ARCH CAPITAL GROUP LTD.

Form 4 May 05, 2006

OMB APPROVAL

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

OMB 3235-0287 Number:

Check this box if no longer subject to Section 16.

STATEMENT OF CHANGES IN BENEFICIAL OWNERSHIP OF

January 31, Expires: 2005

Form 4 or Form 5 obligations **SECURITIES**

Estimated average burden hours per response... 0.5

may continue. See Instruction

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

1(b).

(Print or Type Responses)

1. Name and Address of Reporting Person * WARBURG PINCUS LLC

(First)

(Street)

(State)

2. Issuer Name and Ticker or Trading

5. Relationship of Reporting Person(s) to Issuer

Symbol

ARCH CAPITAL GROUP LTD.

(Check all applicable)

[ACGL]

(Last)

(Middle)

(Month/Day/Year)

(Zip)

3. Date of Earliest Transaction

Director 10% Owner Other (specify Officer (give title

(Month/Day/Year)

05/03/2006

466 LEXINGTON AVENUE

4. If Amendment, Date Original

6. Individual or Joint/Group Filing(Check

Applicable Line)

Filed(Month/Day/Year)

Form filed by One Reporting Person _X_ Form filed by More than One Reporting

Person

below)

NEW YORK, NY 10017

Table I - Non-Derivative Securities Acquired, Disposed of, or Beneficially Owned 1.Title of 2. Transaction Date 2A. Deemed Security (Month/Day/Year) Execution Date, if

4. Securities Acquired (A) 5. Amount of Transaction Disposed of (D) Code (Instr. 3, 4 and 5) (Instr. 8)

7. Nature of 6. Securities Ownership Indirect Beneficially Form: Beneficial Owned Direct (D) Ownership **Following** or Indirect (Instr. 4)

(A) or

D

(2)

Reported (I) Transaction(s)

(Instr. 4)

(Instr. 3 and 4) (D) Price

Common

(Instr. 3)

(City)

Shares, \$0.01 par 05/03/2006 Code V Amount

4,028,333

18,882,145

Partnership (1)

value per share (1)

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

 $J^{(2)}$

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SEC 1474 (9-02)

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Table II - Derivative Securities Acquired, Disposed of, or Beneficially Owned (e.g., puts, calls, warrants, options, convertible securities)

1. Title of	2.	3. Transaction Date	3A. Deemed	4.	5.	6. Date Exer	cisable and	7. Title	and	8. Price of	9. Nu
Derivative	Conversion	(Month/Day/Year)	Execution Date, if	Transactio	ransactionNumber Expiration Date		ate	Amount	of	Derivative	Deriv
Security	or Exercise		any	Code	of	(Month/Day/	Year)	Underly	ing	Security	Secui
(Instr. 3)	Price of		(Month/Day/Year)	(Instr. 8)	Derivative	e		Securitie	es	(Instr. 5)	Bene
	Derivative		Securities				(Instr. 3	and 4)		Owne	
	Security Acquired									Follo	
					(A) or						Repo
					Disposed						Trans
					of (D)						(Instr
					(Instr. 3,						
					4, and 5)						
								Δ	mount		
							Expiration Date	or Title Numb of			
				Code V	(A) (D)				hares		

Reporting Owners

Reporting Owner Name / Address	Relationships					
1		10% Owner	Officer	Other		
WARBURG PINCUS LLC 466 LEXINGTON AVENUE NEW YORK, NY 10017		X				
WARBURG PINCUS PRIVATE EQUITY VIII L P 466 LEXINGTON AVENUE NEW YORK, NY 10017		X				

Signatures

/s/ Scott A. Arenare, Managing 05/05/2006 Director

**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).
 - THE SECURITY HOLDERS ARE WARBURG PINCUS (BERMUDA) PRIVATE EQUITY VIII, L.P. ("WP VIII BERMUDA") AND 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.
- (1) WARBURG PINCUS (BERMUDA) INTERNATIONAL LTD. ("WPIP BERMUDA LTD.") IS THE SOLE GENERAL PARTNER OF WPIP BERMUDA. WARBURG PINCUS PARTNERS, LLC IS THE SOLE GENERAL PARTNER OF WPIP NETHERLANDS I. WP VIII BERMUDA, WPIP BERMUDA AND WPIP NETHERLANDS I ARE MANAGED BY WARBURG PINCUS LLC ("WP LLC"). CHARLES R. KAYE AND JOSEPH P. LANDY ARE MANAGING MEMBERS AND CO-PRESIDENTS OF WP LLC AND MAY BE DEEMED TO CONTROL THE WARBURG PINCUS ENTITIES.
- ON MAY 3, 2006, THE REPORTING PERSONS DISTRIBUTED AN AGGREGATE OF 4,028,333 COMMON SHARES OF THE ISSUER TO THEIR LIMITED AND GENERAL PARTNERS.

Note: File three copies of this Form, one of which must be manually signed. If space is insufficient, see Instruction 6 for procedure.

Reporting Owners 2

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