

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

FORM 8-K

CURRENT REPORT

Pursuant to Section 13 or 15(d) of the Securities Exchange Act of 1934

Date of Report (Date of earliest event reported): December 17, 2008

DELPHI FINANCIAL GROUP, INC.

(Exact name of registrant as specified in its charter)

Delaware	001-11462	13-3427277
(State or other jurisdiction of incorporation)	(Commission File Number)	(IRS Employer Identification No.)

1105 North Market Street, Suite 1230, P.O. Box 8985, Wilmington, DE 19899	
(Address of principal executive offices)	(ZIP Code)

Registrant's telephone number, including area code 302-478-5142

Not Applicable

(Former name or former address, if changed since last report.)

Check the appropriate box below if the Form 8-K filing is intended to simultaneously satisfy the filing obligation of the registrant under any of the following provisions:

Written communications pursuant to Rule 425 under the Securities Act (17 CFR 230.425)

Soliciting material pursuant to Rule 14a-12 under the Exchange Act (17 CFR 240.14a-12)

Pre-commencement communications pursuant to Rule 14d-2(b) under the Exchange Act (17 CFR 240.14d-2(b))

Pre-commencement communications pursuant to Rule 13e-4(c) under the Exchange Act (17 CFR 240.13e-4(c))

Item 5.02. Departure of Directors or Certain Officers; Election of Directors; Appointment of Certain Officers; Compensatory Arrangements of Certain Officers

- (a) Not applicable.
- (b) Not applicable.
- (c) Not applicable.
- (d) Not applicable.

(e) On December 18, 2008, the Registrant's subsidiary, Delphi Capital Management, Inc., adopted an amendment and restatement of its Pension Plan for Robert Rosenkranz (the "DCM Pension Plan"). The amendments effected thereby consist primarily of changes intended to effect compliance with Section 409A of the Internal Revenue Code of 1986, as amended, and the Treasury regulations thereunder ("Section 409A"); in particular, the inclusion of a six-month deferral period for the commencement of payments under such plan where required under Section 409A. The DCM Pension Plan, as so amended and restated, is attached hereto as Exhibit 10.1 and is incorporated herein by reference.

On December 19, 2008, the Registrant's subsidiary, Reliance Standard Life Insurance Company ("RSLIC"), adopted an amendment and restatement of its Nonqualified Deferred Compensation Plan (the "NQDC"), which will become effective on January 1, 2009. The amendments effected thereby consist of various technical changes and the addition of a provision permitting plan participants to make a one-time election as to the time and form of payment of the distribution of their account balances pursuant to the transition relief rules under Section 409A. The NQDC, as so amended and restated, is attached hereto as Exhibit 10.2 and is incorporated herein by reference.

On December 22, 2008, amendments were effected to the terms of the deferred share and restricted share units of the Registrant's common stock granted under the Registrant's Second Amended and Restated Long-Term Performance-Based Incentive Plan to Robert Rosenkranz, the Registrant's Chairman and Executive Officer, and under the Registrant's 2003 Employee Long-Term Incentive and Share Award Plan (the "2003 Plan") to Donald A. Sherman, the Registrant's President and Chief Operating Officer. The amendments consist of changes intended to effect compliance with Section 409A; in particular, the inclusion of six-month deferral periods for the delivery of shares to such officers following certain events of employment termination. The agreements relating to such amendments are attached to this Form 8-K as Exhibits 10.3 and 10.4 and are incorporated herein by reference.

Item 8.01. Other Events

On December 17, 2008, amendments to the performance-contingent incentive options to purchase 225,000 shares of the Registrant's Class A Common Stock previously granted to the four members of executive management of the Registrant's subsidiary, Safety National Casualty Corporation ("SNCC"), as well as the similar options to purchase 60,000 shares of the Stock previously granted to five other members of SNCC's management, pursuant to the 2003 Plan were approved by the Compensation Committee. Such amendments modified the specified levels of consolidated pre-tax operating income of SIG Holdings, Inc., SNCC's intermediate parent company, as computed under the option agreements, which would result in such options becoming exercisable, in whole or in part, to the extent that such levels are achieved for the 2008-2010 and 2008-2012 performance periods. The general form of the amendment agreement for the executive management optionees is attached to this Form 8-K as Exhibit 10.5 and is incorporated herein by reference.

Item 9.01. Financial Statements and Exhibits

- (a) Not applicable.
- (b) Not applicable.
- (c) Not applicable.
- (d) Exhibits.

Exhibit Number -----	Description of Exhibit -----
10.1	Amended and Restated Delphi Capital Management, Inc. Pension Plan for Robert Rosenkranz
10.2	Amended and Restated Reliance Standard Life Insurance Company Nonqualified Deferred Compensation Plan
10.3	Amendment, Restatement and Consolidation of Prior Award Agreements for Robert Rosenkranz
10.4	Amendment and Restatement of Restricted Share Unit Award Agreement for Donald A. Sherman
10.5	General Form of SNCC Performance-Contingent Option Award Agreement

Pursuant to the requirements of the Securities Exchange Act of 1934, the Registrant has duly caused this report to be signed on its behalf by the undersigned hereunto duly authorized.

DELPHI FINANCIAL GROUP, INC.

/s/ ROBERT ROSENKRANZ

Robert Rosenkranz
Chairman of the Board
and Chief Executive Officer
(Principal Executive Officer)

Date: December 23, 2008

DELPHI CAPITAL MANAGEMENT, INC.

PENSION PLAN FOR ROBERT ROSENKRANZ

Effective January 1, 1992
Amended and Restated Effective as of December 18, 2008

SECTION 1

INTRODUCTION

Delphi Capital Management, Inc. (the “Employer”) hereby amends and restates, effective as of December 18, 2008, the Delphi Capital Management, Inc. Pension Plan for Robert Rosenkranz (the “Plan”) originally adopted effective January 1, 1992, as previously amended, in order to effect certain changes to the Plan in order to comply with Section 409A of the Code (as defined herein) and thus to preserve its purpose of serving as an additional inducement to Robert Rosenkranz to remain in its employ by providing him retirement and related benefits.

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SECTION 2

DEFINITIONS

The following words and phrases as used herein shall have the meanings specified below, unless a different meaning is plainly required by the context:

