

ARCH CAPITAL GROUP LTD.

Form 4

January 03, 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 *
H&F CORP INVESTORS IV
BERMUDA LTD

(Last) (First) (Middle)

C/O A.S. & K. SERVICES,
LTD., CEDAR HOUSE, 41 CEDAR
AVENUE

(Street)

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

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

5. Relationship of Reporting Person(s) to
Issuer

(Check all applicable)

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

HAMILTON HM 12 BERMUDA

(City) (State) (Zip)

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

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)
Common Shares, \$.01 par value per share ⁽¹⁾ <u>(2)</u>	12/30/2005		C ⁽³⁾	7,745,820 ⁽³⁾	A ⁽³⁾ 9,348,044 ⁽⁴⁾	I	Partnership <u>(1)</u> <u>(2)</u>

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

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information contained in this form are not
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SEC 1474
(9-02)

displays a currently valid OMB control number.

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	(4)	12/30/2005		C	(3)	7,745,820	(3)	(3)	(3)	Common Shares, \$0.01 par value per share	7,745,

Reporting Owners

Reporting Owner Name / Address

Relationships

Director 10% Owner Officer Other

H&F CORP INVESTORS IV BERMUDA LTD
C/O A.S. & K. SERVICES, LTD.
CEDAR HOUSE, 41 CEDAR AVENUE
HAMILTON HM 12 BERMUDA

X

Signatures

/s/Georgia Lee, Vice President 12/30/2005

__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) THE REPORTING PERSONS ARE, AND THIS FORM 4 IS FILED JOINTLY ON BEHALF OF, HFCP IV (BERMUDA), L.P. ("HFCP IV BERMUDA"), H&F INTERNATIONAL PARTNERS IV-A (BERMUDA), L.P. ("HFIP IV-A BERMUDA"), H&F INTERNATIONAL PARTNERS IV-B (BERMUDA), L.P. ("HFIP IV-B BERMUDA") AND H&F EXECUTIVE FUND (BERMUDA), L.P. ("HFEF BERMUDA" AND COLLECTIVELY, THE "PARTNERSHIPS"). H&F INVESTORS IV (BERMUDA), L.P. ("HFI IV BERMUDA") IS THE SOLE GENERAL PARTNER OF EACH OF THE PARTNERSHIPS. H&F CORPORATE INVESTORS IV (BERMUDA), LTD. ("HFCI BERMUDA") IS THE SOLE GENERAL PARTNER OF HFI IV BERMUDA.

(2) A FOUR MEMBER INVESTMENT COMMITTEE OF HFCI BERMUDA FORMED BY THE SHARE HOLDERS OF HFCI BERMUDA ("THE INVESTMENT COMMITTEE") HAS INVESTMENT DISCRETION OVER THE SECURITIES. AS A RESULT, HFCI BERMUDA AND HFI IV BERMUDA MAY BE DEEMED TO CONTROL THE PARTNERSHIPS. THE MEMBERS OF THE INVESTMENT COMMITTEE DISCLAIM BENEFICIAL OWNERSHIP, EXCEPT TO THE EXTENT OF THEIR RESPECTIVE INDIRECT PECUNIARY INTERESTS IN THE ISSUER.

(3)

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ON DECEMBER 30, 2005 AT THE REQUEST OF THE ISSUER, HFCP IV BERMUDA, HFIP IV-A BERMUDA, HFIP IV-B BERMUDA AND HFEF BERMUDA CONVERTED 6,242,079, 1,024,343, 338,397 AND 141,001 SHARES, RESPECTIVELY (COLLECTIVELY 7,745,820), OF SERIES A CONVERTIBLE PREFERENCE SHARES OF THE ISSUER ("PREFERENCE SHARES") INTO AN EQUAL NUMBER OF COMMON SHARES OF THE ISSUER. THE PREFERENCE SHARES WOULD HAVE OTHERWISE BEEN CONVERTED AUTOMATICALLY INTO COMMON SHARES IN FEBRUARY 2006.

- (4) FOLLOWING CONVERSION OF THE PREFERENCE SHARES, HFCP IV BERMUDA, HFIP IV-A BERMUDA, HFIP IV-B BERMUDA AND HFEF BERMUDA BENEFICIALLY OWN 7,533,276, 1,236,264, 408,402 AND 170,102 COMMON SHARES, RESPECTIVELY (COLLECTIVELY 9,348,044 COMMON SHARES). SHARE COUNTS EXCLUDE 9,787 COMMON SHARES AND 5,100 OPTIONS TO ACQUIRE COMMON SHARES GRANTED TO JOHN BUNCE AND DAVID TUNNELL IN CONSIDERATION FOR THEIR SERVICE AS DIRECTORS OF THE ISSUERS THAT ARE HELD PROPORTIONATELY FOR THE BENEFIT OF 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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