

PETRILLO LOUIS T
 Form 4
 May 09, 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 *
 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)
 05/05/2011

____ Director _____ 10% Owner
 Officer (give title below) _____ Other (specify below)
 Officer of Subsidiary

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)	(A) or (D)	5. Amount or Price	6. Ownership Form: Direct (D) or Indirect (I) (Instr. 4)	7. Nature of Ownership (Instr. 4)
Common Shares, \$.01 par value per share	05/05/2011		F	674	D	(3) 21,394	D	
Common Shares, \$.01 par value per share	05/06/2011		A	4,000	A	(1) 25,394	D	
Common Shares, \$.01	05/06/2011		F	573	D	(3) 24,821	D	

par value
per share

Common
Shares, \$.01
par value
per share

05/09/2011

F 674 D (3) 24,147 D

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)
				Code	V (A) (D)	Date Exercisable Expiration Date	Title Amount or Number of Shares
Stock Appreciation Right ⁽²⁾	\$ 101.74	05/06/2011		A	4,000	<u>(2)</u> 05/06/2021	Common Shares, \$.01 par value per share 4,000

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			Officer of Subsidiary	

Signatures

/s/ Louis T.
Petrillo 05/09/2011
Date

__Signature of
Reporting Person

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 shares that vest in three equal annual installments on May 6th in each of 2012, 2013 and 2014, subject to the applicable award agreement.
- (2) The stock appreciation right will become exercisable in three equal annual installments, with the first installment becoming exercisable on May 6, 2012 and the next two installments on May 6, 2013 and May 6, 2014, subject to the applicable award agreement.
- (3) Represents shares withheld to pay taxes due upon the vesting of restricted stock.

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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