

ARCH CAPITAL GROUP LTD.  
Form 8-K  
January 23, 2008

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

**FORM 8-K**

**Current Report Pursuant to Section 13 or 15(d)**  
**of the Securities Exchange Act of 1934**

**January 23, 2008 (January 18, 2008)**

Date of Report (Date of earliest event reported)

**Arch Capital Group Ltd.**

(Exact name of registrant as specified in its charter)

**Bermuda**  
(State or other  
jurisdiction of  
incorporation or  
organization)

**0-26456**  
(Commission File Number)

**N/A**  
(I.R.S. Employer  
Identification No.)

**Wessex House, 45 Reid Street, Hamilton HM 12, Bermuda**

(Address of principal executive offices) (Zip Code)

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Registrant's telephone number, including area code:

**(441) 278-9250**

**N/A**

(Former name or former address, if changed since last report)

Check the appropriate box below if the Form 8-K filing is intended to simultaneously satisfy the filing obligation of the registrant under any of the following provisions (see General Instruction A.2. below):

- Written communications pursuant to Rule 425 under the Securities Act (17 CFR 230.425)
  - Soliciting material pursuant to Rule 14a-12 under the Exchange Act (17 CFR 240.14a-12)
  - Pre-commencement communications pursuant to Rule 14d-2(b) under the Exchange Act (17 CFR 240.14d-2(b))
  - Pre-commencement communications pursuant to Rule 13e-4(c) under the Exchange Act (17 CFR 240.13e-4(c))
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**ITEM 7.01 Regulation FD Disclosure.**

As of January 18, 2008, the overall credit quality of Arch Capital Group Ltd. (together with its subsidiaries, the Company) entire municipal bond portfolio of approximately \$1 billion was an average rating of Aaa by Moody's Investors Service (Moody's) and AAA by Standard & Poor's Rating Services (Standard & Poor's). As of such date, the Company held insurance enhanced municipal bonds, net of prerefunded bonds that are escrowed in U.S. government obligations, in the amount of approximately \$353 million, which represented approximately 3.6% of the Company's entire investment portfolio. Giving no effect to the insurance enhancement, the overall credit quality of the Company's insured municipal bond portfolio was an average underlying rating of Aa3 by Moody's and AA- by Standard & Poor's. The Company also has approximately \$12 million of insurance enhanced asset-backed securities and mortgage-backed securities that have no underlying credit ratings.

The Private Securities Litigation Reform Act of 1995 provides a safe harbor for forward-looking statements. This Current Report on Form 8-K or any other written or oral statements made by or on behalf of the Company may include forward-looking statements which reflect the Company's current views with respect to future events and financial performance. Forward-looking statements involve the Company's current assessment of risks and uncertainties, which may cause actual events and results and prospects to differ materially from those expressed or implied in these statements. Certain information regarding such risks and uncertainties is set forth in the Company's filings with the Securities and Exchange Commission. The Company undertakes no obligation to publicly update or revise any forward-looking statement, whether as a result of new information, future events or otherwise.

The information in this Current Report on Form 8-K shall not be deemed filed for purposes of Section 18 of the Securities Exchange Act of 1934, as amended (the Exchange Act), or incorporated by reference in any filing under the Securities Act of 1933, as amended, or the Exchange Act, except as shall be expressly set forth by specific reference in such a filing.

SIGNATURES

Pursuant to the requirements of the Securities Exchange Act of 1934, as amended, the registrant has duly caused this report to be signed on its behalf by the undersigned.

ARCH CAPITAL GROUP LTD.

Date: January 23, 2008

By

/s/ John D. Vollaro

Name:

John D. Vollaro

Title:

Executive Vice President,  
Chief Financial Officer and Treasurer