

ARCH CAPITAL GROUP LTD.
Form 4
June 15, 2007

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

OMB APPROVAL

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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

(Print or Type Responses)

1. Name and Address of Reporting Person *
LEE KEWSONG

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)

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

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

C/O WARBURG PINCUS LLC, 466 LEXINGTON AVE

06/14/2007

(Street)

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

NEW YORK, NY 10017

(City) (State) (Zip)

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)		
				(A) or (D)	Price				
				Code	V	Amount			
Common Shares, \$0.01 par value per share ⁽¹⁾ ⁽²⁾	06/14/2007		J ⁽³⁾	2,984,963	D	③	10,974,322	I	See Footnotes
Common Shares, \$0.01 par value per share ⁽¹⁾ ⁽²⁾	06/14/2007		A	19,124 ⁽³⁾	A	③	92,833	D	

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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 of Underlying Securities (Instr. 3 and 4)	8. Price of Derivative Security (Instr. 5)	9. Number of Derivative Securities Beneficially Owned (Instr. 3 and 4)
				Code	V (A) (D)	Date Exercisable	Expiration Date	Title	Amount or Number of Shares

Reporting Owners

Reporting Owner Name / Address	Relationships			
	Director	10% Owner	Officer	Other
LEE KEWSONG C/O WARBURG PINCUS LLC 466 LEXINGTON AVE NEW YORK, NY 10017	X			

Signatures

/s/ Kewsong Lee 06/15/2007

**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).

- 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 sole general partner of WP VIII Bermuda. Warburg Pincus (Bermuda) International Ltd. ("WPIP Bermuda Ltd.") is sole general partner of WPIP Bermuda. Warburg Pincus Partners, LLC ("WPP LLC"), subsidiary of Warburg Pincus & Co. ("WP"), is sole general partner of WPIP Netherlands I. WP VIII Bermuda, WPIP Bermuda and WPIP Netherlands I are managed by Warburg Pincus LLC ("WP LLC"). WP VIII Bermuda, WPIP Bermuda, WPIP Netherlands I, WP VIII Bermuda Ltd., WPIP Bermuda Ltd., WPP LLC, WP and WP LLC are referred to herein as "Warburg Pincus Entities."
- (2) Kewsong Lee 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 9,944 Common Shares of the Issuer which

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were granted to and are directly owned by Mr. Lee in consideration of his service as a director of the Issuer and 82,889 Common Shares, 19,124 of which were received by Mr. Lee pursuant to the distribution described in footnote (3) below, the Warburg Pincus Entities own 10,974,322 Common Shares. Mr. Lee 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. Lee disclaims beneficial ownership of all shares owned by the Warburg Pincus Entities.

- (3) On June 14, 2007, WP VIII Bermuda, WPIP Bermuda and WPIP Netherlands I distributed an aggregate 2,984,963 Common Shares to their limited and general partners. Mr. Lee received 19,124 Common Shares pursuant to the distributions.

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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