- 2.1 *Actuarial Equivalent* - shall mean a benefit of equivalent value based on factors developed from the following assumptions:
 - A. the mortality assumption is based on the 1984 Unisex Pension Mortality Table, with a three-year setback in age for Robert Rosenkranz and no setback for Beneficiaries;
 - B. the interest rate is 7-1/2%.
- 2.2 *Actuary* - shall mean the individual actuary or firm of actuaries selected by the Employer to provide actuarial services in connection with the administration of the Plan.
- 2.3 *Annuity Starting Date* - shall mean the date on which benefit payments commence under the Plan.
- 2.4 *Affiliated Company* - shall mean any corporation or other business entity which is included in a controlled group of corporations within which the Employer is also included, as provided in section 414(b) of the Code, or which is a trade or business under common control with the Employer, as provided in section 414(c) of the Code, or which constitutes a member of an affiliated service group within which the Employer is also included, as provided in section 414(m) of the Code.
- 2.5 *Beneficiary* - shall mean the person or entity who is to receive the payments, if any, that are to be made under the Plan after Robert Rosenkranz's death. Unless Robert Rosenkranz designates otherwise, his Beneficiary shall be his Spouse or, if there is none, his estate. Robert Rosenkranz may designate a person or entity to be his Beneficiary by filing with the Employer a written designation on a form provided for such purpose.
- 2.6 *Board of Directors or Board* - shall mean the Board of Directors of the Employer.
- 2.7 *Code* - shall mean the Internal Revenue Code of 1986, as amended, and the same as may be further amended from time to time.
- 2.8 *Compensation* - shall mean for any calendar year beginning on or about the Effective Date the aggregate of Robert Rosenkranz's taxable income as reported on his Form W-2 from each Affiliated Company for that year plus amounts contributed for that year as a deferral under a cash or deferred arrangement described in section 401(k) of the Code or to a plan described in Section 125

of the Code, less (a) any severance pay, tuition, auto expense or moving expense reimbursements or allowances, (b) any taxable income arising from the exercise of stock options, the receipt or vesting of, or payment under, restricted or deferred shares or other equity-based awards and (c) any imputed taxable income resulting from Employer-provided group life insurance coverage which is included as taxable income on Form W-2.

- 2.9 *Credited Service* - shall mean the sum of (A) and (B) where (A) is Robert Rosenkranz's years of employment with the Employer or an Affiliated Company from and after the Effective Date, with a partial year treated as a full year, and (B) is fourteen years.
- 2.10 *Effective Date* - shall mean January 1, 1992.
- 2.11 *Employer* - shall mean Delphi Capital Management, Inc. and any successor thereof.
- 2.12 *Final Average Earnings* - shall mean the average of Robert Rosenkranz's Compensation for the five consecutive calendar years out of the last ten calendar years prior to his retirement or termination of employment with the Employer and each Affiliated Company which yields the highest average.
- 2.13 *Normal Annuity Form* - shall mean a straight life annuity for Robert Rosenkranz's life.
- 2.14 *Plan* - shall mean the Delphi Capital Management, Inc. Pension Plan for Robert Rosenkranz as set forth herein and as it may be amended from time to time.
- 2.15 *Retirement Date* - shall mean the date on which Robert Rosenkranz Separates from Service with the Employer and all Affiliated Companies.
- A. *Normal Retirement Date.* Robert Rosenkranz's Normal Retirement Date shall be the first day of the month coincident with or next following his 65th birthday.
- B. *Late Retirement Date.* Robert Rosenkranz's Late Retirement Date shall be the first day of the month coincident with or next following his actual Separation from Service with the Employer and all Affiliated Companies after his Normal Retirement Date.
- 2.16 *Separate From Service* and *Separation From Service* - shall each have the meaning set forth in Treas. Reg. Section 1.409A-1(h).
- 2.17 *Social Security Covered Compensation* - shall mean the average of the contribution and benefit bases in effect under section 230 of the Social Security Act for each year in the 35-year period ending with the year in which Robert Rosenkranz attains his Social Security Retirement Age. The determination for any year preceding the year in which Robert Rosenkranz attains his Social

Security Retirement Age shall be made by assuming that there is no increase in the contribution and benefit bases in effect under section 230 of the Social Security Act after the determination year and before Robert Rosenkranz attains his Social Security Retirement Age.

- 2.18 *Social Security Retirement Age* - shall mean the retirement age applicable to Robert Rosenkranz under section 216(1) of the Social Security Act, except that such section shall be applied without regard to the age increase factor, and as if the early retirement age under section 216(1)(2) of such Act were 62.
- 2.19 *Spouse* - shall mean the person, if any, to whom Robert Rosenkranz is lawfully married at the time of his death prior to retirement, at the time of his retirement, or at the time his benefits are to commence, as the case may be.

SECTION 3

RETIREMENT INCOME AND OTHER BENEFITS

- 3.1 *Retirement Benefit at Normal or Late Retirement Date.* Robert Rosenkranz's annual benefit on his Normal or Late Retirement Date, when paid in the Normal Annuity Form, shall be in an amount equal to (A) plus (B), minus (C), all determined as of the date benefits commence:
- A. .85% of Robert Rosenkranz's Final Average Earnings which are not in excess of Social Security Covered Compensation plus 2% of Robert Rosenkranz's Final Average Earnings in excess of Social Security Covered Compensation, multiplied by Credited Service (not to exceed 35 years), plus
 - B. 1% of the Robert Rosenkranz's Final Average Earnings multiplied by Credited Service in excess of 35 years, minus
 - C. Robert Rosenkranz's benefit, paid in the form of a straight life annuity for his life under the Reliance Standard Life Insurance Company Pension Plan.

Notwithstanding the foregoing, if Robert Rosenkranz Separates from Service with the Employer and all Affiliated Companies on a Late Retirement Date, his benefit shall be the greater of the amount determined above as of his Late Retirement Date or the Actuarial Equivalent of the amount determined under the formula as of his Normal Retirement Date.

- 3.2 *Annuity Starting Date.* Subject to Section 3.3 below, payments shall begin with the first day of the first month following the month in which Robert Rosenkranz Separates from Service with the Employer and all Affiliated Companies on or after his Normal Retirement Date. The monthly payment shall be one-twelfth of the amount determined under Section 3.1.
- 3.3 *Section 409A.* It is intended that this Plan will comply with Section 409A of the Code and any regulations and guidelines issued thereunder, to the extent the Plan is subject thereto, and the Plan shall be interpreted on a basis consistent with such intent. Notwithstanding any provision to the contrary in this Plan, if Robert Rosenkranz is deemed on the date of his Separation From Service to be a "specified employee" (within the meaning of Treas. Reg. Section 1.409A-1(i)), then with regard to any payment that is required to be delayed pursuant to Section 409A(a)(2)(B) of the Code, the portion, if any, of such payment so required to be delayed shall not be made prior to the earlier of (i) the expiration of the six (6)-month period measured from the date of his Separation From Service, or (ii) the date of his death (the "Delay Period"). Upon the expiration of the Delay Period, all payments delayed pursuant to this Section shall be paid to Robert Rosenkranz in a lump sum.

SECTION 4

PAYMENT FORM AND DISTRIBUTION OF BENEFITS

- 4.1 *Normal Form of Retirement Benefit.* Robert Rosenkranz's benefit shall be paid in the Normal Annuity Form unless he elects an alternate form of payment in accordance with Section 4.2.
- 4.2 *Retirement Income Option.* Robert Rosenkranz may elect to receive his benefit in accordance with one of the following options in an annual amount of benefit which is the Actuarial Equivalent of the benefit payable in the Normal Annuity Form.

Options: A reduced annual amount of benefit payable to Robert Rosenkranz for his life with 50% or 100% of such reduced annual amount continued upon his death to his designated Beneficiary for life.

