stocks - Parent, Subsidiaries, and Affiliates					101,548,663		101,548,663	51,363,265	2,650	2,143,747	2,687,351	2,687,351	2,687,351	2,687,351	2,687,351			
729599 - TOTAL - Common Stocks					108,658,110		108,658,110	55,577,065	2,050	2,841,546	4,533,910	4,533,910	4,533,910	4,533,910	4,533,910			
729599 - TOTAL - Preferred and Common Stocks					111,599,400		111,599,400	58,454,565	13,819	3,082,305	4,106,970	4,106,970	4,106,970	4,106,970	4,106,970			

(a) For all common stocks bearing the NAIC market indicator "U" provide the number of each issue's ..... the total \$ value (included in Column 8) of all such issues \$ .....

ANNUAL STATEMENT FOR THE YEAR 2004 OF THE DONEGAL MUTUAL INSURANCE COMPANY

SCHEDULE D - PART 3

Showing all Long-Term Bonds and Stocks Acquired During Current Year

1	2	3	4	5	6	7	8	9
CUSIP Identification	Description	Foreign	Date Acquired	Name of Vendor	Number of Shares of Stock	Actual Cost	Par Value	Paid for Accrued Interest and Dividends
<b>Bonds - U.S. Governments</b>								
US GOVERNMENT OBLIGATIONS - U.S.								
91292A-CA-6	U.S. TREASURY BONDS		03/01/2004	WINING SPARKS	1,589,375	1,589,375	2,000,000.00	3,516
91292B-DC-1	U.S. TREASURY NOTES		12/29/2004	PATRICIA JAMES	1,587,978	1,587,978	1,000,000.00	3,243
	COUNTRY TOTAL - U.S.				2,987,353	2,987,353	3,000,000.00	6,759
659989	Subtotal - U.S. Governments				2,987,353	2,987,353	3,000,000.00	6,759
<b>Bonds - Special Revenue and Special Assessment and all Non-Guaranteed Obligations of Agencies and Authorities of Governments and Their Political Subdivisions</b>								
SPECIAL REVENUE AND ASSESSMENTS - U.S.								
31371L-9M-2	FANNIE MAE 2004A		03/03/2004	WINING SPARKS	986,200	986,200	986,998.00	2,632
31371L-9M-3	FANNIE MAE 2004B		03/03/2004	WINING SPARKS	1,525,155	1,525,155	1,500,000.00	5,055
31371L-9M-4	FANNIE MAE 2004C		07/28/2004	WINING SPARKS	1,257,344	1,257,344	1,500,000.00	3,594
31371L-9M-5	FANNIE MAE 2004D		07/28/2004	WINING SPARKS	458,905	458,905	500,000.00	861
31371L-9M-6	FANNIE MAE 2004E		07/28/2004	WINING SPARKS	501,815	501,815	500,000.00	1,417
31371L-9M-7	FEDERAL HOME LOAN BANK BONDS		04/05/2004	WINING SPARKS	1,000,000	1,000,000	1,000,000.00	2,817
31371L-9M-8	FEDERAL HOME LOAN BANK BONDS		07/09/2004	PATRICIA JAMES	500,000	500,000	500,000.00	1,417
31371L-9M-9	FEDERAL HOME LOAN BANK BONDS		08/18/2004	WINING SPARKS	1,000,000	1,000,000	1,000,000.00	2,817
31371L-9M-10	FEDERAL HOME LOAN BANK BONDS		08/18/2004	WINING SPARKS	249,027	249,027	247,749.00	695
31371L-9M-11	FHLMC GOLD MBS205		09/10/2004	MORGAN KEEGAN & CO.	828,444	828,444	825,052.00	2,017
31371L-9M-12	FHLMC GOLD MBS206		09/10/2004	MORGAN KEEGAN & CO.	938,560	938,560	1,000,000.00	3,319
31371L-9M-13	FREDDIE MAC NOTES		08/17/2004	MORGAN KEEGAN & CO.	500,000	500,000	500,000.00	1,417
31371L-9M-14	FREDDIE MAC NOTES		01/09/2004	WINING SPARKS	9,820,853	9,820,853	9,839,710.00	28,497
31371L-9M-15	COUNTRY TOTAL - U.S.				9,820,853	9,820,853	9,869,710.00	28,497
313889	Subtotal - Bonds - Special Revenue and Special Assessment and all Non-Guaranteed Obligations of Agencies and Authorities of Governments and Their Political Subdivisions				9,820,853	9,820,853	9,869,710.00	28,497
<b>Bonds - Industrial and Miscellaneous (Unaffiliated)</b>								
INDUSTRIAL & MISCELLANEOUS - U.S.								
30967G-67-3	GENERAL ELECTRIC CAPITAL CORP.		02/20/2004	MORGAN STANLEY & CO.	495,625	495,625	500,000.00	1,417
459989	Subtotal - Industrial and Miscellaneous (Unaffiliated)				495,625	495,625	500,000.00	1,417
659987	Subtotal - Bonds - Part 3				13,313,542	13,313,542	13,339,710.00	37,297
659988	Summary Item from Part 5 for Bonds				4,000,547	4,000,547	4,000,000.00	11,117
659989	Subtotal - Bonds				17,314,089	17,314,089	17,339,710.00	48,414
<b>Preferred Stocks - Banks, Trust and Insurance Companies (Unaffiliated)</b>								
BANKS, TRUST AND INSURANCE COMPANIES - U.S.								
17307Q-20-5	CHITGROUP CAPITAL TR 6%		03/17/2004	OPPENHEIMER & CO.	5,000,000	125,000	1,000,000.00	2,017
659989	Subtotal - Preferred Stocks - Banks, Trust and Insurance Companies (Unaffiliated)				5,000,000	125,000	1,000,000.00	2,017
659987	Subtotal - Preferred Stocks - Part 3				5,000,000	125,000	1,000,000.00	2,017
659989	Subtotal - Preferred Stocks				5,000,000	125,000	1,000,000.00	2,017
<b>Common Stocks - Public Utilities (Unaffiliated)</b>								
PUBLIC UTILITIES - U.S.								
58331-10-7	MERCK & CO., INC.		03/08/2004	OPPENHEIMER & CO.	5,000,000	238,700	238,700.00	2,017
659989	Subtotal - Common Stocks - Public Utilities (Unaffiliated)				5,000,000	238,700	238,700.00	2,017

