

CLEMENTS ROBERT
Form 4
December 16, 2004

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 *
CLEMENTS ROBERT

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)
ARCH CAPITAL GROUP (U.S.)
INC., 20 HORSENECK LANE

3. Date of Earliest Transaction
(Month/Day/Year)
12/14/2004

Director 10% Owner
 Officer (give title below) Other (specify below)
Chairman of the Board of Direc

(Street)
GREENWICH, CT 06830

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

(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 Ownership (Instr. 4)
				(A) or (D) Code V Amount Price			
Common Shares, \$.01 par value per share	12/14/2004		S	5,600 D \$ 38.6	545,708	I	See footnote 1 (1)
Common Shares, \$.01 par value per share	12/14/2004		S	246 D \$ 38.61	545,462	I	See footnote 1 (1)
	12/14/2004		S	900 D	544,562	I	

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Common Shares, \$.01 par value per share					\$ 38.62			See footnote 1 <u>(1)</u>
Common Shares, \$.01 par value per share	12/14/2004	S	400	D	\$ 38.63	544,162	I	See footnote 1 <u>(1)</u>
Common Shares, \$.01 par value per share	12/14/2004	S	400	D	\$ 38.7	543,762	I	See footnote 1 <u>(1)</u>
Common Shares, \$.01 par value per share	12/14/2004	S	3,200	D	\$ 38.75	540,562	I	See footnote 1 <u>(1)</u>
Common Shares, \$.01 par value per share	12/14/2004	S	600	D	\$ 38.76	539,962	I	See footnote 1 <u>(1)</u>
Common Shares, \$.01 par value per share	12/14/2004	S	200	D	\$ 38.77	539,762	I	See footnote 1 <u>(1)</u>
Common Shares, \$.01 par value per share	12/14/2004	S	600	D	\$ 38.78	539,162	I	See footnote 1 <u>(1)</u>
Common Shares, \$.01 par value per share	12/14/2004	S	400	D	\$ 38.79	538,762	I	See footnote 1 <u>(1)</u>
Common Shares, \$.01 par value per share	12/14/2004	S	600	D	\$ 38.8	538,162	I	See footnote 1 <u>(1)</u>
	12/14/2004	S	2,254	D		535,908	I	

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Common Shares, \$.01 par value per share					\$ 38.81				See footnote 1 <u>(1)</u>
Common Shares, \$.01 par value per share	12/14/2004	S	4,200	D	\$ 38.85	531,708	I		See footnote 1 <u>(1)</u>
Common Shares, \$.01 par value per share	12/14/2004	S	2,500	D	\$ 38.86	529,208	I		See footnote 1 <u>(1)</u>
Common Shares, \$.01 par value per share	12/14/2004	S	3,500	D	\$ 38.9	525,708	I		See footnote 1 <u>(1)</u>
Common Shares, \$.01 par value per share						601,220	D		
Common Shares, \$.02 par value per share						24,381	I		See footnote 2 <u>(2)</u>
Common Shares, \$.01 par value per share						2,725	I		See footnote 3 <u>(3)</u>

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	2. Conversion or Exercise	3. Transaction Date (Month/Day/Year)	3A. Deemed Execution Date, if any	4. Transaction Code	5. Number of	6. Date Exercisable and Expiration Date (Month/Day/Year)	7. Title and Amount of Underlying	8. Price of Derivative Security	9. Number of Derivative Securities
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(Instr. 3)	Price of Derivative Security	(Month/Day/Year)	(Instr. 8)	Derivative Securities Acquired (A) or Disposed of (D) (Instr. 3, 4, and 5)	Securities (Instr. 3 and 4)	(Instr. 5)	Beneficial Ownership Following Reported Transaction (Instr. 5)
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

CLEMENTS ROBERT
ARCH CAPITAL GROUP (U.S.) INC.
20 HORSENECK LANE
GREENWICH, CT 06830

X

Chairman of the Board of Direc

Signatures

/s/ Louis T. Petrillo,
Attorney-in-fact

12/16/2004

__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) Reflects a sale of Common Shares of Issuer held directly by the Reporting Person's spouse. The Reporting Person disclaims beneficial ownership of securities owned by his spouse.
 - (2) Reflects Common Shares held by a grantor retained annuity trust established by the Reporting Person and his spouse, as trustees.
Reflects Common Shares held by Sound View Partners, L.P. ("Sound View"). The Reporting Person does not have a pecuniary interest in, and disclaims beneficial ownership of, approximately 98% of the securities held by Sound View, which represents the ownership percentage of Sound View partners other than the Reporting Person, but excluding that portion of Sound View held by Taracay Investors ("Taracay") to the extent of the Reporting Person's beneficial ownership of Taracay. Taracay owns approximately 50% of Sound View. Taracay is a general partnership, the general partners of which consist of the Reporting Person and members of his family and the managing partner of which is the Reporting Person.

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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