

ARCH CAPITAL GROUP LTD
Form SC 13D/A
April 05, 2004

UNITED STATES
SECURITIES AND EXCHANGE COMMISSION

Washington, D.C. 20549

SCHEDULE 13D

Under the Securities Exchange Act of 1934

(Amendment No. 3)

Arch Capital Group Ltd.

(Name of Issuer)

Common Stock

(Title of Class of Securities)

G0450A105

(CUSIP Number)

Brian T. McAnaney, Esq., General Electric Capital Corporation, 260 Long Ridge Road,

Stamford, Connecticut 06927

Michael M. Pastore, GE Asset Management Incorporated,

Edgar Filing: ARCH CAPITAL GROUP LTD - Form SC 13D/A

3003 Summer Street, Stamford, Connecticut 06905

(Name, Address and Telephone Number of Person Authorized to Receive Notices and Communications)

March 26, 2004

(Date of Event which Requires Filing of this Statement)

If the filing person has previously filed a statement on Schedule 13G to report the acquisition which is the subject of this Schedule 13D, and is filing this schedule because of Rule 13d-1(b)(3) or (4), check the following box " .

Note: Schedules filed in paper format shall include a signed original and five copies of the Schedule, including all exhibits. See Rule 13d-7 for other parties to whom copies are to be sent.

The information required on this cover page shall not be deemed to be filed for the purpose of Section 18 of the Securities Exchange Act of 1934 (Exchange Act) or otherwise subject to the liabilities of that section of the Exchange Act but shall be subject to all other provisions of the Exchange Act (however, see the Notes).

SCHEDULE 13D

CUSIP No. G0450A105

Page 2 of 27 Pages

1 NAME OF REPORTING PERSON

SS. OR I.R.S. IDENTIFICATION NO. OF ABOVE PERSON

Insurance Private Equity Investors, L.L.C.

I.R.S. #

2 CHECK THE APPROPRIATE BOX OF A MEMBER OF A GROUP*

(a)

(b)

3 SEC USE ONLY

4 SOURCE OF FUNDS*

OO

5 CHECK BOX IF DISCLOSURE OF LEGAL PROCEEDINGS IS REQUIRED PURSUANT TO ITEMS 2(d) OR 2(e)

6 CITIZENSHIP OR PLACE OF ORGANIZATION

State of Delaware

NUMBER OF	7	SOLE VOTING POWER
SHARES		
BENEFICIALLY	0	
OWNED BY	8	SHARED VOTING POWER
EACH		
REPORTING	2,761,873	

PERSON

WITH

9 SOLE DISPOSITIVE POWER

0

10 SHARED DISPOSITIVE POWER

2,761,873

11 AGGREGATE AMOUNT BENEFICIALLY OWNED BY EACH REPORTING PERSON

2,761,873

12 CHECK BOX IF THE AGGREGATE AMOUNT IN ROW (11) EXCLUDES CERTAIN SHARES*

13 PERCENT OF CLASS REPRESENTED BY AMOUNT IN ROW (11)

7.93% (9.4% if aggregated with the shares beneficially owned by the other Reporting Persons (as defined in Item 2)).

14 TYPE OF REPORTING PERSON*

OO

SCHEDULE 13D

CUSIP No. G0450A105

Page 3 of 27 Pages

1 NAME OF REPORTING PERSON
SS. OR I.R.S. IDENTIFICATION NO. OF ABOVE PERSON

General Electric Pension Trust
I.R.S. #14-6015763

2 CHECK THE APPROPRIATE BOX OF A MEMBER OF A GROUP*

(a)
(b) x

3 SEC USE ONLY

4 SOURCE OF FUNDS*

OO

5 CHECK BOX IF DISCLOSURE OF LEGAL PROCEEDINGS IS REQUIRED PURSUANT TO ITEMS 2(d) OR 2(e)

6 CITIZENSHIP OR PLACE OF ORGANIZATION

State of New York

**NUMBER OF
SHARES
BENEFICIALLY
OWNED BY
EACH
REPORTING
PERSON
WITH**

7 SOLE VOTING POWER

0

8 SHARED VOTING POWER

2,761,873

9 SOLE DISPOSITIVE POWER

0

10 SHARED DISPOSITIVE POWER

2,761,873

11 AGGREGATE AMOUNT BENEFICIALLY OWNED BY EACH REPORTING PERSON

2,761,873

12 CHECK BOX IF THE AGGREGATE AMOUNT IN ROW (11) EXCLUDES CERTAIN SHARES*

13 PERCENT OF CLASS REPRESENTED BY AMOUNT IN ROW (11)

7.93% (9.4% if aggregated with the shares beneficially owned by the other Reporting Persons (as defined in Item 2)).

