

Edgar Filing: ARCH CAPITAL GROUP LTD. - Form SC 13D/A

ARCH CAPITAL GROUP LTD.  
Form SC 13D/A  
May 05, 2006

UNITED STATES  
SECURITIES AND EXCHANGE COMMISSION  
WASHINGTON, D.C. 20549

SCHEDULE 13D/A

UNDER THE SECURITIES EXCHANGE ACT OF 1934  
(AMENDMENT NO. 3)

ARCH CAPITAL GROUP LTD.

-----  
(Name of Issuer)

COMMOM SHARES, PAR VALUE \$0.01 PER SHARE

-----  
(Title of Class of Securities)

011576290

-----  
(CUSIP Number)  
-----

SCOTT A. ARENARE, ESQ.  
WARBURG PINCUS LLC  
466 LEXINGTON AVENUE  
NEW YORK, NY 10017  
(212) 878-0600

-----  
(Name, Address and Telephone Number of Person Authorized  
to Receive Notices and Communications)

WITH A COPY TO:

-----  
ANDREW R. BROWNSTEIN, ESQ.  
WACHTELL, LIPTON, ROSEN & KATZ  
51 WEST 52ND STREET  
NEW YORK, NY 10019  
(212) 403-1000

May 3, 2006

-----  
(Date of Event Which Requires Filing of This Statement)

If the filing person has previously filed a statement on Schedule 13G to report the acquisition that is the subject of this Schedule 13D, and is filing this schedule because of ss.ss. 240.13d-1(e), 240.13d-1(f) or 240.13d-1(g), check the following box: .

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CUSIP No. 011576290

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1	NAME OF REPORTING PERSON	
	I.R.S. IDENTIFICATION NOS. OF ABOVE PERSONS	
	Warburg Pincus (Bermuda) Private Equity VIII, L.P.	
	I.R.S. IDENTIFICATION NO. 13-4194502	
2	CHECK THE APPROPRIATE BOX IF A MEMBER OF A GROUP	(a) <input type="checkbox"/> (b) <input checked="" type="checkbox"/>
3	SEC USE ONLY	<input type="checkbox"/>
4	SOURCE OF FUNDS	
	WC	
5	CHECK BOX IF DISCLOSURE OF LEGAL PROCEEDINGS IS REQUIRED PURSUANT TO ITEMS 2(d) OR 2(e)	<input type="checkbox"/>
6	CITIZENSHIP OR PLACE OF ORGANIZATION	
	BERMUDA	
	7	
	SOLE VOTING POWER	
	9,439,403	
NUMBER OF		
	8	
	SHARED VOTING POWER	
	-0-	
SHARES		
BENEFICIALLY		
	9	
	SOLE DISPOSITIVE POWER	
	9,439,403	
OWNED BY		
EACH		
	10	
	SHARED DISPOSITIVE POWER	
	-0-	
REPORTING		
PERSON WITH		
11	AGGREGATE AMOUNT BENEFICIALLY OWNED BY EACH REPORTING PERSON	
	9,439,403	
12	CHECK BOX IF THE AGGREGATE AMOUNT IN ROW (11) EXCLUDES CERTAIN SHARES	<input type="checkbox"/>
13	PERCENT OF CLASS REPRESENTED BY AMOUNT IN ROW (11)	
	12.8%	
14	TYPE OF REPORTING PERSON	
	PN	

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1	NAME OF REPORTING PERSON	
	I.R.S. IDENTIFICATION NOS. OF ABOVE PERSONS	
	Warburg Pincus (Bermuda) International Partners, L.P.	
	I.R.S. IDENTIFICATION NO. 13-4194501	
2	CHECK THE APPROPRIATE BOX IF A MEMBER OF A GROUP	
		(a) <input type="checkbox"/>
		(b) <input checked="" type="checkbox"/>
3	SEC USE ONLY	<input type="checkbox"/>
4	SOURCE OF FUNDS	
	WC	
5	CHECK BOX IF DISCLOSURE OF LEGAL PROCEEDINGS IS REQUIRED PURSUANT TO ITEMS 2(d) OR 2(e)	<input type="checkbox"/>
6	CITIZENSHIP OR PLACE OF ORGANIZATION	
	BERMUDA	
	7	
	SOLE VOTING POWER	
	9,065,034	
NUMBER OF		
	8	
	SHARED VOTING POWER	
	-0-	
SHARES		
BENEFICIALLY		
	9	
	SOLE DISPOSITIVE POWER	
	9,065,034	
OWNED BY		
EACH		
	10	
	SHARED DISPOSITIVE POWER	
	-0-	
REPORTING		
PERSON WITH		
11	AGGREGATE AMOUNT BENEFICIALLY OWNED BY EACH REPORTING PERSON	
	9,065,034	
12	CHECK BOX IF THE AGGREGATE AMOUNT IN ROW (11) EXCLUDES CERTAIN SHARES	<input type="checkbox"/>
13	PERCENT OF CLASS REPRESENTED BY AMOUNT IN ROW (11)	
	12.3%	
14	TYPE OF REPORTING PERSON	

