ARCH CAPITAL GROUP LTD.
Form 4
August 18, 2016

FORM 4

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

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

Check this box if no longer subject to Section 16. Form 4 or Form 5 obligations may continue. *See* Instruction 1(b).

(Print or Type Responses)

1. Name and Address of Reporting Person *
Lyons Mark Donald

(Last) (First) (Middle)

C/O ARCH CAPITAL GROUP LTD., 100 PITTS BAY ROAD, GROUND FLOOR

(Street)

PEMBROKE, D0 HM 08

(City) (State) (Zip)

2. Issuer Name **and** Ticker or Trading Symbol
ARCH CAPITAL GROUP LTD. [ACGL]

3. Date of Earliest Transaction (Month/Day/Year)
08/17/2016

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

5. Relationship of Reporting Person(s) to Issuer

(Check all applicable)

_____ Director _____ 10% Owner
__X__ Officer (give title below) _____ Other (specify below)
EVP,CFO & Treasurer

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 (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)
			Code	V	Amount	(A) or (D)	Price			
Common Shares, $.0033 par value per share	08/17/2016		M		3,000	A	$ 23.1	201,830 (1)	D	
Common Shares, $.0033 par value per share	08/17/2016		M		5,000	A	$ 19.293	206,830 (1)	D	

Common Shares, $.0033 par value per share	08/17/2016		M	5,000	A	$ 25.01	211,830 (1)	D	
Common Shares, $.0033 par value per share	08/17/2016		F(6)	8,188	D	(6)	203,642 (1)	D	
Common Shares, $.0033 par value per share	08/17/2016		S(7)	8,500	D	$ 80.163 (5)	195,142 (1)	D	

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

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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)	
				Code	V	(A)	(D)	Date Exercisable	Expiration Date	Title	Amount or Number of Shares
Share Appreciation Right	$ 23.1	08/17/2016		M			3,000	(4)	05/09/2018	Common Shares, $.0033 par value per share	3,000
Share Appreciation Right	$ 19.293	08/17/2016		M			5,000	(2)	05/06/2019	Common Shares, $.0033 par value per share	5,000
	$ 25.01	08/17/2016		M			5,000	(3)	05/05/2020		5,000

Share Appreciation Right	Common Shares, $.0033 par value per share

Reporting Owners

Reporting Owner Name / Address	Relationships			
	Director	10% Owner	Officer	Other
Lyons Mark Donald C/O ARCH CAPITAL GROUP LTD. 100 PITTS BAY ROAD, GROUND FLOOR PEMBROKE, D0 HM 08			EVP,CFO & Treasurer	

Signatures

/s/ Mark D. Lyons	08/18/2016
**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) 86,722 of such amount will settle in Issuer's common shares upon the termination of the Reporting Person's employment, as specifically provided in the award agreements.

(2) The share appreciation right became exercisable in three equal annual installments commencing May 6, 2010, subject to the applicable award agreement.

(3) The share appreciation right became exercisable in three equal annual installments commencing May 5, 2011, subject to the applicable award agreement.

(4) The share appreciation right became exercisable in three equal annual installments commencing May 9, 2009, subject to the applicable award agreement.

(5) Represents a weighted average sales price; the sales prices range from $80.1360 to $80.26. Upon request, the full sale information regarding the number of shares sold at each price increment will be provided to the Commission or to the security holder of the issuer.

(6) In connection with the partial exercise of the three share appreciation rights awards as described in Table II, 4,545 common shares were withheld for taxes at a tax price of $79.84 per share. In addition, 3,643 common shares were disposed in satisfaction of the exercise price (see Table II). The reporting person received a net issuance of 4,812 common shares.

(7) A portion of the proceeds will be used to satisfy state and federal tax obligations.

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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