

DELPHI FINANCIAL GROUP, INC.

CORPORATE GOVERNANCE GUIDELINES

The Board of Directors (the “Board”) of Delphi Financial Group, Inc. (the “Company”), acting on the recommendation of its Nominating and Corporate Governance Committee, has adopted certain corporate governance principles (the “Guidelines”) in order to facilitate the performance by the Board and its committees of their duties in accordance with applicable requirements and to promote effective functioning of their activities. The Board recognizes that these Guidelines should continue to evolve to reflect the changing needs of the Company and changes in applicable requirements. Accordingly, the Board, with the assistance of its Nominating and Corporate Governance Committee, will periodically review these Guidelines in order to determine whether any changes are appropriate.

Director and Committee Member Qualification Standards

A majority of the members of the Board (the number of which will be set by the Board) will meet the New York Stock Exchange (“NYSE”) listing requirements relating to independence, as determined by the Board in its business judgment. In furtherance of, and as contemplated by, such requirements, the Board has adopted Director Independence Standards, which are attached hereto as Exhibit A. The Board will not be prevented from validly acting if, due to temporary vacancy, there are fewer than the intended proportion of independent directors. Any such vacancies should, however, be filled as promptly as reasonably practicable.

The Board shall maintain an Audit Committee, a Compensation Committee and a Nominating and Corporate Governance Committee, all of whose members will meet the applicable requirements of the NYSE and of applicable laws, rules and regulations with respect to eligibility for service on such committees, and such other committees as it deems appropriate from time to time.

The credentials of potential director nominees will be reviewed by the Nominating and Corporate Governance Committee. Such Committee, with the concurrence of the full Board, has established criteria to be considered in the director nominee selection process, which are attached hereto as Exhibit B. Based on such criteria, the Independence Standards and any other applicable regulatory requirements, such Committee will recommend to the Board individuals to be selected as nominees for election by the stockholders of the Company at each annual meeting of stockholders, and nominees to fill vacancies on the Board arising from time to time. With regard to stockholder recommendations regarding candidates for election to the Board, the Board has adopted the policy attached hereto as Exhibit C.

The Nominating and Corporate Governance Committee will, taking into account applicable requirements, the Board committees' needs, directors' areas of expertise and interest and director workload assignments, recommend committee assignments to the full Board for its approval.

The Board has not established term limits for directors, as it believes that long-term service by a director will enhance the director's ability to provide valuable contributions to the Board in light of such director's knowledge of the Company's history, finances and operations.

A director will retire at the end of his or her regular term of service in which he or she attains the age of 70, unless otherwise recommended by the Nominating and Corporate Governance Committee in any particular instance.

Director Responsibilities and Processes

The Board is responsible for overseeing the conduct of the business and affairs of the Company by its management, which is responsible for the Company's day-to-day operations. In so doing, the Board's basic responsibility is to exercise its business judgment to act in what it reasonably believes to be in the best interests of the Company and its stockholders. In performing its functions, the Board is entitled to rely on the Company's management and outside advisors and auditors.

Directors are expected to devote sufficient time and effort in order to fulfill their responsibilities to the Company. Accordingly, it is expected that directors will limit the number of other directorships and senior executive positions they hold to a number that will not conflict with such responsibilities. In this connection, directors are required to inform the Chairman of the Nominating and Governance Committee of any significant changes in such outside positions. In addition, no director shall serve on the board of directors of any competitor of the Company.

Directors are expected to adequately prepare for and regularly attend meetings of the Board and of the Board committees on which they serve. For this purpose, directors will be provided, sufficiently in advance of such meetings to permit ample time for review, with written agendas (prepared by or on behalf of the Chairman of the Board, taking into account suggestions from other directors) and background information and materials relating to the items to be addressed in such meetings.

Directors are expected to attend the Annual Meeting of Stockholders of the Company where practicable.

Each Board committee will have a written charter complying (where applicable) with the requirements of the NYSE and of applicable laws, rules and regulations setting forth the authority and responsibilities of such committee.

