

Gauthier John J  
 Form 4  
 February 22, 2011

**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 \*  
 Gauthier John J

2. Issuer Name and Ticker or Trading Symbol  
 Allied World Assurance Co Holdings, AG [AWH]

5. Relationship of Reporting Person(s) to Issuer

(Check all applicable)

(Last) (First) (Middle)

3. Date of Earliest Transaction (Month/Day/Year)  
 02/22/2011

\_\_\_\_ Director  
 Officer (give title below) \_\_\_\_\_ Other (specify below)  
 EVP & CIO, Newmarket Admin

ALLIED WORLD ASSURANCE CO. HOLDINGS, AG, LINDENSTRASSE 8

(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

BAAR/ZUG, V8 CH-6340

(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)	Price		
Common Shares	02/22/2011		M	1,100	\$ 0 <sup>(1)</sup>	6,516 <sup>(2)</sup>	D
Common Shares	02/22/2011		D	440	\$ 62.0515 <sup>(3)</sup>	6,076	D
Common Shares	02/22/2011		F	236 <sup>(4)</sup>	\$ 61.51	5,840	D

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 Underlying Security (Instr. 3 and 4)
Restricted Stock Units	(1)	02/22/2011		M	1,100 (1)	02/22/2011 <sup>(5)</sup> 02/22/2014 <sup>(5)</sup>	Common Shares
Restricted Stock Units	(6)	02/22/2011		A	1,220 (6)	(7) (7)	Common Shares
Employee Stock Option (right to buy)	\$ 61.51	02/22/2011		A	4,620	(7) (7)	Common Shares

## Reporting Owners

Reporting Owner Name / Address	Relationships			
	Director	10% Owner	Officer	Other
Gauthier John J ALLIED WORLD ASSURANCE CO. HOLDINGS, AG LINDENSTRASSE 8 BAAR/ZUG, V8 CH-6340			EVP & CIO, Newmarket Admin	

## Signatures

/s/ Wesley D. Dupont, by Power of Attorney  
02/22/2011

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).

On February 22, 2010, the reporting person was granted 4,400 Restricted Stock Units for no monetary consideration. The Restricted

- (1) Stock Units convert into (i) 2,640 of the Company's Common Shares and (ii) cash equal to the market value of 1,760 Common Shares (measured at the date of vesting) upon the vesting of such Restricted Stock Units.
- (2) Includes 198 Common Shares acquired on December 31, 2010 pursuant to the Company's Amended and Restated 2008 Employee Share Purchase Plan.
- (3) The fair market value of the cash portion was determined using the daily volume-weighted average sales price of the Company's Common Shares for the five consecutive trading days up to and including February 22, 2011.
- (4) Exclusively represents shares withheld by Company with respect to the payment of withholding tax liability incurred upon the vesting of Restricted Stock Units.
- (5) The Restricted Stock Units vest in four equal installments with the first installment vesting on February 22, 2011.  
Grant of Restricted Stock Units for no monetary consideration. 1,220 Restricted Stock Units convert into (i) 610 of the Company's
- (6) Common Shares and (ii) cash equal to the market value of 610 Common Shares (measured at the date of vesting) upon the vesting of such Restricted Stock Units.
- (7) The Restricted Stock Units and Employee Stock Options vest in four equal installments with the first installment vesting on February 22, 2012.

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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