

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

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

## 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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