

SHERMAN DONALD A  
 Form 4  
 May 17, 2012

**FORM 4**

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

OMB APPROVAL

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**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)  
 05/15/2012

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

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

(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 Indirect Ownership (Instr. 4)
Class A Common Stock	05/15/2012		D	35,935	D 43.875 0	D	
					(1)		

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

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SEC 1474 (9-02)

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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 Number Shares
Stock Option (right to buy)	\$ 17.5245	05/15/2012		D	6,420	11/12/2002 08/14/2012	Class A Common Stock 6,420
Stock Option (right to buy)	\$ 19.56	05/15/2012		D	7,668	08/27/2003 05/29/2013	Class A Common Stock 7,668
Stock Option (right to buy)	\$ 26.3333	05/15/2012		D	5,696	08/04/2004 05/06/2014	Class A Common Stock 5,696
Stock Option (right to buy)	\$ 27.8533	05/15/2012		D	4,038	08/23/2005 05/25/2015	Class A Common Stock 4,038
Stock Option (right to buy)	\$ 36.0533	05/15/2012		D	150,000	04/19/2007 04/19/2016	Class A Common Stock 150,000
Stock Option (right to buy)	\$ 34.62	05/15/2012		D	19,000	06/08/2007 06/08/2016	Class A Common Stock 19,000
Restricted Share Units	(3)	05/15/2012		D	17,144	(4) (4)	Class A Common Stock 17,144
Stock Option (right to buy)	\$ 40.83	05/15/2012		D	51,432	02/07/2008 02/16/2017	Class A Common Stock 51,432
Restricted Share Units	(3)	05/15/2012		D	30,027	(4) (4)	Class A Common Stock 30,027

Stock Option (right to buy)	\$ 29.14	05/15/2012	D	90,082	02/06/2009	02/15/2018	Class A Common Stock	90,082
Restricted Share Units	(3)	05/15/2012	D	41,195	(4)	(4)	Class A Common Stock	41,195
Stock Option (right to buy)	\$ 21.24	05/15/2012	D	123,587	02/11/2011	02/11/2020	Class A Common Stock	123,587
Restricted Share Units	(3)	05/15/2012	D	38,510	(4)	(4)	Class A Common Stock	38,510
Stock Option (right to buy)	\$ 31.16	05/15/2012	D	115,532	02/09/2012	02/18/2021	Class A Common Stock	115,532

## 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

05/17/2012

\*\*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) Disposed of pursuant to the Agreement and Plan of Merger dated as of December 21, 2011 by and among the issuer, Tokio Marine Holdings, Inc. and TM Investment (Delaware) Inc. (the "Merger Agreement"), pursuant to which each of the shares was converted into the right to receive \$43.875 in cash. In addition, pursuant to the terms of the Merger Agreement, a special cash dividend of \$1.00 per share was paid in respect of such shares on May 16, 2012.

(2) Pursuant to the terms of the Merger Agreement, such option, whether or not fully vested, was cancelled in exchange for the right to receive a cash payment equal to the amount by which \$44.875 exceeded the exercise price per share of such option, multiplied by the number of shares of Class A Common Stock underlying such option.

(3) 1-for-1.

(4) The terms of these restricted share units provided that the reporting person would, subject to the satisfaction of various time vesting requirements, receive the underlying shares of Class A Common Stock after a six-month period following the termination of his

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employment.

- Pursuant to the terms of the Merger Agreement, such restricted share units, whether or not fully vested, were cancelled in exchange for the right to receive a cash payment of \$43.875 per underlying share of Class A Common Stock. In addition, pursuant to the terms of the
- (5) Merger Agreement, a payment in the amount of \$1.00 per share of Class A Common Stock underlying such units was made on May 16, 2012.

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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