

ARCH CAPITAL GROUP LTD.  
Form 4  
December 30, 2005

**FORM 4**

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

OMB APPROVAL

OMB Number: 3235-0287  
Expires: January 31, 2005  
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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 \*  
WARBURG PINCUS LLC

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)  
12/30/2005

\_\_\_ Director \_\_\_X\_\_\_ 10% Owner  
\_\_\_ Officer (give title below) \_\_\_ Other (specify below)

466 LEXINGTON AVENUE

(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  
\_X\_ Form filed by More than One Reporting Person

NEW YORK, NY 10017

(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 Ownership (Instr. 4)	
				Code V	Amount	(A) or (D)	Price	
Common Shares, \$0.01 par value per share <sup>(1)</sup>	12/30/2005		C	22,906,560	A	22,910,478	I	Partnership <sup>(1)</sup>

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

**Persons who respond to the collection of information contained in this form are not required to respond unless the form displays a currently valid OMB control number.**

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)		
				Code	V (A) (D)	Date Exercisable	Expiration Date	Title	Amount Number of Shares
Series A Convertible Preference Shares	(2)	12/30/2005		C(2)	20,906,560	(2)	(2)	Common Shares	20,906,560

## Reporting Owners

Reporting Owner Name / Address	Relationships			
	Director	10% Owner	Officer	Other
WARBURG PINCUS LLC 466 LEXINGTON AVENUE NEW YORK, NY 10017			X	
WARBURG PINCUS PRIVATE EQUITY VIII L P 466 LEXINGTON AVENUE NEW YORK, NY 10017			X	

## Signatures

/s/Scott A. Arenare, Managing Director  
12/30/2005

\_\_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).

THE SECURITY HOLDERS ARE WARBURG PINCUS (BERMUDA) PRIVATE EQUITY VIII, L.P. ("WP VIII BERMUDA") AND WARBURG PINCUS (BERMUDA) INTERNATIONAL PARTNERS, L.P. ("WPIP BERMUDA") AND WARBURG PINCUS NETHERLANDS INTERNATIONAL PARTNERS I, C.V. ("WPIP NETHERLANDS I"). WARBURG PINCUS (BERMUDA) PRIVATE EQUITY LTD. ("WP VIII BERMUDA LTD.") IS THE SOLE GENERAL PARTNER OF WP VIII BERMUDA. WARBURG PINCUS (BERMUDA) INTERNATIONAL LTD. ("WPIP BERMUDA LTD.") IS THE SOLE GENERAL PARTNER OF WPIP BERMUDA. WARBURG, PINCUS PARTNERS, LLC IS THE SOLE GENERAL PARTNER OF WPIP NETHERLANDS I. WP VIII BERMUDA, WPIP BERMUDA AND WPIP NETHERLANDS I ARE MANAGED BY WARBURG PINCUS LLC ("WP LLC").

ON DECEMBER 30, 2005, THE REPORTING PERSONS CONVERTED AN AGGREGATE OF 20,906,560 SERIES A CONVERTIBLE PREFERENCE SHARES OF THE ISSUER INTO AN EQUAL NUMBER OF COMMON SHARES OF THE ISSUER.

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.