



**FINANCIAL
SUPPLEMENT**

FIRST QUARTER 2008

DELPHI FINANCIAL GROUP, INC.

Financial Supplement

First Quarter 2008

Delphi Financial Group, Inc. (“Delphi”) is an integrated employee benefit services company. Delphi is a leader in managing all aspects of employee absence to enhance the productivity of its clients and provides the related insurance coverages: long-term and short-term disability, excess workers’ compensation for self-insured employers, group life, travel accident, dental and limited benefit health insurance. Delphi’s asset accumulation business emphasizes individual fixed annuity products. Delphi’s common stock is listed on the New York Stock Exchange under the symbol DFG and its corporate website address is www.delphifin.com.

This report is for informational purposes only. It should be read in conjunction with documents filed by Delphi with the Securities and Exchange Commission, including the most recent Annual Report on Form 10-K, Quarterly Reports on Form 10-Q and earnings press releases furnished on Form 8-K. The interim financial statements and related data included herein are unaudited. This report is dated April 22, 2008. Information contained in this report may not be accurate after such date. Delphi does not undertake a duty to update this information after such date.

In addition to financial measures presented in the consolidated financial statements prepared in accordance with accounting principles generally accepted in the United States (“GAAP”), Delphi also uses certain non-GAAP financial measures to analyze and report its financial results. These non-GAAP financial measures are not a substitute for GAAP financial measures and may not be calculated in the same manner as similarly titled captions in other companies’ financial statements. Management believes these non-GAAP financial measures are informative when analyzing the trends relating to Delphi’s insurance operations. Management uses these non-GAAP financial measures to assess performance and make operating plans and decisions, and believes that these measures enhance the understanding of Delphi’s results by enhancing focus on the financial performance of Delphi’s insurance operations.

Operating earnings, which is a non-GAAP financial measure, consist of income from continuing operations excluding after-tax realized investment gains and losses and the loss on redemption of junior subordinated deferrable interest debentures, as applicable. Delphi believes that because realized investment gains and losses, redemption of junior subordinated interest debentures and discontinued operations arise from events that, to a significant extent, are within management’s discretion and can fluctuate significantly, thus distorting comparisons between periods, a measure excluding their impact is useful in analyzing Delphi’s operating trends. Investment gains or losses may be realized based on management’s decision to dispose of an investment, and investment losses may be realized based on management’s judgment that a decline in the market value of an investment is other than temporary. Redemption of junior subordinated interest debentures occur based on management’s decision to exercise its ability to redeem the outstanding debentures. Discontinued operations occur based on management’s decision to exit or sell a particular business. Therefore, realized investment gains and losses, losses on redemptions of junior subordinated deferrable interest debentures and results from discontinued operations are not reflective of Delphi’s ongoing earnings capacity, and trends in the earnings of Delphi’s underlying insurance operations can be more clearly identified without the effects of these items. However, gains and losses of these types, particularly as to investments, are likely to occur frequently and should not be considered as nonrecurring items.

Annualized operating earnings return on beginning equity, which is a non-GAAP financial measure, is based on operating earnings, as defined in the preceding paragraph (rather than the most directly comparable GAAP measure, net income), divided by beginning shareholders’ equity. For the reasons that Delphi believes that the calculation of this non-GAAP measure based upon operating earnings is useful, see such paragraph. For reconciliations of the respective annualized operating earnings return on equity amounts for the indicated periods to the corresponding annualized net income return on equity amounts, see the table captioned “Non-GAAP Financial Measures – Reconciliation to GAAP” which follows.

Diluted book value per share before accumulated other comprehensive income and loss, which is a non-GAAP financial measure, is based on shareholders’ equity excluding the effect of accumulated other comprehensive income and loss. Delphi believes that, because accumulated other comprehensive income and loss fluctuates from period to period primarily due to changes in the value of its assets resulting from variations in market interest rates, while the values of its liabilities are not similarly marked to market in determining diluted book value per share (the most directly comparable GAAP measure), this non-GAAP measure is useful in analyzing Delphi’s operating trends.

Reconciliations of these non-GAAP measures to the most directly comparable GAAP measures are presented on page 10.

