

CARNEY SEAN
Form 4
December 30, 2005

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

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(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)

WARBURG PINCUS LLC, 466
LEXINGTON AVENUE

(Street)

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

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

NEW YORK, NY 10017

(City) (State) (Zip)

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

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)
			Code	V	Amount	(A) or (D)	Price
Common Shares, \$.01 par value per share ⁽¹⁾ ₍₂₎	12/30/2005		C		20,906,560	A <u>(3)</u>	22,910,478
Common Shares, \$.01 par value per share ⁽¹⁾							5,175

See
Footnotes

(2)

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 Underlying Securities (Instr. 3 and 4)			
				Code	V	(A)	(D)	Date Exercisable	Expiration Date	Title	Amount Number Shares
Series A Convertible Preference Shares	(3)	12/30/2005		C		20,906,560		(3)	(3)	Common Shares, \$.01 par value per share	20,906,560

Reporting Owners

Reporting Owner Name / Address	Relationships
	Director 10% Owner Officer Other
CARNEY SEAN WARBURG PINCUS LLC 466 LEXINGTON AVENUE NEW YORK, NY 10017	X

Signatures

/s/ Louis T. Petrillo Attorney
in fact 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 security holders are Warburg Pincus (Bermuda) Private Equity VIII, L.P. ("WP VIII Bermuda"), Warburg Pincus (Bermuda) International Partners, L.P. ("WPIP Bermuda") and Warburg Pincus Netherlands International Partners I, C.V. ("WPIP Netherlands I"). Warburg Pincus (Bermuda) Private Equity Ltd. ("WP VIII Bermuda Ltd.") is the sole general Partner of WP VIII Bermuda. Warburg Pincus (Bermuda) International Ltd. ("WPIP Bermuda Ltd.") is the sole general partner of WPIP Bermuda. Warburg Pincus Partners LLC ("WP Partners LLC"), a subsidiary of Warburg Pincus & Co. ("WP") is the sole general partner of WPIP Netherlands I. WP VII Bermuda, WPIP Bermuda and WPIP Netherlands I are managed by Warburg Pincus LLC ("WP LLC").

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- (2) Sean Carney, a director of the Issuer, is a general partner of WP, a managing director and member of WP LLC and a beneficial owner of certain shares of capital stock of WP VIII Bermuda Ltd. and WPIP Bermuda Ltd. Other than 5,175 Common Shares of the Issuer which are granted to Mr. Carney in consideration of his service as a director of the Issuer, the Warburg Pincus entities own 22,910,478 Common Shares. Mr. Carney 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 shares owned by WP VIII Bermuda, WPIP Bermuda and WPIP Netherlands I. Mr. Carney disclaims beneficial ownership of all shares owned by these Warburg Pincus entities.

- (3) Subject to certain restrictions, the Series A Convertible Preference Shares are convertible on a one-for-one basis into Common Shares at the option of the holder and are mandatorily convertible into Common Shares upon the occurrence of certain events. The conversion ratio is subject to antidilution and other adjustments. The entities listed in Footnote 1 converted 20,906,560 shares of Series A Convertible Preference Shares of the Issuer into an equal number of Common Shares of the Issuer.

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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