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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): July 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-4c)

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ITEM 2.02 RESULTS OF OPERATIONS AND FINANCIAL CONDITION.

On July 28, 2005, Harleysville Group Inc. issued a press release reporting its results for the second 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 "Harleysville Group Reports Second Quarter 2005 Results dated July 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

Arthur E. Chandler
Senior Vice President and
Chief Financial Officer

July 28, 2005

EXHIBIT INDEX

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

HARLEYSVILLE GROUP REPORTS SECOND QUARTER 2005 RESULTS

Second quarter highlights:

- Operating earnings increase 50 percent
- Combined ratio improves by 3.5 points
- Year-to-date cash flow from operations triples to nearly \$72 million

HARLEYSVILLE, Pa., July 28 /PRNewswire-FirstCall/ -- Harleysville Group Inc. (Nasdaq: HGIC) today reported diluted operating income of \$0.48 per share for the second quarter of 2005, compared to \$0.32 per share in the second quarter of 2004. For the six-month periods, the company reported diluted operating income of \$0.87 per share in 2005 and \$0.60 per share in 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.

"We're pleased with our second quarter results, which reflect the consistent progress we've made to improve profitability," commented Michael L. Browne, Harleysville Group's president and chief executive officer. "Our operating earnings were up 50 percent compared to a year ago, our statutory combined ratio improved by 3.5 points, our year-to-date cash flow from operations tripled to \$71.5 million and our balance sheet remains strong. Commercial lines has maintained positive growth, while retention levels are at historic highs. Our personal lines improvement in the quarter - highlighted by a combined ratio of 97.2 percent - is encouraging. Our agents continue to demonstrate their commitment to - and confidence in - Harleysville by consistently renewing their quality business with us, which is compelling testimony to the strength of our relationships with our agency partners."

The company reported diluted net income of \$0.48 per share in the second quarter of 2005, compared to \$0.32 per share in the second quarter of 2004. There were no realized investment gains in the second quarter of either year. For both the six-month periods ended June 30, 2005 and June 30, 2004, diluted net income was \$0.87 per share. For the six months, the company reported no realized investment gains in 2005, compared to \$0.27 per share in 2004.

Harleysville Group's overall statutory combined ratio* was 101.9 percent in the second quarter of 2005, compared to 105.4 percent in the second quarter of 2004. For the six months, the statutory combined ratio was 103.1 percent in 2005, versus 106.3 percent in 2004.

Second quarter net written premiums were \$223.6 million in 2005, compared to \$223.1 million in 2004. Net written premiums through six months were \$434.0 million in 2005 and \$429.1 million in 2004.

Second quarter pretax investment income increased 5 percent to \$22.6 million, while six-month pretax investment income was up 3 percent to \$44.3 million. After-tax investment income grew 4 percent in the second quarter to \$17.2 million, and increased 2 percent to \$34.0 million during the six-month period. Operating cash flow for the six months was \$71.5 million, compared to \$23.9 million in the first six months of 2004.

Commercial lines -- Net written premiums in commercial lines increased 3 percent in the second quarter of 2005 to \$184.6 million. For the six months, net written premiums were up 4 percent to \$361.3 million. The commercial lines statutory combined ratio was 103.0 percent in the second quarter of 2005, versus 106.7 percent in the second quarter of 2004. For the six months, the statutory combined ratio was 103.7 percent in 2005, compared to 105.7 percent in 2004.

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Personal lines -- Harleysville Group's personal lines statutory combined ratio was 97.2 percent in the second quarter of 2005, versus 100.6 percent during the second quarter of 2004. For the six months, the statutory combined ratio was 100.4 percent in 2005, compared to 108.4 percent in 2004. Net written premiums decreased 10 percent to \$39.0 million in the second quarter of 2005, and were down 10 percent to \$72.7 million through six months.

Outlook -- "We have made considerable progress toward our goal of achieving underwriting profitability - that is, producing an overall combined ratio under 100 percent - in 2006," Browne said. "We will not compromise underwriting quality to reach a near-term growth target. Instead, we are maintaining our underwriting discipline as we focus on the longer-term profitability of our book of business. We are confident that the steps we are taking to improve our performance are designed for us to not only stay on pace to achieve our goals for the coming year, but also position us well for longer-term success."

