

ARCH CAPITAL GROUP LTD.  
Form 4  
May 13, 2008

**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 \*  
IORDANOU CONSTANTINE

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)  
President & CEO

WESSEX HOUSE, 4TH FLOOR, 45 REID STREET

05/09/2008

(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

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 Ownership (Instr. 4)
				(A) or (D)	Price		
				Code	V	Amount	
Common Shares, \$.01 par value per share	05/09/2008		A	45,000	A	124,780	D
Common Shares, \$.01 par value per share						129,415	I
						16,648	I
							By limited liability company (2)
							By GRAT

Common Shares, \$.01 par value per share

Common Shares, \$.01 par value per share

Common Shares, \$.01 par value per share

11,850

I

By Trust <sup>(3)</sup>

11,666

I

By children

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

**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.**

SEC 1474 (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
Stock Appreciation Right <sup>(4)</sup>	\$ 69.3	05/09/2008		A	45,000	<sup>(4)</sup> 05/09/2018	Common Shares, \$.01 par value per share	45,000

## Reporting Owners

Reporting Owner Name / Address	Relationships			
	Director	10% Owner	Officer	Other
	X		President & CEO	

IORDANOU CONSTANTINE  
WESSEX HOUSE, 4TH FLOOR  
45 REID STREET  
HAMILTON, D0 HM 12

## Signatures

/s/ Constantine  
Iordanou 05/13/2008

\_\_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) Represents 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 agreement.
- (2) The shares are owned by Mathiatis LLC, a limited liability company. The Reporting Person owns all of the membership interests in Mathiatis LLC and serves as its sole managing member.  
These shares are held in irrevocable trusts for the benefit of the reporting person's children. The reporting person disclaims beneficial
- (3) ownership of these securities and the filing of this report is not an admission that the reporting person is the beneficial owner of these securities for purposes of Section 16 or for any other purpose.
- (4) 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 May 9, 2011, subject to the terms of 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.

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