

CLEMENTS ROBERT  
Form 4  
January 26, 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., 20 HORSENECK LANE

3. Date of Earliest Transaction  
(Month/Day/Year)  
01/24/2005

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

(Street)

GREENWICH, CT 06830

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

(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)	
				(A) or (D)	Price			
				Code	V	Amount		
Common Shares, \$.01 par value per share	01/24/2005		G	V	6,200	D	① 595,020	D
Common Shares, \$.01 par value per share	01/24/2005		G	V	6,200	D	② 519,508	I ② see footnote 2
Common Shares, \$.01 par value							24,381	I ③ see footnote 3



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- (1) Reflects a bona fide gift of 6,200 Common Shares held directly by the Reporting Person to his family members.
- (2) Reflects a bona fide gift of 6,200 Common Shares held directly by the Reporting Person's spouse to family members of the Reporting Person and his spouse. The Reporting Person disclaims beneficial ownership of securities held by his spouse.
- (3) Reflects Common Shares held by a grantor retained annuity trust established by the Reporting Person and his spouse, as trustees.  
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.
- (4)

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.