The election of an Option and the designation of a Beneficiary in accordance with this Section shall be subject to the following rules:

- A. Any election (including but not limited to the designation of a Beneficiary) shall be made prior to Robert Rosenkranz's Annuity Starting Date, and shall be in writing on forms provided for such purpose. No election, or revocation thereof, shall be permitted after the Annuity Starting Date.
- B. If any Beneficiary designated by Robert Rosenkranz under an option dies before his Annuity Starting Date, the election shall be deemed null and void and, unless he elects another option and designates another Beneficiary, the benefit shall be paid in accordance with Section 4.1.
- C. If any Beneficiary designated under the Options dies after Robert Rosenkranz's Annuity Starting Date, the option shall continue in effect, the annual amount of benefit payable at the time of the Beneficiary's death shall remain unchanged, and no further benefits shall be payable upon Robert Rosenkranz's death.

SECTION 5

VESTING

- 5.1 *Termination of Service.* Robert Rosenkranz shall have a nonforfeitable right to the amount of benefit he has earned as calculated under Section 3.1 as of the date of his Separation from Service with the Employer and all Affiliated Companies.

SECTION 6

DEATH BENEFITS

- 6.1 *General Rule.* No death benefits shall be payable under this Plan except as provided by this Section 6.
- 6.2 *Preretirement Surviving Spouse's Annuity.* If Robert Rosenkranz dies before commencing to receive payment of his benefit, his Spouse shall be entitled to receive monthly payments as hereafter provided. In each case, the benefit amount shall be derived from the formula under Section 3.1 based on Credited Service and Final Average Compensation at date of death with appropriate reductions to reflect early commencement and conversion to a joint and 50% survivor annuity.
- A. Death after age 55: Payments to the surviving Spouse shall be 50% of the amount Robert Rosenkranz would have received had he elected a joint and 50% survivor annuity with his Spouse as survivor annuitant and had retired on the day before his death and elected to have benefits commence immediately. The Annuity Starting Date shall be the first day of the month coinciding with or next following the date of Robert Rosenkranz's death.
 - B. Death before age 55: Payments to the surviving Spouse shall be determined as if Robert Rosenkranz had (i) separated from service on the date of his death, (ii) survived to age 55, (iii) retired with an immediate joint and 50% survivor annuity at age 55, and (iv) died on the day after the day on which he would have attained his 55th birthday. The Annuity Starting Date shall be the first day of the month coinciding with or next following the date Robert Rosenkranz would have attained age 55.
 - C. The benefits payable pursuant to this Section 6.2 shall cease with the payment for the month in which the death of Robert Rosenkranz's Spouse occurs.
- 6.3 *Post-Retirement Death Benefit.* If Robert Rosenkranz dies after payment of benefits begins, a death benefit shall be payable only if the method of payment he selected expressly provides for a survivor or other benefit payable upon his death.

SECTION 7

AMENDMENT AND TERMINATION OF PLAN

- 7.1 *Termination.* The Employer reserves the right to terminate the Plan at any time by action of its Board of Directors, with the prior approval of the Compensation Committee of the Board of Directors of the Employer's parent, Delphi Financial Group, Inc., or any successor to such committee (the "Compensation Committee"). No termination shall be effective until written notice thereof is

delivered to Robert Rosenkranz. In the event of any such termination, the Employer shall pay the benefit accrued through the date of delivery of notice of termination in accordance with the terms of the Plan.

- 7.2 *Amendments.* The Employer shall have the right, through its Board of Directors and subject to the prior approval of the Compensation Committee, to amend this Plan at any time and to any extent that it may deem advisable. Without the written consent of Robert Rosenkranz, no such amendment shall cause a reduction of benefits then accrued or in pay status or accelerate the payment of benefits earned under the Plan.

SECTION 8

ADMINISTRATION OF THE PLAN

- 8.1 *Administration of the Plan.* The Plan shall be administered by the Compensation Committee, as designee of the Board. The Compensation Committee shall have the power:
- A. to adopt such rules and regulations consistent with the provisions of the Plan;
 - B. to construe and interpret the Plan and to resolve all questions arising under the Plan;
 - C. to direct the Employer to pay benefits under the Plan; and
 - D. to give such other directions and instructions as may be necessary for the proper administration of the Plan.
- 8.2 *No Funding Required.* The rights and benefits of Robert Rosenkranz and any Beneficiary hereunder shall be solely those of an unsecured creditor of the Employer. No assets acquired or held by the Employer shall be deemed to be held by the Employer in trust for any of them hereunder or to be security for the performance of any obligation of the Employer hereunder.
- 8.3 *Controlling Law.* This Plan and all questions relating to its validity, interpretation, performance or enforcement, shall be governed by and construed in accordance with the laws of the State of New York.
- 8.4 *Assignment.* Except for the right to designate a Beneficiary, Robert Rosenkranz may not assign, transfer, pledge or encumber his rights under this Plan. The right of any Beneficiary to the payment of benefits under this Plan may not be assigned, transferred, pledged or encumbered.

- 8.5 *Facility of Payment.* If the Employer finds that any person to whom any payment is payable under this Plan is unable to care for his affairs because of illness or accident, or is a minor, any payment due (unless a prior claim therefor shall have been made by a duly appointed guardian, committee or other legal representative) may be paid to the spouse, a child, or a parent or a brother or sister, or to any person deemed by the Employer to have incurred expense for such person otherwise entitled to payment, in such manner and proportions as the Employer may determine. Any such payment shall be a complete discharge of the liabilities of the Employer under this Plan.
- 8.6 *Employment Agreement.* Nothing contained herein shall be construed as conferring upon Robert Rosenkranz the right to continue in the Employer's employ.
- 8.7 *Other Benefits.* Any amount payable under this Plan shall not be deemed salary or other compensation for the purpose of computing benefits to which Robert Rosenkranz may be entitled under any plan, program or arrangement of the Employer for the benefit of its employees.
- 8.8 *Binding Agreement.* This Plan shall be binding upon the Employer and its successors and assigns and shall be binding upon and inure to the benefit of Robert Rosenkranz and his Beneficiary. This Plan supersedes any prior agreement between Employer and Robert Rosenkranz with respect to the subject matter hereof.

IN WITNESS WHEREOF, the Employer has caused this Plan to be executed and attested on its behalf by its duly authorized officers as of December 18, 2008.

ATTEST:

Delphi Capital Management, Inc.

By: /s/ CHAD W. COULTER
Chad W. Coulter
Secretary

By: /s/ THOMAS W. BURGART
Thomas W. Burghart
Vice President and Treasurer

**RELIANCE STANDARD LIFE INSURANCE COMPANY
NONQUALIFIED DEFERRED COMPENSATION PLAN
AS AMENDED AND RESTATED EFFECTIVE JANUARY 1, 2009**

Preamble

Reliance Standard Life Insurance Company (the "Company") hereby adopts the Nonqualified Deferred Compensation Plan (the "Plan"), as amended and restated effective January 1, 2009. The purpose of the Plan, which will supersede all prior versions of the Plan, is to provide a select group of highly-compensated employees of the Company and its participating Affiliated Companies with the opportunity to defer compensation.

The select group of highly-compensated employees who will be eligible for the Plan and are currently eligible to participate in the Reliance Standard Life Insurance Company Retirement Savings Plan (the "Retirement Savings Plan") have a limit imposed on the amount of contributions they can make to the Retirement Savings Plan. The Plan will allow these highly-compensated employees to participate in this Plan.

For those employees who are eligible to participate in the Retirement Savings Plan, the Plan will allow them to be credited with the same level of Company matching contributions they would have received had certain restrictions not been imposed on contributions to the Retirement Savings Plan.