ANNUAL STATEMENT FOR THE YEAR 2004 OF THE DONEGAL MUTUAL INSURANCE COMPANY

SCHEDULE D - PART 3

Showing all Long-Term Bonds and Stocks Acquired During Current Year

1	2	3	4	5	6	7	8	9
CUSIP Identification	Description	Foreign	Date Acquired	Name of Vendor	Number of Shares of Stock	Actual Cost	Per Value	Paid for Accrued Interest and Dividends
	Common Stocks - Industrial and Miscellaneous (Unaffiliated)							
09074-10-3	INDUSTRIAL & MISCELLANEOUS - U.S.		03/03/2004	OPPENHEIMER & CO.	10,000,000	255,181		
09083-10-2	APEX SILVER MINES LTD.		03/03/2004	OPPENHEIMER & CO.	12,000,000	174,080		
07224-10-7	ARCHER DANIELS MIDLAND CO.		03/03/2004	OPPENHEIMER & CO.	15,000,000	392,150		
26303-10-9	BAKER HUGHES INC.		03/03/2004	OPPENHEIMER & CO.	20,000,000	165,600		
01010-10-7	EL PASO CORP.		11/30/2004	DIRECT	300,000,000	300,000		
50706-10-8	EVERGREEN MONEY MARKET		03/03/2004	OPPENHEIMER & CO.	5,000,000	300,580		
65324-10-3	MERRILL LYNCH & CO., INC.		03/03/2004	OPPENHEIMER & CO.	5,000,000	121,050		
88874-30-5	NORTRINVESTOR CORP.		11/05/2004	DIRECT	673,000			
88874-11-5	NORTHWESTERN CORP.		03/03/2004	OPPENHEIMER & CO.	945,000			
88874-11-5	NORTHWESTERN CORP. WARRANTS		03/03/2004	OPPENHEIMER & CO.	5,000,000	370,300		
73949-10-7	OIL SERVICE HOLDERS TRUST		03/03/2004	OPPENHEIMER & CO.	5,000,000	215,846		
73949-10-7	POGO PRODUCING CO.		03/03/2004	OPPENHEIMER & CO.	5,000,000	215,240		
73949-10-7	POTLATCH CORP.		03/03/2004	OPPENHEIMER & CO.	5,000,000	270,570		
91269-10-4	UNITED STATES STEEL CORP.		03/03/2004	OPPENHEIMER & CO.	10,000,000	3,047,173		
91269-10-4	COUNTRY TOTAL - U.S.							
688999	Subtotal - Common Stocks - Industrial and Miscellaneous (Unaffiliated)							
	Common Stocks - Parent, Subsidiaries, and Affiliates							
01000-00-4	PARENTS, SUBSIDIARIES AND AFFILIATES - U							
27701-20-1	DONEGAL FINANCIAL SERVICES		08/07/2004	CAPITAL INFUSION	153,885,737	2,250,000		
27701-20-1	DONEGAL GROUP INC., CLASS A		11/15/2004	DIRECT	204,286,000	3,396,340		
27701-20-1	DONEGAL GROUP INC., CLASS B		11/15/2004	DIRECT	204,286,000	4,226,454		
688999	Subtotal - Common Stocks - Parent, Subsidiaries, and Affiliates							
729397	Subtotal - Common Stocks - Part 3							
729398	Summary Item from Part 5 for Common Stocks							
729399	Subtotal - Common Stocks							
729399	Subtotal - Preferred and Common Stocks							
749999	TOTALS							37,297



