

JONES RALPH E III

Form 4

November 30, 2006

FORM 4**UNITED STATES SECURITIES AND EXCHANGE COMMISSION
Washington, D.C. 20549**

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

OMB APPROVAL

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(Print or Type Responses)

1. Name and Address of Reporting Person *
JONES RALPH E III

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)

C/O ARCH INSURANCE GROUP
INC., ONE LIBERTY PLAZA

(Street)

3. Date of Earliest Transaction
(Month/Day/Year)
11/28/2006

____ Director ____ 10% Owner
X Officer (give title below) ____ Other (specify below)
Chairman & CEO Arch Insur Gr

NEW YORK, NY 10006

(City) (State) (Zip)

4. If Amendment, Date Original
Filed(Month/Day/Year)

6. Individual or Joint/Group Filing(Check
Applicable Line)
X 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 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)
Common Shares, \$.01 par value per share				(A) or (D)	Price		
			Code	V	Amount		
						166	I
							By spouse
Common Shares, \$.01 par value per share	11/28/2006		M	50,000	A	\$ 34.71	50,100
							D
	11/28/2006		S	300	D	\$ 68.5	49,800
							D

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Common Shares, \$.01 par value per share								
Common Shares, \$.01 par value per share	11/28/2006	S	1,300	D	\$ 68.51	48,500		D
Common Shares, \$.01 par value per share	11/28/2006	S	1,100	D	\$ 68.53	47,400		D
Common Shares, \$.01 par value per share	11/28/2006	S	400	D	\$ 68.54	47,000		D
Common Shares, \$.01 par value per share	11/28/2006	S	100	D	\$ 68.55	46,900		D
Common Shares, \$.01 par value per share	11/28/2006	S	200	D	\$ 68.57	46,700		D
Common Shares, \$.01 par value per share	11/28/2006	S	200	D	\$ 68.59	46,500		D
Common Shares, \$.01 par value per share	11/28/2006	S	300	D	\$ 68.6	46,200		D
Common Shares, \$.01 par value per share	11/28/2006	S	300	D	\$ 68.61	45,900		D
	11/28/2006	S	500	D		45,400		D

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Common Shares, \$.01 par value per share					\$ 68.68		
Common Shares, \$.01 par value per share	11/28/2006	S	100	D	\$ 68.74	45,300	D
Common Shares, \$.01 par value per share	11/28/2006	S	22	D	\$ 68.82	45,278	D
Common Shares, \$.01 par value per share	11/28/2006	S	300	D	\$ 68.83	44,978	D
Common Shares, \$.01 par value per share	11/28/2006	S	100	D	\$ 68.84	44,878	D
Common Shares, \$.01 par value per share	11/28/2006	S	400	D	\$ 69	44,478	D
Common Shares, \$.01 par value per share	11/28/2006	S	800	D	\$ 69.02	43,678	D
Common Shares, \$.01 par value per share	11/28/2006	S	300	D	\$ 69.03	43,378	D
Common Shares, \$.01 par value per share	11/28/2006	S	100	D	\$ 69.05	43,278	D
	11/28/2006	S	500	D		42,778	D

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Common Shares, \$.01 par value per share					\$ 69.09		
Common Shares, \$.01 par value per share	11/28/2006	S	300	D	\$ 69.1	42,478	D
Common Shares, \$.01 par value per share	11/28/2006	S	100	D	\$ 69.11	42,378	D
Common Shares, \$.01 par value per share	11/28/2006	S	700	D	\$ 69.16	41,678	D
Common Shares, \$.01 par value per share	11/28/2006	S	1,400	D	\$ 69.17	40,278	D
Common Shares, \$.01 par value per share	11/28/2006	S	1,245	D	\$ 69.18	39,033	D
Common Shares, \$.01 par value per share	11/28/2006	S	203	D	\$ 69.19	38,830	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	2. Conversion or Exercise	3. Transaction Date (Month/Day/Year)	3A. Deemed Execution Date, if any	4. Transaction Code	5. Number of Derivative Securities	6. Date Exercisable and Expiration Date (Month/Day/Year)	7. Title and Amount of Underlying Securities (Instr. 3 and 4)
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(Instr. 3)	Price of Derivative Security	(Month/Day/Year)	(Instr. 8)	Acquired (A) or Disposed of (D) (Instr. 3, 4, and 5)							
			Code	V	(A)	(D)	Date Exercisable	Expiration Date	Title	Amount or Number of Shares	
Common Shares, \$.01 par value per share	\$ 34.71	11/28/2006	M		50,000		<u>(1)</u>	07/01/2013	Common Shares, \$.01 par value per share	50,000	

Reporting Owners

Reporting Owner Name / Address	Relationships			
	Director	10% Owner	Officer	Other
JONES RALPH E III C/O ARCH INSURANCE GROUP INC. ONE LIBERTY PLAZA NEW YORK, NY 10006			Chairman & CEO Arch Insur Gr	

Signatures

/s/ Ralph E.
Jones III

11/30/2006

__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) Represents an employee stock option that became exercisable in three equal annual installments, with the first installment exercisable on July 1, 2003 and the second and third installments on July 1, 2004 and July 1, 2005.

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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