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PN

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1	NAME OF REPORTING PERSON I.R.S. IDENTIFICATION NOS. OF ABOVE PERSONS Warburg Pincus Netherlands International Partners I, C.V. I.R.S. IDENTIFICATION NO. 13-4133834	
2	CHECK THE APPROPRIATE BOX IF A MEMBER OF A GROUP	(a) <input type="checkbox"/> (b) <input checked="" type="checkbox"/>
3	SEC USE ONLY	<input type="checkbox"/>
4	SOURCE OF FUNDS WC	
5	CHECK BOX IF DISCLOSURE OF LEGAL PROCEEDINGS IS REQUIRED PURSUANT TO ITEMS 2(d) OR 2(e)	<input type="checkbox"/>
6	CITIZENSHIP OR PLACE OF ORGANIZATION THE NETHERLANDS	
7	SOLE VOTING POWER 377,708	
8	SHARED VOTING POWER -0-	
9	SOLE DISPOSITIVE POWER 377,708	
10	SHARED DISPOSITIVE POWER -0-	
11	AGGREGATE AMOUNT BENEFICIALLY OWNED BY EACH REPORTING PERSON 377,708	
12	CHECK BOX IF THE AGGREGATE AMOUNT IN ROW (11) EXCLUDES CERTAIN SHARES	<input type="checkbox"/>
13	PERCENT OF CLASS REPRESENTED BY AMOUNT IN ROW (11) Less than 1%.	

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14 TYPE OF REPORTING PERSON  
PN

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1 NAME OF REPORTING PERSON  
I.R.S. IDENTIFICATION NOS. OF ABOVE PERSONS  
Warburg Pincus Netherlands International Partners II, C.V.  
I.R.S. IDENTIFICATION NO. 13-41333841

2 CHECK THE APPROPRIATE BOX IF A MEMBER OF A GROUP  
(a)   
(b)

3 SEC USE ONLY

4 SOURCE OF FUNDS  
WC

5 CHECK BOX IF DISCLOSURE OF LEGAL PROCEEDINGS IS REQUIRED  
PURSUANT TO ITEMS 2(d) OR 2(e)

6 CITIZENSHIP OR PLACE OF ORGANIZATION  
THE NETHERLANDS

7  
SOLE VOTING POWER  
-0-  
NUMBER OF  
SHARES  
BENEFICIALLY  
8  
SHARED VOTING POWER  
-0-

9  
SOLE DISPOSITIVE POWER  
-0-  
OWNED BY  
EACH

10  
SHARED DISPOSITIVE POWER  
-0-  
REPORTING  
PERSON WITH

11 AGGREGATE AMOUNT BENEFICIALLY OWNED BY EACH REPORTING PERSON  
-0-

12 CHECK BOX IF THE AGGREGATE AMOUNT IN ROW (11) EXCLUDES CERTAIN  
SHARES

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13 PERCENT OF CLASS REPRESENTED BY AMOUNT IN ROW (11)  
0.0%

14 TYPE OF REPORTING PERSON  
PN

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1 NAME OF REPORTING PERSON  
I.R.S. IDENTIFICATION NOS. OF ABOVE PERSONS  
Warburg Pincus (Bermuda) Private Equity Ltd.  
I.R.S. IDENTIFICATION NO. 01-0569187