ANNUAL STATEMENT FOR THE YEAR 2004 OF THE DONEGAL MUTUAL INSURANCE COMPANY

SCHEDULE D - PART 4

Showing all Long-Term Bonds and Stocks Sold, REDEEMED or Otherwise DISPOSED OF During Current Year

1	2	3	4	5	6	7	8	9	Change in Book/Adjusted Carrying Value					16	17	18	19	20	21
									10	11	12	13	14						
CUSIP Identification	Description	Disposal Date	Consideration	Name of Purchaser	Number of Shares of Stock	Per Value	Actual Cost	Prior Year Book/Adjusted Carrying Value	Unrealized Valuation Increase/(Decrease)	Current Year (Amortization)/Accretion	Current Year's Other Than Temporary Impairment Recognized	Total Change in B./A.C.V. (11+12-13)	Total Foreign Exchange Change in B./A.C.V.	Book/Adjusted Carrying Value at Disposal Date	Foreign Exchange Gain (Loss) on Disposal	Realized Gain (Loss) on Disposal	Total Gain (Loss) on Disposal	Bond Interest/Stock Dividends Received During Year	Maturity Date
<b>Preferred Stocks - Public Utilities (Insured)</b>																			
245949-9	DUKE ENERGY CORP. 4.875%	01/21/2004	125,000	DUKE ENERGY CORP.	5,000,000	25.000	25,000	25,000	(21,350)			(21,350)	(21,350)	12,500		2,350	2,350	3,300	
47050-9	TALWAN ENERGY INC. 4.875%	01/15/2004	91,000	TALWAN ENERGY INC.	2,000,000	45.500	91,000	91,000	(1,800)			(1,800)	(1,800)	87,500		2,500	2,500	1,250	
47050-9	TALWAN ENERGY INC. 5%	02/17/2004	282,500	TALWAN ENERGY INC.	3,500,000	80.714	282,500	282,500	(1,800)			(1,800)	(1,800)	280,000		2,500	2,500	7,550	
483899-9	Subtotal - Preferred Stocks - Public Utilities (Insured)		200,500			200,500	200,500		(3,950)			(3,950)		290,000		7,350	7,350	11,100	
<b>Preferred Stocks - Banks, Trust and Insurance Companies (Insured)</b>																			
002013-4	ASSET NATIONAL FUND 8.75%	04/20/2004	62,000	ASSET NATIONAL FUND	2,000,000	31.000	62,000	62,000	(600)			(600)	(600)	62,000		600	600	2,250	
007112-4	ARIZONA CAPITAL FUND 8.75%	04/17/2004	75,000	ARIZONA CAPITAL FUND	2,000,000	37.500	75,000	75,000	(500)			(500)	(500)	75,000		500	500	1,311	
16193-3	CHASE CAPITAL TRUST 7.625% SER. E	11/17/2004	75,000	CHASE CAPITAL TRUST 7.625% SER. E	2,000,000	37.500	75,000	75,000	(500)			(500)	(500)	75,000		500	500	2,359	
28224-3	DORCHESTER CAPITAL 7.875% SER. A	07/17/2004	75,000	DORCHESTER CAPITAL 7.875% SER. A	2,000,000	37.500	75,000	75,000	(1,400)			(1,400)	(1,400)	75,000		1,400	1,400	1,577	
44593-3	HARTFORD LIFE CAPITAL 7.25% SER. A	07/17/2004	91,000	HARTFORD LIFE CAPITAL 7.25% SER. A	2,000,000	45.500	91,000	91,000	(900)			(900)	(900)	91,000		900	900	1,500	
44593-3	HEDCO CAPITAL TRUST 8.25%	04/17/2004	91,000	HEDCO CAPITAL TRUST 8.25%	2,000,000	45.500	91,000	91,000	(900)			(900)	(900)	91,000		900	900	1,500	
55193-3	LEMAN BROTHERS HOLDING 7.875%	08/07/2004	62,000	LEMAN BROTHERS HOLDING 7.875%	2,000,000	31.000	62,000	62,000	(1,400)			(1,400)	(1,400)	62,000		1,400	1,400	1,765	
