

ARCH CAPITAL GROUP LTD.
Form 4
October 31, 2016

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 *
Lyons Mark Donald

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)
10/28/2016

____ Director _____ 10% Owner
 Officer (give title below) _____ Other (specify below)
EVP,CFO & Treasurer

C/O ARCH CAPITAL GROUP LTD., 100 PITTS BAY ROAD, GROUND FLOOR

(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

PEMBROKE, D0 HM 08

(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)
				(A) or (D)	Price		
Code	V	Amount	(D)	Price			
Common Shares, \$0.033 par value per share	10/28/2016		M	5,050	A	\$ 23.1	195,380 ⁽¹⁾ D
Common Shares, \$0.033 par value per share	10/28/2016		M	5,000	A	\$ 25.01	200,380 ⁽¹⁾ D

Common Shares, \$.0033 par value per share	10/28/2016	M	9,500	A	\$ 33.913	209,880 ⁽¹⁾	D
Common Shares, \$.0033 par value per share	10/28/2016	M	9,000	A	\$ 38.58	218,880	D
Common Shares, \$.0033 par value per share	10/28/2016	M	5,000	A	\$ 40.1	223,880	D
Common Shares, \$.0033 par value per share	10/28/2016	F ⁽⁶⁾	21,148	D	<u>(6)</u>	202,732 ⁽¹⁾	D
Common Shares, \$.0033 par value per share	10/28/2016	S ⁽⁷⁾	8,000	D	\$ 77.2203 ⁽⁵⁾	194,732 ⁽¹⁾	D

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)
				Code	V (A) (D)	Date Exercisable Expiration Date	Title Amount or Number of Shares
	\$ 23.1	10/28/2016		M	5,050	⁽⁴⁾ 05/09/2018	5,050

Share Appreciation Right								Common Shares, \$.0033 par value per share	
Share Appreciation Right	\$ 25.01	10/28/2016	M	5,000	(3)	05/05/2020	Common Shares, \$.0033 par value per share	5,000	
Share Appreciation Right	\$ 33.913	10/28/2016	M	9,500	(2)	05/06/2021	Common Shares, \$.0033 par value per share	9,500	
Share Appreciation Right	\$ 38.58	10/28/2016	M	9,000	(8)	05/09/2022	Common Shares, \$.0033 par value per share	9,000	
Share Appreciation Right	\$ 40.1	10/28/2016	M	5,000	(9)	09/06/2022	Common Shares, \$.0033 par value per share	5,000	

Reporting Owners

Reporting Owner Name / Address	Relationships			
	Director	10% Owner	Officer	Other
Lyons Mark Donald C/O ARCH CAPITAL GROUP LTD. 100 PITTS BAY ROAD, GROUND FLOOR PEMBROKE, D0 HM 08			EVP,CFO & Treasurer	

Signatures

/s/ Mark D.
Lyons

10/31/2016

**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) 86,722 of such amount will settle in Issuer's common shares upon the termination of the Reporting Person's employment, as specifically provided in the award agreements.

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- (2) The share appreciation right became exercisable in three equal annual installments commencing May 6, 2012, subject to the applicable award agreement.
- (3) The share appreciation right became exercisable in three equal annual installments commencing May 5, 2011, subject to the applicable award agreement.
- (4) The share appreciation right became exercisable in three equal annual installments commencing May 9, 2009, subject to the applicable award agreement.
- (5) Represents a weighted average sales price; the sales prices range from \$77.201 to \$77.23. Upon request, the full sale information regarding the number of shares sold at each price increment will be provided to the Commission or to the security holder of the issuer.
- (6) In connection with the partial exercise of the five share appreciation rights awards as described in Table II, 6,797 common shares were withheld for taxes at a tax price of \$77.47 per share. In addition, 14,351 common shares were disposed in satisfaction of the exercise prices (see Table II). The reporting person received a net issuance of 12,402 common shares.
- (7) A portion of the proceeds will be used to satisfy state and federal tax obligations.
- (8) The share appreciation right became exercisable in three equal annual installments commencing May 9, 2013, subject to the applicable award agreement.
- (9) The share appreciation right became exercisable in three equal annual installments commencing September 6, 2013, 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.