



ASSIGNED ANALYST:

May 19, 2009

Arch Capital Group Ltd.

Wessex House, Fourth Floor, 45 Reid Street, Hamilton, Bermuda

http://www.archcapgroup.bm

Ownership: Publicly Traded

Source of Data: Annual Report

Report Basis: Consolidated

Auditors: PricewaterhouseCoopers LLP

Group Operating Companies followed by Guy Carpenter:	A.M. Best		Standard & Poor's	
	FSR	Outlook	FSR	Outlook
Arch Insurance Co (Europe) Ltd (UK)	A g	Stable	A	Stable
Arch Insurance Company (US)	A g	Stable	A	Stable
Arch Reinsurance Company (US)	A g	Stable	A	Stable
Arch Reinsurance Ltd (Ber)	A	Stable	A	Stable
Arch Specialty Insurance Co (US)	A g	Stable	A	Stable

Key Personnel

Chairman - Paul B. Ingrey
CEO - Constantine (Dinos) Iordanou
CFO - John Hele

Capital & Surplus (C&S) (USD mil): **\$3,630.4**
as of March 31, 2009

Financial Summary:	YE2008	YE2007
GPW (USD mil)	3,669.1	4,140.1
NPW (USD mil)	2,805.7	2,901.9
Cession Rate	23.5%	29.9%
Comprehensive Inc (USD mil)	-119.9	963.7
PTOI, ex Cap G/(L) / NPE	17.2%	28.7%
Comprehensive Inc / Avg C&S	-3.2%	25.3%
Yield on Investments	4.6%	4.7%
Company Reported ROE	7.8%	22.5%
Change in C&S	-14.9%	12.4%
Liquid Assets / Total Liab	79.2%	69.7%
Inv Assets / Net Tech Res	142.2%	153.3%
Inv Assets / Total Liab	90.2%	87.8%
Total Debt / (C&S + Total Debt)	10.4%	6.9%
Total Debt / C&S	0.1x	0.1x
Net Tech Res / C&S	2.1x	1.6x
Reins Recoverables / C&S	0.6x	0.6x
Minority Interest (USD mil)	0.0	0.0
Goodwill (USD mil)	27.4	28.5

Property / Casualty Book

Loss Ratio	65.0%	55.8%
Expense Ratio	31.1%	29.5%
Combined Ratio	96.1%	85.3%
Change in NPW (1Yr)	-3.3%	-3.8%

Group Overview

Arch Reinsurance Ltd. (Bermuda) is the lead operating company of the Group and, in addition to acting as an intermediate holding company for most of the other group operating companies, provides substantial capacity support via an 80% quota share treaty to Arch Reinsurance Company, NE, and Arch Insurance Company, MO, and an 85% quota share and stop loss arrangement to Arch Insurance Company (Europe).

Lines of Business

About 60% of the Group's premium volume in 2008 was insurance, up from about 55% in 2006. Over three quarters of the 2008 insurance premium was written in the US in 2008, but the volume of international premium has been taking a larger share and should gain momentum with the Group's recent expansion into Lloyd's through Syndicate 2012.

The reinsurance segment's growth lines over the last two years have been property and property catastrophe, accounting for 28.6% (2006: 10.7%) and 20.1% (2006: 16.0%) of 2008 net reinsurance volume, respectively.

Operational Performance

Arch Capital reported a 2008 combined ratio of 96.1 (2007: 85.3%) which included about 12 points from catastrophes partly offset by 10.9 points from loss reserve redundancies.

The loss reserve redundancies were mainly from accident years 2004 through 2006. The net favorable development consisted of \$231.2 million from the reinsurance segment and \$79 million from the insurance segment.

Financial Position

Shareholders equity declined by about 15% during the year due principally to the repurchase of 7.5 million common shares for an aggregate purchase price of \$513.1 million and after tax unrealized losses on investments included in comprehensive income of \$375 million.

The Group has a conservative ratio of debt to total capital ratio of 10.4%. Total debt at year-end 2008 included \$300 million of 7.35% senior notes maturing in 2034. Those notes, representing 100% of outstanding long term debt and 7% of total capital, may be redeemed at any time by Arch. The remaining debt comprises \$100 million of revolving credit agreement borrowings.

