

ARCH CAPITAL GROUP LTD.
Form 4
March 15, 2006

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 *
PETRILLO LOUIS T

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)
03/13/2006

____ Director _____ 10% Owner
 Officer (give title below) _____ Other (specify below)
Pres & Gen Counsel of sub.

ARCH CAPITAL SERVICES INC., 360 HAMILTON AVENUE, SUITE 600

(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

WHITE PLAINS, NY 10601

(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) |
|---|--------------------------------------|--|--------------------------------|---|---|--|---|
| | | | Code | V | Amount | (A) or (D) | Price |
| Common Shares, \$0.01 par value per share | 03/13/2006 | | M | | 5,000 | A | \$ 23.125 |
| | | | | | 18,276 | | |
| Common Shares, \$0.01 par value per share | 03/13/2006 | | M | | 4,400 | A | \$ 17.625 |
| | | | | | 22,676 | | |

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| | | | | | | | |
|---|------------|---|--------|---|------------|--------|---|
| Common Shares, \$0.01 par value per share | 03/13/2006 | M | 2,653 | A | \$ 23 | 25,329 | D |
| Common Shares, \$0.01 par value per share | 03/13/2006 | M | 4,347 | A | \$ 23 | 29,676 | D |
| Common Shares, \$0.01 par value per share | 03/13/2006 | M | 2,676 | A | \$ 22.438 | 32,352 | D |
| Common Shares, \$0.01 par value per share | 03/13/2006 | M | 5,144 | A | \$ 22.438 | 37,496 | D |
| Common Shares, \$0.01 par value per share | 03/13/2006 | M | 1,780 | A | \$ 22.438 | 39,276 | D |
| Common Shares, \$0.01 par value per share | 03/13/2006 | S | 26,000 | D | \$ 55.6754 | 13,276 | 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) | 8. Derivative Securities (Instr. 3 and 4) |
|--|--|--------------------------------------|--|--------------------------------|---|--|---|---|
|--|--|--------------------------------------|--|--------------------------------|---|--|---|---|

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| | | | | | Date Exercisable | Expiration Date | Title | Amount or Number of Shares |
|--------------------------------------|-----------|------------|------|-------|---------------------|--------------------|--|--|
| | | | Code | V (A) | (D) | | | |
| Stock Option (right to buy) | \$ 23.125 | 03/13/2006 | M | | 5,000 | <u>(1)</u> | 05/05/2007 Common Shares, \$.01 par value per share | 5,000 |
| Stock Option (right to buy) | \$ 17.625 | 03/13/2006 | M | | 4,400 | <u>(1)</u> | 05/05/2007 Common Shares, \$.01 par value per share | 4,400 |
| Stock Option (right to buy) | \$ 23 | 03/13/2006 | M | | 2,653 | <u>(1)</u> | 05/05/2007 Common Shares, \$.01 par value per share | 2,653 |
| Stock Option (right to buy) | \$ 23 | 03/13/2006 | M | | 4,347 | <u>(1)</u> | 11/18/2007 Common Shares, \$.01 par value per share | 4,347 |
| Stock Option (right to buy) | \$ 22.438 | 03/13/2006 | M | | 2,676 | <u>(1)</u> | 11/17/2008 Common Shares, \$.01 par value per share | 2,676 |
| Stock Option (right to buy) | \$ 22.438 | 03/13/2006 | M | | 5,144 | <u>(1)</u> | 05/05/2007 Common Shares, \$.01 par value per share | 5,144 |
| Stock Option (right to buy) | \$ 22.438 | 03/13/2006 | M | | 1,780 | <u>(1)</u> | 11/17/2008 Common Shares, \$.01 par value per share | 1,780 |

Reporting Owners

Reporting Owner Name / Address

Relationships

Director 10% Owner Officer Other

PETRILLO LOUIS T
ARCH CAPITAL SERVICES INC.
360 HAMILTON AVENUE, SUITE 600
WHITE PLAINS, NY 10601

Pres & Gen
Counsel of
sub.

Signatures

/s/ Louis T.
Petrillo

03/15/2006

__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) Pursuant to the applicable agreements, such options vested and became exercisable on or before May 5, 2000.

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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