14 TYPE OF REPORTING PERSON*

EP

SCHEDULE 13D

CUSIP No. G0450A105

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1 NAME OF REPORTING PERSON

SS. OR I.R.S. IDENTIFICATION NO. OF ABOVE PERSON

GE Asset Management Incorporated as Manager of Insurance Private Equity Investors, L.L.C. and as Investment Manager of GEPT (as defined below)

I.R.S. #06-1238874

2 CHECK THE APPROPRIATE BOX OF A MEMBER OF A GROUP*

(a)

(b)

3 SEC USE ONLY

4 SOURCE OF FUNDS*

OO

5 CHECK BOX IF DISCLOSURE OF LEGAL PROCEEDINGS IS REQUIRED PURSUANT TO ITEMS 2(d) OR 2(e)

6 CITIZENSHIP OR PLACE OF ORGANIZATION

State of Delaware

NUMBER OF **7 SOLE VOTING POWER**
SHARES

BENEFICIALLY 0

OWNED BY **8 SHARED VOTING POWER**

EACH

REPORTING

2,761,873

PERSON

9 SOLE DISPOSITIVE POWER

WITH

0

10 SHARED DISPOSITIVE POWER

2,761,873

11 AGGREGATE AMOUNT BENEFICIALLY OWNED BY EACH REPORTING PERSON

2,761,873

12 CHECK BOX IF THE AGGREGATE AMOUNT IN ROW (11) EXCLUDES CERTAIN SHARES*

13 PERCENT OF CLASS REPRESENTED BY AMOUNT IN ROW (11)

7.93% (9.4% if aggregated with the shares beneficially owned by the other Reporting Persons (as defined in Item 2)).

14 TYPE OF REPORTING PERSON*

IA, CO

SCHEDULE 13D

CUSIP No. G0450A105

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1 NAME OF REPORTING PERSON

SS. OR I.R.S. IDENTIFICATION NO. OF ABOVE PERSON

General Electric Company

I.R.S. #14-0689340

2 CHECK THE APPROPRIATE BOX OF A MEMBER OF A GROUP*

(a)

(b)

3 SEC USE ONLY

4 SOURCE OF FUNDS*

Not Applicable

5 CHECK BOX IF DISCLOSURE OF LEGAL PROCEEDINGS IS REQUIRED PURSUANT TO ITEMS 2(d) OR 2(e)

6 CITIZENSHIP OR PLACE OF ORGANIZATION

State of New York

NUMBER OF	7	SOLE VOTING POWER
SHARES		
BENEFICIALLY	0	
OWNED BY	8	SHARED VOTING POWER
EACH		
REPORTING		Disclaimed (see 11 below)

PERSON

WITH

9 SOLE DISPOSITIVE POWER

0

10 SHARED DISPOSITIVE POWER

Disclaimed (see 11 below)

11 AGGREGATE AMOUNT BENEFICIALLY OWNED BY EACH REPORTING PERSON

Beneficial ownership of all shares disclaimed by General Electric Company.

12 CHECK BOX IF THE AGGREGATE AMOUNT IN ROW (11) EXCLUDES CERTAIN SHARES*

Disclaimed (see 11 above)

13 PERCENT OF CLASS REPRESENTED BY AMOUNT IN ROW (11)

Not applicable (see 11 above).

14 TYPE OF REPORTING PERSON*

CO

SCHEDULE 13D

CUSIP No. G0450A105

Page 6 of 27 Pages

1 NAME OF REPORTING PERSON

SS. OR I.R.S. IDENTIFICATION NO. OF ABOVE PERSON

Orbital Holdings, Ltd.