56193-3	MERRILL LINGUA CO. INC. 5%	07/07/2004	62,000	MERRILL LINGUA CO. INC.	2,000,000	31.000	62,000	62,000	(400)			(400)	(400)	62,000		400	400	2,461	
60074-3	MOTOROLA CAPITAL TRUST 15.88%	03/17/2004	62,000	MOTOROLA CAPITAL TRUST 15.88%	2,000,000	31.000	62,000	62,000	(1,000)			(1,000)	(1,000)	62,000		1,000	1,000	5,255	
67952-3	OGE ENERGY CAPITAL TRUST	04/17/2004	112,500	OGE ENERGY CAPITAL TRUST	4,500,000	25.000	112,500	112,500	(4,250)			(4,250)	(4,250)	109,000		850	850	5,234	
67952-3	TEXAS UTILITIES CAP. TRUST 17.25%	04/23/2004	112,500	TEXAS UTILITIES CAP. TRUST 17.25%	4,500,000	25.000	112,500	112,500	(800)			(800)	(800)	112,500		800	800	2,283	
69399-9	Subtotal - Preferred Stocks - Banks, Trust and Insurance Companies (Insured)		812,500			812,500	812,500		(13,850)			(13,850)		812,500		850	850	29,466	
<b>Preferred Stocks - Industrial and Miscellaneous (Insured)</b>																			
46146-3	INDUSTRIAL & MISCELLANEOUS - U.S.	01/17/2004	125,000	INDUSTRIAL & MISCELLANEOUS - U.S.	5,000,000	25.000	125,000	125,000	(1,000)			(1,000)	(1,000)	125,000		1,000	1,000	1,176	
55222-6	INDUSTRIAL & MISCELLANEOUS - CANADA	06/27/2004	62,000	INDUSTRIAL & MISCELLANEOUS - CANADA	2,500,000	24.800	62,000	62,000	(3,250)			(3,250)	(3,250)	62,500		2,750	2,750	5,197	
63289-9	Subtotal - Preferred Stocks - Industrial and Miscellaneous (Insured)		187,000			187,000	187,000		(4,250)			(4,250)		187,500		3,750	3,750	6,373	
65287-9	Subtotal - Preferred Stocks - Part 4		1,202,000			1,202,000	1,202,000		(18,100)			(18,100)		1,203,000		4,600	4,600	43,429	
65289-9	Subtotal - Preferred Stocks		1,327,000			1,327,000	1,327,000		(14,350)			(14,350)		1,290,000		2,150	2,150	49,425	
<b>Common Stocks - Industrial and Miscellaneous (Insured)</b>																			
09265-4	INDUSTRIAL & MISCELLANEOUS - U.S.	07/21/2004	93,997	INDUSTRIAL & MISCELLANEOUS - U.S.	5,000,000	18.799	93,997	93,997	67,000			67,000	67,000	87,000		2,997	2,997	1,125	
23268-4	OPPFENBERGER & CO.	07/21/2004	101,000	OPPFENBERGER & CO.	10,000,000	10.100	101,000	101,000	71,300			71,300	71,300	23,000		2,700	2,700	807	
41204-7	OPPFENBERGER & CO. DISCT	07/21/2004	19,250	OPPFENBERGER & CO. DISCT	19,250,000	1.000	19,250	19,250	15,300			15,300	15,300	19,250		0	0	76	
41204-7	OPPFENBERGER & CO. DISCT	07/21/2004	25,144	OPPFENBERGER & CO. DISCT	5,000,000	5.029	25,144	25,144	18,250			18,250	18,250	25,144		0	0	79	
63289-9	Subtotal - Common Stocks - Industrial and Miscellaneous (Insured)		319,291			319,291	319,291		101,550			101,550	101,550	134,550		5,700	5,700	1,987	
72937-9	Subtotal - Common Stocks - Part 4		617,825			617,825	617,825		168,850			168,850	168,850	134,550		5,700	5,700	2,151	
72939-9	Subtotal - Common Stocks		1,662,750			1,662,750	1,662,750		168,850			168,850	1,662,750		5,700	5,700	9,611		

