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

FORM 4

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

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

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).

(Print or Type Responses)

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

(Last) (First) (Middle)

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

(Street)

NEW YORK, NY 10022

(City) (State) (Zip)

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

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

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

5. Relationship of Reporting Person(s) to Issuer

(Check all applicable)

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

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

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 Indirect Beneficial Ownership (Instr. 4)
			Code	V	Amount	(A) or (D)	Price			

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

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

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[(1)]			1,788	[(1)]	07/18/2006	Class A Common Stock	1,788
Options to purchase Class A Common Stock	$ 26.2867	05/10/2006		A[(1)]		1,788		[(1)]	12/31/2006	Class A Common Stock	1,788
Options to purchase Class A Common Stock	$ 29.34	05/10/2006		D[(1)]			1,987	[(1)]	07/18/2006	Class A Common Stock	1,987
Options to purchase Class A Common Stock	$ 29.34	05/10/2006		A[(1)]		1,987		[(1)]	12/31/2006	Class A Common Stock	1,987
Options to purchase Class A Common Stock	$ 39.5	05/10/2006		D[(1)]			1,093	[(1)]	07/18/2006	Class A Common Stock	1,093
Options to purchase Class A Common Stock	$ 39.5	05/10/2006		A[(1)]		1,093		[(1)]	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
**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) All transactions reported arose from the amendment of three sets of outstanding and exercisable options, in each case resulting in the 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.
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