I.R.S. #

2 CHECK THE APPROPRIATE BOX OF A MEMBER OF A GROUP*

(a)

(b)

3 SEC USE ONLY

4 SOURCE OF FUNDS*

OO

5 CHECK BOX IF DISCLOSURE OF LEGAL PROCEEDINGS IS REQUIRED PURSUANT TO ITEMS 2(d) OR 2(e)

6 CITIZENSHIP OR PLACE OF ORGANIZATION

Cayman Islands

NUMBER OF	7	SOLE VOTING POWER
SHARES		
BENEFICIALLY	0	
OWNED BY	8	SHARED VOTING POWER
EACH		
REPORTING	552,371	

PERSON

WITH

9 SOLE DISPOSITIVE POWER

0

10 SHARED DISPOSITIVE POWER

552,371

11 AGGREGATE AMOUNT BENEFICIALLY OWNED BY EACH REPORTING PERSON

552,371

12 CHECK BOX IF THE AGGREGATE AMOUNT IN ROW (11) EXCLUDES CERTAIN SHARES*

13 PERCENT OF CLASS REPRESENTED BY AMOUNT IN ROW (11)

1.67% (9.4% if aggregated with the shares beneficially owned by the other Reporting Persons (as defined in Item 2)).

14 TYPE OF REPORTING PERSON*

CO

SCHEDULE 13D

CUSIP No. G0450A105

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1 NAME OF REPORTING PERSON

SS. OR I.R.S. IDENTIFICATION NO. OF ABOVE PERSON

GE Capital Equity Investments, Ltd.

I.R.S. #

2 CHECK THE APPROPRIATE BOX OF A MEMBER OF A GROUP*

(a)

(b) x

3 SEC USE ONLY

4 SOURCE OF FUNDS*

OO

5 CHECK BOX IF DISCLOSURE OF LEGAL PROCEEDINGS IS REQUIRED PURSUANT TO ITEMS 2(d) OR 2(e)

6 CITIZENSHIP OR PLACE OF ORGANIZATION

Cayman Islands

NUMBER OF	7	SOLE VOTING POWER
SHARES		
BENEFICIALLY	0	
OWNED BY	8	SHARED VOTING POWER
EACH		
REPORTING	552,371	

PERSON

WITH

9 SOLE DISPOSITIVE POWER

0

10 SHARED DISPOSITIVE POWER

552,371

11 AGGREGATE AMOUNT BENEFICIALLY OWNED BY EACH REPORTING PERSON

552,371

12 CHECK BOX IF THE AGGREGATE AMOUNT IN ROW (11) EXCLUDES CERTAIN SHARES*

13 PERCENT OF CLASS REPRESENTED BY AMOUNT IN ROW (11)

1.67% (9.4% if aggregated with the shares beneficially owned by the other Reporting Persons (as defined in Item 2)).

14 TYPE OF REPORTING PERSON*

CO

SCHEDULE 13D

CUSIP No. G0450A105

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1 NAME OF REPORTING PERSON

SS. OR I.R.S. IDENTIFICATION NO. OF ABOVE PERSON

General Electric Capital Corporation

I.R.S. #13-1500700

2 CHECK THE APPROPRIATE BOX OF A MEMBER OF A GROUP*

(a)

(b) x

3 SEC USE ONLY

4 SOURCE OF FUNDS*

WC

5 CHECK BOX IF DISCLOSURE OF LEGAL PROCEEDINGS IS REQUIRED PURSUANT TO ITEMS 2(d) OR 2(e)

6 CITIZENSHIP OR PLACE OF ORGANIZATION

State of Delaware

NUMBER OF	7	SOLE VOTING POWER
SHARES		
BENEFICIALLY	0	
OWNED BY	8	SHARED VOTING POWER
EACH		
REPORTING	552,371	

PERSON

WITH

9 SOLE DISPOSITIVE POWER

0

10 SHARED DISPOSITIVE POWER

552,371

11 AGGREGATE AMOUNT BENEFICIALLY OWNED BY EACH REPORTING PERSON

552,371

12 CHECK BOX IF THE AGGREGATE AMOUNT IN ROW (11) EXCLUDES CERTAIN SHARES*

13 PERCENT OF CLASS REPRESENTED BY AMOUNT IN ROW (11)

1.67% (9.4% if aggregated with the shares beneficially owned by the other Reporting Persons (as defined in Item 2)).

