

GRANDISSON MARC
Form 4
September 15, 2011

FORM 4

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

OMB APPROVAL

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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

(Print or Type Responses)

1. Name and Address of Reporting Person *
GRANDISSON MARC

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)

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

___ Director ___ 10% Owner
 Officer (give title below) ___ Other (specify below)
Reinsur. Group Chairman & CEO

WESSEX HOUSE, 5TH FLOOR, 45
REID STREET

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

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

(Street)

HAMILTON, D0 HM 12

(City) (State) (Zip)

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) |
|--|--------------------------------------|--|--------------------------------|---|---|--|---|
| Common Shares, \$.0033 par value per share | 09/14/2011 | | M | A | 52,500 ⁽³⁾ \$ 6.667 470,724 ⁽³⁾ | D | |
| Common Shares, \$.0033 par value per share | 09/14/2011 | | S | D | 52,500 ⁽³⁾ \$ 33.2865 ⁽²⁾ 418,224 ⁽³⁾ | D | |
| | | | | | 660 ⁽³⁾ | I | |

Common
Shares,
\$.0033 par
value per
share

By
spouse

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

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(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. Transaction Code (Instr. 8) | 5. Number of 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) | 8. Amount or Number of Shares |
|--|--|--------------------------------------|--|--------------------------------|---|--|---|-------------------------------|
| Stock Option (right to buy) | \$ 6.667 | 09/14/2011 | | M | 52,500 (3) | (1) 10/23/2011 | Common Shares, \$.0033 par value per share | 52,500 (3) |

Reporting Owners

| Reporting Owner Name / Address | Relationships | | | |
|--|---------------|-----------|-------------------------------|-------|
| | Director | 10% Owner | Officer | Other |
| GRANDISSON MARC WESSEX HOUSE, 5TH FLOOR, 45 REID STREET HAMILTON, D0 HM 12 | | | Reinsur. Group Chairman & CEO | |

Signatures

/s/ Marc
Grandisson 09/15/2011

**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).
- (1) The stock option became exercisable in three equal annual installments with the first installment becoming exercisable on November 20, 2001 and the second installment on October 23, 2002 and the third installment on October 23, 2003.
- (2) Represents a weighted average sales price; the sales prices range from \$33.25 to \$33.45. Upon request, the full sale information regarding the number of shares sold at each price increment will be provided to the Commission or a security holder of the issuer.
- (3) The amount of common shares includes common shares acquired in connection with a 3-for-one share split effectuated by Arch Capital Group Ltd. on May 11, 2011.

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.