ANNUAL STATEMENT FOR THE YEAR 2004 OF THE DONEGAL MUTUAL INSURANCE COMPANY

**SCHEDULE D - PART 4**

Showing all Long-Term Bonds and Stocks SOLD, REDEEMED or Otherwise DISPOSED OF During Current Year

1	2	3	4	5	6	7	8	9	Change in Book/Adjusted Carrying Value					16	17	18	19	20	21	
									10	11	12	13	14							15
CUSIP Identification	Description	Disposal Date	Name of Purchaser	Number of Shares of Stock	Consideration	Par Value	Actual Cost	Prior Year Book/Adjusted Carrying Value	Unrealized Valuation Increase/(Decrease)	Current Year (Amortization)/Accretion	Current Year's Other Than Temporary Impairment Recognized	Total Change in B./A. C. V. (1+12-13)	Total Foreign Exchange Change in B./A. C. V.	Book/Adjusted Carrying Value at Disposal Date	Foreign Exchange Gain (Loss) on Disposal	Realized Gain (Loss) on Disposal	Total Gain (Loss) on Disposal	Bond Interest/Stock Dividends Received During Year	Maturity Date	
726599 - Subclass - Common Stocks					2,287.79		2,187.01	2,187.01							2,187.01		12.69	12.69	3.872	
726599 - Subclass - Preferred and Common Stocks					3,922.29		3,462.69	3,462.75	(4.277)			(4.277)			3,462.69		55.84	55.84	47.057	
745599 - TOTALS					16,244.06		15,899.83	15,899.89	(4.391)	(4.391)		(8.682)			15,899.30		118.715	118.715	279.494	



ANNUAL STATEMENT FOR THE YEAR 2004 OF THE DONEGAL MUTUAL INSURANCE COMPANY

SCHEDULE D - PART 5

Showing all Long-Term Bonds and Stocks Acquired During Year and Fully Disposed of During Current Year

1	2	3	4	5	6	7	8	9	10	11	12	13	14	15	16	17	18	19	20	21
Bonds - Special Revenue and Special Assessment and all Non-Quarantined Obligations of Agencies and Authorities of Governments and Their Political Subdivisions																				
Special Revenue and Special Assessment and all Non-Quarantined Obligations of Agencies and Authorities of Governments and Their Political Subdivisions																				
319975-2R-1	FANSEMAE NOTES	07/09/2004	FANSEMAE ISSUES	07/09/2004	07/09/2004	07/09/2004	500,000.00	500,000.00	500,000.00	500,000.00										
319975-2R-2	FANSEMAE NOTES	06/09/2004	FANSEMAE ISSUES	06/09/2004	06/09/2004	06/09/2004	1,000,000.00	1,000,000.00	1,000,000.00	1,000,000.00										
319975-2R-3	FANSEMAE NOTES	06/09/2004	FANSEMAE ISSUES	06/09/2004	06/09/2004	06/09/2004	500,000.00	500,000.00	500,000.00	500,000.00										
319975-2R-4	FEDERAL HOME LOAN BANK BONDS	01/07/2004	FEDERAL HOME LOAN BANK BONDS	01/07/2004	01/07/2004	01/07/2004	1,000,000.00	1,000,000.00	1,000,000.00	1,000,000.00										
319975-2R-5	FEDERAL HOME LOAN BANK BONDS	06/07/2004	FEDERAL HOME LOAN BANK BONDS	06/07/2004	06/07/2004	06/07/2004	500,000.00	500,000.00	500,000.00	500,000.00										
319975-2R-6	FEDERAL HOME LOAN BANK BONDS	06/07/2004	FEDERAL HOME LOAN BANK BONDS	06/07/2004	06/07/2004	06/07/2004	500,000.00	500,000.00	500,000.00	500,000.00										
319975-2R-7	COUNTRY TOTAL - U.S.	07/01/2004	COUNTRY TOTAL - U.S.	07/01/2004	07/01/2004	07/01/2004	4,000,000.00	4,000,000.00	4,000,000.00	4,000,000.00										
319975-2R-8	Subtotal - Bonds - Special Revenue and Special Assessment and all Non-Quarantined Obligations of Agencies and Authorities of Governments and Their Political Subdivisions						4,000,000.00	4,000,500.00	4,000,500.00	4,000,500.00										
899998	Subtotal - Bonds						4,000,000.00	4,000,500.00	4,000,500.00	4,000,500.00										
Common Stocks - Industrial and Miscellaneous (Non-Financial)																				
01010-007	INDUSTRIAL & MISCELLANEOUS - U.S.						1,892,094.40	1,892,094.40	1,892,094.40	1,892,094.40										
01010-007	EVERGREEN MONEY MARKET						1,892,094.40	1,892,094.40	1,892,094.40	1,892,094.40										
899999	Subtotal - Common Stocks - Industrial and Miscellaneous (Non-Financial)						1,892,094.40	1,892,094.40	1,892,094.40	1,892,094.40										
799998	Subtotal - Common Stocks						1,892,094.40	1,892,094.40	1,892,094.40	1,892,094.40										
799999	Subtotal - Preferred and Common Stocks						1,892,094.40	1,892,094.40	1,892,094.40	1,892,094.40										
799999	TOTALS						5,892,094.40	5,892,094.40	5,892,094.40	5,892,094.40										