14 TYPE OF REPORTING PERSON*

CO

SCHEDULE 13D

CUSIP No. G0450A105

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1 NAME OF REPORTING PERSON

SS. OR I.R.S. IDENTIFICATION NO. OF ABOVE PERSON

General Electric Capital Services, Inc.

I.R.S. #06-1109503

2 CHECK THE APPROPRIATE BOX OF A MEMBER OF A GROUP*

(a)

(b) x

3 SEC USE ONLY

4 SOURCE OF FUNDS*

Not applicable

5 CHECK BOX IF DISCLOSURE OF LEGAL PROCEEDINGS IS REQUIRED PURSUANT TO ITEMS 2(d) OR 2(e)

6 CITIZENSHIP OR PLACE OF ORGANIZATION

State of Delaware

NUMBER OF	7	SOLE VOTING POWER
SHARES		
BENEFICIALLY		Disclaimed (see 11 below)
OWNED BY	8	SHARED VOTING POWER
EACH		
REPORTING	0	

PERSON

9 SOLE DISPOSITIVE POWER

WITH

Disclaimed (see 11 below)

10 SHARED DISPOSITIVE POWER

0

11 AGGREGATE AMOUNT BENEFICIALLY OWNED BY EACH REPORTING PERSON

Beneficial ownership of all shares disclaimed by General Electric Capital Services, Inc.

12 CHECK BOX IF THE AGGREGATE AMOUNT IN ROW (11) EXCLUDES CERTAIN SHARES*

Disclaimed (see 11 above)

13 PERCENT OF CLASS REPRESENTED BY AMOUNT IN ROW (11)

Not applicable (see 11 above)

14 TYPE OF REPORTING PERSON*

CO

Reference is made to the Statement on Schedule 13D filed on November 30, 2001, as amended by Amendment No. 1 thereto filed October 4, 2002 and amendment No. 2 thereto filed February 25, 2003 (as so amended, the Schedule 13D) on behalf of General Electric Company, a New York corporation (GE), GE Asset Management Incorporated, a Delaware corporation and a wholly owned subsidiary of GE (GEAM), General Electric Pension Trust, a New York common law trust (GEPT), Insurance Private Equity Investors, L.L.C., a Delaware limited liability company and a wholly owned subsidiary of GEPT (Insurance), General Electric Capital Services, Inc., a Delaware corporation and directly or indirectly 100% owned by GE (GECS), General Electric Capital Corporation, a Delaware corporation and a subsidiary of GECS (GECC), GE Capital Equity Investments, Ltd., a Cayman Islands corporation and a wholly owned subsidiary of GECC (GECEI) and Orbital Holdings, Ltd. a Cayman Islands corporation and a wholly owned subsidiary of GECEI (Orbital). GE, GEAM, GEPT, Insurance, GECS, GECC, GECEI and Orbital are sometimes referred to herein individually as a Reporting Person and collectively as the Reporting Persons . Insurance, GEPT, GEAM, Orbital, GECEI, GECC and GECS each expressly disclaim that they are members of a group . GECS disclaims beneficial ownership of all shares held by GECC and its subsidiaries. GE disclaims beneficial ownership of all shares and expressly disclaims that it is a member of a group . All capitalized terms used without definition in this Amendment No. 3 to Schedule 13D shall have the meanings set forth in the Schedule 13D.

Item 2(f) Citizenship

Item 2(f) of the Schedule 13D is hereby deleted in its entirety and the following is inserted in lieu thereof:

All Reporting Persons and, to the best knowledge of each Reporting Person, all persons identified in Schedule II through VIII are United States citizens, except that Claudio X. Gonzalez, a director of GE, is a citizen of Mexico, Andrea Jung, a director of GE, is a citizen of Canada, Yoshiaki Fujimori, an executive officer of GE, is a citizen of Japan, Ferdinando Beccalli, a director of GE, is a citizen of Italy and Gordon Chan, a director of GECEI, is a citizen of Canada.