2 CHECK THE APPROPRIATE BOX IF A MEMBER OF A GROUP  
(a)   
(b)

3 SEC USE ONLY

4 SOURCE OF FUNDS  
WC

5 CHECK BOX IF DISCLOSURE OF LEGAL PROCEEDINGS IS REQUIRED  
PURSUANT TO ITEMS 2(d) OR 2(e)

6 CITIZENSHIP OR PLACE OF ORGANIZATION  
BERMUDA

7  
SOLE VOTING POWER  
9,439,403  
NUMBER OF

8  
SHARED VOTING POWER  
-0-  
SHARES  
BENEFICIALLY

9  
SOLE DISPOSITIVE POWER  
9,439,403  
OWNED BY  
EACH

10  
SHARED DISPOSITIVE POWER  
-0-  
REPORTING  
PERSON WITH

11 AGGREGATE AMOUNT BENEFICIALLY OWNED BY EACH REPORTING PERSON  
9,439,403

12 CHECK BOX IF THE AGGREGATE AMOUNT IN ROW (11) EXCLUDES CERTAIN

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SHARES

|\_ |

13 PERCENT OF CLASS REPRESENTED BY AMOUNT IN ROW (11)  
12.8%

14 TYPE OF REPORTING PERSON  
CO

CUSIP No. 011576290

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1 NAME OF REPORTING PERSON  
I.R.S. IDENTIFICATION NOS. OF ABOVE PERSONS  
Warburg Pincus (Bermuda) International Ltd.  
I.R.S. IDENTIFICATION NO. 01-0569166

2 CHECK THE APPROPRIATE BOX IF A MEMBER OF A GROUP  
(a) |\_ |  
(b) |X |

3 SEC USE ONLY |\_ |

4 SOURCE OF FUNDS  
WC

5 CHECK BOX IF DISCLOSURE OF LEGAL PROCEEDINGS IS REQUIRED  
PURSUANT TO ITEMS 2 (d) OR 2 (e) |\_ |

6 CITIZENSHIP OR PLACE OF ORGANIZATION  
BERMUDA

7  
SOLE VOTING POWER  
9,065,034  
NUMBER OF  
8  
SHARED VOTING POWER  
-0-  
SHARES  
BENEFICIALLY  
9  
SOLE DISPOSITIVE POWER  
9,065,034  
OWNED BY  
EACH  
10  
SHARED DISPOSITIVE POWER  
-0-  
REPORTING  
PERSON WITH  
11  
AGGREGATE AMOUNT BENEFICIALLY OWNED BY EACH REPORTING PERSON  
9,065,034

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-----  
 12 CHECK BOX IF THE AGGREGATE AMOUNT IN ROW (11) EXCLUDES CERTAIN SHARES   
 -----  
 13 PERCENT OF CLASS REPRESENTED BY AMOUNT IN ROW (11)  
 12.3%  
 -----  
 14 TYPE OF REPORTING PERSON  
 CO  
 -----

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 CUSIP No. 011576290  
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 1 NAME OF REPORTING PERSON  
 I.R.S. IDENTIFICATION NOS. OF ABOVE PERSONS  
 Warburg, Pincus & CO.  
 I.R.S. IDENTIFICATION NO. 13-6358475  
 -----  
 2 CHECK THE APPROPRIATE BOX IF A MEMBER OF A GROUP  
 (a)   
 (b)   
 -----  
 3 SEC USE ONLY   
 -----  
 4 SOURCE OF FUNDS  
 WC  
 -----  
 5 CHECK BOX IF DISCLOSURE OF LEGAL PROCEEDINGS IS REQUIRED  
 PURSUANT TO ITEMS 2(d) OR 2(e)   
 -----  
 6 CITIZENSHIP OR PLACE OF ORGANIZATION  
 NEW YORK  
 -----  
 7  
 SOLE VOTING POWER  
 377,708  
 NUMBER OF  
 -----  
 8  
 SHARED VOTING POWER  
 -0-  
 SHARES  
 BENEFICIALLY  
 -----  
 9  
 SOLE DISPOSITIVE POWER  
 377,708  
 OWNED BY  
 EACH  
 -----  
 10  
 SHARED DISPOSITIVE POWER  
 -0-  
 REPORTING  
 PERSON WITH  
 -----



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11 AGGREGATE AMOUNT BENEFICIALLY OWNED BY EACH REPORTING PERSON  
377,708

