

DELPHI FINANCIAL GROUP INC/DE  
 Form 4  
 February 21, 2007

**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)  
 C/O DELPHI CAPITAL MANAGEMENT, INC., 590 MADISON AVENUE, 30TH FLOOR

3. Date of Earliest Transaction (Month/Day/Year)  
 02/16/2007

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

(Street)  
 NEW YORK, NY 10022

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

(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)		
				(A) or (D)	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	\$ 40.83	02/16/2007		A	51,432	(1) 02/07/2017	Class A Common Stock 51,432
Restricted Share Units	(3)	02/16/2007		A	17,144	(4) (4)	Class A Common Stock 17,144

## 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 FLOOR NEW YORK, NY 10022	X		President & COO	

## Signatures

Chad W. Coulter, Attorney-in-Fact for Donald A. Sherman  
02/21/2007

\_\_Signature of Reporting Person

Date

## 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).
- (1) Options become exercisable in five equal annual installments, beginning on February 7, 2008.
- (2) Not applicable.
- (3) 1-for-1.
- (4) Under the terms of the restricted share units, the reporting person has the right to receive the underlying shares of Class A Common Stock six months following his termination of employment, subject to the completion of a vesting period consisting of three equal annual installments beginning on February 7, 2008. Such right may be accelerated if the reporting person's employment is terminated by reason of death, disability or his resignation for good reason or termination by the issuer without cause, or if a change of ownership with respect to the issuer occurs; however, if such employment is terminated by the issuer for cause or, except as to any shares as to which the aforementioned vested period has elapsed, by the reporting person without good reason, the right to receive such shares will be forfeited.

Note: File three copies of this Form, one of which must be manually signed. If space is insufficient, *see* Instruction 6 for procedure.

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