

CHARTER OF THE AUDIT COMMITTEE OF THE BOARD OF DIRECTORS OF DELPHI FINANCIAL GROUP, INC.

The Board of Directors of Delphi Financial Group, Inc. (the "Company") has established a committee known as the Audit Committee. This Charter confirms and describes the purpose, composition and responsibilities and processes of the Audit Committee.

Purpose

The Audit Committee (the "Committee") shall provide assistance to the Board of Directors of the Company (the "Board") in fulfilling its oversight responsibility relating to (a) the integrity of the Company's financial statements, (b) the Company's compliance with legal and regulatory requirements, (c) the qualifications and independence of the Company's independent auditor, (d) the performance of the Company's internal audit function and independent auditor, and (e) the preparation of the report of the Committee that SEC rules require be included in the Company's annual proxy statement.

Composition

The Committee shall be comprised of at least three members of the Board who meet all requirements of the SEC and the New York Stock Exchange relating to independence and other qualifications, including at least one member meeting any special requirements relating to financial or other expertise. All determinations involving the application of such requirements shall be made by the Board. No member of the Committee shall simultaneously serve on the audit committees of more than two other public companies.

Responsibilities and Processes

The Committee will:

- Be directly responsible for the appointment, compensation, retention and oversight of the work of the Company's independent auditor, who will report directly to the Committee, and resolve any disagreements between Company management and the independent auditor regarding financial reporting.
- Obtain and review, at least annually, a report by the Company's independent auditor describing such auditor's internal quality control procedures; any material issues raised by the most recent quality control review, or peer review, of such auditor or by any inquiry or investigation by governmental or professional authorities, within the preceding five years, respecting one or more independent audits carried out by such auditor, and any steps taken to deal with any such issues.
- At least annually, assess the independence of the Company's independent auditor, and, to assist in this assessment, obtain from such auditors a description of all of their relationships and professional services pertaining to the Company.

- Review with the Company's independent auditor any audit problems or difficulties and management's response.
- Establish policies and procedures for the pre-approval, as deemed appropriate, of all non-audit services permitted by law to be performed by the Company's independent auditor.
- Require that management obtain the Committee's approval of any appointment, termination, or replacement decisions with respect to the Company's internal audit function.
- Review the activities of the Company's independent and internal auditors, including the overall scope and plans for their respective audits and reviews, the coordination of such audits and reviews, and the fees or other compensation to be paid to such auditors.
- Require that the Company's internal auditors provide to the Committee, on at least a quarterly basis, a report on their activities, addressing such matters as the Committee may require.
- Periodically, meet separately with each of the Company's management, its independent auditor and its internal auditors.
- Review with the Company's management and its independent auditor the Company's quarterly financial statements prior to the filing of the Company's Form 10-Q, including the Company's disclosures under "Management's Discussion and Analysis of Financial Condition and Results of Operations," and require that such auditors discuss with the Committee their review of the interim financial information contained therein and any other matters required to be communicated to the Committee by the independent auditor under generally accepted auditing standards, as then in effect ("GAAS").
- Prior to the filing of the Company's Annual Report on Form 10-K, (i) discuss with the Company's independent auditor the results of the annual audit and require that the independent auditor discuss any matters related to such audit that are required to be communicated to the Committee under GAAS and (ii) review with the Company's management and its independent auditor the Company's audited financial statements, including the Company's disclosures under "Management's Discussion and Analysis of Financial Condition and Results of Operations."
- Review and discuss the general types of presentations and information to be included in earnings press releases and financial information and earnings guidance provided to analysts and rating agencies.
- Discuss the Company's policies with respect to risk assessment and risk management.
- Review periodically with the chief legal officer of the Company legal and regulatory matters that may have a material impact on the Company's consolidated financial statements, ethics and compliance practices and

material reports or inquiries received from regulators or governmental agencies.

- Establish a policy relating to the hiring of employees and former employees of the Company's independent auditor.
- Establish procedures for the receipt, retention and treatment of complaints received by the Company regarding accounting, internal accounting controls, or auditing matters.
- Establish procedures for the confidential and anonymous submission by employees of concerns regarding questionable accounting or auditing matters.
- Submit this Charter to the Board for approval and review and reassess this Charter from time to time as appropriate, but no less frequently than annually.
- Conduct an annual evaluation of the performance by the Committee of the responsibilities set forth in this Charter.
- Cause a report of the Committee to be included in each proxy statement of the Company, and require that the Company include a copy of this Charter in its proxy statement at least triennially.
- Report regularly to the Board, including the submission to the Board of the minutes of all meetings of the Committee.
- Require that the Company provide for appropriate funding, as determined by the Committee, in its capacity as a committee of the Board, for payment of compensation to the Company's independent auditor for work relating to audit reports or performing other review and attest services for the Company; for compensation to advisers retained by the Committee pursuant to this Charter; and for ordinary administrative expenses of the Committee that are necessary or appropriate in carrying out its responsibilities.

Authority

In carrying out its responsibilities, the Committee shall have the authority, at the Company's expense, to:

- Conduct such investigations with respect to the Company's operations as it deems necessary or appropriate, with full access to the Company's books, records, facilities and personnel.
- Retain independent legal, accounting or other advisers as it deems necessary or appropriate in connection with the carrying out of its responsibilities.