

Lyons Mark Donald  
Form 4  
September 10, 2012

**FORM 4**

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

OMB APPROVAL

OMB Number: 3235-0287  
Expires: January 31, 2015  
Estimated average burden hours per response... 0.5

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 \*  
Lyons Mark Donald

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)  
45 REID STREET, 5TH FLOOR  
(Street)

3. Date of Earliest Transaction (Month/Day/Year)  
09/06/2012

\_\_\_\_ Director \_\_\_\_\_ 10% Owner  
 Officer (give title below) \_\_\_\_\_ Other (specify below)  
EVP,CFO & Treasurer

HAMILTON, D0 HM 12  
(City) (State) (Zip)

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

**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) |
|--|--------------------------------------|--|--------------------------------|---|---|--|-----------------------------------|
|  |                                      |  | Code                           | V   | Amount  | (A) or (D)   | Price                             |
| Common Shares, \$.0033 par value per share | 09/06/2012                           |  | A                              |   | 60,000  | A  | (2) 200,517 (1)                   |
| Common Shares, \$.0033 par value per share | 09/06/2012                           |  | A                              |   | 15,000  | A  | (3) 215,517 (1)                   |

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

Persons who respond to the collection of information contained in this form are not required to respond unless the form displays a currently valid OMB control number.

SEC 1474  
(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 Security (Instr. 3 and 4) |
|--|--|--------------------------------------|--|--------------------------------|---|--|---|
| Stock Appreciation Right                   | \$ 40.1  | 09/06/2012                           |  | A                              | 60,000  | 09/06/2017 <sup>(4)</sup> 09/06/2022                     | Common Shares, \$0.0033 par value per share                 |
| Stock Appreciation Right                   | \$ 40.1  | 09/06/2012                           |  | A                              | 15,000  | <sup>(5)</sup> 09/06/2022                                | Common Shares, \$0.0033 par value per share                 |

## Reporting Owners

| Reporting Owner Name / Address                                       | Relationships |           |                        |       |
|--|---------------|-----------|------------------------|-------|
|  | Director      | 10% Owner | Officer                | Other |
| Lyons Mark Donald<br>45 REID STREET, 5TH FLOOR<br>HAMILTON, D0 HM 12 |               |           | EVP,CFO<br>& Treasurer |       |

## Signatures

/s/ Mark D.  
Lyons  
Date: 09/10/2012

\*\*Signature of Reporting Person

## 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)

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108,750 of such amount will settle in Issuer's common shares upon the termination of the Reporting Person's employment, as specifically provided in the award agreements.

- (2) Subject to the applicable award agreement, represents restricted shares that will vest in full on the fifth anniversary of the grant date.
- (3) Subject to the applicable award agreement, represents restricted shares that will vest in three equal annual installments on September 6th in each of 2013, 2014 and 2015.
- (4) The stock appreciation right will become exercisable on the fifth anniversary of the grant date, subject to the applicable award agreement.  
The stock appreciation right will become exercisable in three equal annual installments, with the first installment becoming exercisable on
- (5) September 6, 2013 and the next two installments on September 6, 2014 and September 6, 2015, subject to the applicable award agreement.

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

Potential persons who are to respond to the collection of information contained in this form are not required to respond unless the form displays a currently valid OMB number.