DELPHI FINANCIAL GROUP, INC.
Financial Supplement
First Quarter 2008

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DELPHI FINANCIAL GROUP, INC.
Selected Financial Highlights
(Dollars In Thousands, Except Per Share Data)

<u>For period ended:</u>	<u>Three Months Ended</u>		<u>Year Ended</u>		
	<u>03/31/2008</u>	<u>03/31/2007</u>	<u>12/31/2007</u>	<u>12/31/2006</u>	<u>12/31/2005</u>
Operating earnings ^(A)	\$ 25,328	\$ 40,867	\$ 167,170	\$ 145,561	\$ 120,832
Per common share, assuming dilution ^(A)	0.51	0.79	3.24	2.86	2.40
Weighted average shares outstanding (diluted)	50,153	51,467	51,579	50,939	50,267
Annualized operating earnings return on beginning equity ^(A)	8.9%	15.0%	15.3%	14.1%	12.9%
<u>At period ended:</u>		<u>03/31/2008</u>	<u>12/31/2007</u>	<u>12/31/2006</u>	<u>12/31/2005</u>
Assets		\$ 5,976,269	\$ 6,094,810	\$ 5,670,475	\$ 5,276,170
Corporate debt ^(B)		243,750	217,750	263,750	234,750
Junior subordinated debentures		175,000	175,000	-	-
Junior subordinated deferrable interest debentures underlying company-obligated mandatorily redeemable capital securities issued by unconsolidated subsidiaries		20,619	20,619	59,762	59,762
Shareholders' equity		1,078,075	1,141,390	1,174,808	1,033,039
Diluted book value per share of common stock		\$ 22.10	\$ 23.28	\$ 23.70	\$ 20.96
Diluted book value per share of common stock before accumulated other comprehensive (loss) income ^(A)		24.18	24.07	23.35	20.58
Corporate debt to total capitalization ratio ^(C)		16.1%	14.0%	17.6%	17.7%

^(A) Please see page 10 for reconciliations of these non-GAAP financial measures to the most directly comparable GAAP measures.

^(B) Corporate debt consists of \$143.8 million of Senior Notes due in 2033 and outstanding borrowings under the Company's revolving credit facility.

^(C) The corporate debt to total capitalization ratio is calculated by dividing corporate debt by the sum of corporate debt, junior subordinated debentures, junior subordinated deferrable interest debentures underlying company-obligated mandatorily redeemable capital securities issued by unconsolidated subsidiaries, and shareholders' equity.

DELPHI FINANCIAL GROUP, INC.
Quarterly Historical Operating Results by Product Category
(Dollars in Thousands)

	03/31/2008	12/31/2007	09/30/2007	06/30/2007	03/31/2007	12/31/2006	09/30/2006	06/30/2006
Premium and fee income:								
Group employee benefit products	\$ 332,525	\$ 321,704	\$ 316,821	\$ 315,323	\$ 313,744	\$ 308,952	\$ 287,161	\$ 272,607
Asset accumulation products	591	626	623	596	821	793	1,018	797
Other	9,174	9,303	8,500	8,418	7,682	8,414	7,011	6,866
Total premium and fee income	<u>342,290</u>	<u>331,633</u>	<u>325,944</u>	<u>324,337</u>	<u>322,247</u>	<u>318,159</u>	<u>295,190</u>	<u>280,270</u>
Net investment income:								
Group employee benefit products	15,556	39,430	41,605	40,333	42,333	40,619	38,582	35,284
Asset accumulation products	15,925	25,994	19,321	26,290	26,872	26,779	25,297	23,499
Other	856	1,945	1,842	2,484	2,098	2,499	2,280	2,003
Total investment income	<u>32,337</u>	<u>67,369</u>	<u>62,768</u>	<u>69,107</u>	<u>71,303</u>	<u>69,897</u>	<u>66,159</u>	<u>60,786</u>
Benefits and expenses:								
Group employee benefit products	303,631	296,955	291,192	291,341	292,318	289,069	267,923	251,860
Asset accumulation products	12,465	19,221	12,998	18,031	19,382	18,806	18,181	17,913
Other	16,709	17,179	17,967	16,925	17,063	17,377	16,532	13,127
Total benefits and expenses	<u>332,805</u>	<u>333,355</u>	<u>322,157</u>	<u>326,297</u>	<u>328,763</u>	<u>325,252</u>	<u>302,636</u>	<u>282,900</u>
Operating income:								
Group employee benefit products	44,450	64,179	67,234	64,315	63,759	60,502	57,820	56,031
Asset accumulation products	4,051	7,399	6,946	8,855	8,311	8,766	8,134	6,383
Other	(6,679)	(5,931)	(7,625)	(6,023)	(7,283)	(6,464)	(7,241)	(4,258)
	<u>41,822</u>	<u>65,647</u>	<u>66,555</u>	<u>67,147</u>	<u>64,787</u>	<u>62,804</u>	<u>58,713</u>	<u>58,156</u>
Net realized investment (losses) gains	(6,436)	(972)	(1,480)	937	(382)	1,022	(335)	(294)
Loss on redemption of junior subordinated deferrable interest debentures underlying company-obligated mandatorily redeemable capital securities issued by unconsolidated subsidiaries	-	-	-	-	(2,192)	-	-	-
Operating income	<u>\$ 35,386</u>	<u>\$ 64,675</u>	<u>\$ 65,075</u>	<u>\$ 68,084</u>	<u>\$ 62,213</u>	<u>\$ 63,826</u>	<u>\$ 58,378</u>	<u>\$ 57,862</u>

