ARCH CAPITAL GROUP LTD.

Form 4 May 13, 2008

FORM 4 UNITED STATES SECURITIES AND EXCHANGE COMMISSION Washington, D.C. 20549

OMB APPROVAL

OMB Number: 3235-0287

Expires: January 31, 2005

0.5

Estimated average burden hours per response...

5. Relationship of Reporting Person(s) to

(Check all applicable)

Issuer

STATEMENT OF CHANGES IN BENEFICIAL OWNERSHIP OF SECURITIES

Form 5 obligations may continue. See Instruction

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

Symbol

1(b).

(Print or Type Responses)

JONES RALPH E III

1. Name and Address of Reporting Person *

Check this box

if no longer

subject to

Section 16.

Form 4 or

[ACGL] (Last) (First) (Middle) 3. Date of Earliest Transaction Director 10% Owner X_ Officer (give title Other (specify (Month/Day/Year) below) C/O ARCH INSURANCE GROUP 05/09/2008 Chairman & CEO Arch Insur Gr INC., ONE LIBERTY PLAZA (Street) 4. If Amendment, Date Original 6. Individual or Joint/Group Filing(Check Filed(Month/Day/Year) Applicable Line) _X_ Form filed by One Reporting Person Form filed by More than One Reporting NEW YORK, NY 10006 (City) (State) (Zip) Table I - Non-Derivative Securities Acquired, Disposed of, or Beneficially Owned 5. Amount of 1. Title of 2. Transaction Date 2A. Deemed 3. 4. Securities 6. Ownership 7. Nature of Security (Month/Day/Year) Execution Date, if TransactionAcquired (A) or Securities Form: Direct Indirect (Instr. 3) Code Disposed of (D) Beneficially (D) or Beneficial (Instr. 3, 4 and 5) Indirect (I) Ownership (Month/Day/Year) (Instr. 8) Owned (Instr. 4) Following (Instr. 4) Reported (A) Transaction(s) or (Instr. 3 and 4) Code V Amount (D) Price Common Shares, \$.01 100 D par value per share Common Shares, \$.01 166 Ι By spouse par value per share

2. Issuer Name and Ticker or Trading

ARCH CAPITAL GROUP LTD.

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)

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. Transactic Code (Instr. 8)	5. Number proof 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 Securities (Instr. 3 and 4)	
				Code V	(A) (D)	Date Exercisable	Expiration Date	Title	Amount or Number of Shares
Restricted Share Units	<u>(1)</u>	05/09/2008		A	8,350	<u>(1)</u>	<u>(1)</u>	Common Shares, \$.01 par value per share	8,350
Stock Appreciation Right (2)	\$ 69.3	05/09/2008		A	8,350	(2)	05/09/2018	Common Shares, \$.01 par value per share	8,350

Reporting Owners

Reporting Owner Name / Address Relationships

Director 10% Owner Officer Other

JONES RALPH E III C/O ARCH INSURANCE GROUP INC. ONE LIBERTY PLAZA NEW YORK, NY 10006

Chairman & CEO Arch Insur Gr

Signatures

/s/ Ralph E. Jones III 05/12/2008

**Signature of Date Reporting Person

Reporting Owners 2

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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).
- Subject to the applicable award agreement, represents restricted share units that vest in three equal annual installments on May 9th in each of 2009, 2010 and 2011; such award will settle in Issuer's common shares upon the termination of the Reporting Person's employment as specifically provided in the agreement.
- The stock appreciation right will become exercisable in three equal annual installments, with the first installment becoming exercisable on May 9, 2009 and the next two installments on May 9, 2010 and May 9, 2011, subject to the terms of the applicable award agreement.

Note: File three copies of this Form, one of which must be manually signed. If space is insufficient, *see* Instruction 6 for procedure. Potential persons who are to respond to the collection of information contained in this form are not required to respond unless the form displays a currently valid OMB number.