

DELPHI FINANCIAL GROUP INC/DE  
 Form 4  
 May 12, 2006

**FORM 4**

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

OMB APPROVAL

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Check this box if no longer subject to Section 16. Form 4 or Form 5 obligations may continue. See Instruction 1(b).

**STATEMENT OF CHANGES IN BENEFICIAL OWNERSHIP OF SECURITIES**

Filed pursuant to Section 16(a) of the Securities Exchange Act of 1934, Section 17(a) of the Public Utility Holding Company Act of 1935 or Section 30(h) of the Investment Company Act of 1940

(Print or Type Responses)

1. Name and Address of Reporting Person \*  
 SHERMAN DONALD A

2. Issuer Name and Ticker or Trading Symbol  
 DELPHI FINANCIAL GROUP INC/DE [DFG]

5. Relationship of Reporting Person(s) to Issuer

(Check all applicable)

(Last) (First) (Middle)

3. Date of Earliest Transaction (Month/Day/Year)  
 05/10/2006

Director  10% Owner  
 Officer (give title below)  Other (specify below)  
 President & COO

C/O DELPHI CAPITAL MANAGEMENT, INC., 590 MADISON AVENUE, 30TH FL.

(Street)

4. If Amendment, Date Original Filed(Month/Day/Year)

6. Individual or Joint/Group Filing(Check Applicable Line)  
 Form filed by One Reporting Person  
 Form filed by More than One Reporting Person

NEW YORK, NY 10022

(City) (State) (Zip)

**Table I - Non-Derivative Securities Acquired, Disposed of, or Beneficially Owned**

1. Title of Security (Instr. 3)	2. Transaction Date (Month/Day/Year)	2A. Deemed Execution Date, if any (Month/Day/Year)	3. Transaction Code (Instr. 8)	4. Securities Acquired (A) or Disposed of (D) (Instr. 3, 4 and 5)	5. Amount of Securities Beneficially Owned Following Reported Transaction(s) (Instr. 3 and 4)	6. Ownership Form: Direct (D) or Indirect (I) (Instr. 4)	7. Nature of Ownership (Instr. 4)
			Code	V	Amount	(D)	Price

Reminder: Report on a separate line for each class of securities beneficially owned directly or indirectly.

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SEC 1474 (9-02)

**Table II - Derivative Securities Acquired, Disposed of, or Beneficially Owned (e.g., puts, calls, warrants, options, convertible securities)**

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1. Title of Derivative Security (Instr. 3)	2. Conversion or Exercise Price of Derivative Security	3. Transaction Date (Month/Day/Year)	3A. Deemed Execution Date, if any (Month/Day/Year)	4. Transaction Code (Instr. 8)	5. Number of Derivative Securities Acquired (A) or Disposed of (D) (Instr. 3, 4, and 5)	6. Date Exercisable and Expiration Date (Month/Day/Year)		7. Title and Amount of Underlying Securities (Instr. 3 and 4)			
				Code	V	(A)	(D)	Date Exercisable	Expiration Date	Title	Amount or Number of Shares
Options to purchase Class A Common Stock	\$ 26.2867	05/10/2006		D <sup>(1)</sup>		1,788		<u>(1)</u>	07/18/2006	Class A Common Stock	1,788
Options to purchase Class A Common Stock	\$ 26.2867	05/10/2006		A <sup>(1)</sup>		1,788		<u>(1)</u>	12/31/2006	Class A Common Stock	1,788
Options to purchase Class A Common Stock	\$ 29.34	05/10/2006		D <sup>(1)</sup>		1,987		<u>(1)</u>	07/18/2006	Class A Common Stock	1,987
Options to purchase Class A Common Stock	\$ 29.34	05/10/2006		A <sup>(1)</sup>		1,987		<u>(1)</u>	12/31/2006	Class A Common Stock	1,987
Options to purchase Class A Common Stock	\$ 39.5	05/10/2006		D <sup>(1)</sup>		1,093		<u>(1)</u>	07/18/2006	Class A Common Stock	1,093
Options to purchase Class A Common Stock	\$ 39.5	05/10/2006		A <sup>(1)</sup>		1,093		<u>(1)</u>	12/31/2006	Class A Common Stock	1,093

## Reporting Owners

Reporting Owner Name / Address	Relationships			
	Director	10% Owner	Officer	Other
SHERMAN DONALD A C/O DELPHI CAPITAL MANAGEMENT, INC. 590 MADISON AVENUE, 30TH FL. NEW YORK, NY 10022	X		President & COO	

## Signatures

Chad W. Coulter, Attorney-in-Fact for Donald A. Sherman	05/10/2006
<small>**Signature of Reporting Person</small>	<small>Date</small>

## Explanation of Responses:

- \* If the form is filed by more than one reporting person, *see* Instruction 4(b)(v).
- \*\* Intentional misstatements or omissions of facts constitute Federal Criminal Violations. *See* 18 U.S.C. 1001 and 15 U.S.C. 78ff(a).

All transactions reported arose from the amendment of three sets of outstanding and exercisable options, in each case resulting in the (1) deemed cancellation of the existing options and the deemed grant of replacement options. Each of the amended options had become exercisable in annual installments beginning one year from their grant dates.

Note: File three copies of this Form, one of which must be manually signed. If space is insufficient, *see* Instruction 6 for procedure. Potential persons who are to respond to the collection of information contained in this form are not required to respond unless the form displays a currently valid OMB number.