DELPHI FINANCIAL GROUP, INC.
Consolidated Statements of Income
Group Employee Benefit Products
(Dollars in Thousands)

	Three Months Ended		Year Ended		
	03/31/2008	03/31/2007	12/31/2007	12/31/2006	12/31/2005
Revenue:					
Premium income:					
Core products:					
Disability, principally long-term	\$ 141,648	\$ 124,882	\$ 527,500	\$ 458,130	\$ 392,959
Life	99,458	88,084	364,771	316,360	281,915
Excess workers' compensation	66,652	72,414	276,252	260,031	220,312
Travel accident, dental and other	16,508	14,205	59,411	47,150	41,058
	<u>324,266</u>	<u>299,585</u>	<u>1,227,934</u>	<u>1,081,671</u>	<u>936,244</u>
Non-core products	8,259	14,159	39,658	42,455	24,918
	<u>332,525</u>	<u>313,744</u>	<u>1,267,592</u>	<u>1,124,126</u>	<u>961,162</u>
Net investment income	15,556	42,333	163,701	149,347	130,713
	<u>348,081</u>	<u>356,077</u>	<u>1,431,293</u>	<u>1,273,473</u>	<u>1,091,875</u>
Benefits and expenses:					
Benefits, claims and interest credited to policyholders	230,201	224,227	890,918	793,303	674,118
Commissions	21,599	19,966	85,861	75,091	67,921
Amortization of cost of business acquired	18,834	16,907	72,725	70,560	62,120
Other operating expenses	32,997	31,218	122,302	109,110	100,437
	<u>303,631</u>	<u>292,318</u>	<u>1,171,806</u>	<u>1,048,064</u>	<u>904,596</u>
Operating income	<u>\$ 44,450</u>	<u>\$ 63,759</u>	<u>\$ 259,487</u>	<u>\$ 225,409</u>	<u>\$ 187,279</u>
Production (new annualized gross premium):					
Core products:					
Disability, principally long-term	\$ 28,112	\$ 35,100	\$ 131,818	\$ 114,622	\$ 103,515
Life	22,698	18,710	87,210	88,578	72,814
Excess workers' compensation ^(A)	4,304	14,510	30,092	57,217	46,044
Travel accident, dental and other	10,305	11,227	43,662	19,699	21,728
	<u>65,419</u>	<u>79,547</u>	<u>292,782</u>	<u>280,116</u>	<u>244,101</u>
Non-core products	6,866	4,253	18,687	31,319	19,825
Total production	<u>\$ 72,285</u>	<u>\$ 83,800</u>	<u>\$ 311,469</u>	<u>\$ 311,435</u>	<u>\$ 263,926</u>
Loss ratio (percent of total premium)	69.2%	71.5%	70.3%	70.6%	70.1%
Expense ratio (percent of total premium)	22.1%	21.7%	22.1%	22.6%	24.0%
Combined ratio (loss and expense ratio)	91.3%	93.2%	92.4%	93.2%	94.1%
Persistency ratio:					
Disability, principally long-term			84.9%	83.7%	82.1%
Life			84.4%	84.2%	80.2%
Travel accident and other			87.0%	82.9%	77.2%
Renewal ratio:					
Excess workers' compensation			87.6%	88.3%	90.7%
^(A) Total excess workers' compensation production per above less: production from ERC renewal rights agreement	\$ 4,304	\$ 14,510	\$ 30,092	\$ 57,217	\$ 46,044
	<u>-</u>	<u>3,383</u>	<u>3,383</u>	<u>25,830</u>	<u>6,919</u>
Total production excluding ERC renewal rights agreement	<u>\$ 4,304</u>	<u>\$ 11,127</u>	<u>\$ 26,709</u>	<u>\$ 31,387</u>	<u>\$ 39,125</u>