Arch Capital Group Limited

Recent Developments

Arch Capital Group's combined ratio in the first quarter 2009 was 86.7%, almost unchanged from the first quarter of 2008. Improved results in the growing insurance segment offset a 5 point deterioration in the reinsurance segment. The 2009 combined ratio also benefited from 7.3 points of favorable development, 70% of which was from medium to long tailed lines. Shareholders equity increased by 5.8% since year-end with the increase mainly attributable to net income.

Group Overview

Arch Capital Group Ltd. (Arch) is a Bermuda public limited liability company with approximately \$3.4 billion in shareholders' equity at December 31, 2008 and, through operations in Bermuda, the United States, Europe and Canada, writes insurance and reinsurance on a worldwide basis. The focus of the Group is on writing specialty lines of insurance and reinsurance.

Arch Reinsurance Ltd. (Bermuda) is the lead operating company and, in addition to acting as an intermediate holding company for most of the other group operating companies, provides substantial capacity support via an 80% quota share treaty to Arch Reinsurance Company, NE, and Arch Insurance Company, MO, and an 85% quota share and stop loss arrangement to Arch Insurance Company (Europe), an excess and surplus lines insurer. The latter company was formed in 2008 and has a Swiss branch that assumed the operations of the Swiss Branch of Arch Re Ltd., Bermuda. Arch Re Europe complements the existing property and casualty treaty capabilities of the reinsurance operations and provides greater accessibility to brokers in Europe.

In 2007, Arch expanded its underwriting platform by (i) forming Arch Re Accident & Health ApS, a Danish underwriting agency which conducts accident and health underwriting as a branch office of Arch-Europe; (ii) acquiring the assets of Wexford Underwriting Managers, Inc. a managing general agent, to write excess workers' compensation and employers' liability insurance; and (iii) launching property facultative reinsurance underwriting operations based in Farmington, Connecticut.

On January 22, 2008, Arch Re Bermuda and Gulf Investment Corporation GSC (GIC) entered into a joint venture agreement for the purpose of forming a reinsurance company in the Dubai International Financial Centre. GIC is owned equally by the six

member states of the Gulf Cooperation Council (GCC), which include Bahrain, Kuwait, Oman, Qatar, Saudi Arabia and the United Arab Emirates. The new company, in which Arch invested \$100 million, will provide property and casualty reinsurance primarily in those member states of the GCC.

In the first quarter of 2009, the Group received approval from the Lloyd's Franchise Board and the FSA to establish a managing agent and syndicate at Lloyd's. Newly formed syndicate 2012 is expected to commence operations in the second quarter of 2009.

Lines of Business

About 60% of the Group's premium volume in 2008 was insurance, up from about 55% in 2006. Over three quarters of the 2008 insurance premium was written in the US in 2008, but the volume of international premium has been taking a larger share and should gain momentum with the Group's recent expansion into Lloyd's. Major insurance lines include property, marine and aviation (20.2% of 2008 net insurance premiums), programs (16.3%), professional liability (14.9%) and construction and national accounts (14.5%).

Reinsurance by location of client has been concentrated in the US, about 55% or more of total volume in each of the last three years, followed by Europe at almost 29% in 2008. The major line of reinsurance business in 2008 was still casualty, but that line has dropped to 30.2% of total reinsurance premium from 43.3% in 2006. The growth lines have been property and property catastrophe, accounting for 28.6% (2006: 10.7%) and 20.1% (2006: 16.0%) of 2008 net reinsurance volume, respectively.