Item 5. Interest in Securities of the Issuer

Item 5 of the Schedule 13D is hereby deleted in its entirety and the following is inserted in lieu thereof:

(a) Each of Insurance, GEPT and GEAM beneficially owns 2,761,873 Common Shares, representing 7.93 % of the Common Shares. Each of Orbital, GECEI and GECC beneficially

¹ This percentage is based on 34,806,685 Common Shares outstanding, calculated by combining the 32,625,372 Common Shares outstanding as of March 22, 2004 as set forth in the Issuer's Prospectus Supplement dated such date, to a prospectus dated January 27, 2004 and to a reoffer prospectus dated February 14, 2002 (the Prospectus Supplement), with 2,181,313 Common Shares that Insurance will receive on conversion of the Preference Shares.

owns 552,371 Common Shares representing 1.67 %² of the Common Shares. Insurance, GEPT, GEAM, Orbital, GECEI, GECC, GE and GECS each expressly disclaim that they are members of a group as such term is used in Section 13(d)(3) of the Exchange Act. If all of the Reporting Persons Common Shares were aggregated, the Reporting Persons would beneficially own 3,314,244 Common Shares representing 9.4% of the Common Shares.

(b) Insurance, GEAM and GEPT share the power to vote or direct the vote and power to dispose or direct the disposition of, 2,761,873 Common Shares, subject to the restrictions on voting described in Item 6 below. Orbital, GECEI and GECC share the power to vote or direct the vote and power to dispose or direct the disposition of, 552,371 Common Shares, subject to the restrictions on voting described in Item 6 below. Both GE and GECS disclaim any voting or dispositive power over the shares beneficially owned by GEPT, GEAM, Insurance, Orbital, GECC or GECEI.

To the best knowledge of the Reporting Persons, no person other than the Reporting Persons has the power to vote or to direct the vote or to dispose or direct the disposition of any of the securities which they may be deemed to beneficially own.

(c) Between February 18 and February 26, 2004 Insurance sold a total of 66,581 Common Shares and Orbital sold 13,319 Common Shares through a registered broker-dealer, pursuant to a registration statement, on the open market as set forth below:

Date of Disposition	Price at which	Common Shares Sold	Common Shares Sold
	Common Shares Sold	by Insurance	by Orbital
February 18, 2004	\$42.4797	8,333	1,667
February 19, 2004	\$41.6548	8,333	1,667
February 20, 2004	\$41.2112	10,833	2,167
February 23, 2004	\$41.1998	5,833	1,167
February 24, 2004	\$41.3875	11,083	2,217
February 25, 2004	\$41.9006	17,999	3,601
February 26, 2004	\$41.8423	4,167	833
Total Amount of			
Common Shares			
Sold		66,581	13,319

² This percentage is based on 33,061,634 Common Shares outstanding, calculated by combining the 32,625,372 Common Shares outstanding on March 22, 2004, as set forth in the Prospectus Supplement with 436,262 Common Shares that Orbital will receive on conversion of the Preference Shares.

³ This percentage is based on 35,242,947 Common Shares outstanding, calculated by combining the 32,625,372 Common Shares outstanding on March 22, 2004, as set forth in the Prospectus Supplement with 2,617,575 Common Shares that the Reporting Persons will receive on conversion of the Preference Shares.

(d) No other person except for the Reporting Persons are known to have the rights to receive or the power to direct the receipt of dividends from, or the proceeds from the sale of, the shares of Common Stock beneficially owned by the Reporting Persons and covered by this Statement.

(e) Not Applicable.