DELPHI FINANCIAL GROUP, INC.
Consolidated Statements of Income
Asset Accumulation Products
(Dollars in Thousands)

	Three Months Ended		Year Ended		
	03/31/2008	03/31/2007	12/31/2007	12/31/2006	12/31/2005
Revenue:					
Premium and fee income	\$ 591	\$ 821	\$ 2,666	\$ 3,438	\$ 3,220
Net investment income	15,925	26,872	98,477	97,852	84,577
	<u>16,516</u>	<u>27,693</u>	<u>101,143</u>	<u>101,290</u>	<u>87,797</u>
Benefits and expenses:					
Benefits, claims and interest credited to policyholders	12,451	13,388	52,814	53,349	49,856
Commissions	180	86	494	517	631
Amortization of cost of business acquired	(2,411)	3,985	8,497	10,208	7,161
Other operating expenses	2,245	1,923	7,827	6,965	6,584
	<u>12,465</u>	<u>19,382</u>	<u>69,632</u>	<u>71,039</u>	<u>64,232</u>
Operating income	<u>\$ 4,051</u>	<u>\$ 8,311</u>	<u>\$ 31,511</u>	<u>\$ 30,251</u>	<u>\$ 23,565</u>
Sales	\$ 52,244	\$ 19,462	\$ 107,145	\$ 90,741	\$ 95,021
Funding agreements	\$ -	\$ -	\$ -	\$ 100,000	\$ -
Funds under management (at end of period)			\$ 1,053,221	\$ 1,089,051	\$ 1,008,787

DELPHI FINANCIAL GROUP, INC.
Consolidated Statements of Income
Total Operations
(Dollars in Thousands, Except Per Share Data)

	Three Months Ended	
	03/31/2008	03/31/2007
Revenue:		
Premium and fee income	\$ 342,290	\$ 322,247
Net investment income	32,337	71,303
Net realized investment losses	(6,436)	(382)
Loss on redemption of junior subordinated deferrable interest debentures underlying company-obligated mandatorily redeemable capital securities issued by unconsolidated subsidiaries	-	(2,192)
	368,191	390,976
Benefits and expenses:		
Benefits, claims and interest credited to policyholders	242,912	238,212
Commissions and expenses	89,893	90,551
	332,805	328,763
Operating income	35,386	62,213
Interest expense:		
Corporate debt	4,224	5,054
Junior subordinated debentures	3,240	-
Junior subordinated deferrable interest debentures underlying company-obligated mandatorily redeemable capital securities issued by unconsolidated subsidiaries	404	1,284
Income tax expense	6,374	16,681
Net income	\$ 21,144	\$ 39,194
Basic results per share of common stock:		
Net income	\$ 0.43	\$ 0.78
Weighted average shares outstanding	49,055	50,177
Diluted results per share of common stock:		
Net income	\$ 0.42	\$ 0.76
Weighted average shares outstanding	50,153	51,467
Dividends paid per share of common stock	\$ 0.09	\$ 0.08

DELPHI FINANCIAL GROUP, INC.
Summarized Consolidated Balance Sheets
(Dollars In Thousands)

