

ARCH CAPITAL GROUP LTD.  
Form 3  
May 05, 2006

**FORM 3 UNITED STATES SECURITIES AND EXCHANGE COMMISSION**  
**Washington, D.C. 20549**

OMB APPROVAL

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**INITIAL STATEMENT OF 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 *		2. Date of Event Requiring Statement	3. Issuer Name <b>and</b> Ticker or Trading Symbol	
Â Lyons Mark Donald		(Month/Day/Year)	ARCH CAPITAL GROUP LTD. [ACGL]	
(Last)	(First)	(Middle)	4. Relationship of Reporting Person(s) to Issuer	5. If Amendment, Date Original Filed(Month/Day/Year)
ONE LIBERTY PLAZA, 53RD FLOOR		05/03/2006	(Check all applicable)	
(Street)			<input type="checkbox"/> Director	<input type="checkbox"/> 10% Owner
NEW YORK, Â NY Â 10006			<input checked="" type="checkbox"/> Officer	<input type="checkbox"/> Other
(City)	(State)	(Zip)	(give title below)	(specify below)
			COO Insur Gr. Operations	6. Individual or Joint/Group Filing(Check Applicable Line)
				<input checked="" type="checkbox"/> Form filed by One Reporting Person
				<input type="checkbox"/> Form filed by More than One Reporting Person

**Table I - Non-Derivative Securities Beneficially Owned**

1. Title of Security (Instr. 4)	2. Amount of Securities Beneficially Owned (Instr. 4)	3. Ownership Form: Direct (D) or Indirect (I) (Instr. 5)	4. Nature of Indirect Beneficial Ownership (Instr. 5)
Common Shares, \$.01 par value per share	32,023 <sup>(1)</sup>	D	Â

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

SEC 1473 (7-02)

**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.**

**Table II - Derivative Securities Beneficially Owned (e.g., puts, calls, warrants, options, convertible securities)**

1. Title of Derivative Security (Instr. 4)	2. Date Exercisable and Expiration Date (Month/Day/Year)	3. Title and Amount of Securities Underlying Derivative Security (Instr. 4)	4. Conversion or Exercise Price of Derivative Security	5. Ownership Form of Derivative Security: Direct (D)	6. Nature of Indirect Beneficial Ownership (Instr. 5)
		Title			

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	Date Exercisable	Expiration Date	Amount or Number of Shares	or Indirect (I) (Instr. 5)
Stock Option (right to buy)	Â (2)	08/06/2012	Common Shares, \$0.01 par value per share 18,116	\$ 26.31 D
Stock Option (right to buy)	Â (3)	09/22/2014	Common Shares, \$0.01 par value per share 28,000	\$ 39 D
Stock Option (right to buy)	Â (4)	02/23/2016	Common Shares, \$0.01 par value per share 20,000	\$ 56.27 D

## Reporting Owners

Reporting Owner Name / Address	Relationships			
	Director	10% Owner	Officer	Other
Lyons Mark Donald ONE LIBERTY PLAZA, 53RD FLOOR NEW YORK, NY 10006	Â	Â	Â COO Insur Gr. Operations	Â

## Signatures

/s/ Mark D.  
Lyons

05/05/2006

\*\*Signature of  
Reporting Person

Date

## Explanation of Responses:

\* If the form is filed by more than one reporting person, see Instruction 5(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).

962 of such shares are restricted and subject to vest on February 26, 2007; 1,666 of such shares are restricted and subject to vest on (1) September 22, 2006 and 3,000 of such shares are restricted and subject to vest in three equal annual installments commencing on February 23, 2007.

(2) The stock options became exercisable in three equal annual installments commencing on August 6, 2002.

(3) The stock options became exercisable in three equal annual installments commencing on September 22, 2004.

(4) The stock option will become exercisable in three equal installments, with the first installment becoming exercisable on February 23, 2007 and the next two installments on February 23, 2008 and February 23, 2009.

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.