

Gauthier John J
 Form 4
 February 24, 2010

FORM 4

**UNITED STATES SECURITIES AND EXCHANGE COMMISSION
 Washington, D.C. 20549**

OMB APPROVAL

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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 *
 Gauthier John J

2. Issuer Name and Ticker or Trading Symbol
 ALLIED WORLD ASSURANCE CO HOLDINGS LTD [AWH]

5. Relationship of Reporting Person(s) to Issuer

(Check all applicable)

(Last) (First) (Middle)

ALLIED WORLD ASSURANCE CO HOLDINGS, LTD, 27 RICHMOND ROAD

(Street)

3. Date of Earliest Transaction (Month/Day/Year)
 02/22/2010

____ Director _____ 10% Owner
 Officer (give title below) _____ Other (specify below)
 SVP & C.I.O., Newmarket Admin

PEMBROKE, D0 HM 08

(City) (State) (Zip)

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

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 | | | |
| Common Shares | 02/22/2010 | | A | 255 ⁽¹⁾ A \$ 0 | 3,998 | 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)

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| 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. Price or Value of Underlying Securities (Instr. 3 and 4) |
|--------------------------------------------|--------------------------------------------------------|--------------------------------------|----------------------------------------------------|--------------------------------|-----------------------------------------------------------------------------------------|----------------------------------------------------------|---------------------------------------------------------------|-------------------------------------------------------------|
| Restricted Stock Units | (2) | 02/22/2010 | | A | 4,400 (2) | (3) (3) | Common Shares | 2,640 (2) |

Reporting Owners

| Reporting Owner Name / Address | Relationships | | | |
|------------------------------------------------------------------------------------------------------|---------------|-----------|-------------------------------|-------|
| | Director | 10% Owner | Officer | Other |
| Gauthier John J ALLIED WORLD ASSURANCE CO HOLDINGS, LTD 27 RICHMOND ROAD PEMBROKE, D0 HM 08 | | | SVP & C.I.O., Newmarket Admin | |

Signatures

/s/ Wesley D. Dupont, by Power of Attorney
 02/24/2010
 **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 the Company's Common Shares acquired pursuant to its 2008 Employee Share Purchase Plan on December 31, 2009. Grant of Restricted Stock Units for no monetary consideration. 4,400 Restricted Stock Units convert into (i) 2,640 of the Company's Common Shares and (ii) cash equal to the market value of 1,760 Common Shares (measured at the date of vesting) upon the vesting of such Restricted Stock Units.
- (3) The Restricted Stock Units vest in four equal installments with the first installment vesting on February 22, 2011.

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.