	<u>03/31/2008</u>	<u>12/31/2007</u>
Assets:		
Investments:		
Fixed maturity securities, available for sale	\$ 3,634,611	\$ 3,691,694
Short-term investments	436,947	286,033
Other investments	<u>767,563</u>	<u>1,010,141</u>
	4,839,121	4,987,868
Cash	41,429	51,240
Cost of business acquired	193,361	174,430
Reinsurance receivables	391,955	402,785
Goodwill	93,929	93,929
Other assets	298,452	260,602
Assets held in separate account	<u>118,022</u>	<u>123,956</u>
Total assets	<u><u>\$ 5,976,269</u></u>	<u><u>\$ 6,094,810</u></u>
Liabilities and Shareholders' Equity:		
Policy liabilities and accruals	\$ 2,418,834	\$ 2,353,375
Policyholder account balances	1,109,886	1,083,121
Corporate debt	243,750	217,750
Junior subordinated debentures	175,000	175,000
Junior subordinated deferrable interest debentures underlying company-obligated mandatorily redeemable capital securities issued by unconsolidated subsidiaries	20,619	20,619
Other liabilities and policyholder funds	812,083	979,599
Liabilities related to separate account	<u>118,022</u>	<u>123,956</u>
Total liabilities	<u>4,898,194</u>	<u>4,953,420</u>
Shareholders' equity:		
Class A Common Stock	488	487
Class B Common Stock	59	59
Additional paid-in capital	515,011	509,742
Accumulated other comprehensive loss	(110,843)	(42,497)
Retained earnings	844,917	828,116
Treasury stock, at cost	<u>(171,557)</u>	<u>(154,517)</u>
Total shareholders' equity	<u>1,078,075</u>	<u>1,141,390</u>
Total liabilities and shareholders' equity	<u><u>\$ 5,976,269</u></u>	<u><u>\$ 6,094,810</u></u>

DELPHI FINANCIAL GROUP, INC.
Consolidated Statements of Cash Flows
(Dollars In Thousands)

	Three Months Ended	
	03/31/2008	03/31/2007
Operating activities:		
Net income	\$ 21,144	\$ 39,194
Adjustments to reconcile net income to net cash provided by operating activities:		
Change in policy liabilities and policyholder accounts	92,314	109,180
Net change in reinsurance receivables and payables	10,184	(2,584)
Amortization, principally the cost of business acquired and investments	15,238	21,692
Deferred costs of business acquired	(33,115)	(30,387)
Net realized losses gains on investments	6,437	381
Net change in federal income tax liability	(16,573)	8,586
Other	1,899	(56,787)
Net cash provided by operating activities	97,528	89,275
Investing activities:		
Purchases of investments and loans made	(298,167)	(408,925)
Sales of investments and receipts from repayment of loans	254,129	139,880
Maturities of investments	54,442	33,727
Net change in short-term investments	(150,914)	159,221
Change in deposit in separate account	790	(636)
Net cash used by investing activities	(139,720)	(76,733)
Financing activities:		
Deposits to policyholder accounts	53,843	21,866
Withdrawals from policyholder accounts	(27,698)	(34,557)
Borrowings under revolving credit facility	29,000	38,000
Principal payments under revolving credit facility	(3,000)	(4,000)
Redemption of junior subordinated deferrable interest debentures underlying company-obligated mandatorily redeemable capital securities issued by unconsolidated subsidiaries	-	(37,728)
Purchases of treasury stock	(17,040)	-
Other financing activities	(2,724)	4,431
Net cash provided (used) by financing activities	32,381	(11,988)
(Decrease) Increase in cash	(9,811)	554
Cash at beginning of period	51,240	48,204
Cash at end of period	\$ 41,429	\$ 48,758

DELPHI FINANCIAL GROUP, INC.
Analysis of Cost of Business Acquired
(Dollars in Thousands)

