

ARCH CAPITAL GROUP LTD.
Form 4
October 31, 2008

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 *
CARNEY SEAN

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)

C/O WARBURG PINCUS LLC, 466
LEXINGTON AVE

10/30/2008

(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 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 Beneficial Ownership (Instr. 4)
			Code	V	Amount	(A) or (D)	Price
Common Shares, \$0.01 par value per share <u>(1)</u> <u>(2)</u>	10/30/2008		J ⁽³⁾		3,492,586	D	Ⓣ
					3,989,150	I	
Common Shares, \$0.01 par value per share <u>(1)</u> <u>(2)</u>	10/30/2008		A		10,925 ⁽³⁾	A	Ⓣ
					58,355	D	

See Footnotes (1) and (2)

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Netherlands I. Mr. Carney disclaims beneficial ownership of all shares owned by the Warburg Pincus Entities.

- (3) On October 30, 2008, WP VIII Bermuda, WPIP Bermuda and WPIP Netherlands I distributed an aggregate of 3,492,586 Common Shares to their limited and general partners. Mr. Carney received 10,925 Common Shares pursuant to the distributions.

Note: File three copies of this Form, one of which must be manually signed. If space is insufficient, *see* Instruction 6 for procedure.

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