12 CHECK BOX IF THE AGGREGATE AMOUNT IN ROW (11) EXCLUDES CERTAIN  
SHARES

13 PERCENT OF CLASS REPRESENTED BY AMOUNT IN ROW (11)  
Less than 1%.

14 TYPE OF REPORTING PERSON  
CO

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1 NAME OF REPORTING PERSON  
I.R.S. IDENTIFICATION NOS. OF ABOVE PERSONS  
Warburg Pincus Partners, LLC  
I.R.S. IDENTIFICATION NO. 13-4069737

2 CHECK THE APPROPRIATE BOX IF A MEMBER OF A GROUP  
(a)   
(b)

3 SEC USE ONLY

4 SOURCE OF FUNDS  
WC

5 CHECK BOX IF DISCLOSURE OF LEGAL PROCEEDINGS IS REQUIRED  
PURSUANT TO ITEMS 2(d) OR 2(e)

6 CITIZENSHIP OR PLACE OF ORGANIZATION  
NEW YORK

7  
SOLE VOTING POWER  
377,708

NUMBER OF  
SHARES

8  
SHARED VOTING POWER  
-0-

BENEFICIALLY  
OWNED BY  
EACH

9  
SOLE DISPOSITIVE POWER  
377,708

10  
SHARED DISPOSITIVE POWER  
-0-

REPORTING

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PERSON WITH

11	AGGREGATE AMOUNT BENEFICIALLY OWNED BY EACH REPORTING PERSON 377,708
12	CHECK BOX IF THE AGGREGATE AMOUNT IN ROW (11) EXCLUDES CERTAIN SHARES <input type="checkbox"/>
13	PERCENT OF CLASS REPRESENTED BY AMOUNT IN ROW (11) Less than 1%.
14	TYPE OF REPORTING PERSON CO

CUSIP No. 011576290

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1	NAME OF REPORTING PERSON I.R.S. IDENTIFICATION NOS. OF ABOVE PERSONS Warburg Pincus LLC I.R.S. IDENTIFICATION NO. 13-3536050
2	CHECK THE APPROPRIATE BOX IF A MEMBER OF A GROUP (a) <input type="checkbox"/> (b) <input checked="" type="checkbox"/>
3	SEC USE ONLY <input type="checkbox"/>
4	SOURCE OF FUNDS WC
5	CHECK BOX IF DISCLOSURE OF LEGAL PROCEEDINGS IS REQUIRED PURSUANT TO ITEMS 2(d) OR 2(e) <input type="checkbox"/>
6	CITIZENSHIP OR PLACE OF ORGANIZATION NEW YORK
7	SOLE VOTING POWER 18,882,145
8	SHARED VOTING POWER -0-
9	SOLE DISPOSITIVE POWER 18,882,145
10	

NUMBER OF SHARES BENEFICIALLY OWNED BY EACH

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REPORTING SHARED DISPOSITIVE POWER

-0-

PERSON WITH

11	AGGREGATE AMOUNT BENEFICIALLY OWNED BY EACH REPORTING PERSON 18,882,145
12	CHECK BOX IF THE AGGREGATE AMOUNT IN ROW (11) EXCLUDES CERTAIN SHARES <input type="checkbox"/>
13	PERCENT OF CLASS REPRESENTED BY AMOUNT IN ROW (11) 25.6%
14	TYPE OF REPORTING PERSON OO

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Reference is made to the Statement on Schedule 13D filed on November 20, 2001, as amended by Amendment No. 1 thereto filed September 20, 2002 and Amendment No. 2 thereto filed December 18, 2002 (as so amended, the "Schedule 13D"), on behalf of Warburg Pincus (Bermuda) Private Equity VIII, L.P., a limited partnership organized under the laws of Bermuda ("WP VIII Bermuda"), Warburg Pincus (Bermuda) International Partners, L.P., a limited partnership organized under the laws of Bermuda ("WPIP Bermuda"), Warburg Pincus Netherlands International Partners I, C.V., a limited partnership organized under the laws of The Netherlands ("WPIP Netherlands I"), Warburg Pincus Netherlands International Partners II, C.V., a limited partnership organized under the laws of The Netherlands ("WPIP Netherlands II", and together with WP VIII Bermuda, WPIP Bermuda and WPIP Netherlands I, the "Investors"), Warburg Pincus (Bermuda) Private Equity Ltd., a company organized under the laws of Bermuda ("WP VIII Bermuda Ltd."), Warburg Pincus (Bermuda) International Ltd., a company organized under the laws of Bermuda ("WPIP Bermuda Ltd."), Warburg, Pincus & Co., a New York general partnership ("WP"), Warburg Pincus LLC, a New York limited liability company ("WP LLC"), and Warburg Pincus Partners, LLC, a New York limited liability company ("WPP LLC"). Charles R. Kaye and Joseph P. Landy are Managing Partners of WP and Managing Members and Co-Presidents of WP LLC and may be deemed to control the Warburg Pincus entities. The Investors, together with WP VIII Bermuda Ltd., WPIP Bermuda Ltd., WP, WP LLC and WPP LLC, are referred to herein as the "Reporting Persons". All capitalized terms used without definition in this Amendment No. 3 to Schedule 13D shall have the meanings set forth in the Schedule 13D.