Partial Organizational Chart

Arch Capital Group Ltd. (Bermuda)

Arch Re Ltd. (Bermuda)

Arch Capital Group (U.S.) Inc. (NY, USA)

Arch Reinsurance Co (NE, USA)

Arch Ins Group Inc. (NY, USA)

Arch Ins Co (MO, USA)

Arch Excess & Surplus Ins Co (NE, USA)

Arch Specialty Ins Co (NE, USA)

Arch Indemnity Ins Co (NE, USA)

Arch Re Underwriting Ltd., Ireland

Arch Ins Co (Europe) Ltd. (UK)

Arch Risk Transfer Services Ltd. (Cayman Islands)

Alternative Re Holdings Limited (Bermuda)

Alternative Re Limited (Bermuda)

Arch Capital Group Limited

A.M. Best Rating Summary Points

Strengths: excellent risk adjusted capitalization, strong risk management, solid operating results since inception and experienced reinsurance and insurance management teams.

Weaknesses: ongoing ability to maintain a competitive position in light of the current soft market conditions.

S&P Rating Summary Points

Strengths: strong competitive position, strong operating performance, strong and coherent management team and strategy, and extremely strong capital adequacy.

Weaknesses: relative lack of history in operating through a soft cycle as well as potential reserve risk resulting from its significant amount of casualty writings.

Operating Commentary & Financial Position

Arch Capital reported a 2008 combined ratio of 96.1 (2007: 85.3%) which included about 12 points from catastrophes partly offset by 10.9 points from loss reserve redundancies. The insurance book has been running a higher combined ratio than that of reinsurance over the last three years with the difference attributable to the loss ratio as the overall expense ratio is similar. The 2008 combined ratio of the insurance book was 101.7% compared to 85.3% for the reinsurance book. On an accident year basis, however, the combined ratios are much closer, 106.4 and 104.9, respectively, with loss reserve redundancies at a much higher rate for reinsurance.

The majority of the 2008 loss reserve redundancy was from accident years 2004 through 2006. The net favorable development consisted of \$231.2 million from the reinsurance segment and \$79 million from the insurance segment. Management reports that the bulk of the reinsurance reserve redundancy was from short tailed lines, \$126.1 million, and from casualty and marine & aviation business, \$105.1 million. The Group's higher than historical accident year loss ratio of approximately 75.9% in 2008 (2007: 62.1%) included catastrophe losses which added 16.9 points to the reinsurance segment's loss ratio and 7.2 points to the insurance segment's loss ratio.

An emphasis on casualty business in the Group's earlier years and the conservative management of catastrophe risk exposure enabled underwriting profits to be recorded in each of the last six years. A shift in writings over the last three years to a reinsurance

book that is more property oriented helped to produce a combined ratio in 2007 that was the lowest in the Group's relatively short history, although the proportionally larger property book has added a greater degree of volatility to earnings. Management believes that US catastrophe related property business is currently one of the most attractive areas in terms of pricing and offers further opportunity for growth. The Group seeks to limit its probable maximum pre-tax loss to approximately 25% of shareholder's equity for any geographic zone that could be expected to occur once in every 250 years. At year-end 2008, the PML for a catastrophe event in any zone from a 1 in 250 year event was approximately \$763 million.

A return on equity of 7.8% was reported in 2008 compared to 22.5% in 2007. The decline in return reflects reduced underwriting profits and realized investment losses of \$185.1 million. Shareholders equity declined by about 15% during the year due principally to the repurchase of 7.5 million common shares for an aggregate purchase price of \$513.1 million and after tax unrealized losses on investments included in comprehensive income of \$375 million.

The Group's investment portfolio does not contain common stock, preferred stock, hedge funds or private equity funds. Mortgage related and asset backed securities comprised approximately 44% of the Group's fixed income portfolio. Other Investments in the balance sheet of this report include \$730 million (2007: \$1.5 billion) of investment funds received under securities lending agreements.

Arch Capital has a conservative ratio of debt to total capital of 10.4%. Total debt at year-end 2008 included \$300 million of 7.35% senior notes maturing in 2034. Those notes, representing 100% of outstanding long term debt and 7% of total capital, may be redeemed at any time by Arch. The remaining debt comprised \$100 million of revolving credit agreement borrowings.

During 2006, the Company issued non-cumulative preferred shares, Series A and Series B, for approximately \$314 million (\$325 million principal amount) in net aggregate proceeds. Preferred dividends paid and declared during 2008 totaled \$25.8 million. Arch has the right to redeem all or a portion of each series of preferred shares at a redemption price of \$25.00 per share on or after February 1, 2011 for Series A and May 15, 2011 for the Series B.

