

Hutchings W Preston  
 Form 4  
 February 24, 2012

**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 \*  
 Hutchings W Preston

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)  
 SVP & Chief Investment Officer

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)
			Code	V Amount (A) or (D) Price			
Common Shares, \$.0033 par value per share	02/22/2012		M	50,000 A \$ 15.113	121,769	I	By Company (2)
Common Shares, \$.0033 par value per share	02/22/2012		F	20,512 (4) D \$ 36.84	101,257	I	By Company (2)
	02/23/2012		S	29,488 D	71,769	I	

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Common Shares, \$.0033 par value per share	\$ 36.72 <u>(3)</u>	By Company <u>(2)</u>
Common Shares, \$.0033 par value per share	38,148	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. Amount or Number of Shares
				Code	V (A) (D)	Date Exercisable	Expiration Date	Title
Stock Option (right to buy)	\$ 15.113	02/22/2012		M	50,000	<u>(1)</u> 07/01/2015	Common Shares, \$.0033 par value per share	50,000

## Reporting Owners

Reporting Owner Name / Address	Relationships			
	Director	10% Owner	Officer	Other
Hutchings W Preston WESSEX HOUSE, 5TH FLOOR 45 REID STREET HAMILTON, D0 HM 12			SVP & Chief Investment Officer	

## Signatures

/s/ W. Preston  
Hutchings

02/24/2012

\_\_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 being exercisable on July 1, 2005 and the second and third installments being exercisable on July 1, 2006 and July 1, 2007, subject to the applicable award agreement.
  - (2) The shares are held by a company which is owned by a family trust; beneficiaries of the family trust are the Reporting Person, his spouse and their minor children.
  - (3) Represents a weighted average sale price; the sales prices range from \$37.70 to \$37.75. Upon request, the full sale information regarding the number of shares sold at each price increment will be provided to the Commission or to a security holder of the issuer.
  - (4) On February 22, 2012, the Reporting Person exercised 50,000 stock options and, under the net settlement provisions of the applicable stock option agreement, 20,512 common shares were withheld in payment of the exercise price.

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.