	Group Employee Benefit <u>Products</u>	Asset Accumulation Products ^(A) <u>Products ^(A)</u>	<u>Total</u>
Balance as of December 31, 2003	\$ 148,990	\$ 34,675	\$ 183,665
Deferred	74,502	9,036	83,538
Amortized	(57,155)	(4,888)	(62,043)
Equity adjustment	-	7,389	7,389
Balance as of December 31, 2004	<u>166,337</u>	<u>46,212</u>	<u>212,549</u>
Deferred	83,324	6,277	89,601
Amortized	(62,120)	(7,161)	(69,281)
Equity adjustment	-	15,269	15,269
Balance as of December 31, 2005	<u>187,541</u>	<u>60,597</u>	<u>248,138</u>
Deferred	92,449	7,811	100,260
Amortized	(70,560)	(10,208)	(80,768)
Equity adjustment	-	290	290
Balance as of December 31, 2006	<u>209,430</u>	<u>58,490</u>	<u>267,920</u>
Cumulative effect adjustment ^(B)	<u>(127,004)</u>	<u>-</u>	<u>(127,004)</u>
Balance as of January 1, 2007	<u>82,426</u>	<u>58,490</u>	<u>140,916</u>
Deferred	101,284	7,290	108,574
Amortized	(72,725)	(8,497)	(81,222)
Equity adjustment	-	6,162	6,162
Balance as of December 31, 2007	<u>110,985</u>	<u>63,445</u>	<u>174,430</u>
Deferred	30,404	2,711	33,115
Amortized	(18,834)	2,411	(16,423)
Equity adjustment	-	2,239	2,239
Balance as of March 31, 2008	<u><u>\$ 122,555</u></u>	<u><u>\$ 70,806</u></u>	<u><u>\$ 193,361</u></u>

^(A) The equity adjustment reflects increases or decreases in cost of business acquired in relation to changes in unrealized gains or losses on fixed maturity securities available for sale which are reported as a separate component of equity.

^(B) The cumulative effect adjustment represents the decrease in cost of business acquired as a result of the adoption of the American Institute of Certified Public Accountants' Statement of Position 05-1, "Accounting by Insurance Enterprises for Deferred Acquisition Costs in Connection With Modifications or Exchanges of Insurance Contracts." This adjustment also resulted in a corresponding decrease to beginning retained earnings of \$82.6 million, net of the related tax benefit of \$44.4 million.

DELPHI FINANCIAL GROUP, INC.
Certain Investment Portfolio Data
As of March 31, 2008
(Dollars in Thousands)

Sub-Prime Residential Mortgage Backed Securities - Carrying Value

	Aaa	Aa	A	Baa	Ba	B	Total	% of Total
2001 & Prior	\$ -	\$ 931	\$ -	\$ -	\$ -	\$ -	\$ 931	2%
2002	-	-	-	-	-	-	-	0%
2003	2,522	-	-	-	-	-	2,522	7%
2004	-	1,817	-	6,241	-	-	8,058	21%
2005	18,246	-	1,707	-	-	-	19,953	52%
2006	3,242	557	533	-	-	-	4,332	11%
2007	2,014	-	495	-	-	-	2,509	7%
2008	-	-	-	-	-	-	-	0%
Total	\$ 26,024	\$ 3,305	\$ 2,735	\$ 6,241	\$ -	\$ -	\$ 38,305	100%
% of Total	68%	9%	7%	16%	0%	0%	100%	

Alt-A Residential Mortgage Backed Securities - Carrying Value

	Aaa	Aa	A	Baa	Ba	B	Total	% of Total
2001 & Prior	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	0%
2002	-	-	-	-	-	-	-	0%
2003	-	-	2,709	2,650	-	345	5,704	7%
2004	-	-	1,056	2,040	-	-	3,096	4%
2005	16,093	-	-	2,106	279	-	18,478	23%
2006	31,363	652	235	-	-	-	32,250	39%
2007	19,458	-	2,403	-	-	-	21,861	27%
2008	-	-	-	-	-	-	-	0%
Total	\$ 66,914	\$ 652	\$ 6,403	\$ 6,796	\$ 279	\$ 345	\$ 81,389	100%
% of Total	81%	1%	8%	8%	1%	1%	100%	