Definitions

The terms used in this Plan shall have the meanings set forth below:

1. Account shall mean the bookkeeping account described in Section 4 of this Plan for a NQDC Plan Participant.
2. Affiliated Company shall mean any entity with whom the Company would be considered a single employer under Code Section 414(b) or 414(c) provided that in applying Code Section 1563(a)(1), (2) and (3) for purposes of determining a controlled group of corporations under Code Section 414(b), the language "at least 50 percent" is used instead of "at least 80 percent" each place it appears in Code Section 1563(a)(1), (2) and (3), and in applying Regulation 1.414(c)-2 for purposes of determining trades or businesses (whether or not incorporated) that are under common control for purposes of Code Section 414(c), "at least 50 percent" is used instead of "at least 80 percent" each place it appears in Regulation 1.414(c)-2.
3. Annual Compensation shall mean annual salary, bonuses and commissions, but excludes severance pay, tuition, auto expense or moving expense reimbursements or allowances and any group-term life insurance included on the

NQDC Plan Participant's W-2.

4. Code shall mean the Internal Revenue Code of 1986, as amended from time to time.
5. Committee shall mean the person or persons appointed by the Board of Directors of the Company to administer the Plan.
6. Company shall mean Reliance Standard Life Insurance Company.
7. Eligible Employee shall mean, for any calendar year, an employee of a Participating Employer who is eligible to participate in the Plan, as described in Section 1 of this Plan.
8. ERISA shall mean the Employee Retirement Income Security Act of 1974, as amended.
9. Nonqualified Deferred Annual Compensation shall mean Annual Compensation deferred by the NQDC Plan Participant to his/her Account under Section 2 of this Plan.
10. NQDC Plan Participant shall mean an Eligible Employee who has elected to defer his/her Annual Compensation pursuant to Section 2 of the Plan.
11. Participating Employer shall mean
 - (a) the Company, Delphi Capital Management, Inc., First Reliance Standard Life Insurance Company, and any Affiliated Company which shall adopt the Plan for their employees with the approval of the Board of Directors of the Company; and
 - (b) any successor to the business entity described in subsection (a) as a result of a statutory merger, purchase of assets or any other form of reorganization of the business of the business entity described in subsection (a).
12. Plan shall mean this Reliance Standard Life Insurance Company Nonqualified Deferred Compensation Plan as set forth herein and as may be amended from time to time.
13. Plan Matching Amounts shall mean matching amounts credited to a NQDC Plan Participant's Account pursuant to Section 3 of this Plan.
14. Retirement Savings Plan shall mean the Reliance Standard Life Insurance Company Retirement Savings Plan.
15. Retirement Savings Plan Elective Contributions shall mean Basic contributions

made by an employee to the Retirement Savings Plan.

16. Retirement Savings Plan Matching Contributions shall mean Company contributions made with respect to an employee pursuant to the Retirement Savings Plan.
17. Retirement Savings Plan Participant shall mean an employee of the Company or an Affiliated Company who is considered a Retirement Savings Plan Participant pursuant to the terms of the Retirement Savings Plan.
18. Separation from Service shall mean, for a NQDC Plan Participant, his or her death, his or her termination of employment, his or her absence from employment on account of disability for a period of six months, discharge or any absence that causes him or her to cease to be an employee of a Participating Employer, within in the meaning of the Section 409A of the Code.

Section 1 – Eligibility

An employee of a Participating Employer will become eligible to participate in the Plan on January 1 of the calendar year with respect to which he/she is first designated as a highly-compensated employee, as defined in Code Section 414(q) and the regulations thereunder and in accordance with any “top-paid” group election made by the Company for such calendar year under qualified plans sponsored by the Company.

Section 2 – Nonqualified Deferred Annual Compensation Elections

Each Eligible Employee shall be eligible to defer from 1% to 10% of his/her Annual Compensation which would otherwise be payable to him/her for services to be rendered in the following calendar year. Such employee must elect to defer prior to the beginning of the calendar year of such deferral, except as otherwise provided below for a “newly eligible” employee.

In the case of the first calendar year in which an employee becomes eligible to participate, such “newly eligible” employee must make such deferral election within 30 days after his/her initial January 1 eligibility date, with respect to Annual Compensation paid for services performed after the election. In the event an employee has ceased being eligible to participate (other than the accrual of earnings) for a period of at least 24 months, and subsequently becomes eligible to participate in the Plan again, the employee shall be considered a “newly eligible” employee and such employee’s original deferral election as to time and form of payment shall be reinstated.

Each NQDC Plan Participant shall file with the Company, at the time of his/her initial deferral election, an irrevocable election regarding the percentage of compensation to be deferred under the Plan, the timing of distributions and the form of distribution for all amounts in his/her Account under the Plan. Deferral elections with respect to the

percentage of compensation to be deferred under the Plan shall remain in effect until a NQDC Plan Participant elects otherwise in accordance with this Section 2. Deferral elections with respect to the timing of distribution and the form of distribution shall remain in effect for all subsequent deferral elections.

Each NQDC Plan Participant shall be provided with the opportunity to make a special election one-time election as to the time and form of payment of the distribution of the Participant's Account pursuant to the transition relief rules provided under Section 409A of the Code and the regulations promulgated thereunder. Such election must be made by December 31, 2008 and must be made in accordance with the procedure set forth by the Company. Such election shall only apply to amounts that would not otherwise be payable in the 2008 calendar year and shall not cause an amount to be paid in the 2008 calendar year that would not otherwise be payable in the 2008 calendar year.

Section 3 – Plan Matching Amounts

In the event that a Retirement Savings Plan Participant has elected Nonqualified Deferred Annual Compensation with respect to a calendar year, the Company shall determine a Plan Matching Amount under this Plan for such employee. The Plan Matching Amount shall be equal to the Retirement Savings Plan Matching Contribution that would have been credited for such year to the NQDC Plan Participant had the NQDC Plan Participant also contributed the Nonqualified Deferred Annual Compensation to the Retirement Savings Plan, less the actual amount of Retirement Savings Plan Matching Contribution credited to such Retirement Savings Plan Participant for such year. For this purpose the annual compensation limit under Code Section 401(a)(17) does not apply. Notwithstanding the above, the maximum amount of Plan Matching Amounts that may be made with respect to a NQDC Plan Participant for a calendar year will not exceed 50% of the lesser of (i) 4% of his/her Annual Compensation, or (ii) the annual limit on pre-tax contributions under Code Section 402(g), less the actual Retirement Savings Plan Matching Contribution credited to such Retirement Savings Plan Participant for such year.

Section 4 – Plan Accounting

Nonqualified Deferred Annual Compensation and Plan Matching Amounts will not be considered current income to the employee for federal income tax purposes and shall remain the property of the Company. No NQDC Plan Participant shall acquire any property interest in such amount or other assets of the Company, his/her right being limited to receiving from the Company deferred payments as set forth in this Plan. To the extent that any NQDC Plan Participant acquires a right to receive benefits under this Plan, such right shall be no greater than the right of any unsecured general creditor. No such right shall be assignable by a NQDC Plan Participant except that payments may be made to his/her beneficiary or his/her estate under the terms of Section 5.

