

ARCH CAPITAL GROUP LTD.  
Form 3  
July 09, 2008

**FORM 3 UNITED STATES SECURITIES AND EXCHANGE COMMISSION**  
**Washington, D.C. 20549**

OMB APPROVAL

OMB Number: 3235-0104  
Expires: January 31, 2005  
Estimated average burden hours per response... 0.5

**INITIAL STATEMENT OF 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

(Print or Type Responses)

1. Name and Address of Reporting Person *		2. Date of Event Requiring Statement	3. Issuer Name <b>and</b> Ticker or Trading Symbol	
Â Lyons Mark Donald		(Month/Day/Year)	ARCH CAPITAL GROUP LTD. [ACGL]	
(Last)	(First)	(Middle)	07/02/2008	
ONE LIBERTY PLAZA, 53RD FLOOR			4. Relationship of Reporting Person(s) to Issuer	5. If Amendment, Date Original Filed(Month/Day/Year)
(Street)			(Check all applicable)	
NEW YORK, NY 10006			<input type="checkbox"/> Director	<input type="checkbox"/> 10% Owner
(City)	(State)	(Zip)	<input checked="" type="checkbox"/> Officer	<input type="checkbox"/> Other
			(give title below)	(specify below)
			Chairman & CEO Arch Insur Gr	6. Individual or Joint/Group Filing(Check Applicable Line)
				<input checked="" type="checkbox"/> Form filed by One Reporting Person
				<input type="checkbox"/> Form filed by More than One Reporting Person

**Table I - Non-Derivative Securities Beneficially Owned**

1. Title of Security (Instr. 4)	2. Amount of Securities Beneficially Owned (Instr. 4)	3. Ownership Form: Direct (D) or Indirect (I) (Instr. 5)	4. Nature of Indirect Beneficial Ownership (Instr. 5)
Common Shares, \$.01 par value per share	61,171 <sup>(1)</sup>	D	Â

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

SEC 1473 (7-02)

**Persons who respond to the collection of information contained in this form are not required to respond unless the form displays a currently valid OMB control number.**

**Table II - Derivative Securities Beneficially Owned (e.g., puts, calls, warrants, options, convertible securities)**

1. Title of Derivative Security (Instr. 4)	2. Date Exercisable and Expiration Date (Month/Day/Year)	3. Title and Amount of Securities Underlying Derivative Security (Instr. 4)	4. Conversion or Exercise Price of Derivative Security	5. Ownership Form of Derivative Security: Direct (D)	6. Nature of Indirect Beneficial Ownership (Instr. 5)
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	Date Exercisable	Expiration Date	Amount or Number of Shares		or Indirect (I) (Instr. 5)	
Stock Option (right to buy)	Â (2)	08/06/2012	Common Shares, \$.01 par value per share	18,116	\$ 26.31	D Â
Stock Option (right to buy)	Â (3)	09/22/2014	Common Shares, \$.01 par value per share	28,000	\$ 39	D Â
Stock Option (right to buy)	Â (4)	02/23/2016	Common Shares, \$.01 par value per share	20,000	\$ 56.27	D Â
Stock Option (right to buy)	Â (5)	08/02/2016	Common Shares, \$.01 par value per share	15,000	\$ 59.65	D Â
Stock Appreciation Right	Â (6)	05/11/2017	Common Shares, \$.01 par value per share	8,350	\$ 71.12	D Â
Stock Appreciation Right	Â (7)	05/09/2018	Common Shares, \$.01 par value per share	8,350	\$ 69.3	D Â

## Reporting Owners

Reporting Owner Name / Address	Relationships			
	Director	10% Owner	Officer	Other
Lyons Mark Donald ONE LIBERTY PLAZA, 53RD FLOOR NEW YORK, NY 10006	Â	Â	Â Chairman & CEO Arch Insur Gr	Â

## Signatures

/s/ Mark D.  
Lyons

07/07/2008

Date

Signature of  
Reporting Person

## Explanation of Responses:

- \* If the form is filed by more than one reporting person, *see* Instruction 5(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).
  - (1) 1,000 of such shares are restricted and subject to vest on February 23, 2009; 15,000 of such shares are restricted and subject to vest on July 31, 2009; 5,566 of such shares are restricted and subject to vest in two equal annual installments on May 11, 2009 and May 11, 2010 and 8,350 of such shares are restricted share units that vest in three equal annual installments on May 9th in each of 2009, 2010 and 2011, subject to the applicable award agreements.
  - (2) The stock options became exercisable in three equal annual installments commencing on August 6, 2002, subject to the applicable award agreement.
  - (3) The stock options became exercisable in three equal annual installments commencing on September 22, 2004, subject to the applicable award agreement.
  - (4) The stock options became exercisable in three equal annual installments commencing on February 23, 2007, subject to the applicable award agreement.
  - (5) The stock options become exercisable on July 31, 2009, subject to the applicable award agreement.
  - (6) The stock appreciation rights became exercisable in three equal annual installments commencing on May 16, 2008, subject to the applicable award agreement.
  - (7) 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 2011, 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. 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.