GUY CARPENTER


MARSH MERCER KROLL
GUY CARPENTER OLIVER WYMAN

19-May-09

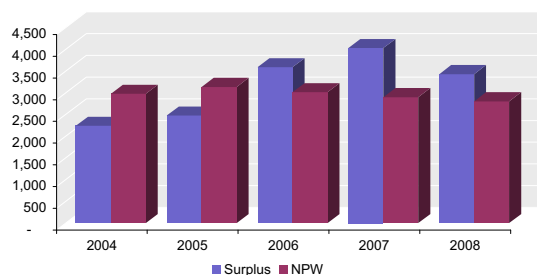
Arch Capital Group Ltd.

BALANCE SHEET

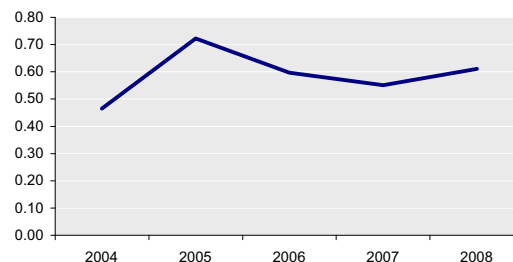
USD ('000's Omitted)

	1Q 2009	2008	2007	2006	2005	2004
ASSETS						
Fixed Income Securities	8,540,600	8,122,200	7,138,000	6,876,500	5,281,000	5,545,100
Common & Preferred Stocks	0	0	0	0	27,900	0
Cash & Short Term Investments	993,800	731,300	939,000	1,274,700	904,400	268,800
Real Estate & Property	0	0	0	0	0	0
Loans & Mortgages	0	0	0	0	0	0
Other Investments	1,050,400	1,239,200	2,093,300	1,167,900	906,200	1,000
Subtotal Cash & Inv. Assets	10,584,800	10,092,700	10,170,300	9,319,100	7,119,500	5,814,900
Premiums Receivable	720,700	629,000	729,600	750,000	672,900	520,800
Reinsurance Recoverables	2,061,700	2,096,100	2,222,300	2,144,400	1,793,100	1,043,900
Deferred Policy Acquisition Cost	314,000	295,200	290,100	291,000	317,400	278,200
Goodwill	0	27,400	28,500	16,700	16,700	35,900
Other Assets	2,411,100	1,476,100	2,183,500	1,791,300	1,568,800	525,100
Total Assets	16,092,300	14,616,500	15,624,300	14,312,500	11,488,400	8,218,800
LIAB., CAPITAL & SURPLUS						
Loss & LAE Reserve	7,709,300	7,667,000	7,092,500	6,463,000	5,452,800	3,570,700
Life Funds	0	0	0	0	0	0
Unearned Premium Reserve	1,617,400	1,526,700	1,765,900	1,791,900	1,699,700	1,541,200
Other Technical Reserves	0	(100)	(100)	100	0	100
Gross Technical Reserves	9,326,700	9,193,600	8,858,300	8,255,000	7,152,500	5,112,000
Total Debt	400,000	400,000	300,000	300,000	300,000	300,000
Other Liabilities	2,735,200	1,589,900	2,430,200	2,166,900	1,555,400	564,900
Total Liabilities	12,461,900	11,183,500	11,588,500	10,721,900	9,007,900	5,976,900
Minority Interest	0	0	0	0	0	0
Paid-in Capital	997,200	995,300	1,452,500	1,945,200	1,596,200	1,561,000
Equalization Reserve	0	0	0	0	0	0
Retained Earnings	2,894,600	2,693,200	2,428,100	1,593,900	901,300	644,900
Other Shareholders Funds	(261,300)	(255,500)	155,200	51,500	(17,000)	36,000
Total Capital & Surplus (C&S)	3,630,400	3,433,000	4,035,800	3,590,600	2,480,500	2,241,900

