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Delphi 1Q Operating EPS Grows 15% to Record \$1.06 Per Share

Wilmington, Delaware -- April 24, 2000 -- Delphi Financial Group, Inc. (NYSE:DFG) today reported that first quarter operating earnings grew 15% to \$1.06 per share, or \$22.3 million, from \$.92 per share, or \$20.3 million, a year ago.⁽¹⁾ This record performance is attributable to solid operating and investment performance and fewer shares outstanding resulting from the Company's stock repurchase program. Pre-tax operating income from the Company's group employee benefits segment rose nearly 12% to \$33.7 million in the first quarter of 2000 from the same period a year ago. The group employee benefits combined ratio was 95.1% in the first quarter of 2000 as compared with 94.4% for the first quarter of 1999 and 95.2% for all of 1999. Group employee benefit premiums for the first quarter of 2000 grew nearly 9% after adjusting for the Company's departure from federal employee group life insurance programs in 1999 and for loss portfolio transfer business which is episodic in nature. Group employee benefit production of \$47.2 million during the first quarter of 2000 was consistent with the Company's plan.

Pre-tax operating income from the Company's asset accumulation segment grew nearly 10% to \$8.5 million in the first quarter of 2000 from the first quarter of 1999 reflecting both asset growth and higher yields. New annuity production during the quarter rose 127% to a record \$33.1 million.

Robert Rosenkranz, Chairman and Chief Executive Officer, said, "We are very pleased with our record performance for the first quarter of 2000. Our core businesses produced good growth, profitability remained strong in insurance operations, assets increased and investment results were very solid. For five years, Delphi has delivered 25% growth in annual operating EPS and consistent quarterly results. We believe our stock is seriously undervalued, and have taken the opportunity to repurchase 1.5% of our shares during the quarter."

Net income for the first quarter of 2000 was \$21.3 million, or \$1.01 per share, and included realized investment losses, net of taxes, of \$1.0 million, or \$.05 per share. Net income for the first quarter of 1999 was \$5.7 million, or \$.26 per share, and included realized investment losses, net of taxes, of \$0.7 million, or \$.03 per share, and a loss from discontinued operations of \$13.8 million, or \$.63 per share.

Delphi Financial Group, Inc. 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 and primary workers' compensation, group life, and travel accident. Delphi's asset accumulation business emphasizes individual 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.

In connection with, and because it desires to take advantage of, the "safe harbor" provisions of the Private Securities Litigation Reform Act of 1995, Delphi cautions readers regarding certain forward-looking statements in the foregoing discussion and in any other statement made by, or on behalf of, Delphi, whether in future filings with the Securities and Exchange Commission or otherwise. Forward-looking statements are statements not based on historical information and which relate to future operations, strategies, financial results or other developments. Some forward-looking statements may be identified by the use of terms such as "expects," "believes," "anticipates," "intends," "judgment" or other similar expressions. Forward-looking statements are necessarily based upon estimates and

assumptions that are inherently subject to significant business, economic and competitive uncertainties and contingencies, many of which are beyond Delphi's control and many of which, with respect to future business decisions, are subject to change. Examples of such uncertainties and contingencies include, among other important factors, those affecting the insurance industry generally, such as the economic and interest rate environment, legislative and regulatory developments and market pricing and competitive trends relating to insurance products and services, and those relating specifically to Delphi's business, such as the level of its insurance premiums and fee income, the claims experience and other factors affecting the profitability of its insurance products, the performance of its investment portfolio, the emergence of Year 2000 problems not currently apparent, acquisitions of companies or blocks of business, and ratings by major rating organizations of its insurance subsidiaries. These uncertainties and contingencies can affect actual results and could cause actual results to differ materially from those expressed in any forward-looking statements made by, or on behalf of, Delphi. Delphi disclaims any obligation to update forward-looking information.

- (1) Operating earnings exclude after-tax realized investment losses and discontinued operations. The March 1999 results have been restated to reflect the rescission of a reinsurance contract. All per share amounts are on a diluted basis and are adjusted for 2% stock dividends distributed in June and December, 1999.

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DELPHI FINANCIAL GROUP, INC.
CONSOLIDATED STATEMENTS OF INCOME
(Unaudited; in thousands, except per share data)

	<u>Three Months Ended</u>	
	<u>03/31/00</u>	<u>03/31/99</u>
Revenue:		
Premium and fee income	\$ 112,759	\$ 125,361
Net investment income	<u>50,676</u>	<u>43,801</u>
	<u>163,435</u>	<u>169,162</u>
Benefits and expenses:		
Benefits, claims and interest credited to policyholders.....	85,771	96,903
Commissions and expenses.....	<u>37,446</u>	<u>36,115</u>
	<u>123,217</u>	<u>133,018</u>
Operating income	40,218	36,144
Interest expense	5,359	4,483
Income tax expense.....	11,046	9,893
Dividends on Capital Securities of Delphi Funding L.L.C.	<u>1,513</u>	<u>1,513</u>
Income from continuing operations excluding realized investment losses	22,300	20,255
Realized investment losses, net of taxes	(1,006)	(726)
Discontinued operations, net of taxes	-	(13,847)
Net income	<u>\$ 21,294</u>	<u>\$ 5,682</u>
Basic results per share of common stock*:		
Income from continuing operations excluding realized investment losses	\$ 1.09	\$ 0.95
Realized investment losses, net of taxes	(0.05)	(0.03)
Discontinued operations, net of taxes	-	(0.65)
Net income	<u>\$ 1.04</u>	<u>\$ 0.27</u>
Weighted average shares outstanding (in thousands).....	20,387	21,274
Diluted results per share of common stock*:		
Income from continuing operations excluding realized investment losses	\$ 1.06	\$ 0.92
Realized investment losses, net of taxes	(0.05)	(0.03)
Discontinued operations, net of taxes	-	(0.63)
Net income	<u>\$ 1.01</u>	<u>\$ 0.26</u>
Weighted average shares outstanding (in thousands).....	20,996	22,028

* The March 1999 results have been restated to reflect the rescission of a reinsurance contract and 2% stock dividends distributed June 8, 1999 and December 15, 1999. Shares outstanding have also been restated for such stock dividends.

DELPHI FINANCIAL GROUP, INC.
SUMMARIZED CONSOLIDATED BALANCE SHEETS
(Unaudited; in thousands, except per share data)

	<u>03/31/00</u>	<u>12/31/99</u>
Assets:		
Invested assets	\$ 2,708,500	\$ 2,515,810
Other assets	<u>906,955</u>	<u>879,878</u>
Total assets	<u>\$ 3,615,455</u>	<u>\$ 3,395,688</u>
Liabilities and shareholders' equity:		
Policy liabilities and accruals	\$ 1,163,987	\$ 1,140,687
Policyholder account balances	695,018	676,664
Corporate debt	285,886	283,938
Other liabilities	<u>873,690</u>	<u>692,982</u>
Total liabilities.....	3,018,581	2,794,271
Capital Securities of Delphi Funding L.L.C.	100,000	100,000
Shareholders' equity	<u>496,874</u>	<u>501,417</u>
Total liabilities and shareholders' equity.....	<u>\$ 3,615,455</u>	<u>\$ 3,395,688</u>
Diluted book value per share of common stock	\$ 24.83	\$ 24.52
Diluted book value per share of common stock before net unrealized depreciation on investments.....	\$ 29.88	\$ 28.96