Item 6. Interest in Securities of the Issuer

Item 6 of the Schedule 13D is hereby amended by adding the following paragraph to the beginning of Item 6:

In connection with an underwritten public offering of 4,425,000 Common Shares of the Issuer, each of Insurance and Orbital executed a lock-up agreement, whereby they agreed, for a period of 90 days beginning on March 22, 2004 and ending on June 20, 2004, not to (i) offer, pledge, sell, contract to sell, sell any option or contract to purchase, purchase any option or contract to sell, grant any option, right or warrant for the sale of, or otherwise dispose of or transfer any Common Shares of the Issuer or any securities convertible into or exchangeable or exercisable for Common Shares, whether now owned or hereafter acquired, (ii) enter into any swap or any other agreement or any transaction that transfers, in whole or in part, directly or indirectly, the economic consequence of ownership of their Common Shares, whether any such swap or transaction is to be settled by delivery of Common Shares or other securities, in cash or otherwise, (iii) publicly disclose the intention to make any such offer, sale, pledge, contract, grant or disposition, or to enter into any such transaction, swap, hedge or other arrangement, without, in each case, the prior written consent of Merrill Lynch & Co. and Merrill Lynch, Pierce, Fenner & Smith Incorporated, as the representative for the underwriters (the Underwriters) or (iv) without the prior written consent of the Underwriters, make any demand for, or exercise any right with respect to, the registration of any Common Shares or any security convertible into or exercisable or exchangeable for the Common Shares.

Item 7. Materials to Be Filed as Exhibits

Exhibits I-VI to Schedule 13D are hereby incorporated by reference.

Exhibit VII to Schedule 13D is hereby deleted and the following is inserted in lieu thereof

Exhibit VII Power of Attorney of Orbital Holdings, Ltd., dated as of February 17, 2004.

Exhibit VIII Power of Attorney for GE Capital Equity Investments, Ltd., dated as of February 17, 2004.

Exhibit IX Power of Attorney of General Electric Capital Services, Inc., dated as of November 26, 2003.

Schedules II, III, IV, V, VI, VII, and VIII.

Schedules II, III, IV, V, VI, VII and VIII to the Schedule 13D are hereby amended and restated in their entirety as set forth in the revised versions thereof attached hereto.

SIGNATURE

After reasonable inquiry and to the best of my knowledge and belief, I certify that the information set forth in this statement is true, complete and correct.

Dated: April 5, 2004

INSURANCE PRIVATE EQUITY INVESTORS,

L.L.C.

By: GE Asset Management Incorporated, its

Manager

By: /s/ Michael M. Pastore

Name: Michael M. Pastore
Title: Vice President

GENERAL ELECTRIC PENSION TRUST

By: GE Asset Management Incorporated, its Investment
Manager

By: /s/ Michael M. Pastore

Name: Michael M. Pastore
Title: Vice President

GE ASSET MANAGEMENT INCORPORATED

By: /s/ Michael M. Pastore

Name: Michael M. Pastore
Title: Vice President

GENERAL ELECTRIC COMPANY

By: /s/ John H. Myers

Name: John H. Myers
Title: Vice President

ORBITAL HOLDINGS, LTD.

By: /s/ Andrea Assarat

Name: Andrea Assarat
Title: Attorney-in-Fact

GE CAPITAL EQUITY INVESTMENTS, LTD.

By: /s/ Andrea Assarat

Name: Andrea Assarat
Title: Attorney-in-Fact

GENERAL ELECTRIC CAPITAL CORPORATION

By: /s/ Ronald Herman

Name: Ronald Herman
Title: Vice President

GENERAL ELECTRIC CAPITAL SERVICES, INC.

By: /s/ Ronald Herman

Name: Ronald Herman
Title: Attorney-in-Fact

General Electric Pension Trust

The business address of each of the persons listed below is 3003 Summer Street, P.O. Box 7900, Stamford, Connecticut 06904.

<u>Trustees</u>	<u>Present Principal Occupation</u>
David B. Carlson	Executive Vice President of GEAM and Trustee of GEPT
Michael J. Cosgrove	Executive Vice President of GEAM and Trustee of GEPT
Ralph R. Layman	Executive Vice President of GEAM and Trustee of GEPT
Alan M. Lewis	Executive Vice President, General Counsel and Secretary of GEAM and Trustee of GEPT
Robert A. MacDougall	Executive Vice President of GEAM and Trustee of GEPT
John H. Myers	Vice President of General Electric Company, President Chief Executive Officer of GEAM and Trustee of GEPT
Donald W. Torey	Executive Vice President of GEAM and Trustee of