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ARCH CAPITAL GROUP LTD
Form SC 13D/A
April 12, 2002

Schedule 13D

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

SCHEDULE 13D/A-2

Under the Securities Exchange Act of 1934
(Amendment No. 2)

ARCH CAPITAL GROUP LTD.
(Name of Issuer)

Common Stock
(Title of Class of Securities)

767711 10 4
(CUSIP Number)

Gregory F. Van Gundy, Esq.
Marsh & McLennan Companies, Inc.
1166 Avenue of the Americas
New York, NY 10036-2774
Phone (212) 345-5000
(Name, Address and Telephone Number of Person
Authorized to Receive Notices and Communications)

November 8, 2001
(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(e), 13d-1(f) or 13d-1(g), check the following box [GRAPHIC OMITTED].

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

* The remainder of this cover page shall be filled out for a reporting person's initial filing on this form with respect to the subject class of securities, and for any subsequent amendment containing information which would alter disclosures provided in a prior cover page.

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

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SCHEDULE 13D

1	NAME OF REPORTING PERSON S.S. OR I.R.S. IDENTIFICATION NO. OF ABOVE PERSON Marsh & McLennan Companies, Inc. IRS Identification Number: 36-2668272
2	CHECK THE APPROPRIATE BOX IF A MEMBER OF A GROUP* (a) <input type="checkbox"/> (b) <input type="checkbox"/>
3	SEC USE ONLY
4	SOURCE OF FUNDS* N/A
5	CHECK BOX IF DISCLOSURE OF LEGAL PROCEEDINGS IS REQUIRED PURSUANT TO ITEMS 2(d) or 2(e) <input type="checkbox"/>
6	CITIZENSHIP OR PLACE OF ORGANIZATION Delaware
NUMBER OF SHARES	7 SOLE VOTING POWER None
BENEFICIALLY OWNED BY	8 SHARED VOTING POWER None
EACH REPORTING	9 SOLE DISPOSITIVE POWER None
PERSON WITH	10 SHARED DISPOSITIVE POWER None
11	AGGREGATE AMOUNT BENEFICIALLY OWNED BY EACH REPORTING PERSON None
12	CHECK BOX IF THE AGGREGATE AMOUNT IN ROW (11) EXCLUDES CERTAIN SHARES* <input type="checkbox"/>
13	PERCENT OF CLASS REPRESENTED BY AMOUNT IN ROW (11) 0%
14	TYPE OF REPORTING PERSON* HC

*SEE INSTRUCTIONS BEFORE FILLING OUT!

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1	NAME OF REPORTING PERSON S.S. OR I.R.S. IDENTIFICATION NO. OF ABOVE PERSON Marsh & McLennan Risk Capital Holdings, Ltd. IRS Identification Number: 13-3689981
2	CHECK THE APPROPRIATE BOX IF A MEMBER OF A GROUP* (a) [] (b) []
3	SEC USE ONLY
4	SOURCE OF FUNDS* N/A
5	CHECK BOX IF DISCLOSURE OF LEGAL PROCEEDINGS IS REQUIRED PURSUANT TO ITEMS 2(d) or 2(e) []
6	CITIZENSHIP OR PLACE OF ORGANIZATION Delaware
NUMBER OF SHARES	7 SOLE VOTING POWER 1,536,005 See Item 5
BENEFICIALLY OWNED BY	8 SHARED VOTING POWER None
EACH REPORTING	9 SOLE DISPOSITIVE POWER 1,536,005 See Item 5
PERSON WITH	10 SHARED DISPOSITIVE POWER None
11	AGGREGATE AMOUNT BENEFICIALLY OWNED BY EACH REPORTING PERSON 1,536,005 See Item 5
12	CHECK BOX IF THE AGGREGATE AMOUNT IN ROW (11) EXCLUDES CERTAIN SHARES* See Item 5
13	PERCENT OF CLASS REPRESENTED BY AMOUNT IN ROW (11) 9.7%
14	TYPE OF REPORTING PERSON* CO

*SEE INSTRUCTIONS BEFORE FILLING OUT!

ITEM 1. SECURITY AND ISSUER

The class of equity securities to which this Schedule 13D/A relates is the Common Stock, par value \$.01 per share (the "Shares"), of Arch Capital Group, Ltd. (f/k/a Risk Capital Holdings, Inc.), a Bermuda corporation ("Arch"). The principal executive offices of Arch are located at 20 Horseneck Lane, Greenwich, Connecticut 06830.