Commercial Mortgage Backed Securities - Carrying Value

	Aaa	Aa	A	Baa	Ba	B	Total	% of Total
2001 & Prior	\$ -	\$ 6,177	\$ 6,090	\$ -	\$ -	\$ -	\$ 12,267	38%
2002	8,003	485	-	2,061	3,281	-	13,830	42%
2003	-	-	-	-	-	-	-	0%
2004	-	-	-	-	-	-	-	0%
2005	-	-	-	-	597	-	597	2%
2006	-	-	-	-	644	-	644	2%
2007	-	-	923	4,386	-	-	5,309	16%
2008	-	-	-	-	-	-	-	0%
Total	\$ 8,003	\$ 6,662	\$ 7,013	\$ 6,447	\$ 4,522	\$ -	\$ 32,647	100%
% of Total	25%	20%	21%	20%	14%	0%	100%	

Municipal Securities - Underlying Rating - Carrying Value

	Aaa	Aa	A	Baa	Ba and Below	Not Rated	Total	% of Total
Insured	\$ 57,907	\$ 384,828	\$ 196,950	\$ 37,178	\$ 2,762	\$ 72,482	\$ 752,107	75%
Uninsured	28,217	70,953	108,582	36,397	1,653	-	245,802	25%
Total	\$ 86,124	\$ 455,781	\$ 305,532	\$ 73,575	\$ 4,415	\$ 72,482	\$ 997,909	100%
% of Total	9%	46%	31%	7%	0%	7%	100%	

DELPHI FINANCIAL GROUP, INC.
Non-GAAP Financial Measures
Reconciliation to GAAP
(Dollars In Thousands, Except Per Share Data)

<u>Income Statement Data</u>	Three Months Ended		Year Ended		
	03/31/2008	03/31/2007	12/31/2007	12/31/2006	12/31/2005
Operating earnings	\$ 25,328	\$ 40,867	\$ 167,170	\$ 145,561	\$ 120,832
Net realized investment (losses) gains, net of taxes	(4,184)	(248)	(1,233)	(558)	5,852
Loss on redemption of junior subordinated deferrable interest debentures, net of taxes	-	(1,425)	(1,425)	-	-
Income from continuing operations	21,144	39,194	164,512	145,003	126,684
Discontinued operations, net of taxes	-	-	-	(2,935)	(13,350)
Net income (GAAP measure)	\$ 21,144	\$ 39,194	\$ 164,512	\$ 142,068	\$ 113,334
Diluted results per share of common stock:					
Operating earnings	\$ 0.51	\$ 0.79	\$ 3.24	\$ 2.86	\$ 2.40
Net realized investment (losses) gains, net of taxes	(0.09)	-	(0.02)	(0.01)	0.12
Loss on redemption of junior subordinated deferrable interest debentures, net of taxes	-	(0.03)	(0.03)	-	-
Income from continuing operations	0.42	0.76	3.19	2.85	2.52
Discontinued operations, net of taxes	-	-	-	(0.06)	(0.27)
Net income (GAAP measure)	\$ 0.42	\$ 0.76	\$ 3.19	\$ 2.79	\$ 2.25
 Annualized operating earnings return on beginning equity	 8.9%	 15.0%	 15.3%	 14.1%	 12.9%
Annualized net income return on beginning equity (GAAP measure)	7.4%	14.4%	15.1%	13.8%	12.1%
 <u>Balance Sheet Data</u>					
	03/31/08	12/31/2007	12/31/2006	12/31/2005	
Shareholders' equity, excluding accumulated other comprehensive (loss) income	\$ 1,188,918	\$ 1,183,887	\$ 1,155,675	\$ 1,012,775	
Add: Accumulated other comprehensive (loss) income	(110,843)	(42,497)	19,133	20,264	
Shareholders' equity (GAAP measure)	\$ 1,078,075	\$ 1,141,390	\$ 1,174,808	\$ 1,033,039	
 Diluted book value per share of common stock,					
excluding accumulated other comprehensive (loss) income	\$ 24.18	\$ 24.07	\$ 23.35	\$ 20.58	
Add: Accumulated other comprehensive (loss) income	(2.08)	(0.79)	0.35	0.38	
Diluted book value per share of common stock (GAAP measure)	\$ 22.10	\$ 23.28	\$ 23.70	\$ 20.96	