Directors will have full access to Company management, as well as to the Company's outside counsel and other professional advisors.

The Board or any of its committees may seek independent advice from such counsel or advisors, or from such other independent advisors as they may select, from time to time. In discharging their responsibilities, the directors are entitled to rely on the honesty and integrity of Company management and of such counsel and advisors.

Directors are expected to disclose to the other members of the Board any personal conflict of interest regarding a matter under consideration by the Board, and to refrain from voting on such matter.

Directors will comply with the Company's Code of Conduct, which sets forth standards of ethics and business conduct applicable to all directors, officers and employees of the Company and its subsidiaries.

The Board believes that management speaks for the Company. It is expected that members of the Board who are not employees of the Company or any of its subsidiaries (referred to in these Guidelines as non-management directors) would not speak for the Company absent unusual circumstances. The Company will disclose, in accordance with applicable requirements, the means by which interested parties may communicate directly with the non-management directors of the Company.

The non-management directors will meet in regularly scheduled executive sessions in order to discuss such matters as they deem appropriate in connection with each regular meeting of the full Board and at such other times as may be deemed appropriate by such non-management directors. The presiding director for such meetings will be selected by rotating among the Chairs of the principal committees of the Board, or by such other procedure as the non-management directors may determine from time to time.

Company management will present to the Board for its review and assessment an annual operating plan, and the Board will make such recommendations relating to such plan as it deems necessary or appropriate.

Director Compensation

As provided in its charter, the Compensation Committee will from time to time review and make recommendations to the Board regarding the compensation of the Company's non-management directors.

A meaningful portion of the compensation of the Company's non-management directors will consist of stock or other equity-based compensation.

Directors who are employees of the Company or its subsidiaries shall not be entitled to receive additional compensation for serving on the Board.

The Company will indemnify the directors to the fullest extent permitted by applicable law and the Company's certificate of incorporation and by-laws.

Director Orientation and Continuing Education

Each director, upon his or her initial election to the Board, will receive, on an individualized basis, materials and briefings to permit such director to become familiar with the Company's business, finances and corporate governance practices.

The Company will also provide, on an ongoing basis, additional opportunities for directors to further familiarize themselves with the Company's business, finances, operations and management team. For example, the Board will regularly receive informational presentations from management regarding the various business units and functional areas of the Company and its subsidiaries, and will periodically hold its meetings at the Company's operating sites in coordination with site visits. In addition, directors may attend continuing director education programs at the Company's expense.

Management Succession and Chief Executive Officer Evaluation

For succession planning purposes, the Chief Executive Officer will report to the Board (for this purpose, including only the non-management directors) annually regarding the members of Company's senior management and their potential to succeed him in the event of an emergency or his retirement, with such report to contain a recommendation as to such successor in the event of an emergency.

The Board is responsible for selecting the Chief Executive Officer. The Board has not established a policy regarding the separation of the positions of Chairman of the Board and Chief Executive Officer. Presently, such positions are held by the same person.

As provided in its charter, the Compensation Committee is responsible for reviewing approving Company goals and objectives relevant to the Chief Executive Officer's compensation, and evaluating the Chief Executive Officer's performance in light of these goals and objectives. The Committee will report to the full Board regarding the results of such evaluations.

Annual Performance Evaluation of the Board

Each year, the Board, with the oversight and assistance of the Nominating and Corporate Governance Committee, will conduct a self-evaluation to determine whether it and its committees are functioning effectively. The Board will discuss the results of such self-evaluation report to determine whether any actions would be appropriate in order to improve Board or Board committee performance.

EXHIBIT A

DELPHI FINANCIAL GROUP, INC.