A Rabbi Trust has been established in connection with the Plan. SEI Private Trust

Company will serve as the trustee of the Rabbi Trust. The assets in the Rabbi Trust can only be used to pay benefits under the Plan or to pay claims of general creditors.

The Company shall establish separate bookkeeping Accounts to record all Nonqualified Deferred Annual Compensation, Plan Matching Amounts, and earnings or losses thereon for each NQDC Plan Participant. Nonqualified Deferred Annual Compensation, Plan Matching Amounts, and earnings or losses thereon shall be credited to such Accounts.

Section 5 – Distribution of Nonqualified Deferred Annual Compensation, Plan Matching Amounts, and Earnings or Losses Thereon

- (a) Termination of Employment. At the time of his/her initial deferral election as provided in Section 2 of this Plan, each NQDC Plan Participant shall irrevocably elect that the total amount in his/her Account shall begin to be paid as of one of the following dates:
- (i) as soon as administratively feasible, but in any event within 90 days (and no later than March 15 of the calendar year following the calendar year of the NQDC Plan Participant's Separation from Service) from the NQDC Plan Participant's Separation from Service, or
 - (ii) on February 1 (and in no event later than March 15) of the calendar year following the calendar year in which the NQDC Plan Participant's Separation from Service occurs.

If a NQDC Plan Participant does not make an election with respect to the timing of payment, his or her account will be paid in accordance with Section 5(a)(ii).

- (b) Form of Payment. Payment of the Account will be made in one lump sum or in equal annual installments over a 5-year period, beginning on the date so specified by the employee. NQDC Plan Participants may elect the form of payment of the Account in accordance with Section 2. If a NQDC Plan Participant does not elect a form of payment, such participant will receive his or her distribution in the form of one lump sum cash payment.
- (c) Death. Upon the death of a NQDC Plan Participant or former NQDC Plan Participant, the balance (or remaining balance, if installments have commenced pursuant to Section 5(a) of this Plan) of his/her Account shall be payable to his/her beneficiary (or if none, to his/her estate), in a lump sum, with such payment to be made within 30 days following the end of the calendar quarter in which the NQDC Plan Participant's death occurs.
- (d) Specified Employees. Notwithstanding any provision of this Plan to the contrary, in the case of a NQDC Plan Participant who is a "specified employee" (as

defined in Code Section 409A(a)(2)(B)(i)) of the Company or any of its Affiliated Companies, payment of such NQDC Plan Participant's Account will be made or will commence as of the first day of the seventh month after the date the NQDC Plan Participant ceases to be an employee of the Company or any of its Affiliated Companies, other than by reason of death, and in that case all amounts otherwise payable before the first day of such seventh month shall be paid on that date in a lump sum to his/her beneficiary (or if none, to his/her estate).

Section 6 – Hardship Distributions

Notwithstanding a NQDC Plan Participant's irrevocable election of a time and form of payment at the time of his/her initial deferral election pursuant to Section 2 of this Plan, and in accordance with the provisions of Code Section 409A, a NQDC Plan Participant may make a withdrawal of all or part of his/her Account prior to such elected distribution date and in the form of a lump sum, but only in the event the NQDC Plan Participant incurs an unforeseeable emergency and only if the withdrawal is approved by the Committee. For this purpose, an "unforeseeable emergency" is an unanticipated emergency caused by an event beyond the control of the NQDC Plan Participant which would result in a severe financial hardship if early withdrawal were not permitted, and which cannot be relieved through reimbursement or compensation from insurance or otherwise, by liquidation of the NQDC Plan Participant's assets (to the extent the liquidation of such assets would not cause severe financial hardship), or by cessation of deferrals under the Plan. Any such distribution shall not exceed the amount reasonably necessary to satisfy the emergency need (which may include amounts necessary to pay any federal, state, local, or foreign income taxes or penalties reasonably anticipated to result from the distribution). An "unforeseeable emergency" shall include severe financial hardship to the NQDC Plan Participant arising out of any of the following:

- (a) An illness or accident of the NQDC Plan Participant or his/her spouse, beneficiary, or dependent (as defined in Code Section 152, determined without regard to subsections (b)(1), (b)(2), and (d)(1)(B) thereof);
- (b) Loss of the NQDC Plan Participant's property due to casualty; or
- (c) Other similar extraordinary and unforeseeable circumstances arising as a result of events beyond the NQDC Plan Participant's control.

Requests for early distribution on account of hardship shall be reviewed by the Committee and payment shall be made only upon the approval by the Committee, in its sole discretion and subject to the requirements of Code Section 409A.

Section 7 – Plan Administration

The Plan shall be administered by the Committee, which shall have discretionary authority to make, amend, interpret and enforce all appropriate rules and regulations for the administration of this Plan and to utilize its discretion to decide or resolve any and all questions, including but not limited to eligibility for benefits and interpretations of this Plan and its terms, as may arise in connection with the Plan. Claims for benefits shall be filed with the Committee and resolved in accordance with the claims procedures in Section 10.

Section 8 – Amendment of the Plan

The Plan may be amended from time to time by resolution of the Board of Directors of the Company (or, to the extent provided in the following sentence, the Company's Pension and Retirement Savings Committee), but no such amendment shall have the effect of reducing any benefits payable hereunder or otherwise affecting the rights of NQDC Plan Participants or their beneficiaries with respect to the payment of amounts accumulated under the Plan prior to the date of said amendment. The Company's Pension and Retirement Savings Committee may by resolution approve any amendment to the Plan that is for purpose of curing any ambiguity, correcting or supplementing any provision of the Plan, or making a change that is necessary or appropriate for purposes of compliance with any federal or applicable state law, rule, regulation or any opinion, directive or order of any federal or relevant state governmental authority.

Section 9 – Plan Termination

The Plan will continue in effect until terminated by resolution of the Board of Directors of the Company, but in the event of such termination, the amounts accumulated pursuant to the Plan prior to termination will continue to be subject to the provisions of the Plan as if the Plan had not been terminated.

Section 10 – Claims Procedures

In the event that a benefit hereunder is wholly or partially denied to any NQDC Plan Participant or his/her beneficiary (hereinafter "Claimant"), the following procedures shall be applicable:

- (a) The Committee shall give written notice of the denial of benefit to the Claimant, setting forth (i) the specific reason for the denial, (ii) specific reference to pertinent Plan provisions on which the denial is based, (iii) a description of any additional material or information necessary for the Claimant to perfect the claim and an explanation of why such material or information is necessary, and (iv) the procedure by which the Claimant may appeal the denial of his claim (including the time limits applicable to such procedures and a statement of the Claimant's rights to bring a civil action under Section 502(a) of ERISA, following an adverse benefit determination on review).

- (b) Any Claimant shall have the right to request a review of the Committee's determination. Such request for review must be made in writing and must be filed with the Committee within 60 days of the sending of the Committee's notice of denial. In connection with any such review, the Claimant or his duly authorized representative shall be provided, upon request and free of charge, reasonable access to, and copies of, all documents, records and other information relevant to the claim for benefits and shall have the opportunity to submit issues and comments in writing to the Committee. Within 60 days after receipt of the written appeal (unless an extension of time is agreed to by the parties, but in no event more than 120 days after such receipt), the Committee shall notify the Claimant of this final decision. Such final decision shall be in writing and shall include (A) the reasons for the decision, (B) specific references to the pertinent Plan provisions on which the decision is based, (C) a description of the Claimant's right to, upon request and free of charge, reasonable access to, and copies of, all documents, records and other information relevant to the claim for benefits; (D) a description of any voluntary appeals procedure offered by the Plan, and (E) a statement of the Claimant's right to bring a civil action under section 502(a) of ERISA.