Webcast -- The company will host a live Webcast today, July 28, 2005, at 8 a.m. (ET) to discuss its second 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, among other things, 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

<TABLE>

<CAPTION>

(in thousands, except per share data)	Quarter ended June 30		Six months ended June 30	
	2005	2004	2005	2004
<S>	<C>	<C>	<C>	<C>
OPERATING RESULTS				
Diluted earnings per common share:				
Operating income*	\$ 0.48	\$ 0.32	\$ 0.87	\$ 0.60
Realized gains, net of tax				0.27
Net income	\$ 0.48	\$ 0.32	\$ 0.87	\$ 0.87
Cash dividends per common share	\$ 0.17	\$ 0.17	\$ 0.34	\$ 0.34

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FINANCIAL CONDITION

	June 30, 2005	December 31, 2004
Assets	\$ 2,748,958	\$ 2,718,063
Shareholders' equity	\$ 600,787	\$ 587,924
Per common share	\$ 19.80	\$ 19.47

CONSOLIDATED STATEMENTS OF INCOME

<TABLE>

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(in thousands, except per share data)	Quarter ended June 30		Six months ended June 30	
	2005	2004	2005	2004
<S>	<C>	<C>	<C>	<C>
REVENUES:				
Premiums earned	\$ 209,865	\$ 207,652	\$ 416,545	\$ 414,600
Investment income, net of investment expense	22,578	21,437	44,339	43,079
Realized investment gains	68	59	68	12,547
Other income	4,158	3,671	8,441	8,235
Total revenues	236,669	232,819	469,393	478,461
LOSSES AND EXPENSES:				
Losses and loss settlement expenses	143,997	148,711	291,865	299,821
Amortization of deferred policy acquisition costs	52,043	50,698	102,961	101,386
Other underwriting expenses	18,778	19,726	35,133	39,364
Interest expense	1,665	1,566	3,285	3,143
Other expenses	1,763	1,266	3,270	2,685
Total expenses	218,246	221,967	436,514	446,399
Income before income taxes	18,423	10,852	32,879	32,062
Income taxes	3,896	1,124	6,370	5,841
Net income	\$ 14,527	\$ 9,728	\$ 26,509	\$ 26,221
Weighted average number of shares outstanding:				
Basic	30,304,744	29,959,781	30,279,497	29,960,271
Diluted	30,393,821	30,027,955	30,410,199	30,045,317
Per common share:				
Basic earnings	\$ 0.48	\$ 0.32	\$ 0.88	\$ 0.88
Diluted earnings	\$ 0.48	\$ 0.32	\$ 0.87	\$ 0.87

RECONCILIATION TO

OPERATING INCOME:

Net income	\$ 14,527	\$ 9,728	\$ 26,509	\$ 26,221
Less realized investment gains, net of taxes	44	38	44	8,155
Operating income	\$ 14,483	\$ 9,690	\$ 26,465	\$ 18,066

</TABLE>

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

(in thousands, except share data)	June 30, 2005*	December 31, 2004
ASSETS		
Investments:		
Fixed maturities:		
Held to maturity, at amortized cost (fair value \$502,725 and \$519,400)	\$ 488,221	\$ 501,322
Available for sale, at fair value (amortized cost \$1,281,404 and \$1,156,640)	1,320,752	1,201,524
Equity securities, at fair value (cost \$110,988 and \$110,495)	147,275	150,249
Short-term investments, at cost, which approximates fair value	53,347	113,822
Total investments	2,009,595	1,966,917
Cash	355	328
Premiums in course of collection	151,642	141,601
Reinsurance receivable	170,356	193,209
Accrued investment income	23,747	23,236
Deferred policy acquisition costs	106,092	100,755
Prepaid reinsurance premiums	32,174	32,675
Property and equipment, net	18,283	20,891
Deferred income taxes	57,067	53,137
Securities lending collateral	130,634	139,486
Due from affiliate	4,351	
Other assets	44,662	45,828
Total assets	\$ 2,748,958	\$ 2,718,063
LIABILITIES AND SHAREHOLDERS' EQUITY		
Liabilities:		
Unpaid losses and loss settlement expenses	\$ 1,355,763	\$ 1,317,735
Unearned premiums	458,667	441,697
Accounts payable and accrued expenses	84,047	99,098
Securities lending obligation	130,634	139,486
Debt	119,060	119,625
Due to affiliate		12,498
Total liabilities	2,148,171	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 31,739,809 and 31,589,474 shares; outstanding 30,341,900 and 30,191,565 shares	31,740	31,589
Additional paid-in capital	164,395	161,689
Accumulated other comprehensive income	36,200	42,051
Retained earnings	393,480	377,282
Deferred compensation	(541)	(200)
Treasury stock, at cost, 1,397,909 shares	(24,487)	(24,487)
Total shareholders' equity	600,787	587,924
Total liabilities and shareholders' equity	\$ 2,748,958	\$ 2,718,063

* These financial figures are unaudited.

