

CLEMENTS ROBERT  
Form 4  
March 10, 2005

**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 \*  
CLEMENTS ROBERT

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)

ARCH CAPITAL GROUP (U.S.)  
INC., ONE SOUND SHORE  
DRIVE, SUITE 104

3. Date of Earliest Transaction  
(Month/Day/Year)  
03/08/2005

Director  10% Owner  
 Officer (give title below)  Other (specify below)  
Chairman of the Board of Direc

(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

GREENWICH, CT 06830

(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 Ownership (Instr. 4)	
			Code	V	Amount	(A) or (D)	Price	
Common Shares, \$.01 par value per share	03/08/2005		A		16,851 (1)	A	\$ 20 611,871	D
Common Shares, \$.01 par value per share	03/08/2005		A		10,298 (1)	A	\$ 20 529,806	I
								See footnote 2 (2)

Common Shares, \$.01 par value per share	2,725	I	See footnote 3 <u>(3)</u>
Common Shares, \$.01 par value per share	24,381	I	See footnote 4 <u>(4)</u>

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

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SEC 1474 (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)		
						Date Exercisable	Expiration Date	Title	Amount or Number of Shares
				Code	V (A) (D)				
Class B Warrants (right to buy)	\$ 20	03/08/2005		X	32,198	12/16/2002	09/19/2005	Common Shares, \$.01 par value per share	32,198 <u>(1)</u>
Class B Warrants (right to buy)	\$ 20	03/08/2005		X	19,677	12/16/2002	09/19/2005	Common Shares, \$.01 par value per share	19,677 <u>(1)</u>

## Reporting Owners

**Reporting Owner Name / Address**

**Relationships**

Director	10% Owner	Officer	Other
X			Chairman of the Board of Direc

CLEMENTS ROBERT  
ARCH CAPITAL GROUP (U.S.) INC.  
ONE SOUND SHORE DRIVE, SUITE 104  
GREENWICH, CT 06830

## Signatures

/s/ Louis T. Petrillo,  
Attorney-in-fact

03/10/2005

\_\_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) Reflects an acquisition of Common Shares from the cashless exercise of Class B Warrants at an exercise price of \$20.00 per share as described in Table II. The net increase in beneficial ownership of Common Shares resulting therefrom is indicated in Table I.
- (2) Reflects securities held by the spouse of the Reporting Person. The Reporting Person disclaims beneficial ownership of securities owned by his spouse.  
  
Reflects Common Shares held by Sound View Partners, L.P. ("Sound View"). The Reporting Person does not have a pecuniary interest in, and disclaims beneficial ownership of, approximately 98% of the securities held by Sound View, which represents the ownership percentage of Sound View partners other than the Reporting Person, but excluding that portion of Sound View held by Taracay Investors ("Taracay") to the extent of the Reporting Person's beneficial ownership of Taracay. Taracay owns approximately 50% of Sound View. Taracay is a general partnership, the general partners of which consist of the Reporting Person and members of his family and the managing partner of which is the Reporting Person.
- (3) Reflects Common Shares held by a grantor retained annuity trust established by the Reporting Person and his spouse, as trustees.
- (4) Reflects Common Shares held by a grantor retained annuity trust established by the Reporting Person and his spouse, as trustees.
- (5) Neither the Reporting Person nor his spouse owns any other Class B Warrants following the exercise reported herein.

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.