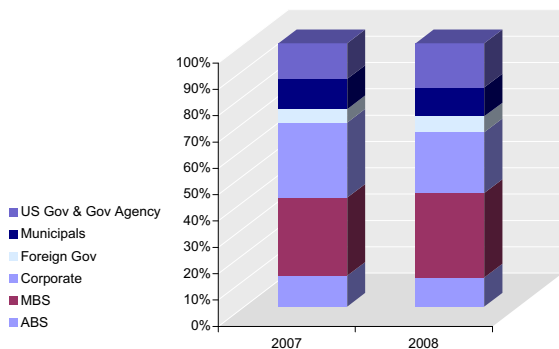
Cap. & Surplus and NPW (USD mil)



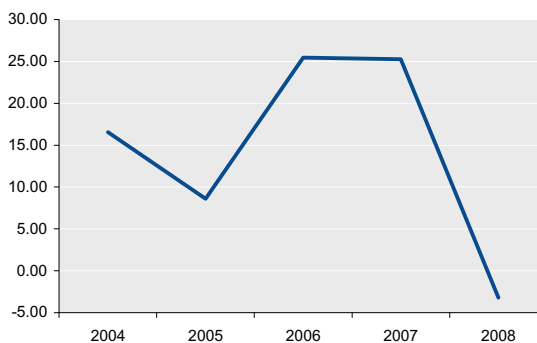
Reinsurance Recoverables / Cap. & Surplus (x)



Fixed Income



Comprehensive Inc / Avg. C&S (%)



GUY CARPENTER

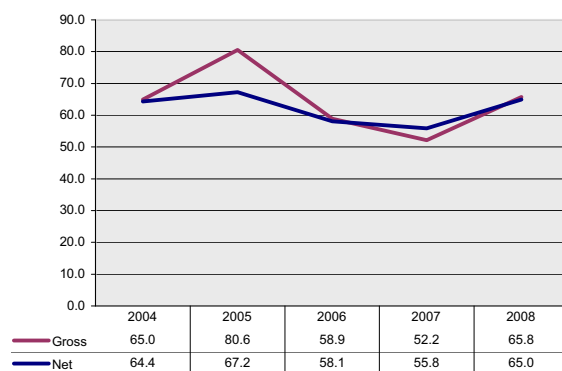
Arch Capital Group Ltd.

INCOME STATEMENT SUMMARY

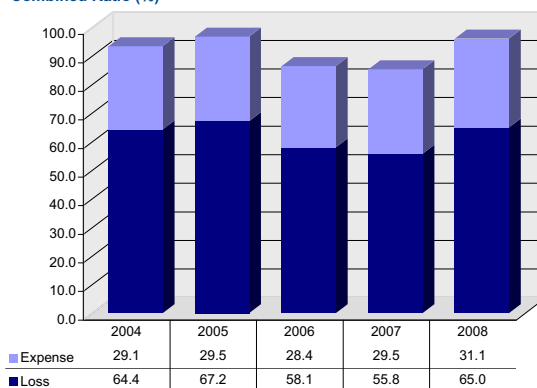
USD (000's Omitted)

