

ARCH CAPITAL GROUP LTD.

Form 4

March 15, 2006

FORM 4**UNITED STATES SECURITIES AND EXCHANGE COMMISSION
Washington, D.C. 20549**

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

OMB APPROVAL

OMB
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(Print or Type Responses)

1. Name and Address of Reporting Person *
PETRILLO LOUIS T

(Last) (First) (Middle)

**ARCH CAPITAL SERVICES
INC., 360 HAMILTON AVENUE,
SUITE 600**

(Street)

WHITE PLAINS, NY 10601

(City) (State) (Zip)

2. Issuer Name **and** Ticker or Trading
Symbol
**ARCH CAPITAL GROUP LTD.
[ACGL]**

3. Date of Earliest Transaction
(Month/Day/Year)
03/13/2006

4. If Amendment, Date Original
Filed(Month/Day/Year)

5. Relationship of Reporting Person(s) to
Issuer

(Check all applicable)

____ Director ____ 10% Owner
__X__ Officer (give title ____ Other (specify
below) below)
Pres & Gen Counsel of sub.

6. Individual or Joint/Group Filing(Check
Applicable Line)
__X__ Form filed by One Reporting Person
____ Form filed by More than One Reporting
Person

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	03/13/2006		M		5,000	A \$ 23.125	18,276 D
Common Shares, \$.01 par value per share	03/13/2006		M		4,400	A \$ 17.625	22,676 D

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Common Shares, \$.01 par value per share	03/13/2006	M	2,653	A	\$ 23	25,329	D
Common Shares, \$.01 par value per share	03/13/2006	M	4,347	A	\$ 23	29,676	D
Common Shares, \$.01 par value per share	03/13/2006	M	2,676	A	\$ 22.438	32,352	D
Common Shares, \$.01 par value per share	03/13/2006	M	5,144	A	\$ 22.438	37,496	D
Common Shares, \$.01 par value per share	03/13/2006	M	1,780	A	\$ 22.438	39,276	D
Common Shares, \$.01 par value per share	03/13/2006	S	26,000	D	\$ 55.6754	13,276	D

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

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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)	8. I Der Sec (In
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			Code	V	(A)	(D)	Date Exercisable	Expiration Date	Title	Amount or Number of Shares
Stock Option (right to buy)	\$ 23.125	03/13/2006	M			5,000	<u>(1)</u>	05/05/2007	Common Shares, \$.01 par value per share	5,000
Stock Option (right to buy)	\$ 17.625	03/13/2006	M			4,400	<u>(1)</u>	05/05/2007	Common Shares, \$.01 par value per share	4,400
Stock Option (right to buy)	\$ 23	03/13/2006	M			2,653	<u>(1)</u>	05/05/2007	Common Shares, \$.01 par value per share	2,653
Stock Option (right to buy)	\$ 23	03/13/2006	M			4,347	<u>(1)</u>	11/18/2007	Common Shares, \$.01 par value per share	4,347
Stock Option (right to buy)	\$ 22.438	03/13/2006	M			2,676	<u>(1)</u>	11/17/2008	Common Shares, \$.01 par value per share	2,676
Stock Option (right to buy)	\$ 22.438	03/13/2006	M			5,144	<u>(1)</u>	05/05/2007	Common Shares, \$.01 par value per share	5,144
Stock Option (right to buy)	\$ 22.438	03/13/2006	M			1,780	<u>(1)</u>	11/17/2008	Common Shares, \$.01 par value per share	1,780

Reporting Owners

Reporting Owner Name / Address

Relationships

Director

10% Owner

Officer

Other

PETRILLO LOUIS T
ARCH CAPITAL SERVICES INC.
360 HAMILTON AVENUE, SUITE 600
WHITE PLAINS, NY 10601

Pres & Gen
Counsel of
sub.

Signatures

/s/ Louis T.
Petrillo

03/15/2006

__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).
- (1) Pursuant to the applicable agreements, such options vested and became exercisable on or before May 5, 2000.

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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