Section 11 – General Conditions

- (a) No Employment Contract. Nothing contained herein shall be construed as conferring upon any person the right to be employed or continue in the employ of the Company or the Affiliated Companies.
- (b) Withholding. The Company shall have the right to withhold from any payment made under the Plan any taxes required by law to be withheld in respect of such payment.
- (c) Governing Law. To the extent not preempted by ERISA, the laws of the Commonwealth of Pennsylvania shall govern the construction and administration of the Plan.
- (d) Binding Upon Successors. The liabilities under the Plan shall be binding upon any successor or assign of the Company and any purchaser of the Company or substantially all of the assets of the Company.
- (e) Compliance with Law. The Plan is intended to comply with the applicable requirements of Code Section 409A and its corresponding regulations and related guidance, and shall be administered in accordance with Code Section 409A. Notwithstanding any provision of the Plan to the contrary, elections to defer Annual Compensation to the Plan and distributions from the Plan may only be made in a manner and upon an event permitted by Code Section 409A, and all payments to be made upon a termination of employment under this Plan may only be made upon a "separation from service" within the meaning of such term

under Code Section 409A. For purposes of Code Section 409A, the right to a series of installment payments under this Plan shall be treated as a right to a series of separate payments. To the extent that any provision of the Plan would cause a conflict with the requirements of Code Section 409A, or would cause the administration of the Plan to fail to satisfy the requirements of Code Section 409A, such provision shall be deemed null and void to the extent permitted by applicable law.

TO RECORD the adoption of the Plan as amended and restated herein, the Company has caused its authorized officer to affix its corporate name and seal hereto this 18th day of December, 2008.

RELIANCE STANDARD LIFE
INSURANCE COMPANY

Attest:

 /S/ CHARLES T. DENARO
Secretary

 /S/ LAWRENCE E. DAURELLE (Seal)
Authorized Officer

PARTICIPATING EMPLOYERS:

DELPHI CAPITAL MANAGEMENT, INC.

 /S/ CHAD W. COULTER
Authorized Officer

FIRST RELIANCE STANDARD LIFE INSURANCE COMPANY

 /S/ THOMAS W. BURGHART
Authorized Officer

December 22, 2008

Robert Rosenkranz
c/o Delphi Capital Management, Inc.
590 Madison Avenue, 30th Floor
New York, NY 10022

Amendment, Restatement and Consolidation of Prior Award Agreements

Dear Bob:

This letter will serve as notice that, by action of the Compensation Committee (the "Committee") of the Board of Directors of Delphi Financial Group, Inc. (the "Company"), the terms and conditions of the awards made to you on February 11, 2004, February 9, 2005, February 8, 2006 and February 16, 2007 of 100,515, 78,143, 73,356 and 73,475 Deferred Shares, respectively (collectively, the "Deferred Shares"), pursuant to the Company's Amended and Restated Long-Term Incentive and Share Award Plan (the "Predecessor Plan"), as described in the various Award Agreements relating thereto, as heretofore amended (collectively, the "Prior Award Agreements"), have, pursuant to Section 9 of the Restated Plan (as defined below), been amended and restated in accordance with the terms hereof. As you are aware, by action of the Committee taken on August 23, 2007, the Predecessor Plan was further amended and restated through the adoption of the Second Amended and Restated Long-Term Incentive and Share Award Plan (as subsequently amended, the "Restated Plan"). The Deferred Shares granted in February 2004 are referred to below as the "2004 Deferred Shares"; the Deferred Shares granted in February 2005 are referred to below as the "2005 Deferred Shares"; the Deferred Shares granted in February 2006 are referred to below as the "2006 Deferred Shares" and the Deferred Shares granted in February 2007 are referred to below as the "2007 Deferred Shares." All amounts relating to the Deferred Shares or shares of Company stock in this letter are set forth on a split-adjusted basis, where applicable.

In connection with the amendments and restatements of the terms and conditions of the Deferred Shares, this letter will serve to consolidate and replace the Prior Award Agreements in their entirety with respect to such terms and conditions. The Deferred Shares are in all respects subject to the terms and conditions of the Restated Plan (except as otherwise expressly provided herein), and, in addition, to the following terms and conditions (with all

capitalized terms used but not defined below having the meanings set forth in the Restated Plan):

With respect to the 10,515 in number of the 2004 Deferred Shares that had vested on December 31, 2004 (the "Exempt Deferred Shares"), you will be entitled to receive a number of shares of Company Class B Common Stock (the "Class B Stock") upon the earliest to occur of the events set forth in the Predecessor Plan, as in effect on the date on which the Exempt Deferred Shares were awarded. With respect to the Exempt Deferred Shares only, to the extent of any inconsistency between the terms of the Predecessor Plan, as in effect on the date of grant thereof, and the Restated Plan, the terms of the Predecessor Plan shall prevail.

With respect to (1) the remaining 90,515 in number of the 2004 Deferred Shares and (2) all of the 2005 Deferred Shares, such Deferred Shares entitle you to receive a number of shares of the Class B Stock corresponding to the applicable number of Deferred Shares upon the earliest to occur of the events set forth in the Restated Plan, subject to any Delay Period required by Section 10 of the Restated Plan, it being confirmed that the Supplemental Requirements previously in effect with respect to such Deferred Shares have been satisfied in their entirety.

The 2006 Deferred Shares entitle you to receive 73,356 shares of the Class B Stock upon the earliest to occur of the events set forth in the Restated Plan, subject to any Delay Period required by Section 10 of the Restated Plan and to the Supplemental Requirement described in the following sentence. Under the Supplemental Requirement applicable to the 2006 Deferred Shares, a retirement by you from employment that would otherwise entitle you to receive 73,356 shares of the Class B Stock pursuant to the provisions of Sections 5.4(a) and 6.2(c) of the Restated Plan must occur on or after February 8, 2009. However, such Supplemental Requirement has been or shall be, as applicable, eliminated with respect to 24,452 of the 2006 Deferred Shares on each of February 8, 2007, February 8, 2008, and February 8, 2009.

The 2007 Deferred Shares entitle you to receive 73,475 shares of the Class B Stock upon the earliest to occur of the events set forth in the Restated Plan, subject to any Delay Period required by Section 10 of the Restated Plan and to the Supplemental Requirement described in the following sentence. Under the Supplemental Requirement applicable to the 2007 Deferred Shares, a retirement by you from employment that would otherwise entitle you to receive 73,475 shares of the Class B Stock pursuant to the provisions of Sections 5.4(a) and 6.2(c) of

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the Restated Plan must occur on or after February 8, 2010. However, such Supplemental Requirement shall be eliminated with respect to 24,491 of the 2007 Deferred Shares on each of February 8, 2008 and February 8, 2009, respectively, and, with respect to the remaining 2007 Deferred Shares, on February 8, 2010.

