

ARCH CAPITAL GROUP LTD.

Form 4

November 22, 2005

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

OMB
Number: 3235-0287
Expires: January 31,
2005
Estimated average
burden hours per
response... 0.5

(Print or Type Responses)

1. Name and Address of Reporting Person *
RATHGEBER JOHN F

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 REINSURANCE
COMPANY, 55 MADISON
AVENUE

3. Date of Earliest Transaction
(Month/Day/Year)
11/21/2005

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

(Street)

MORRISTOWN, NJ 07962

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

(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 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 Indirect Beneficial Ownership (Instr. 4)
Common Shares, \$.01 par value per share	11/21/2005		M	15,000	A \$ 23.8	15,000	D
Common Shares, \$.01 par value per share	11/21/2005		S	100	D \$ 54.55	14,900	D

Common Shares, \$.01 par value per share	11/21/2005	S	1,816	D	\$ 54.5	13,084	D
--	------------	---	-------	---	---------	--------	---

Common Shares, \$.01 par value per share	11/21/2005	S	100	D	\$ 54.45	12,984	D
--	------------	---	-----	---	-------------	--------	---

Common Shares, \$.01 par value per share	11/21/2005	S	12,984	D	\$ 54.44	0	D
--	------------	---	--------	---	-------------	---	---

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 Securities (Instr. 3 and 4)	8. Amount or Number of Shares
Stock Option (right to buy)	\$ 23.8	11/21/2005		M	15,000	<u>(1)</u> 12/18/2011	Common Shares, \$.01 par value per share	15,000

Reporting Owners

Reporting Owner Name / Address

Relationships

Director 10% Owner Officer Other

Officer of subsidiary

RATHGEBER JOHN F
C/O ARCH REINSURANCE COMPANY
55 MADISON AVENUE
MORRISTOWN, NJ 07962

Signatures

/s/ John F.
Rathgeber

11/22/2005

__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 December 18, 2001 and the next two installments on December 18, 2003 and December 18, 2003.

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.