ANNUAL STATEMENT FOR THE YEAR 2004 OF THE DONEGAL MUTUAL INSURANCE COMPANY

**SCHEDULE D - PART 6 - SECTION 1**

Valuation of Shares of Subsidiary, Controlled or Affiliated Companies

1 CUSIP Identification	2 Description Name of Subsidiary, Controlled or Affiliated Company	3 Foreign	4 NAIC Company Code or Alien Insurer Identification Number	5 NAIC Valuation Method (See SVO Purposes and Procedures manual)	6 Do Insurer's Assets Include Intangible Assets Connected with Holding of Such Company's Stock?	7 Total Amount of Such Intangible Assets	8 Book/Adjusted Carrying Value	Stock of Such Company Owned by Insurer on Statement Date	
								9 Number of Shares	10 % of Outstanding
Common Stocks - Other Affiliates									
000000-00-0	DARKE COUNTY INSURANCE AGENCY		00000	MV	No		15,284	1,000,000	100.000
010907-00-4	DONEGAL FINANCIAL SERVICES		00000	MV	No	8,541,434	2,100,000	51.900	
20301*-10-4	COMMONWEALTH INSURANCE SERVICES		00000	MV	No	3,764	5,000,000	100.000	
257701-20-1	DONEGAL GROUP INC. - CLASS A		02500	NW	No	62,904,283	4,299,678,000	41.700	
257701-30-0	DONEGAL GROUP INC. - CLASS B		02500	NW	No	30,084,898	2,056,384,000	65.800	
1799999	Subtotal - Common Stocks - Other Affiliates						101,549,663		
1899999	Subtotal - Common Stocks						101,549,663		
1999999	TOTALS						101,549,663		

1. Amount of insurer's capital and surplus from the prior period's statutory statement reduced by any admitted EDP, goodwill and net deferred tax assets included therein: \$ 80,195,530
2. Total amount of intangible assets nonadmitted \$ .....

**SCHEDULE D - PART 6 - SECTION 2**

1 CUSIP Identification	2 Name of Lower-tier Company	3 Name of Company Listed in Section 1 Which Controls Lower-tier Company	4 Total Amount of Intangible Assets Included in Amount Shown in Column 7, Section 1	Stock in Lower-Tier Company Owned Indirectly by Insurer on Statement Date	
				5 Number of Shares	6 % of Outstanding
Common Stocks					
000000-00-0	ATLANIC STATES INSURANCE COMPANY	DONEGAL GROUP INC.		222,310,000	47.300
000000-00-0	SOUTHERN INSURANCE COMPANY	DONEGAL GROUP INC.		869,240,000	47.300
000000-00-0	LE MARS INSURANCE COMPANY	DONEGAL GROUP INC.		2,077,765,000	47.300
000000-00-0	THE PENINSULA INSURANCE COMPANY	DONEGAL GROUP INC.		124,408,000	47.300
000000-00-0	PENINSULA INDEMNITY COMPANY	DONEGAL GROUP INC.		79,950,000	47.300
0299999	Subtotal - Common Stocks				

