

ARCH CAPITAL GROUP LTD.
Form 8-K
October 02, 2007

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

FORM 8-K

**Current Report Pursuant to Section 13 or 15(d)
of the Securities Exchange Act of 1934**

October 2, 2007 (October 1, 2007)

Date of Report (Date of earliest event reported)

Arch Capital Group Ltd.

(Exact name of registrant as specified in its charter)

Bermuda
(State or other jurisdiction of
incorporation or organization)

0-26456
(Commission File Number)

N/A
(I.R.S. Employer
Identification No.)

Wessex House, 45 Reid Street, Hamilton HM 12, Bermuda

(Address of principal executive offices) (Zip Code)

Registrant's telephone number, including area code:

(441) 278-9250

N/A

(Former name or former address, if changed since last report)

Check the appropriate box below if the Form 8-K filing is intended to simultaneously satisfy the filing obligation of the registrant under any of the following provisions (see General Instruction A.2. below):

- o Written communications pursuant to Rule 425 under the Securities Act (17 CFR 230.425)
- o Soliciting material pursuant to Rule 14a-12 under the Exchange Act (17 CFR 240.14a-12)
- o Pre-commencement communications pursuant to Rule 14d-2(b) under the Exchange Act (17 CFR.14d-2(b))
- o Pre-commencement communications pursuant to Rule 13e-4(c) under the Exchange Act (17 CFR.13e-4(c))

ITEM 1.01 **Entry into a Material Definitive Agreement.**

On October 1, 2007, Arch Capital Group Ltd. (the Company) signed the First Amendment (the Amendment) to the Second Amended and Restated Credit Agreement (the Second Credit Agreement), dated as of August 30, 2006, by and among the Company, Arch Capital Group (U.S.) Inc. and the following subsidiaries of the Company designated as subsidiary borrowers (each, a Subsidiary Borrower), Arch Reinsurance Ltd., Arch Reinsurance Company, Arch Insurance Company, Arch Specialty Insurance Company, Arch Excess & Surplus Insurance Company, Western Diversified Casualty Insurance Company and Arch Insurance Company (Europe) Limited with Barclays Bank Plc, The Bank of New York, Calyon, New York Branch, Citibank, N.A., ING Bank N.V., London Branch, Lloyd's TSB Bank plc and Wachovia Bank, N.A., as documentation agents, Bank of America, N.A., as syndication agent, JPMorgan Chase Bank, N.A., as administrative agent, and the lenders named therein. The Amendment provides that the Company may declare and pay dividends on its preferred securities unless, after giving effect to the dividend, the Company or any Subsidiary Borrower is in default under the Second Credit Agreement due to bankruptcy, default in payment of a loan or letter of credit issued pursuant to the Second Credit Agreement or default or acceleration of payments in excess of \$50,000,000.

The Amendment is attached as Exhibit 10.1 to this Current Report and is incorporated herein by reference. The Second Credit Agreement was filed as an exhibit to the Company's Report on Form 8-K filed with the Securities and Exchange Commission on August 31, 2006.

ITEM 2.03 **Creation of a Direct Financial Obligation or an Obligation under an Off-Balance Sheet Arrangement of a Registrant.**

The information in Item 1.01 of this Current Report is incorporated by reference.

ITEM 9.01 **Exhibits.**

| EXHIBIT NO. | DESCRIPTION |
|--------------------|---|
| 10.1 | First Amendment, dated as of October 1, 2007, to the Second Amended and Restated Credit Agreement, dated as of August 30, 2006, by and among Arch Capital Group Ltd., Arch Capital Group (U.S.) Inc., Arch Reinsurance Ltd., Arch Reinsurance Company, Arch Insurance Company, Arch Specialty Insurance Company, Arch Excess & Surplus Insurance Company, Western Diversified Casualty Insurance Company and Arch Insurance Company (Europe) Limited, with Barclays Bank Plc, The Bank of New York, Calyon, New York Branch, Citibank, N.A., ING Bank N.V., London Branch, Lloyd's TSB Bank plc, and Wachovia Bank, N.A., as documentation agents, Bank of America, N.A., as syndication agent, JPMorgan Chase Bank, N.A., as administrative agent, and the lenders named therein |

SIGNATURES

Pursuant to the requirements of the Securities Exchange Act of 1934, as amended, the registrant has duly caused this report to be signed on its behalf by the undersigned.

ARCH CAPITAL GROUP LTD.

Date: October 2, 2007

By: /s/ John D. Vollaro

Name:

John D. Vollaro

Title:

Executive Vice President, Chief Financial
Officer and Treasurer

EXHIBIT INDEX

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