DIRECTOR INDEPENDENCE STANDARDS

As contemplated by Section 303A of the New York Stock Exchange Listed Company Manual (the "NYSE Manual"), the Board of Directors (the "Board") of Delphi Financial Group, Inc. ("Delphi"), acting on the recommendation of its Nominating and Corporate Governance Committee, has adopted has developed the following categorical standards for determining the materiality of any relationship that a director may have with the Company:

A director is independent if, after considering all of the relevant facts and circumstances, the Board affirmatively determines that the director has no material relationships with Delphi or any of its subsidiaries (collectively with Delphi, the "Company"), either directly or as a partner, shareholder or officer of an organization that has a relationship with the Company.

Absent any other material relationship with the Company that the Board determines to impair a director's independence from the Company, a director will be presumed to be independent if:

- Neither the director nor any immediate family member of the director is currently employed or has been employed (as an executive officer, in the case of an immediate family member (which terms, for purposes of these standards, shall have the meanings set forth in Section 303A of the NYSE Manual)) by the Company during the past three years; and
- Neither the director nor any immediate family member of the director has received in any twelve-month period within the past three years more than \$100,000 in direct compensation from the Company, other than director and committee fees, or in the case of the immediate family member, compensation received for service as a non-executive employee of the Company; and
- Neither the director nor any immediate family member of the director (a) is a current partner (or, in the case of a director, an employee) of a firm that is the Company's external or internal auditor, (b) within the last three years was (but no longer is) a partner or employee of such a firm and personally worked on the Company's audit within that time, or, (c) in the case of the immediate family member, is a current employee of such a firm and participates in the Company's audit, assurance or tax compliance (but not tax planning) practice; and

- Neither the director nor any immediate family member of the director is currently employed or has been employed during the past three years as an executive officer of another company where any of the Company's present executives at the same time serves or served on that other company's compensation committee; and
- The director is not an executive officer, and no immediate family member of the director is an employee of a company that, during the past three full calendar years, made payments to, or received payments from, the Company for property or services in an amount which, in any single fiscal year, exceeded the greater of \$1 million or 2% of such other company's consolidated gross revenues.

A director shall not be deemed to have a material relationship with the Company that impairs the director's independence from the Company as a result of any of the following relationships:

- The director or any immediate family member of the director is an executive officer, director or trustee of a foundation, university or other charitable or not-for-profit organization to which the Company or the Delphi Project Foundation makes contributions, where such contributions did not exceed the greater of \$1 million or 2% of such charitable organization's consolidated gross revenues in any single fiscal year during the preceding three years;
- The director is the beneficial owner of less than five percent (5%) of the outstanding equity interests of an entity that has a business relationship with the Company;
- The director is an officer or director of an entity that is indebted to the Company, or to which the Company is indebted, and the total amount of either the Company's or the business entity's indebtedness is less than three percent (3%) of the total consolidated assets of such entity as of the end of the previous fiscal year; and
- The director (or an entity of which such director is an officer, employee or director) obtained products or services from the Company on terms generally available to customers of the Company for such products or services.

EXHIBIT B

DELPHI FINANCIAL GROUP, INC.

BOARD CANDIDATE CRITERIA

Under the Charter of the Nominating and Corporate Governance Committee (the “Committee”) of the Board of Directors of Delphi Financial Group, Inc. (the “Company”), the Committee is responsible for recommending to the full Board criteria for the selection of new Board members, and for recommending to the Board nominees for election to the Board. Accordingly, the Committee has developed certain criteria to be considered in its review of such nominees. These criteria supplement the provisions of the Company’s Corporate Governance Guidelines that address, with respect to the composition of the Board, the requirements applicable under the New York Stock Exchange listing standards and other laws, rules and regulations.

It is recognized that these Criteria should continue to evolve to reflect the changing needs of the Company and changes in applicable requirements. Accordingly, the Committee will periodically review these Criteria in order to determine whether any changes are appropriate, and submit to the full Board any such changes for its review and concurrence.

General

The Board should be composed of individuals having demonstrated substantial achievements in business, government, educational institutions or other relevant fields, including senior executives of the Company and its principal operating units. Director candidates should possess the requisite intelligence, experience and education to be able to make meaningful contributions to the Board and should bring a range of skills, perspectives and backgrounds. It is important that director candidates have high ethical standards and a dedication to serving the interests of the Company’s shareholders by exercising sound and independent business judgment.