In addition, with respect to the three preceding paragraphs, it is hereby confirmed that, for purposes of each event specified in the Restated Plan giving rise to an entitlement to receive shares of the Class B Stock based upon or in connection with the termination of your employment, it is hereby confirmed that your employment shall not be deemed to have terminated for purposes thereof unless the termination event constitutes a "separation from service" as defined in Treas. Reg. § 1.409A-1(h).

Except as to the Exempt Deferred Shares, it is intended that the Deferred Shares and this letter will comply with Section 409A of the Code and any regulations and guidelines issued thereunder, and this letter shall be interpreted on a basis consistent with such intent. The Company shall not have any obligation to indemnify or otherwise protect you from any obligation to pay any taxes pursuant to Section 409A of the Code.

Please confirm your consent to and acceptance of the amended and restated terms and conditions of the Deferred Shares set forth above, which shall supersede the provisions of the Prior Award Agreements in their entirety, by signing and dating both counterparts of this letter and returning one to me. The other counterpart may be retained for your files.

Very truly yours,

/s/ CHAD W. COULTER

Chad W. Coulter
Senior Vice President, Secretary
and General Counsel

Agreed to and accepted:

/s/ ROBERT ROSENKRANZ
Robert Rosenkranz

Date: December 22, 2008

December 22, 2008

Donald A. Sherman
c/o Delphi Capital Management, Inc.
590 Madison Avenue, 30th Floor
New York, New York 10022

Amendment and Restatement of Restricted Share Unit Award Agreement

Dear Don:

This letter will serve as notice that, by action of the Compensation Committee (the "Committee") of the Board of Directors of Delphi Financial Group, Inc. (the "Company"), the terms and conditions of the award made to you effective February 16, 2007 of 17,144 Restricted Share Units (the "Units"), pursuant to the Company's 2003 Employee Long-Term Incentive and Share Award Plan, as amended (the "Plan"), as described in the Award Agreement dated February 28, 2007 (the "Prior Award Agreement"), have, pursuant to Section 9(d) of the Plan, been amended and restated in accordance with the terms hereof.

In connection with such amendment and restatement, this letter will serve to replace the Prior Award Agreement in its entirety with respect to the terms of the Units, which, as so amended and restated, are as follows (with all capitalized terms used but not defined below having the meanings set forth in the Plan):

The Units entitle you to receive 17,144 shares of the Company's Class A Common Stock (the "Stock") upon the earliest of (a) your death or Disability (as defined below), (b) the expiration of such Delay Period (as defined below) as may be required by the penultimate paragraph of this letter following your "separation from service" (which term, as used herein, shall have the definition contained in Treas. Reg. § 1.409A-1(h)) with the Company or a Subsidiary thereof (i) by reason of your Occupational Disability (as defined below) that does not also qualify as a Disability or normal retirement in accordance with the policies set by the Company's Board of Directors (the "Board"), (ii) by the Company or such Subsidiary other than for Cause (as defined below), (iii) by you for Good Reason (as

defined below), or (iv) for any reason following a Change of Ownership of the Company, (c) an event or condition that constitutes both a Change of Ownership of the Company and a "change in control event" (which term, as used herein, shall have the definition contained in Treas. Reg. § 1.409A-3(i)(5)(i)) with respect to the Company, and (d) with respect to the Applicable Vested Percentage of such number of shares of the Stock only, the expiration of such Delay Period as may be required by the penultimate paragraph of this letter following your "separation from service" with the Company or a Subsidiary thereof for any reason. The "Applicable Vested Percentage," with respect to the Units, shall be equal to zero until February 8, 2010, on which date such percentage shall be increased to thirty-three and one third percent (33 1/3%), with such percentage to be increased by an additional 33 1/3% on each of February 8, 2011 and February 8, 2012.

However, if your employment with the Company or a Subsidiary thereof terminates other than (a) by the Company or such Subsidiary not for Cause or by you for Good Reason, (b) due to your death, Disability, Occupational Disability, or normal retirement in accordance with the policies set by the Board, or (c) for any reason following a Change of Ownership of the Company, the Units will, except as to the Applicable Vested Percentage thereof then in effect, be forfeited to the Company. In addition, notwithstanding anything set forth above or otherwise in this letter, if your employment is terminated by the Company or a Subsidiary thereof for Cause, the Units will be forfeited to the Company.

For purposes of the foregoing, with respect to the Units:

"Cause" means (a) conviction of a felony or other crime involving fraud, dishonesty or moral turpitude, (b) fraud with respect to the business of the Company or a Subsidiary thereof, or (c) gross neglect of duties of your office specified in writing by the Board. For purposes hereof, you shall not be deemed to have been terminated for Cause until the later to occur of (i) the 30th day after notice of termination is given to you and (ii) the delivery to you of a copy of a resolution duly adopted by the affirmative vote of not less than a majority of the members of the Board at a meeting called and held for that purpose, and at which you together with your counsel were given an opportunity to be heard, finding that you were guilty of

conduct described in this definition of "Cause", and specifying the particulars thereof in detail.

"Good Reason" means your voluntary termination of employment within 120 days after the occurrence without your express written consent of any of the following events, provided that you give notice to the Company at least 30 days in advance requesting that the situation be remedied, and the situation remains unremedied upon expiration of such 30-day period: (i) your removal from, or any failure to reelect you to, the position of President and Chief Operating Officer of the Company, except in connection with your termination for Cause, Occupational Disability, or Disability or termination by you other than for Good Reason; or (ii) reduction in your rate of base salary for any fiscal year to less than 100 percent of the rate of your base salary, as in effect on the date on which the Units were awarded; (iii) failure of the Company or a Subsidiary thereof to continue in effect any retirement, life insurance, medical insurance or disability plan in which you were participating on the date on which the Units were awarded unless the Company or such Subsidiary provides you with a plan or plans that provide substantially comparable benefits; (iv) a Change of Ownership; or (v) any purported termination by the Company or a Subsidiary thereof of your employment for Cause that is not effected in compliance with the definition of "Cause" above.

"Occupational Disability" means an illness, injury, accident or condition of either a physical or psychological nature as a result of which you are unable to perform substantially the duties and responsibilities of your position for 180 days during a period of 365 consecutive calendar days.

You will be deemed to have a "Disability" if you (i) are unable to engage in any substantial gainful activity by reason of any medically determinable physical or mental impairment which can be expected to result in death or can be expected to last for a continuous period of not less than 12 months, or (ii) are, by reason of any medically determinable physical or mental impairment which can be expected to result in death or can be expected to last for a continuous period of not less than 12 months, receiving income replacement benefits for a period of not less than 3 months under an accident and health plan covering employees of the Company or a Subsidiary thereof.

The number of shares of the Stock to which the Units related shall automatically be proportionately adjusted for any

increase or decrease in the number of issued shares of the Stock resulting from a subdivision or consolidation of shares of the Stock or the payment of a stock dividend (including but not limited to a stock split effected in the form of a stock dividend) or any other increase or decrease in the number of such shares effected without receipt of consideration by the Company. In addition, in the event that the Committee shall determine that any reorganization, merger, consolidation, spin-off, combination, repurchase, share exchange, or other similar corporate transaction or event not covered by the preceding sentence, affects the Stock or the value thereof such that an adjustment is appropriate in order to prevent dilution or enlargement of your rights under the Units, then the Committee shall make such equitable changes or adjustments as it deems appropriate.

