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UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
Washington, D.C. 20549

FORM 8-K

CURRENT REPORT

Pursuant to Section 13 or 15(d) of the Securities Exchange Act of 1934

Date of Report (Date of earliest event reported): April 28, 2005

HARLEYSVILLE GROUP INC.

(Exact name of registrant as specified in its charter)

Delaware	0-14697	51-0241172
----- (State or other jurisdiction of incorporation)	----- (Commission File Number)	----- (IRS Employer Identification No.)
355 Maple Avenue, Harleysville, Pennsylvania		19438
----- (Address of principal executive offices)		----- (Zip Code)

(215) 256-5000

Registrant's telephone number, including area code

Not Applicable

(Former name or former address, if changed since last report.)

Check the appropriate box below if the Form 8-K filing is intended to simultaneously satisfy the filing obligation of the registrant under any of the following provisions:

- Written communications pursuant to Rule 425 under the Securities Act (17 CFR 230.425)
 - Soliciting material pursuant to Rule 14a-12 under the Exchange Act (17 CFR 240.14a-12)
 - Pre-commencement communications pursuant to Rule 14d-2(b) under the Exchange Act (17 CFR 240.14d-2(b))
 - Pre-commencement communications pursuant to Rule 13e-4(c) under the Exchange Act (17 CFR 240.13e-4(c))
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ITEM 2.02 RESULTS OF OPERATIONS AND FINANCIAL CONDITION.

On April 28, 2005, Harleystville Group Inc. issued a press release reporting its results for the first quarter of 2005 (furnished hereunder as Exhibit 99.1 and incorporated herein).

The information provided in this Form 8-K, Item 2.02, Results of Operations and Financial Condition, is being furnished and shall not be deemed "filed" for purposes of Section 18 of the Securities Exchange Act of 1934 ("Exchange Act"), or otherwise subject to the liabilities of that section, nor shall such information be deemed incorporated by reference in any filing under the Securities Act of 1933, or the Exchange Act, except as shall be expressly set forth by specific reference in such filing.

In addition to disclosing results that are determined in accordance with U. S. generally accepted accounting principles (GAAP), the company also discloses non-GAAP information on operating earnings. Management believes information on operating earnings is useful to investors. Management has historically employed operating earnings as a valuable measurement of the underlying profitability of the Company's insurance operations since it excludes the impact of the Company's investment results.

ITEM 9.01 FINANCIAL STATEMENTS AND EXHIBITS

Exhibit 99.1 Press release "Harleystville Group Reports First Quarter 2005 Results dated April 28, 2005.

SIGNATURES

Pursuant to the requirements of the Securities Exchange Act of 1934, the Registrant has duly caused this report to be signed on its behalf by the undersigned hereunto duly authorized.

HARLEYSVILLE GROUP INC.
Registrant

/s/Arthur E. Chandler

April 28, 2005

Arthur E. Chandler
Senior Vice President and
Chief Financial Officer

EXHIBIT INDEX

Exhibit No.	Description
99.1	Press release dated April 28, 2005 of Harleystville Group Inc. (furnished pursuant to Item 2.02 hereof).

HARLEYSVILLE GROUP REPORTS FIRST QUARTER 2005 RESULTS

HARLEYSVILLE, Pa., April 28 /PRNewswire-FirstCall/ -- Harleysville Group Inc. (Nasdaq: HGIC) today reported diluted operating income of \$0.39 per share for the first quarter of 2005, compared to \$0.28 per share in the first quarter of 2004. Operating income is a non-GAAP financial measure defined by the company as net income excluding after-tax realized gains and losses on investments.

The company reported diluted net income of \$0.39 per share in the first quarter of 2005, compared to \$0.55 per share in the first quarter of 2004. First quarter 2005 net income included no realized investment gains, compared to \$0.27 per share of realized gains in the first quarter of 2004.

"Our first quarter results continued to demonstrate the consistent progress we delivered throughout 2004, reflecting the sharpened focus on improving our operations," commented Michael L. Browne, Harleysville Group's president and chief executive officer. "We again successfully grew our commercial lines business, and retention levels remained solid. Personal lines, too, has shown loss ratio improvement from a year ago. As we've noted before, these are positive indicators of the strength of our agency base and our solid relationships with our agents. Underlying all of these results is our continuing sound financial position, which is highlighted by a solid capital base and a strong balance sheet."