	1Q 2009	2008	2007	2006	2005	2004
INCOME STATEMENT						
Gross Premiums Written	1,025,000	3,669,100	4,140,100	4,282,400	4,014,800	3,668,000
Ceded Premiums	202,100	863,400	1,238,200	1,265,000	876,000	688,000
Net Premiums Written	822,900	2,805,700	2,901,900	3,017,400	3,138,800	2,980,000
Net Premiums Earned	700,600	2,845,500	2,944,700	3,081,700	2,977,700	2,915,900
Net Losses Incurred	400,500	1,848,700	1,644,200	1,790,500	2,001,900	1,876,600
Commission Expenses	126,500	490,500	480,500	543,900	579,900	563,900
Underwriting Expenses	87,100	395,800	388,100	332,300	299,900	285,000
Other U/W Income/(Expenses)	0	(100)	(100)	(100)	(100)	0
Net U/W Result	86,500	110,400	431,800	414,900	95,900	190,400
Net Investment Income	95,900	468,100	463,100	380,200	232,900	143,700
Capital Gains/(Losses)	(41,300)	(185,100)	28,100	(19,400)	(53,500)	30,200
Interest Expense	5,700	23,800	22,100	22,100	22,500	18,000
Other Income/(Expenses)	20,400	(65,100)	(27,400)	(13,700)	32,600	(3,200)
Pre-tax Income	155,800	304,500	873,500	739,900	285,400	343,100
Taxes	9,500	13,500	15,600	26,700	28,900	26,200
Net Income	146,300	291,000	857,900	713,200	256,500	316,900
Change in Unrealized Gains	58,000	(375,300)	92,700	61,200	(52,300)	6,100
Change in Foreign Exchange	(2,300)	(35,500)	13,100	(2,300)	(1,000)	4,000
Other Comprehensive Inc/(Exp)	0	(100)	0	0	0	0
Comprehensive Income	202,100	(119,900)	963,700	772,100	203,200	327,000
CAPITAL & SURPLUS ACCOUNT						
Capital & Surplus End of Prior Year	3,433,000	4,035,800	3,590,600	2,480,500	2,241,900	1,710,700
Comprehensive Income	202,100	(119,900)	963,700	772,100	203,200	327,000
Change Pd Capital & Surplus	1,900	(457,200)	(492,700)	349,000	35,200	199,100
Stockholder Dividends	6,500	25,800	25,800	17,400	0	0
Other C&S Changes	(100)	100	0	6,400	200	5,100
Total Change in Surplus	197,400	(602,800)	445,200	1,110,100	238,600	531,200
Capital & Surplus at End of Year	3,630,400	3,433,000	4,035,800	3,590,600	2,480,500	2,241,900

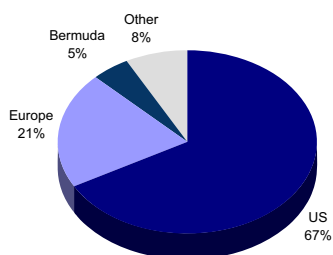
Gross & Net Loss Ratios (%)



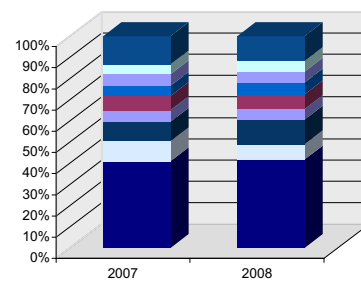
Combined Ratio (%)



Geographic Spread - NPW



Business Mix - NPW



GUY CARPENTER

Arch Capital Group Ltd.

RATIO ANALYSIS

	5Yr Weighted Avg	2008	2007	2006	2005	2004
Profitability (%)						
PTOI, ex Cap G/(L) / NPE	18.6	17.2	28.7	24.6	11.4	10.7
Comprehensive Inc / Avg. C&S	14.4	(3.2)	25.3	25.4	8.6	16.5
EBIT / Interest Expense (X)	24.5	13.8	40.5	34.5	13.7	20.1
Dividends / Net Income	2.8	8.9	3.0	2.4	0.0	0.0
Net Investment Yield	4.2	4.6	4.7	4.6	3.5	2.9

Life Business Exposure (%)

Life Funds / Total Tech. Res.
Life NPW / Total NPW

	5Yr Weighted Avg	2008	2007	2006	2005	2004
Profitability Prop / Cas (%)						
Gross Loss Ratio	64.1	65.8	52.2	58.9	80.6	65.0
Net Loss Ratio	62.0	65.0	55.8	58.1	67.2	64.4
Expense Ratio	29.5	31.1	29.5	28.4	29.5	29.1
Combined Ratio	91.6	96.1	85.3	86.5	96.8	93.5
Loss Reserve Dev (excl Forex) / NPE	(5.4)	(10.9)	(6.3)	(2.5)	(4.0)	(3.4)
Leverage (X)						
NPW / C&S		0.8	0.7	0.8	1.3	1.3
Ceded Premium / C&S		0.3	0.3	0.4	0.4	0.3
Reinsurance Usage (%)						
Cession Rate		23.5	29.9	29.5	21.8	18.8

Leverage (X)

