

GRANDISSON MARC
Form 4
April 29, 2011

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 *
GRANDISSON MARC

2. Issuer Name and Ticker or Trading Symbol
ARCH CAPITAL GROUP LTD.
[ACGL]

5. Relationship of Reporting Person(s) to Issuer

(Check all applicable)
 Director 10% Owner
 Officer (give title below) Other (specify below)
Reinsur. Group Chairman & CEO

(Last) (First) (Middle)

WESSEX HOUSE, 45 REID STREET

3. Date of Earliest Transaction (Month/Day/Year)
04/27/2011

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 Ownership (Instr. 4) |
|---|--------------------------------------|--|--------------------------------|---|---|--|--|
| | | | Code | V | Amount | (A) or (D) | Price |
| Common Shares, \$0.01 par value per share | 04/27/2011 | | M | | 20,000 | A | \$ 20 |
| Common Shares, \$0.01 par value per share | 04/27/2011 | | S | | 20,000 | D | \$ 102.4954 (2) |

220 I

Common Shares, \$.01 par value per share

By spouse

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

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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 |
|--|--|--------------------------------------|--|--------------------------------|---|--|---|-------------------------------|
| Stock Option (right to buy) | \$ 20 | 04/27/2011 | | M | 20,000 | ⁽¹⁾ 10/23/2011 | Common Shares, \$.01 par value per share | 37,500 |

Reporting Owners

| Reporting Owner Name / Address | Relationships | | |
|---|---------------|-----------|-------------------------------|
| | Director | 10% Owner | Officer |
| GRANDISSON MARC WESSEX HOUSE, 45 REID STREET HAMILTON, D0 HM 12 | | | Reinsur. Group Chairman & CEO |

Signatures

/s/ Marc Grandisson 04/28/2011

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 becoming exercisable on November 20, 2001 and the second installment on October 23, 2002 and the third installment on October 23, 2003.
- (2) Represents a weighted average sales price; the sales prices range from \$102.4 to \$102.68. Upon request, the full sale information regarding the number of shares sold at each price increment will be provided to the Commission or a security holder of the issuer.

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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