**SCHEDULE DA - PART 1**

Showing all SHORT-TERM INVESTMENTS Owned December 31 of Current Year

1 Description	2 Codes		4 Date Acquired	5 Name of Vendor	6 Maturity Date	7 Book/Adjusted Carrying Value	8 Change in Book/Adjusted Carrying Value				12 Per Value	13 Actual Cost	14 Interest				20 Paid for Accrued Interest		
	2 Foreign	3 Domestic					9 Current Year's (Amortization)/ Accrual	10 Current Year's Other Than Temporary Impairment Recognized	11 Total Foreign Exchange Change in B./A.C.V.	15 Non-Admitted Due and Accrued			16 Rate of	17 Effective Rate of	18 How Paid	19 Gross Amount Received			
																		8 Unrealized Valuation Increase/ (Decrease)	
U.S. Governments - Issuer Obligations						9,996,495					10,000,000								
ISSUER OBLIGATIONS						9,996,495					10,000,000								
U.S. TREASURY BILL			12/28/2004	WINING SPARKS	01/06/2005	9,996,495					10,000,000				1.577	3.180	MAT		
COUNTRY TOTAL - U.S.						9,996,495					10,000,000								
6199999 - U.S. Governments - Issuer Obligations						9,996,495					10,000,000								
6399999 - Subtotal - U.S. Government Bonds						9,996,495					10,000,000								
Industrial and Miscellaneous (Unaffiliated) - Issuer Obligations																			
INDUSTRIAL & MISCELLANEOUS																			
ISSUER OBLIGATIONS						1,499,763					1,500,000								
AMERICAN EXPRESS C/P			12/31/2004	DIRECT	01/03/2005	1,499,763					1,500,000								
G.E. CAPITAL CORP. C/P			12/31/2004	DIRECT	01/10/2005	1,683,833					2,000,000								
COUNTRY TOTAL - U.S.						3,183,596					3,500,000								
3999999 - Industrial and Miscellaneous (Unaffiliated) - Issuer Obligations						3,183,596					3,500,000								
4599999 - Subtotal - Industrial and Miscellaneous (Unaffiliated)						3,183,596					3,500,000								
5499999 - Total Bonds - Subtotal - Issuer Obligations						13,495,091					13,500,000								
6099999 - TOTAL - Bonds						13,495,091					13,500,000								
8299999 - TOTALS						13,495,091					13,495,091								

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Sch. DB, Pt. A, Sn. 1, Financial Options Owned  
**NONE**

Sch. DB, Pt. A, Sn. 2, Financial Options Acquired  
**NONE**

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Sch. DB, Pt. A, Sn. 3, Financial Options Terminated  
**NONE**

Sch. DB, Pt. B, Sn. 1, Written and In-Force  
**NONE**

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Sch. DB, Pt. B, Sn. 2, Financial Options Written  
**NONE**

Sch. DB, Pt. B, Sn. 3, Financial Options Terminated  
**NONE**

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Sch. DB, Pt. C, Sn. 1, Collar, Swap and Forwards Open  
**NONE**

Sch. DB, Pt. C, Sn. 2, Collar, Swap and Forwards Opened  
**NONE**

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Sch. DB, Pt. C, Sn. 3, Collar, Swap and Forwards Terminated  
**NONE**

Sch. DB, Pt. D, Sn. 1, Futures and Ins Futures Contracts Open  
**NONE**

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Sch. DB, Pt. D, Sn. 2, Futures Contracts Opened Current Year  
**NONE**

Sch. DB, Pt. D, Sn. 3, Futures Contracts Terminated Current Year  
**NONE**

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Sch. DB, Pt. E, Sn. 1, Counterparty Exposure Derivative Instr.  
**NONE**

