



Arch Capital Group, Ltd.


ACGL NASDAQ

Insurance - Property / Casualty

Market Capitalization USD:

\$4,353.76 mm

CONCERN LEVEL: LOW

- 1 The CEO's total remuneration is within the typical market range for the relevant industry and market cap.
- 2 The ratio between the CEO's pay and the median pay of the other named executive officers is 3X or less.
- 3 The CEO's annual cash incentives rose or fell in line with annual performance.
- 4 The CEO received no more than one annual cash bonus this fiscal year.
- 5 The CEO's equity remuneration reflected the company's share price movement over the last five years.
- 6 The company only pays long-term incentives to the CEO for above median performance against a peer group.
- 7 The company's dilution from equity incentives is 10 percent or less.
- 8 Unvested equity lapses when the CEO's employment is terminated. 
- 9 The CEO's potential cash severance payment is capped at two times annual cash remuneration.
- 10 The accrued benefits of the CEO's post-retirement income are within the typical market range for the relevant market cap bracket.

CEO: Constantine Iordanou

Age: 62

CEO Since: 2003

	2009	2010	2011
Base Salary	\$1,000,000	\$1,000,000	\$1,000,000
Discretionary Bonus	\$3,200,000	\$3,500,000	\$3,150,000
Annual Cash Incentive	\$0	\$0	\$0
Benefits and Perquisites	\$583,751	\$859,005	\$768,034
TOTAL ANNUAL COMPENSATION	\$4,783,751	\$5,359,005	\$4,918,034
Increase in Post-Retirement Benefits	\$0	\$0	\$0
Stock Option Awards	\$677,954	\$964,673	\$975,874
Stock Awards	\$2,213,910	\$3,151,260	\$3,393,504
TOTAL COMPENSATION	\$7,675,615	\$9,474,938	\$9,287,412
Median of Other Named Executive Officers Total Compensation	\$2,860,535	\$2,521,191	\$2,543,711
Value Realized on Exercise of Stock Option	\$0	\$0	\$0
Value Realized on Vesting of Stock	\$896,700	\$2,030,678	\$4,249,049
TOTAL REALIZED EQUITY COMPENSATION	\$896,700	\$2,030,678	\$4,249,049

Proxy Date: 27 Mar 2012

Annual Meeting Date: 9 May 2012

Equity Reserves: 9.19%

Stock Option Run Rate: 0.53%

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Performance Comparison

■ S&P500 ■ Industry ■ ACGL



Peer Comparisons (TRBC) = Insurance - Property / Casualty

Total Summary CEO Compensation

Ticker	Company Name	2009	2010	2011	Market Cap
ACGL	Arch Capital Group, Ltd.	\$7,675,615	\$9,474,938	\$9,287,412	\$4,353,762,240
ALL	Allstate Corporation (The)	\$10,420,560	\$9,299,620		\$12,238,452,095
PGR	Progressive Corporation (The)	\$9,128,036	\$9,605,558	\$9,615,767	\$11,695,079,915
CNA	CNA Financial Corporation	\$10,431,113	\$9,485,586	\$8,363,417	\$6,050,599,340
VRSK	Verisk Analytics, Inc.	\$11,636,561	\$7,144,832		\$5,730,593,384
XL	XL Group plc	\$6,212,437	\$10,481,557	\$8,936,065	\$5,599,725,173
CINF	Cincinnati Financial Corporation	\$1,409,796	\$2,314,728	\$1,754,487	\$4,295,637,787

To insure consistency, peer comparisons are based on a combination of TRBC Industry and Sector classifications and company market caps. Missing peer pay figures for 2011 are due to differences in company filing schedules.

Pay Peer Group

NA

Performance Peer Group

NA

COMPENSATION COMMITTEE MEMBERS

Director	Membership	Age	Gender	Tenure	Independence
John L. Bunce	Chairman	53	Male	11	Outside
James J. Meenadhan	Member	73	Male	11	Outside
Kewsona Lee	Member	47	Male	11	Outside Related
Robert F. Works	Member	64	Male	13	Outside

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