Board Membership Criteria

In furtherance of the purposes set forth in the preceding section, the Committee, in reviewing the credentials of potential director nominees for recommendation to the Board, shall consider the following, along with any other factors it may deem relevant, in light of the needs of the Board and its committees:

- (i) professional and personal ethics and integrity;

- (ii) business or other relevant experience and competence, including an assessment of whether the candidate has experience in, and possesses an understanding of, business issues relating to the success of a substantial financial institution and whether the candidate has served in positions of significant responsibility in business, government, education or other fields that are relevant to the Company's business operations;
- (iii) financial acumen, including whether the candidate, through education or experience, has an understanding of financial matters and the analysis of financial statements;
- (iv) professional and personal accomplishments;
- (v) educational background; and
- (vi) whether the candidate has the ability, in light of his or her other personal responsibilities and commitments and general health, to devote sufficient time to carrying out his or her duties and responsibilities effectively and is committed to service on the Board;

EXHIBIT C

DELPHI FINANCIAL GROUP, INC.

POLICY REGARDING STOCKHOLDER RECOMMENDATIONS OF DIRECTOR CANDIDATES

Under the Charter of the Nominating and Corporate Governance Committee (the “Committee”) of the Board of Directors of Delphi Financial Group, Inc. (the “Company”), the Committee is responsible for, among other things, recommending to the Board nominees for election to the Company’s Board of Directors (the “Board”). In this connection, the Committee has adopted a policy, as set forth herein (this “Policy”), regarding recommendations submitted by the Company’s stockholders regarding candidates for election to the Board.

It is recognized that this Policy should continue to evolve to reflect the changing needs of the Company and changes in applicable requirements. Accordingly, the Committee will periodically review this Policy in order to determine whether any changes are appropriate.

General

The Committee will accept for consideration stockholder recommendations regarding candidates for election to the Board (“Stockholder Recommendations”) in accordance with the provisions of this Policy.

Requirements for Stockholder Nomination Recommendations

Stockholder Recommendations shall be submitted in writing to the Company’s Secretary (the “Secretary”) and, to be considered by the Committee, must, unless otherwise determined by the Committee in its sole discretion in any particular case:

- (i) contain information demonstrating that the person submitting the Stockholder Recommendation is in fact a stockholder of the Company and indicating the number of shares owned and the length of time such shares have been owned;
- (ii) contain the proposed candidate’s written consent to the nomination and written agreement to serve as a director if elected to the Board;
- (iii) include background information regarding the proposed candidate, including his or her educational background, professional experience and current professional affiliations, as well as

information regarding any past or present business or other relationships between such individual and the Company or any of its subsidiaries;

- (iv) an undertaking by such proposed candidate to provide any further information regarding himself or herself as requested by the Committee, including by means of an in-person interview; and
- (v) be received by the Company no later than November 30 of the calendar year preceding the Annual Meeting of Stockholders to which the Stockholder Recommendation relates.

Treatment of Stockholder Recommendations

Upon receipt of a Stockholder Recommendation, the Secretary shall forward such recommendation to each of the members of the Committee. The Committee will, at its next regular meeting or at such other time as it deems appropriate, consider the recommendation. In its consideration, the Committee will, with reference to the Board Member Criteria previously adopted by the Board and taking into account the Board's then-current needs, size and composition and any other factors it deems relevant, determine whether to accept such recommendation. Such determination will be conveyed by the Secretary to the submitter of the Stockholder Recommendation and the proposed candidate.

Miscellaneous

The Committee may limit each stockholder to one Stockholder Recommendation in any calendar year and determine not to consider any additional candidate(s) proposed by such stockholder or its affiliates. The Committee will not, unless it determines otherwise in its sole discretion, respond to Stockholder Recommendations relating to individuals whom the Committee has previously determined not to nominate for election to the Board.