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ITEM 2. IDENTITY AND BACKGROUND

Item 2 is hereby amended to the extent set forth below:

Schedule I attached hereto and incorporated herein by reference sets forth, with respect to each current executive officer and director of MMC and MMRCH the following information: (a) name; (b) residence or business address; and (c) present principal occupation or employment and the name, principal occupation or employment and the name, principal business and address of any corporation or other organization in which such employment is conducted. Each person listed on Schedule I, unless otherwise indicated, is a United States citizen.

None of MMC or MMRCH, nor (to the knowledge of MMC or MMRCH) any executive officer, director or controlling person of MMC or MMRCH (a) has been convicted in a criminal proceeding (excluding traffic violations or similar misdemeanors), during the last five years or (b) has been a party, during the last five years, to a civil proceeding of a judicial or administrative body of competent jurisdiction and as a result of such proceeding was or is subject to a judgment, decree or final order enjoining future violations of, or prohibiting or mandating activities subject to, federal or state securities laws or finding any violation with respect to such laws.

ITEM 3. SOURCE AND AMOUNT OF FUNDS OR OTHER CONSIDERATION

N/A

ITEM 4. PURPOSE OF THE TRANSACTION

Item 4 is hereby amended to add the following:

As disclosed in Arch's Form 8-K filed on November 9, 2001, pursuant to a Letter Agreement dated November 8, 2001, MMRCH received 140,380 Shares as a result of a cashless exercise of its 905,397 Class A Warrants, and 1,770,601 class B warrants held by MMRCH were canceled in exchange for a cash payment by Arch to MMRCH of \$7.50 per Class B warrant (approximately \$13.3 million in the aggregate). The Shares owned by MMRCH are being held for investment purposes. Depending on market conditions, MMC or MMRCH may acquire additional Shares or dispose of some or all of the Shares reported herein.

ITEM 5. INTEREST IN SECURITIES OF THE ISSUER

Item 5 is hereby amended to add the following:

As of April 12, 2002, MMC and MMRCH may be deemed to beneficially own Shares as follows:

Name	Number of Shares of Common Stock	% of Class of Common Stock
MMC	None	0.0%
MMRCH	1,536,005	9.7%

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The aggregate number of Shares beneficially owned by MMRCH to which this Schedule 13D/A relates is 1,536,005, representing in the aggregate 9.7% of the 15,765,332 Shares outstanding and 3.0% of the Shares outstanding assuming conversion of the 35,687,735 shares of Series A Convertible Preferred Stock of Arch ("Series A Preferred"), in each case as reported in Arch's Form 10-K filed on March 18, 2002. MMRCH has the sole power to vote and the sole power to dispose of the outstanding Shares owned by it.

As disclosed in Arch's Form 8-K filed on November 9, 2001, pursuant to a Letter Agreement dated November 8, 2001, Arch issued 1,636,729 shares of Series A Preferred and Class A Warrants to purchase 173,178 Shares to Trident II, L.P. and certain related co-investment funds (collectively, "Trident II"). MMRCH is a limited partner in Trident II and one of the general partners of the sole general partner of Trident II, L.P. MMC Capital, Inc. ("MMC Capital"), a subsidiary of MMRCH, also serves as an investment advisor to Trident II. MMC and MMRCH disclaim that they beneficially own any Shares beneficially owned by Trident II.

As disclosed in the Schedule 13D/A filed on April 12, 2002 by The Trident Partnership, L.P. ("Trident I"), Trident I received 391,761 Shares on April 9, 2002, as a result of a cashless exercise of its 1,386,079 Class A Warrants. The Warrants had an exercise price of \$20.00 per share, and the cashless exercise was based on the closing price of \$27.88 for the Shares on April 8, 2002, the day prior to the date on which notice Trident I provided its notice of exercise. Trident I also reported that it sold 640,700 Shares in market transactions on April 9, 2002, at an average net per Share price of \$27.05 (or approximately \$17.3 million in the aggregate). Following these transactions, Trident I reported that it continued to own 1,061 Shares. MMRCH is a limited partner in Trident I and a minority shareholder in the general partner of Trident I. MMC Capital also serves as an investment advisor to Trident I. MMC and MMRCH disclaim that they beneficially own any Shares beneficially owned by Trident I.

To the knowledge of MMC and MMRCH, none of their respective officers and directors beneficially own any Shares.

ITEM 6. CONTRACTS, ARRANGEMENTS, UNDERSTANDINGS OR RELATIONSHIPS WITH RESPECT TO SECURITIES OF THE ISSUER

Item 6 is hereby amended to add the following:

Pursuant to a Letter Agreement dated November 8, 2001, the right of MMRCH to designate an observer to the Board of Directors of Arch was terminated.