Harleysville Group's overall statutory combined ratio* was 104.2 percent in the first quarter of 2005, compared to 107.2 percent in the first quarter of 2004.

First quarter net written premiums were \$210.4 million in 2005, compared to \$206.0 million in 2004.

First quarter pretax investment income increased 1 percent to \$21.8 million, while after-tax investment income was virtually unchanged at \$16.7 million. Operating cash flow for the first quarter was \$29.6 million.

Commercial lines -- Net written premiums in commercial lines increased 5 percent in the first quarter of 2005 to \$176.7 million. The commercial lines statutory combined ratio was 104.3 percent in the first quarter of 2005, versus 104.7 percent in the first quarter of 2004.

Personal lines -- Harleysville Group's personal lines statutory combined ratio was 103.7 percent in the first quarter of 2005, versus 116.2 percent during the first quarter of 2004. Net written premiums decreased 11 percent to \$33.8 million in the first quarter of 2005.

Outlook -- "We remain on course to achieve our goal of underwriting profitability - that is, producing an overall combined ratio under 100 percent in 2006," Browne said. "Despite signs of an increasingly competitive market, we will stay focused in 2005 on satisfying our customers, retaining our best existing business, obtaining profitable new business and improving our overall loss ratio. We will maintain our discipline and will not compromise underwriting quality to chase a near-term growth target."

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Webcast -- The company will host a live Webcast today, April 28, 2005, at 9:00 a.m. (ET) to discuss its first quarter results. The Webcast and a replay will be available from the Investors section of the company's Web site (<http://www.harleysvillegroup.com>).

GAAP and non-GAAP financial measures -- The company uses a non-GAAP financial measure called "operating income" that management believes is useful to investors because it illustrates the performance of normal, ongoing operations, which is important in understanding and evaluating the company's financial condition and results of operations. While this measure is utilized by investors to evaluate performance, it is not a substitute for the U.S. GAAP financial measure of net income. Therefore, a reconciliation of this non-GAAP financial measure to the U.S. GAAP financial measure of net income is provided following the Consolidated Statements of Income contained in this release. Management also uses operating income for goal setting, determining employee and senior management compensation, and evaluating performance.

Corporate profile -- Harleysville Insurance is a leading regional provider of insurance products and services for small and mid-sized businesses, as well as for individuals, and ranks among the top 60 U.S. property/casualty insurance groups based on net written premiums. Harleysville Mutual Insurance Company owns 56 percent of Harleysville Group Inc. (Nasdaq: HGIC), a publicly traded holding company for nine regional property/casualty insurance companies collectively rated A- (Excellent) by A.M. Best Company. Harleysville Insurance, which distributes its products exclusively through independent insurance agencies, currently operates in 32 eastern and Midwestern states. Further information can be found on the company's Web site at <http://www.harleysvillegroup.com>.

* "Statutory combined ratio" is a non-GAAP measure of underwriting profitability and is based on numbers determined under statutory accounting practices as filed with state insurance regulators. It is the sum of the ratio of losses to premiums earned plus the ratio of underwriting expenses to premiums written. A ratio of less than 100 percent indicates underwriting profitability.

Certain of the statements contained herein (other than statements of historical facts) are forward-looking statements. Such forward-looking statements are made pursuant to the safe harbor provisions of the Private Securities Litigation Reform Act of 1995 and include estimates and assumptions related to economic, competitive and legislative developments. These forward-looking statements are subject to change and uncertainty that are, in many instances, beyond the company's control and have been made based upon management's expectations and beliefs concerning future developments and their potential effect on Harleysville Group Inc. There can be no assurance that future developments will be in accordance with management's expectations so that the effect of future developments on Harleysville Group will be those anticipated by management. Actual financial results including premium growth and underwriting results could differ materially from those anticipated by Harleysville Group depending on the outcome of certain factors, which may include changes in property and casualty loss trends and reserves; catastrophe losses; the insurance product pricing environment; changes in applicable law; government regulation and changes therein that may impede the ability to charge adequate rates; changes in accounting principles; performance of the financial markets; fluctuations in interest rates; availability and price of reinsurance; and the status of the labor markets in which the company operates.