On each date on which you receive shares of the Stock in respect of Units, unless you have specifically elected otherwise in writing prior thereto, the Company will withhold such number of such shares as shall satisfy your obligations for the payment of the related withholding taxes and other tax obligations, subject to the limitation set forth in the last sentence of Section 9(c) of the Plan. In order to determine the number of shares to be withheld for such purpose, the value of a share of the Stock shall be equal to the closing price of a share of the Stock as reported by the New York Stock Exchange on such date.

In the event it shall be determined by the Company's independent auditors that any payment or distribution made, or benefit provided (including, without limitation, the acceleration of any payment, distribution or benefit and the acceleration of vesting of any of the Units), by the Company or a Subsidiary thereof to or for your benefit (whether paid or payable or distributed or distributable pursuant to the terms hereof or otherwise, but determined without regard to any additional payments required pursuant hereto) (a "Payment") would be subject to the excise tax imposed by Section 4999 of the Internal Revenue Code of 1986, as amended (the "Code") (or any similar excise tax), or any interest or penalties are incurred by you with respect to such excise tax (such excise tax, together with any such interest and penalties, are hereinafter collectively referred to as the "Excise Tax"), then you shall be entitled to receive an additional payment (a "Gross-Up Payment"), to be made no later than the end of the calendar year in which you make payment of the Excise Tax (notice of which payment shall be provided by you to the Company), in an amount such that after

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payment by you of all taxes (including any Excise Tax, income tax or payroll tax) imposed upon the Gross-Up Payment and any interest or penalties imposed with respect to such taxes, you retain from the Gross-Up Payment an amount equal to the Excise Tax imposed upon the Payments.

The Units are subject to the terms and conditions of the Plan and may not be sold, assigned, transferred, pledged or otherwise encumbered or disposed of prior to the time, if any, that you become entitled to receive shares of the Stock as provided herein other than by will or the laws of descent and distribution.

It is intended that the Units and this letter will comply with Section 409A of the Code and any regulations and guidelines issued thereunder, to the extent subject thereto, and this letter shall be interpreted on a basis consistent with such intent. Notwithstanding any provision to the contrary herein, if you are, on the date of your "separation from service", a "specified employee" within the meaning of that term under Treas. Reg. § 1.409A-1(i), then with regard to any distribution of Stock provided for in clauses (b) or (d) of the third paragraph of this letter, such distribution shall not be made prior to the earlier of (i) the expiration of the six (6)-month period measured from the date of your "separation from service" or (ii) the date of your death (the "Delay Period"). Upon the expiration of the Delay Period, all distributions delayed pursuant to this paragraph shall be made to you in a single lump sum. The Company shall not have any obligation to indemnify or otherwise protect you from any obligation to pay any taxes pursuant to Section 409A of the Code.

Please confirm your consent to and acceptance of the amended and restated terms and conditions of the Units set forth above, which shall supersede the provisions of the Prior Award Agreement in its entirety, by signing and dating both counterparts

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of this letter and returning one to me. The other counterpart may be retained for your files.

Very truly yours,

/s/ CHAD W. COULTER

Chad W. Coulter
Senior Vice President, Secretary and
General Counsel

Agreed to and accepted:

/s/ DONALD A. SHERMAN
Donald A. Sherman

Date: December 22, 2008

December 19, 2008

[Name]
Safety National Casualty Corporation
1832 Schuetz Road
St. Louis, Missouri 63146

Re: Amendment of Stock Option Award Agreement

Dear [Name]:

This will confirm that, pursuant to action taken by the Compensation Committee (the "Committee") of the Board of Directors of Delphi Financial Group, Inc. ("Delphi"), the Stock Option Award Agreement dated February 21, 2008 (the "Award Agreement"), pursuant to which you were granted options to purchase up to 225,000 shares of Delphi's Class A Common Stock pursuant to Delphi's 2003 Employee Long-Term Incentive and Share Award Plan (the "Plan"), has been amended as provided herein. Capitalized terms used but not defined herein shall have the respective meanings set forth in the Award Agreement.

Specifically, subparagraphs (a) and (b) of the second paragraph of the Award Agreement, which relate to the conditions to the Options becoming exercisable, have been deleted in their entirety and replaced with the following:

"(a) If SIG's aggregate Pre-Tax Operating Income (as such term is defined in Exhibit A hereto) for the period consisting of Delphi's 2008, 2009 and 2010 fiscal years is at least \$460,657,000, 135,000 Options shall become exercisable. Alternatively, if SIG's aggregate Pre-Tax Operating Income for such period does not reach \$460,657,000, but is greater than \$427,648,000, a reduced number of the Options shall become exercisable, such number to be determined by interpolating between zero and 135,000 in relation to the point at which the Pre-Tax Operating Income amount falls in the range between \$427,648,000 and \$460,657,000 and rounding the number obtained to the nearest whole number. For example, if SIG's aggregate Pre-Tax Operating Income for such period were exactly \$444,152,150, 67,500 Options would become exercisable.

[Name]

December 19, 2008

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(b) If SIG's aggregate Pre-Tax Operating Income for the period consisting of Delphi's 2008, 2009, 2010, 2011 and 2012 fiscal years is at least \$880,732,000, 225,000 Options, less the number of Options, if any, as shall previously have become exercisable pursuant to the preceding clause (a) (the "Previously Vested Options"), shall become exercisable. Alternatively, if SIG's aggregate Pre-Tax Operating Income for such period does not reach \$880,732,000, but is greater than \$784,745,000, a reduced number of the Options shall become exercisable, such number to be determined by interpolating between zero and 225,000 in relation to the point at which the Pre-Tax Operating Income amount falls in the range between \$784,745,000 and \$880,732,000, rounding the number obtained to the nearest whole number, and subtracting from such number the number of the Previously Vested Options, if any. For example, if SIG's aggregate Pre-Tax Operating Income for such period was \$832,738,500, and the number of the Previously Vested Options was 50,000, 62,500 Options would become exercisable. If, in such example, there were no Previously Vested Options, 112,500 Options would become exercisable."

In addition, the fourth and fifth sentences of the first paragraph of the "General" section of Exhibit A to the Award Agreement are hereby deleted in their entirety and replaced with the following:

"The items referenced in the preceding sentence shall be referred to collectively herein as "Excluded Items." The determination of Pre-Tax Operating Income for each year will be made by Delphi annually within 65 days of the end of such year."

Finally, it is hereby confirmed that the term "Options," as utilized in Section 5.4 of the Employment Agreement, shall refer to the Options which are the subject of the Award Agreement.

Except as provided above, the Award Agreement shall remain in full force and effect according to its terms.

[Name]

December 19, 2008

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If you are in agreement with and accept the terms and conditions of this Amendment, please confirm such agreement and acceptance by executing and dating both counterparts of this Amendment and returning one fully executed counterpart to me. The other counterpart should be retained for your files.

Very truly yours,

/s/ CHAD W. COULTER

Chad W. Coulter
Senior Vice President, Secretary
and General Counsel

Agreed to and accepted:

[Name]

Date: _____