This Amendment No. 3 to Schedule 13D amends the Schedule 13D as follows.

ITEM 5. Interest in Securities of the Issuer.

Item 5 of the Schedule 13D is hereby amended and supplemented by adding the following:

Effective as of December 31, 2004, WPIP Netherlands II assigned all its assets and liabilities to WPIP Netherlands I and WPIP Netherlands I became the

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beneficial owner of the Common Shares of the Company theretofore beneficially owned by WPIP Netherlands II.

On December 30, 2005, the Reporting Persons converted an aggregate of 20,906,560 Series A Convertible Preference Shares of the Company into an equal number of Common Shares of the Company.

On May 3, 2006, the Reporting Persons distributed an aggregate of 4,028,333 Common Shares of the Company to their limited and general partners.

As of May 5, 2006, the Investors collectively beneficially owned an aggregate of 18,882,145 Common Shares which represent approximately 25.6% of the outstanding Common Shares based on 73,822,670 Common Shares outstanding as of March 14, 2006. By reason of its relationship with the Investors, under Rule 13d-3 under the Exchange Act, WP may be deemed to beneficially own all of the Common Shares that are beneficially owned by WPIP Netherlands I and WP LLC may be deemed to own beneficially all of the Common Shares that are beneficially owned by the Investors.

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Each Investor exercises voting power and dispositive power over its holdings of such shares through its respective general partner, which, in turn, acts through its respective general partner.

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SIGNATURES

After reasonable inquiry and to the best of our knowledge and belief, the undersigned certify that the information set forth in this statement is true, complete and correct.

Dated: May 5, 2006

WARBURG PINCUS (BERMUDA)  
PRIVATE EQUITY VIII, L.P.

By: Warburg Pincus (Bermuda) Private Equity  
Ltd., Its General Partner

By: /s/ Scott A. Arenare

-----  
Name: Scott A. Arenare  
Title: Authorized Signatory

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WARBURG PINCUS (BERMUDA)  
INTERNATIONAL PARTNERS, L.P.

By: Warburg Pincus (Bermuda) International Ltd.,  
Its General Partner

By: /s/ Scott A. Arenare

-----  
Name: Scott A. Arenare  
Title: Authorized Signatory

WARBURG PINCUS NETHERLANDS  
INTERNATIONAL PARTNERS I, C.V.

By: Warburg, Pincus & Co.,  
General Partner

By: /s/ Scott A. Arenare

-----  
Name: Scott A. Arenare  
Title: Partner

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CUSIP No. 011576290  
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WARBURG PINCUS NETHERLANDS  
INTERNATIONAL PARTNERS II, C.V.

By: Warburg, Pincus & Co.,  
General Partner

By: /s/ Scott A. Arenare

-----  
Name: Scott A. Arenare  
Title: Partner

WARBURG PINCUS (BERMUDA)  
PRIVATE EQUITY LTD.

By: /s/ Scott A. Arenare

-----  
Name: Scott A. Arenare  
Title: Authorized Signatory

WARBURG PINCUS (BERMUDA)  
INTERNATIONAL LTD.

By: /s/ Scott A. Arenare

-----  
Name: Scott A. Arenare  
Title: Authorized Signatory

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WARBURG, PINCUS & CO.

By: /s/ Scott A. Arenare

-----  
Name: Scott A. Arenare  
Title: Partner

WARBURG, PINCUS PARTNERS LLC

By: /s/ Scott A. Arenare

-----  
Name: Scott A. Arenare  
Title: Managing Director

WARBURG PINCUS LLC

By: /s/ Scott A. Arenare

-----  
Name: Scott A. Arenare  
Title: Managing Director