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Harleysville Group Inc. and Subsidiaries

FINANCIAL HIGHLIGHTS

(in thousands, except per share data)	Quarter ended March 31	
	2005	2004
OPERATING RESULTS		
Diluted earnings per common share:		
Operating income*	\$ 0.39	\$ 0.28
Realized gains, net of tax		0.27
Net income	\$ 0.39	\$ 0.55
Cash dividend per common share	\$ 0.17	\$ 0.17

FINANCIAL CONDITION

	March 31, 2005	December 31, 2004
Assets	\$ 2,705,101	\$ 2,718,063
Shareholders' equity	\$ 580,887	\$ 587,924
Per common share	\$ 19.17	\$ 19.47

CONSOLIDATED STATEMENTS OF INCOME

(in thousands, except per share data)	Quarter ended March 31	
	2005	2004
REVENUES:		
Premiums earned	\$ 206,680	\$ 206,948
Investment income, net of investment expense	21,761	21,642
Realized investment gains	12,488	
Other income	4,283	4,564
Total revenues	232,724	245,642
LOSSES AND EXPENSES:		
Losses and loss settlement expenses	147,868	151,110
Amortization of deferred policy acquisition costs	50,918	50,688
Other underwriting expenses	16,355	19,638
Interest expense	1,620	1,577
Other expenses	1,507	1,419
Total expenses	218,268	224,432
Income before income taxes	14,456	21,210
Income taxes	2,474	4,717
Net income	\$ 11,982	\$ 16,493
Weighted average number of shares outstanding:		
Basic	30,253,967	29,960,760
Diluted	30,399,346	30,048,135
Per common share:		
Basic earnings	\$ 0.40	\$ 0.55
Diluted earnings	\$ 0.39	\$ 0.55
RECONCILIATION TO OPERATING INCOME:		
Net income	\$ 11,982	\$ 16,493
Less realized investment gains, net of taxes	8,117	
Operating income	\$ 11,982	\$ 8,376

These financial figures are unaudited.

* Operating income is a non-GAAP financial measure defined by the company as net income excluding after-tax realized gains and losses on investments.

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Harleysville Group Inc. and Subsidiaries

CONSOLIDATED BALANCE SHEETS

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(in thousands, except share data)

	March 31, 2005*	December 31, 2004
<S>	<C>	<C>
ASSETS		
Investments:		
Fixed maturities:		
Held to maturity, at amortized cost (fair value \$502,155 and \$519,400)	\$ 493,177	\$ 501,322
Available for sale, at fair value (amortized cost \$1,217,402 and \$1,156,640)	1,241,391	1,201,524
Equity securities, at fair value (cost \$112,034 and \$110,495)	148,975	150,249
Short-term investments, at cost, which approximates fair value	75,347	113,822
Total investments	1,958,890	1,966,917
Cash	2,893	328
Premiums in course of collection	139,335	141,601
Reinsurance receivable	182,872	193,209
Accrued investment income	21,990	23,236
Deferred policy acquisition costs	102,271	100,755
Prepaid reinsurance premiums	32,331	32,675
Property and equipment, net	18,488	20,891
Deferred income taxes	62,065	53,137
Securities lending collateral	139,226	139,486
Other assets	44,740	45,828
Total assets	\$ 2,705,101	\$ 2,718,063
LIABILITIES AND SHAREHOLDERS' EQUITY		
Liabilities:		
Unpaid losses and loss settlement expenses	\$ 1,343,517	\$ 1,317,735
Unearned premiums	445,088	441,697
Accounts payable and accrued expenses	76,481	99,098
Securities lending obligation	139,226	139,486
Debt	119,625	119,625
Due to affiliate	277	12,498
Total liabilities	2,124,214	2,130,139
Shareholders' equity:		
Preferred stock, \$1 par value; authorized 1,000,000 shares; none issued		
Common stock, \$1 par value, authorized 80,000,000 shares; issued 31,704,753 and 31,589,474 shares; outstanding 30,306,844 and 30,191,565 shares	31,705	31,589
Additional paid-in capital	163,608	161,689
Accumulated other comprehensive income	26,641	42,051
Retained earnings	384,113	377,282
Deferred compensation	(693)	(200)
Treasury stock, at cost, 1,397,909 shares	(24,487)	(24,487)
Total shareholders' equity	580,887	587,924
Total liabilities and shareholders' equity	\$ 2,705,101	\$ 2,718,063

*These financial figures are unaudited.

