

ARCH CAPITAL GROUP LTD.

Form 4

May 15, 2007

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

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

## OMB APPROVAL

OMB  
Number: 3235-0287  
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2005  
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response... 0.5

(Print or Type Responses)

1. Name and Address of Reporting Person \*  
JONES RALPH E III

2. Issuer Name **and** Ticker or Trading  
Symbol  
ARCH CAPITAL GROUP LTD.  
[ACGL]

5. Relationship of Reporting Person(s) to  
Issuer

(Check all applicable)

(Last) (First) (Middle)

C/O ARCH INSURANCE GROUP  
INC., ONE LIBERTY PLAZA

(Street)

3. Date of Earliest Transaction  
(Month/Day/Year)  
05/11/2007

\_\_\_\_ Director \_\_\_\_ 10% Owner  
\_X\_ Officer (give title below) \_\_\_\_ Other (specify below)  
Chairman & CEO Arch Insur Gr

NEW YORK, NY 10006

(City) (State) (Zip)

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

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

**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 Indirect Beneficial Ownership (Instr. 4)
			Code	V Amount (D) Price			

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

**Persons who respond to the collection of  
information contained in this form are not  
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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	2. Conversion	3. Transaction Date (Month/Day/Year)	3A. Deemed Execution Date, if	4. Transaction	5. Number of Derivative	6. Date Exercisable and Expiration Date	7. Title and Amount of Underlying Securities
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Security (Instr. 3)	or Exercise Price of Derivative Security	any (Month/Day/Year)	Code (Instr. 8)	Securities Acquired (A) or Disposed of (D) (Instr. 3, 4, and 5)	(Month/Day/Year)		(Instr. 3 and 4)			
			Code	V	(A)	(D)	Date Exercisable	Expiration Date	Title	Amount or Number of Shares
Restricted Share Units	<u>(1)</u>	05/11/2007	A		9,400		<u>(1)</u>	<u>(1)</u>	Common Shares, \$.01 par value per share	9,400
Stock Appreciation Right <u>(2)</u>	\$ 71.12	05/11/2007	A		9,400		<u>(2)</u>	05/11/2017	Common Shares, \$.01 par value per share	9,400

## 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 05/14/2007

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).
- Subject to the applicable award agreement, represents restricted share units that vest in three equal annual installments on May 11 in each
- (1) of 2008, 2009 and 2010, and will settle in the Issuer's common shares upon the termination of the Reporting Person's employment as specifically provided in the agreement.
  - (2) The stock appreciation right will become exercisable in three equal annual installments, with the first installment becoming exercisable on May 11, 2008 and the next two installments on May 11, 2009 and May 11, 2010, subject to 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.  
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