

JONES RALPH E III  
Form 4  
November 30, 2006

**FORM 4** UNITED STATES SECURITIES AND EXCHANGE COMMISSION  
Washington, D.C. 20549

OMB APPROVAL

OMB Number: 3235-0287  
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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 \*  
JONES RALPH E III

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)

\_\_\_ Director \_\_\_ 10% Owner  
 Officer (give title below) \_\_\_ Other (specify below)  
Chairman & CEO Arch Insur Gr

C/O ARCH INSURANCE GROUP INC., ONE LIBERTY PLAZA

11/28/2006

(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

NEW YORK, NY 10006

(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)
Common Shares, \$0.01 par value per share					166	I	By spouse
Common Shares, \$0.01 par value per share	11/28/2006		M	50,000 A	\$ 34.71 50,100	D	
	11/28/2006		S	300 D	\$ 68.5 49,800	D	

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Common Shares, \$0.01 par value per share							
Common Shares, \$0.01 par value per share	11/28/2006	S	1,300	D	\$ 68.51	48,500	D
Common Shares, \$0.01 par value per share	11/28/2006	S	1,100	D	\$ 68.53	47,400	D
Common Shares, \$0.01 par value per share	11/28/2006	S	400	D	\$ 68.54	47,000	D
Common Shares, \$0.01 par value per share	11/28/2006	S	100	D	\$ 68.55	46,900	D
Common Shares, \$0.01 par value per share	11/28/2006	S	200	D	\$ 68.57	46,700	D
Common Shares, \$0.01 par value per share	11/28/2006	S	200	D	\$ 68.59	46,500	D
Common Shares, \$0.01 par value per share	11/28/2006	S	300	D	\$ 68.6	46,200	D
Common Shares, \$0.01 par value per share	11/28/2006	S	300	D	\$ 68.61	45,900	D
	11/28/2006	S	500	D		45,400	D

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Common Shares, \$.01 par value per share					\$ 68.68		
Common Shares, \$.01 par value per share	11/28/2006	S	100	D	\$ 68.74	45,300	D
Common Shares, \$.01 par value per share	11/28/2006	S	22	D	\$ 68.82	45,278	D
Common Shares, \$.01 par value per share	11/28/2006	S	300	D	\$ 68.83	44,978	D
Common Shares, \$.01 par value per share	11/28/2006	S	100	D	\$ 68.84	44,878	D
Common Shares, \$.01 par value per share	11/28/2006	S	400	D	\$ 69	44,478	D
Common Shares, \$.01 par value per share	11/28/2006	S	800	D	\$ 69.02	43,678	D
Common Shares, \$.01 par value per share	11/28/2006	S	300	D	\$ 69.03	43,378	D
Common Shares, \$.01 par value per share	11/28/2006	S	100	D	\$ 69.05	43,278	D
	11/28/2006	S	500	D		42,778	D

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Common Shares, \$.01 par value per share					\$	69.09	
Common Shares, \$.01 par value per share	11/28/2006	S	300	D	\$ 69.1	42,478	D
Common Shares, \$.01 par value per share	11/28/2006	S	100	D	\$ 69.11	42,378	D
Common Shares, \$.01 par value per share	11/28/2006	S	700	D	\$ 69.16	41,678	D
Common Shares, \$.01 par value per share	11/28/2006	S	1,400	D	\$ 69.17	40,278	D
Common Shares, \$.01 par value per share	11/28/2006	S	1,245	D	\$ 69.18	39,033	D
Common Shares, \$.01 par value per share	11/28/2006	S	203	D	\$ 69.19	38,830	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	2. Conversion or Exercise	3. Transaction Date (Month/Day/Year)	3A. Deemed Execution Date, if any	4. Transaction Code	5. Number of Derivative Securities	6. Date Exercisable and Expiration Date (Month/Day/Year)	7. Title and Amount of Underlying Securities (Instr. 3 and 4)
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(Instr. 3)	Price of Derivative Security	(Month/Day/Year)	(Instr. 8)	Acquired (A) or Disposed of (D) (Instr. 3, 4, and 5)	Code	V	(A)	(D)	Date Exercisable	Expiration Date	Title	Amount or Number of Shares
	Common Shares, \$.01 par value per share	\$ 34.71	11/28/2006		M		50,000		<u>(1)</u>	07/01/2013	Common Shares, \$.01 par value per share	50,000

## Reporting Owners

Reporting Owner Name / Address	Relationships			
	Director	10% Owner	Officer	Other
JONES RALPH E III C/O ARCH INSURANCE GROUP INC. ONE LIBERTY PLAZA NEW YORK, NY 10006			Chairman & CEO Arch Insur Gr	

## Signatures

/s/ Ralph E. Jones III                      11/30/2006

         \*\*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) Represents an employee stock option that became exercisable in three equal annual installments, with the first installment exercisable on July 1, 2003 and the second and third installments on July 1, 2004 and July 1, 2005.

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.