

DAURELLE LAWRENCE E  
Form 4  
March 01, 2007

**FORM 4**

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

OMB APPROVAL

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Check this box if no longer subject to Section 16. Form 4 or Form 5 obligations may continue. See Instruction 1(b).

**STATEMENT OF CHANGES IN BENEFICIAL OWNERSHIP OF SECURITIES**

Filed pursuant to Section 16(a) of the Securities Exchange Act of 1934, Section 17(a) of the Public Utility Holding Company Act of 1935 or Section 30(h) of the Investment Company Act of 1940

(Print or Type Responses)

1. Name and Address of Reporting Person \*  
DAURELLE LAWRENCE E

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

5. Relationship of Reporting Person(s) to Issuer

(Check all applicable)

(Last) (First) (Middle)

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

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

C/O RELIANCE STANDARD LIFE  
INSURANCE CO., 2001 MARKET  
STREET, SUITE 1500

02/28/2007

(Street)

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

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

PHILADELPHIA, PA 19103

(City) (State) (Zip)

**Table I - Non-Derivative Securities Acquired, Disposed of, or Beneficially Owned**

1. Title of Security (Instr. 3)	2. Transaction Date (Month/Day/Year)	2A. Deemed Execution Date, if any (Month/Day/Year)	3. Transaction Code (Instr. 8)	4. Securities Acquired (A) or Disposed of (D) (Instr. 3, 4 and 5)	5. Amount of Securities Beneficially Owned Following Reported Transaction(s) (Instr. 3 and 4)	6. Ownership Form: Direct (D) or Indirect (I) (Instr. 4)	7. Nature of Ownership (Instr. 4)		
				(A) or (D)	Code	V	Amount	(D)	Price

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

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SEC 1474  
(9-02)

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

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1. Title of Derivative Security (Instr. 3)	2. Conversion or Exercise Price of Derivative Security	3. Transaction Date (Month/Day/Year)	3A. Deemed Execution Date, if any (Month/Day/Year)	4. Transaction Code (Instr. 8)	5. Number of Derivative Securities Acquired (A) or Disposed of (D) (Instr. 3, 4, and 5)	6. Date Exercisable and Expiration Date (Month/Day/Year)	7. Title and Amount of Underlying Security (Instr. 3 and 4)
Options to purchase Class A Common Stock	\$ 27.87 <sup>(1)</sup>	02/28/2007		A	112,500 <sup>(1)</sup>	02/28/2007 <sup>(1)</sup> 04/22/2014	Class A Common Stock 112,500 <sup>(1)</sup>

## Reporting Owners

**Reporting Owner Name / Address**

**Relationships**

Director 10% Owner Officer Other

DAURELLE LAWRENCE E  
C/O RELIANCE STANDARD LIFE INSURANCE CO.  
2001 MARKET STREET, SUITE 1500  
PHILADELPHIA, PA 19103

X

## Signatures

Chad W. Coulter, Attorney-in-Fact for Lawrence E. Daurelle

03/01/2007

\_\_Signature of Reporting Person

Date

## Explanation of Responses:

\* If the form is filed by more than one reporting person, *see* Instruction 4(b)(v).

\*\* Intentional misstatements or omissions of facts constitute Federal Criminal Violations. *See* 18 U.S.C. 1001 and 15 U.S.C. 78ff(a).

On April 22, 2004, the reporting person was granted performance-contingent incentive options to purchase 225,000 shares of the issuer's Class A Common Stock. The number and exercise price thereof reflect adjustments pursuant to the terms of the option plan to reflect the issuer's 3-for-2 stock split effected in June 2006. The options have a ten-year term and an exercise price equal to the fair market value of a

(1) share of such stock on the grant date, adjusted as aforementioned. Pursuant to the terms thereof, 50%, or 112,500, of such options became exercisable on February 28, 2007, based on the attainment of a specified cumulative performance target for the three-year period ended December 31, 2006, with the remainder of such options to potentially become exercisable based on the extent to which the specified cumulative performance target for the five-year period ending December 31, 2008 is attained.

(2) Not applicable.

Note: File three copies of this Form, one of which must be manually signed. If space is insufficient, *see* Instruction 6 for procedure.

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