

BUNCE JOHN L JR
 Form 4
 December 30, 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 *
 BUNCE JOHN L JR

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)

HELLMAN & FRIEDMAN
 LLC, ONE MARITIME PLAZA
 12TH FLOOR

3. Date of Earliest Transaction
 (Month/Day/Year)
 12/30/2005

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

(Street)

SAN FRANCISCO, CA 94111

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 Indirect Beneficial Ownership (Instr. 4)
			Code	V	Amount	(A) or (D)	Price
Common Shares, \$.01 par value per share ⁽¹⁾ _{(2) (3)}	12/30/2005		C		7,745,820	A	<u>(4)</u>
Common Shares, \$.01 par value per					63,561	<u>(5)</u>	D

By Partnership

share ⁽³⁾

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 (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 Shares
Series A Convertible Preference Shares	<u>(4)</u>	12/30/2005		C	7,745,820	<u>(4)</u>	<u>(4)</u>	Common Shares, \$.01 par value per share	7,745,

Reporting Owners

Reporting Owner Name / Address	Relationships			
	Director	10% Owner	Officer	Other
BUNCE JOHN L JR HELLMAN & FRIEDMAN LLC ONE MARITIME PLAZA 12TH FLOOR SAN FRANCISCO, CA 94111		X		

Signatures

Louis T. Petrillo Attorney in fact
12/30/2005
Date

**Signature of Reporting Person

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) The security holders are HFCP IV (Bermuda), L.P., H&F International Partners IV-A (Bermuda), L.P., H&F International Partners IV-B (Bermuda), L.P. and H&F Executive Fund IV (Bermuda), L.P. (collectively, the Partnerships). H&F Investors IV (Bermuda), L.P. (HFI IV Bermuda) is the sole general partner of the Partnerships. H&F Corporate Investors IV (Bermuda), Ltd. (HFBI Bermuda) is the sole general partner of HFI IV Bermuda. A four member investment committee of HFBI Bermuda that has been formed by the shareholders of HFBI Bermuda (Investment Committee), has investment discretion over the securities. As a result, HFBI Bermuda and HFI IV Bermuda may be deemed to control the Partnerships. The members of the Investment Committee disclaim beneficial ownership, except to the

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extent of their respective indirect pecuniary interests in the Issuer.

- Mr. Bunce is a 9.9% shareholder of HFCI Bermuda, but is not a member of the Investment Committee. Other than the 6,432 Common Shares and the 3,300 options to purchase Common Shares granted to Mr. Bunce in consideration for his service as a director of the Issuer, the H&F entities described in Footnote 1 own 9,348,044 Common Shares.

- Mr. Bunce may be deemed to have an indirect pecuniary interest (within the meaning of Rule 16a-1 under the Securities Exchange Act of 1934) in an indeterminate portion of the Common Shares beneficially owned by the Partnerships. Mr. Bunce disclaims beneficial ownership of all Common Shares beneficially owned by these entities, including an aggregate of 6,432 Common Shares and 3,300 options to purchase Common Shares granted to Mr. Bunce in consideration for his service as a director of the Issuer, except to the extent of his indirect pecuniary interest in the Issuer held through such entities.

- On December 30, 2005, at the request of the Issuer, the Partnerships converted 7,745,820 shares of Series A Convertible Preference Shares of the Issuer into an equal number of Common Shares of the Issuer. The Preference Shares would have been otherwise converted automatically into Common Shares in February, 2006.

- Includes 6,432 Common Shares granted to Mr. Bunce in consideration for his service as a director of the Issuer, which are held for the benefit of the Partnerships. Mr. Bunce disclaims beneficial ownership of these 6,432 Common Shares except to the extent of his indirect pecuniary interest in the Issuer held through the Partnerships.

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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