GPW / C&S	1.1	1.0	1.2	1.6	1.6
Total Debt / C&S	0.1	0.1	0.1	0.1	0.1
Net Tech. Res. / C&S	2.1	1.6	1.7	2.2	1.8
Reinsurance Recoverables / C&S	0.6	0.6	0.6	0.7	0.5
Other Liabilities / C&S	0.5	0.6	0.6	0.6	0.3
Total Liabilities / C&S	3.3	2.9	3.0	3.6	2.7
Total Debt / (C&S + Total Debt) (%)	10.4	6.9	7.7	10.8	11.8

Overall Liquidity (%)

Liquid Assets / Total Liabilities	79.2	69.7	76.0	69.0	97.3
Invested Assets / Net Tech. Res.	142.2	153.3	152.5	132.8	142.9
Invested Assets / Total Liabilities	90.2	87.8	86.9	79.0	97.3
Total Assets / Total Liabilities	130.7	134.8	133.5	127.5	137.5

Asset Composition (%)

Non Invested Assets / Total Assets	30.9	34.9	34.9	38.0	29.2
Goodwill / Total Assets	0.2	0.2	0.1	0.1	0.4
Cash & Short Term Inv / Invested Assets	7.2	9.2	13.7	12.7	4.6
Common & Preferred Stocks / Invested Assets	0.0	0.0	0.0	0.4	0.0
Fixed Income Securities / Invested Assets	80.5	70.2	73.8	74.2	95.4
All Other Investments / Invested Assets	12.3	20.6	12.5	12.7	0.0
Avg Fixed Inc Portfolio Duration (Years)	3.6	3.3	3.2	3.3	3.7

Percentage Change

	5Yr CAGR	2008	2007	2006	2005	2004
GPW	2.6	(11.4)	(3.3)	6.7	9.5	13.7
NPW	0.5	(3.3)	(3.8)	(3.9)	5.3	8.8
Gross Tech. Res.	22.3	3.8	7.3	15.4	39.9	52.4
Total Liabilities	23.6	(3.5)	8.1	19.0	50.7	54.3
C&S	14.9	(14.9)	12.4	44.8	10.6	31.1
C&S change from retained earnings		6.6	23.2	27.9	11.4	18.5
Price / Book (%)		136.5	127.6	153.8	161.9	124.7

GUY CARPENTER


 MARSH MERCER KROLL
 GUY CARPENTER OLIVER WYMAN

19-May-09

Arch Capital Group Ltd.

(Millions)

Calendar Year Loss Reserve Development

	1998	1999	2000	2001	2002	2003	2004	2005	2006	2007	2008
Gross Loss Res (Orig Rptd)	0	0	0	111	592	1,912	3,493	5,453	6,463	7,092	7,667
Due from Reinsurers	0	0	0	90	211	369	618	1,390	1,552	1,609	1,729
Net Loss & LAE Reserves Reestimated as of:											
Orig Res	0	0	0	21	381	1,543	2,875	4,063	4,911	5,483	5,938
1 Yr Later	0	0	0	25	340	1,444	2,756	3,986	4,726	5,173	
2	0	0	0	25	335	1,353	2,614	3,809	4,387		
3	0	0	0	27	335	1,259	2,487	3,541			
4	0	0	0	27	312	1,237	2,353				
5	0	0	0	28	315	1,187					
6	0	0	0	26	302						
7	0	0	0	25							
8	0	0	0								
9	0	0									
10	0										

Net Redundancy (Deficiency)											
\$ Amount	0	0	0	-4	79	356	522	522	524	310	
To Orig Loss Reserve				-19.0%	20.7%	23.1%	18.2%	12.8%	10.7%	5.7%	

Current Unpaid Loss and LAE	0	0	0	0	69	400	1,053	1,853	2,901	4,219	
Unpaid / Developed Loss Res				0.0%	22.8%	33.7%	44.8%	52.3%	66.1%	81.6%	