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Harleysville Group Inc. and Subsidiaries

SUPPLEMENTARY FINANCIAL ANALYSTS' DATA

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(dollars in thousands)	Quarter ended June 30		Six months ended June 30	
	2005	2004	2005	2004
<S>	<C>	<C>	<C>	<C>
Net premiums written*	\$ 223,602	\$ 223,095	\$ 434,016	\$ 429,121
Statutory surplus*			\$ 529,621	\$ 496,170
Pretax investment income	\$ 22,578	\$ 21,437	\$ 44,339	\$ 43,079
Related federal income taxes	5,354	4,825	10,387	9,689
After-tax investment income	\$ 17,224	\$ 16,612	\$ 33,952	\$ 33,390

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SEGMENT INFORMATION

<TABLE>

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(dollars in thousands)	Quarter ended June 30		Six months ended June 30	
	2005	2004	2005	2004
<S>	<C>	<C>	<C>	<C>
Revenues:				
Premiums earned:				
Commercial lines	\$ 170,858	\$ 163,791	\$ 338,171	\$ 326,111
Personal lines	39,007	43,861	78,374	88,489
Total premiums earned	209,865	207,652	416,545	414,600
Net investment income	22,578	21,437	44,339	43,079
Realized investment gains	68	59	68	12,547
Other	4,158	3,671	8,441	8,235
Total revenues	\$ 236,669	\$ 232,819	\$ 469,393	\$ 478,461
Income before income taxes:				
Underwriting gain (loss):				
Commercial lines	\$ (9,760)	\$ (16,358)	\$ (19,998)	\$ (26,006)
Personal lines	1,114	10	1,531	(4,850)
SAP underwriting loss	(8,646)	(16,348)	(18,467)	(30,856)
GAAP adjustments	3,693	4,865	5,053	4,885
GAAP underwriting loss	(4,953)	(11,483)	(13,414)	(25,971)
Net investment income	22,578	21,437	44,339	43,079
Realized investment gains	68	59	68	12,547
Other	730	839	1,886	2,407
Income before income taxes	\$ 18,423	\$ 10,852	\$ 32,879	\$ 32,062
Income taxes on net investment income	\$ 5,354	\$ 4,825	\$ 10,387	\$ 9,689
Income tax benefit on remaining loss	(1,458)	(3,701)	(4,017)	(3,848)
Total income taxes	\$ 3,896	\$ 1,124	\$ 6,370	\$ 5,841
Effective tax rate on:				
Net investment income	23.7%	22.5%	23.4%	22.5%
Net income	21.1%	10.4%	19.4%	18.2%

</TABLE>

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*

<TABLE>

<CAPTION>

(dollars in thousands)	Quarter ended June 30		Six months ended June 30	
	2005	2004	2005	2004
<S>	<C>	<C>	<C>	<C>
Net premiums written:				
Commercial:				
Automobile	\$ 60,475	\$ 62,367	\$ 117,764	\$ 119,128
Workers' compensation	23,393	24,172	49,912	50,912
Commercial multi-peril	82,451	76,805	157,531	145,003
Other commercial	18,315	16,681	36,090	33,162
Total commercial	\$ 184,634	\$ 180,025	\$ 361,297	\$ 348,205
Personal:				
Automobile	\$ 20,393	\$ 23,459	\$ 40,126	\$ 46,660
Homeowners	16,038	16,514	28,130	29,482
Other personal	2,537	3,097	4,463	4,774
Total personal	\$ 38,968	\$ 43,070	\$ 72,719	\$ 80,916
Total personal and commercial	\$ 223,602	\$ 223,095	\$ 434,016	\$ 429,121
Combined ratios:				
Commercial:				
Automobile	97.9%	104.7%	99.0%	103.9%
Workers' compensation	124.2%	122.2%	124.8%	122.5%
Commercial multi-peril	100.4%	105.5%	102.7%	105.3%
Other commercial	100.9%	95.4%	92.9%	88.5%
Total commercial	103.0%	106.7%	103.7%	105.7%
Personal:				
Automobile	104.1%	110.9%	105.1%	114.6%
Homeowners	92.3%	86.0%	97.4%	97.6%
Other personal	63.7%	83.6%	75.8%	112.3%
Total personal	97.2%	100.6%	100.4%	108.4%
Total personal and commercial	101.9%	105.4%	103.1%	106.3%
Losses paid	\$ 118,931	\$ 142,655	\$ 230,333	\$ 276,715
Net catastrophe losses incurred	\$ 627	\$ 1,262	\$ 1,624	\$ 3,887

</TABLE>

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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