ANNUAL STATEMENT FOR THE YEAR 2004 OF THE DONEGAL MUTUAL INSURANCE COMPANY

**SCHEDULE E - PART 1 - CASH**

1		2	3	4	5	6	7
Depository							
Name	Location and Supplemental Information	Code	Rate of Interest	Amount of Interest Received During Year	Amount of Interest Accrued December 31 of Current Year	Balance	*
<b>Open Depositories</b>							
M & T BANK	HARRISBURG, PA		VARIOUS	12,380		1,296,199	
SUSQUEHANNA BANK	LITITZ, PA		VARIOUS	14,740		(68,888)	
MELLON BANK	PITTSBURGH, PA					(13,169,664)	
PROVINCE BANK	MARIETTA, PA		VARIOUS	24,546	4,719	6,885,754	
019999 - Deposits in depositories that do not exceed the allowable limit in any one depository (See Instructions) - Open Depositories							
019999 - TOTAL - Open Depositories							
				51,666	4,719	(5,366,439)	
039999 - TOTAL Cash on Deposit				51,666	4,719	(5,366,439)	
059999 - TOTAL Cash				51,666	4,719	(5,366,439)	

TOTALS OF DEPOSITORY BALANCES ON THE LAST DAY OF EACH MONTH DURING THE CURRENT YEAR

1. January	(3,307,123)	4. April	(4,122,754)	7. July	(7,237,276)	10. October	(6,038,531)
2. February	(7,114,532)	5. May	(4,816,211)	8. August	(2,107,253)	11. November	(3,458,093)
3. March	(2,645,390)	6. June	(4,861,920)	9. September	(2,576,176)	12. December	(5,366,589)

**SCHEDULE E - PART 2 - CASH EQUIVALENTS**

1 CUSIP Identification	2 Description	3 Code	4 Date Acquired	5 Rate of Interest	6 Maturity Date	7 Book/Adjusted Carrying Value	8 Amount of Interest Due and Accrued	9 Gross Investment Income
200314-35-4	UNION NATIONAL BANK - CD		08/05/2004	1.50	03/02/2005	100,000		
0188999	TOTAL Cash Equivalents					100,000		

ANNUAL STATEMENT FOR THE YEAR 2004 OF THE DONEGAL MUTUAL INSURANCE COMPANY

SCHEDULE E - PART 3 - SPECIAL DEPOSITS

1 Line Number	2 Type	3 Description of Deposit	4 Where Deposited and Purpose of Deposit	5 Par or Book Value	6 Statement Value (a)	7 Fair Value
Delaware DE0001 B		U.S. TREASURY NOTES, 3.0% 2/15/08	DELAWARE INSURANCE DEPARTMENT - BENEFIT OF DE POLICYHOLDERS	100,000	100,447	99,000
DE9999 - Delaware				100,000	100,447	99,000
North Carolina NC0001 B		U.S. TREASURY NOTES, 3.0% 2/15/08	NORTH CAROLINA INSURANCE DEPARTMENT - BENEFIT OF NC POLICYHOLDERS	650,000	652,905	643,500
NC9999 - North Carolina				650,000	652,905	643,500
Virginia VA0001 B		U.S. TREASURY NOTES, 6.5% 8/15/05	VIRGINIA BUREAU OF INSURANCE - BENEFIT OF VA POLICYHOLDERS	300,000	306,000	300,381
VA9999 - Virginia				300,000	306,000	300,381
999997 - Subtotal - Special Deposits NOT held for the benefit of all Policyholders, Claimants, and Creditors of the Company				1,650,000	1,665,352	1,643,381
Special Deposits held for the benefit of all Policyholders, Claimants, and Creditors of the Company						
990001 B		U.S. TREASURY NOTES, 6.125% 8/15/07	PENNSYLVANIA INSURANCE DEPARTMENT - BENEFIT OF ALL POLICYHOLDERS	500,000	507,377	535,000
990002 B		U.S. TREASURY NOTES, 3.0% 11/15/07	PENNSYLVANIA INSURANCE DEPARTMENT - BENEFIT OF ALL POLICYHOLDERS	500,000	499,378	485,000
990003 B		U.S. TREASURY NOTES, 2.625% 9/15/08	PENNSYLVANIA INSURANCE DEPARTMENT - BENEFIT OF ALL POLICYHOLDERS	500,000	491,558	490,000
999998 - Subtotal - Special Deposits held for the benefit of all Policyholders, Claimants, and Creditors of the Company				1,500,000	1,497,558	1,500,000
999999 - TOTALS				2,550,000	2,566,915	2,563,381

(a) Including \$ ..... cash and short-term investments as defined in SSAP No. 2 of the NAIC Accounting Practices and Procedures Manual.