ITEM 7. MATERIAL TO BE FILED AS EXHIBIT

1. Letter Agreement dated November 8, 2001, among Arch, MMRCH and the other parties thereto.

SIGNATURE

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

DATED: April 12, 2002

MARSH & MCLENNAN COMPANIES, INC.

By: /s/ Gregory F. Van Gundy

Name: Gregory F. Van Gundy

Title: Secretary

For this and all future filings, reference is made to an Agreement dated September 28, 1995 with respect to one filing of Schedule 13D of said entities, pursuant to Rule 13d-1(f)(1).

Marsh & McLennan Companies, Inc.

Unless otherwise indicated, the business address of the directors and executive officers of Marsh & McLennan Companies, Inc. is 1166 Avenue of the Americas, New York, New York 10036-2774 and all directors and executive officers are citizens of the United States of America. An asterisk indicates that a person is a director of MMC.

Name and Business Address	Principal Occupation or Employment
Lewis W. Bernard* Classroom, Inc. c/o Morgan Stanley 1221 Avenue of the Americas, 30th Floor New York, NY 10020	Chairman of Classroom, Inc.
Francis N. Bonsignore	Senior Vice President, Executive Resources and Development of Marsh & McLennan Companies, Inc.
Mathis Cabiallavetta* (Citizen of Switzerland)	Vice Chairman of Marsh & McLennan Companies, Inc. Chairman of Marsh & McLennan Global Development
Peter Coster* (Citizen of the United Kingdom)	President & Chief Executive Officer of Mercer Consulting Group, Inc., a subsidiary of Marsh & McLennan Companies, Inc.
Charles A. Davis* MMC Capital, Inc. 20 Horseneck Lane Greenwich, CT 06830	Vice Chairman of Marsh & McLennan Companies, Inc. President & Chief Executive Officer of MMC Capital, Inc.
Robert F. Erburu* The Times Mirror Company Los Angeles Times 202 West First Street, 6th Floor	Former Chairman of The Times Mirror Company

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Los Angeles, CA 90012

Oscar Fanjul*
(Citizen of Spain)
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28046 Madrid
Spain

Chief Executive Officer of
Omega-Capital

Jeffrey W. Greenberg*

Chairman & Chief Executive Officer
of Marsh & McLennan Companies, Inc.

Ray J. Groves*

President & Chief Operating Officer
of Marsh Inc., a subsidiary of
Marsh & McLennan Companies, Inc.

Stephen R. Hardis*
Eaton Center
1111 Superior Ave., N.E., 26th Floor
Cleveland, Ohio 44114

Chairman of Axcelis Technologies,
Inc.

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President of Podium Prose

The Rt. Hon. Lord Lang of Monkton, DL*
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Former British Secretary of State
for Trade & Industry

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President & Chief Executive Officer
of Putnam Investments, LLC, a
subsidiary of Marsh & McLennan
Companies, Inc.

David A. Olsen*

Former Chairman of Johnson &
Higgins

William L. Rosoff

Senior Vice President and General
Counsel of Marsh & McLennan
Companies, Inc.

Adele Simmons*
Chicago Metropolis 2020
30 West Monroe Street, 18th Floor
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Vice Chair of Chicago Metropolis
2020

John T. Sinnott*

Chairman & Chief Executive Officer
of Marsh Inc., a subsidiary of
Marsh & McLennan Companies, Inc.

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A.J.C. Smith* Former Chairman of Marsh & McLennan Companies, Inc.

Sandra S. Wijnberg Senior Vice President and Chief Financial Officer of Marsh & McLennan Companies, Inc.

Marsh & McLennan Risk Capital Holdings, Ltd.

Unless otherwise indicated, the business address of the directors and executive officers of Marsh & McLennan Risk Capital Holdings, Ltd. is 1166 Avenue of the Americas, New York, New York 10036-2774 and all directors and executive officers are citizens of the United States of America. An asterisk indicates that a person is a director of MMRCH.

Name and Business Address	Principal Occupation or Employment
Charles A. Davis* MMC Capital, Inc. 20 Horseneck Lane Greenwich, CT 06830	Vice Chairman of Marsh & McLennan Companies, Inc. President & Chief Executive Officer of MMC Capital, Inc.
Jeffrey W. Greenberg*	Chairman & Chief Executive Officer of Marsh & McLennan Companies, Inc.
William L. Rosoff*	Senior Vice President and General Counsel of Marsh & McLennan Companies, Inc.
A.J.C. Smith*	Former Chairman of Marsh & McLennan Companies, Inc.
Sandra S. Wijnberg*	Senior Vice President and Chief Financial Officer of Marsh & McLennan Companies, Inc.