

XL CAPITAL LTD  
Form 4  
February 16, 2007

**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 \*  
XL CAPITAL LTD

2. Issuer Name and Ticker or Trading Symbol  
PRIMUS GUARANTY LTD [PRS]

5. Relationship of Reporting Person(s) to Issuer  
(Check all applicable)

(Last) (First) (Middle)  
XL HOUSE, ONE BERMUDIANA ROAD

3. Date of Earliest Transaction (Month/Day/Year)  
02/14/2007

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

(Street)  
HAMILTON, D0 HM11

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

6. Individual or Joint/Group Filing(Check Applicable Line)  
\_\_\_ Form filed by One Reporting Person  
\_X\_ 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	02/14/2007		X	1,414,747 A \$ 5.18	14,901,482	I	See footnote (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)**

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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)
				Code	V (A) (D)	Date Exercisable Expiration Date	Title Amount
Warrants to Purchase Common Shares	\$ 5.18	02/14/2007		X	1,414,747 (2)	09/29/2004 03/14/2007	Common Shares 1,414,747

## Reporting Owners

Reporting Owner Name / Address	Relationships			
	Director	10% Owner	Officer	Other
XL CAPITAL LTD XL HOUSE ONE BERMUDIANA ROAD HAMILTON, D0 HM11		X		
XL Insurance (Bermuda) Ltd XL HOUSE 1 BERMUDIANA RD HAMILTON, D0 hm11		X		

## Signatures

/s/ Kirstin Gould,  
Secretary 02/16/2007

\_\_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) The 14,901,482 common shares, par value \$.08 per share, are directly owned by XL Insurance (Bermuda) Ltd, a subsidiary of XL Capital Ltd.  
At issuance, the warrants, which were due to expire on March 14, 2007, entitled the reporting persons to purchase 11,317,972 common shares. Following the 8-to-1 reverse split in connection with the Issuer's initial public offering, the warrants entitled the reporting persons to purchase 1,414,747 common shares.
- (2) Warrants were awarded to XL Insurance (Bermuda) Ltd and other affiliates of the Issuer in connection with the initial public offering of the Issuer's common shares.

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.