

TUNNELL DAVID R  
Form 4  
December 30, 2005

**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 \*  
TUNNELL DAVID R

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)  
12/30/2005

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

HELLMAN & FRIEDMAN  
LLC, ONE MARITIME PLAZA  
12TH FLOOR

(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

SAN FRANCISCO, CA 94111

(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, \$.01 par value per share <sup>(1)</sup> <sub>(2) (3)</sub>	12/30/2005		C	7,745,820	A	<u>(4)</u>	9,348,044	I	By Partnership
Common Shares, \$.01 par value per						<u>(5)</u>	20,563	D	

share <sup>(3)</sup>

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)		
				Code	V (A) (D)	Date Exercisable	Expiration Date	Title	Amount Number Shares
Series A Convertible Preference Shares	<u>(4)</u>	12/30/2005		C	7,745,820	<u>(4)</u>	<u>(4)</u>	Common Shares, \$.01 par value per share	7,745,

## Reporting Owners

Reporting Owner Name / Address	Relationships			
	Director	10% Owner	Officer	Other
TUNNELL DAVID R HELLMAN & FRIEDMAN LLC ONE MARITIME PLAZA 12TH FLOOR SAN FRANCISCO, CA 94111		X		

## Signatures

/s/ Louis T. Petrillo Attorney  
in fact  
Date: 12/30/2005

\*\*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) The security holders are HFCP IV (Bermuda), L.P., H&F International Partners IV-A (Bermuda), L.P., H&F International Partners IV-B (Bermuda), L.P. and H&F Executive Fund IV (Bermuda), L.P. (collectively, the Partnerships). H&F Investors IV (Bermuda), L.P. (HFI IV Bermuda) is the sole general partner of the Partnerships. H&F Corporate Investors IV (Bermuda), Ltd. (HFCI Bermuda) is the sole general partner of HFI IV Bermuda. A four member investment committee of HFCI Bermuda that has been formed by the shareholders of HFCI Bermuda (Investment Committee), has investment discretion over the securities. As a result, HFCI Bermuda and HFI IV Bermuda may be deemed to control the Partnerships. The members of the Investment Committee disclaim beneficial ownership, except to the

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extent of their respective indirect pecuniary interests in the Issuer.

- Mr. Tunnell is a 9.9% shareholder of HFCI Bermuda, but is not a member of the Investment Committee. Other than the 3,355 Common Shares and the 1,800 options to purchase Common Shares granted to Mr. Tunnell in consideration for his service as a director of the Issuer, the H&F entities described in Footnote 1 own 9,348,044 Common Shares.

- Mr. Tunnell 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 Common Shares beneficially owned by the Partnerships. Mr. Tunnell disclaims beneficial ownership of all Common Shares beneficially owned by these entities, including an aggregate of 3,355 Common Shares and 1,800 options to purchase Common Shares granted to Mr. Tunnell in consideration for his service as a director of the Issuer, except to the extent of his indirect pecuniary interest in the Issuer held through such entities.

- On December 30, 2005, at the request of the Issuer, the Partnerships converted 7,745,820 shares of Series A Convertible Preference Shares of the Issuer into an equal number of Common Shares of the Issuer. The Preference Shares would have been otherwise converted automatically into Common Shares in February, 2006.

- Includes 3,355 Common Shares granted to Mr. Tunnell in consideration for his service as a director of the Issuer, which are held for the benefit of the Partnerships. Mr. Tunnell disclaims beneficial ownership of these 3,355 Common Shares except to the extent of his indirect pecuniary interest in the Issuer held through the Partnerships.

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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