Accident Yr Loss Reserve and Incremental Development

	1998	1999	2000	2001	2002	2003	2004	2005	2006	2007	2008	Developed Loss Reserve / Orig	Loss Ratio Original	Loss Ratio Developed
Prior Years	0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0			
1999		0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0			
2000			0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0			
2001				21.0	-4.0	0.0	-2.0	0.0	-1.0	2.0	1.0	119.0%	75.8%	88.8%
2002					371.0	41.0	7.0	0.0	24.0	-5.0	12.0	78.7%	64.2%	52.1%
2003						1285.0	94.0	91.0	71.0	25.0	37.0	75.3%	65.7%	51.4%
2004							1709.0	28.0	48.0	105.0	84.0	84.5%	67.8%	58.7%
2005								1756.0	-65.0	50.0	134.0	93.2%	71.2%	67.2%
2006									1670.0	8.0	71.0	95.3%	60.6%	58.0%
2007										1600.0	-29.0	101.8%	62.1%	63.1%
2008											1719.0	-	75.9%	75.9%

Net Redundancy (Deficiency)	0.0	0.0	0.0	-4.0	41.0	99.0	119.0	77.0	185.0	310.0	
------------------------------------	------------	------------	------------	-------------	-------------	-------------	--------------	-------------	--------------	--------------	--

This financial profile has been prepared by Guy Carpenter's Market Information Department. Please refer to Important Disclaimer at end of profile.

Arch Capital Group Ltd.

Important Disclaimer

Guy Carpenter & Company, LLC provides this report for general information only. The information and data contained herein is based on sources we believe reliable, but we do not guarantee its accuracy, and it should be understood to be general insurance/reinsurance information only. Guy Carpenter & Company, LLC makes no representations or warranties, express or implied. The information is not intended to be taken as advice with respect to any individual situation and cannot be relied upon as such. Please consult your insurance/reinsurance advisors with respect to individual coverage issues.

Readers are cautioned not to place undue reliance on any calculation or forward-looking statements. Guy Carpenter & Company, LLC undertakes no obligation to update or revise publicly any data, or current or forward-looking statements, whether as a result of new information, research, future events or otherwise. The rating agencies referenced herein reserve the right to modify company ratings at any time.

Statements concerning tax, accounting or legal matters should be understood to be general observations based solely on our experience as reinsurance brokers and risk consultants and may not be relied upon as tax, accounting or legal advice, which we are not authorized to provide. All such matters should be reviewed with your own qualified advisors in these areas.

This document or any portion of the information it contains may not be copied or reproduced in any form without the permission of Guy Carpenter & Company, LLC, except that clients of Guy Carpenter & Company, LLC need not obtain such permission when using this report for their internal purposes.

The trademarks and service marks contained herein are the property of their respective owners.

About Best's Ratings:

Best's Ratings are under continuous review and subject to change and/or affirmation. For the latest **Best's Ratings** and *Best's Company Reports* (which include **Best's Ratings**), visit the A.M. Best website at <http://www.ambest.com>. See Guide to Best's Ratings for explanation of use and charges.

Best's Ratings reproduced herein appear under license from A.M. Best and do not constitute, either expressly or impliedly, an endorsement of Guy Carpenter & Company, LLC or its recommendations, formulas, criteria or comparisons to any other ratings, rating scales or rating organizations which are published or referenced herein. A.M. Best is not responsible for transcription errors made in presenting Best's Ratings, Best's Ratings are proprietary and may not be reproduced or distributed without the express written permission of A.M. Best Company.

About Standard & Poor's Ratings:

Published by Standard & Poor's, a Division of The McGraw-Hill Companies, Inc. Executive offices: 1221 Avenue of the Americas, New York, NY 10020. Editorial offices: 55 Water Street, New York, NY 10041. Subscriber services: (1) 212-438-7280. Copyright 2009 by The McGraw-Hill Companies, Inc. Reproduction in whole or in part prohibited except by permission. All rights reserved. Information has been obtained by Standard & Poor's from sources believed to be reliable. However, because of the possibility of human or mechanical error by our sources, Standard & Poor's or others, Standard & Poor's does not guarantee the accuracy, adequacy, or completeness of any information and is not responsible for any errors or omissions or the result obtained from the use of such information. Ratings are statements of opinion, not statements of fact or recommendations to buy, hold, or sell any securities.