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Harleysville Group Inc. and Subsidiaries

SUPPLEMENTARY FINANCIAL ANALYSTS' DATA

(dollars in thousands)	Quarter ended March 31	
	2005	2004
Net premiums written*	\$ 210,414	\$ 206,026
Statutory surplus*	\$ 518,097	\$ 488,264
Pretax investment income	\$ 21,761	\$ 21,642
Related federal income taxes	5,033	4,864
After-tax investment income	\$ 16,728	\$ 16,778

SEGMENT INFORMATION

(dollars in thousands)	Quarter ended March 31	
	2005	2004
Revenues:		
Premiums earned:		
Commercial lines	\$ 167,313	\$ 162,320
Personal lines	39,367	44,628
Total premiums earned	206,680	206,948
Net investment income	21,761	21,642
Realized investment gains	12,488	
Other	4,283	4,564
Total revenues	\$ 232,724	\$ 245,642
Income before income taxes:		
Underwriting gain (loss):		
Commercial lines	\$ (10,238)	\$ (9,648)
Personal lines	417	(4,860)
SAP underwriting loss	(9,821)	(14,508)
GAAP adjustments	1,360	20
GAAP underwriting loss	(8,461)	(14,488)
Net investment income	21,761	21,642
Realized investment gains	12,488	
Other	1,156	1,568
Income before income taxes	\$ 14,456	\$ 21,210
Income taxes on net investment income	\$ 5,033	\$ 4,864
Income tax benefit on remaining loss	(2,559)	(147)
Total income taxes	\$ 2,474	\$ 4,717
Effective tax rate on:		
Net investment income	23.1%	22.5%
Net income	17.1%	22.2%

These financial figures are unaudited.

*Statutory data is a non-GAAP measure. Because it is prepared in accordance with statutory accounting rules as defined by the National Association of Insurance Commissioners' Accounting Practices and Procedures Manual, a reconciliation to GAAP is not required.

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Harleysville Group Inc. and Subsidiaries

STATUTORY DATA BY LINE OF BUSINESS*

(dollars in thousands)	Quarter ended March 31	
	2005	2004
Net premiums written:		
Commercial:		
Automobile	\$ 57,289	\$ 56,761
Workers' compensation	26,519	26,740
Commercial multi-peril	75,080	68,198
Other commercial	17,775	16,481
Total commercial	\$ 176,663	\$ 168,180
Personal:		
Automobile	\$ 19,733	\$ 23,201
Homeowners	12,092	12,968
Other personal	1,926	1,677
Total personal	\$ 33,751	\$ 37,846
Total personal and commercial	\$ 210,414	\$ 206,026
Combined ratios:		
Commercial:		
Automobile	100.1%	103.1%
Workers' compensation	125.7%	122.9%
Commercial multi-peril	105.2%	105.1%
Other commercial	84.9%	81.7%
Total commercial	104.3%	104.7%
Personal:		
Automobile	106.1%	118.3%
Homeowners	102.9%	109.3%
Other personal	87.8%	147.6%
Total personal	103.7%	116.2%
Total personal and commercial	104.2%	107.2%
Losses paid	\$ 111,402	\$ 134,060
Net catastrophe losses incurred	\$ 997	\$ 2,625

These financial figures are unaudited.

*Statutory data is a non-GAAP measure. Because it is prepared in accordance with statutory accounting rules as defined by the National Association of Insurance Commissioners' Accounting Practices and Procedures Manual, a reconciliation to GAAP is not required.

SOURCE Harleysville Group Inc.

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