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## Delphi Financial Group Q2 2008 Earnings Call Transcript

### Question-and-Answer Session

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#### Operator

(Operator Instructions). Our first question is from the line of Michael Grasher, Piper Jaffray. Please go ahead. One moment please. Mr. Grasher, and your line is open now.

#### Michael Grasher

Okay, good morning. A question around the competition at RSL, if you could give us a little bit more discussion around what you see, who is there and where the greatest amount of contestants are coming from?

#### Robert Rosenkranz

Good morning, Mike, it's Don. What we are seeing at RSL is the traditional set of competitors who seemed to have sharpened their pencils somewhat. I'm not sure there is any one party that we would want to or should name saying this is a particular much more competitive pricing but just seems to be a sharper pricing point going on out there. And we are looking at the production we were a little below where we needed to be to derive the RSL premium where we would like. So, we've been at RSL with Larry and his team taking a look at the production situation, the competitive situation of evaluating what we are doing from an underwriting perspective to be sure we're maximizing our opportunities to get our target profit margins and the best volume we can with that. So, we're sticking to the pricing margin, first philosophy that we've always used.

#### Michael Grasher

So you think it's driven more by the competitive landscape or just the tweaking within your own under writing?

#### Robert Rosenkranz

Well, I think, what you see in the second quarter production was an impact of the increased level of competition in the competitive landscape.

#### Michael Grasher

Okay. And, are these generally players maybe you could be more if generals, just are these player that are real players that will stick around or do you think that they run and hide once the market turns?

**Robert Rosenkranz**

You know this is for (inaudible) actually it's more a kind of generalized modest softening in the market as opposed to a hand full of new entrance doing silly things.

**Michael Grasher**

Okay. And, then your comments around the OTTI interesting and I think more detailed and what I heard in some other calls, but you're talking about \$5 billion additional write-downs coming, is there any way to gage sort of the timing around that or is it, however the market dictates?

**Robert Rosenkranz**

Mike, I hope I didn't say \$5 billion and write-downs coming, we're trying to say with a \$5 billion portfolio, we're going to have some exposure to additional OTTI particularly as the credit cycle, works its way through this process.

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