



State of Wisconsin / OFFICE OF THE COMMISSIONER OF INSURANCE

Scott Walker, Governor
Theodore K. Nickel, Commissioner

Wisconsin.gov

September 30, 2013

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Mr. Earl Zimmerman
Sutherland Asbill & Brennan LLP
Grace Building
1114 Avenue of the Americas, 40 th Floor
New York, New York 10036-7703

Re: Disclaimer of Control of the CMG Group

Dear Mr. Zimmerman:

This Office has reviewed your letter dated September 30, 2013, regarding the disclaimer of control made by Artisan Partners Limited Partnership and their affiliates (hereinafter also, "Artisan Group") with respect to CMG Mortgage Insurance Company, CMG Mortgage Assurance Company, and CMG Mortgage Reinsurance Company (collectively, "CMG Group"). This Office will not contest the disclaimer of affiliation or control at this time.

Please advise this Office if any representations regarding this disclaimer of control change materially, including but not limited to the acquisition by the Artisan Group of more than 20% of the voting securities of Arch Capital Group Limited, membership of persons associated with or employed by the Artisan Group on the board of directors of Arch Capital Group Limited or its affiliates, or establishment of any contractual or business relationships between Artisan Group and Arch Capital Group Limited or its affiliates.

If you have any questions, please call me at (608) 267-4388.

Sincerely,

Steven J. Junior
Insurance Examiner Supervisor
Bureau of Financial Analysis and Examinations

cc: David E. Gansberg (via e-mail)
Sean Dilweg (via e-mail)
William J. Toman (via e-mail)
Kristin Forsberg (via e-mail)



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VIA EMAIL & CERTIFIED MAIL, RETURN RECEIPT REQUESTED

Steven J. Junior, Insurance Financial Examiner Chief
Bureau of Financial Analysis and Examinations
Office of the Commissioner of Insurance
125 South Webster Street, 2nd Floor
Madison, WI 53702

Re: Disclaimer of Affiliation and Control of CMG
Companies

Dear Mr. Junior:

I am writing on behalf of Artisan Partners Limited Partnership (“Artisan”) in connection with its holdings of common shares of Arch Capital Group Ltd. (“ACGL”). Arch U.S. MI Holdings Inc. (“Arch MI”), a Delaware corporation and a wholly-owned indirect subsidiary of ACGL, has advised Artisan that it recently filed a Statement Regarding the Acquisition of Control (“Form A”) of (a) CMG Mortgage Insurance Company (“CMG MI”), a Wisconsin insurance company, (b) CMG Mortgage Assurance Company (“CMG MA”), a Wisconsin insurance company, and (c) CMG Mortgage Reinsurance Company (“CMG Re” and, collectively with CMG MI and CMG MA, the “CMG Companies”), a Wisconsin insurance company and wholly-owned subsidiary of CMG MA. Arch Services has further advised that, upon the consummation of the proposed transaction described in the Form A (the “Proposed Transaction”), ACGL will be the 100% indirect owner of Arch MI and, thus, the 100% indirect owner of the CMG Companies.

Although under Section 600.03(13) of the Wisconsin Insurance Code there is a presumption of control if a person directly or indirectly owns, holds with the power to vote or holds proxies to vote more than 10% of the voting securities of another person, the presumption is rebuttable. Artisan is providing this disclaimer of affiliation notice in connection with its holdings of common shares of ACGL, to rebut the statutory presumption that Artisan will control the CMG Companies as a result of the Proposed Transaction.

Artisan

Artisan is a U.S. registered investment adviser that provides investment management services to institutional investors, such as pension and profit sharing plans, trusts, endowments, foundations, charitable organizations, governmental entities and investment companies and similar pooled investment vehicles. Artisan currently employs five investment teams managing assets in thirteen different investment strategies, each of which invests primarily in publicly-traded equity securities.

Artisan invests on behalf of its discretionary client accounts ("Client Accounts") in publicly-traded securities in the ordinary course of its business, and such securities are not acquired or held for the purpose of changing or influencing the control of the issuer. Artisan's clients are the beneficial owners of such securities, which are registered in the name of a nominee for the applicable client's custodian or sub-custodian.

Ownership of ACGL Shares

Through Client Accounts, Artisan's clients own shares of common stock of ACGL, a company incorporated in Bermuda and with its principal executive offices in Hamilton, Bermuda. The common shares of ACGL trade on the NASDAQ Stock Market ("NASDAQ") and the company is subject to periodic reporting requirements with the U.S. Securities and Exchange Commission ("SEC"). ACGL writes insurance and reinsurance on a worldwide basis through its subsidiaries in the United States, Bermuda, Canada and Europe. Arch Services has advised Artisan that, upon the consummation of the Proposed Transaction, ACGL will be the 100% indirect owner of Arch MI and, thus, the 100% indirect owner of the CMG Companies. As of June 30, 2013, Artisan has power to dispose of approximately 23,691,733 (17.8%) of ACGL common shares owned by Artisan's clients and purchased during the ordinary course of Artisan's investment duties described in the section above.

Basis for Disclaiming Control

Shares of ACGL that are held by Artisan's clients in Client Accounts are for investment purposes only. Artisan does not seek to obtain, change or otherwise influence the control of the CMG Companies or ACGL through investing in shares of ACGL held in Client Accounts. For most clients, Artisan has the authority to exercise voting discretion over shares held in Client Accounts. For other clients, Artisan does not have proxy voting authority.

Artisan maintains a Proxy Voting Policy that governs the manner in which Artisan directs the voting of proxies held by Client Accounts. Under Artisan's Proxy Voting Policy, when Artisan has the authority and votes a client's proxy with respect to a specific issuer, the client's economic interest as a shareholder of that issuer is Artisan's primary consideration in determining how the proxy should be voted.

Artisan does not vote proxies held by Client Accounts for the purpose of obtaining, changing or influencing control of an issuer. In developing its proxy guidelines, Artisan has engaged an independent third party service provider, Institutional Shareholder Services, Inc., for recommendations on proxy voting policies and for research and recommendations regarding particular shareholder votes being solicited, as well as other administrative and recordkeeping tasks. The voting policies in Artisan's Proxy Voting Policy are consistent with the voting practices of traditional institutional investors.

In voting shares of ACGL, Artisan intends to continue to adhere to its Proxy Voting Policy, and does not intend to vote ACGL shares held by its clients "as a block" or in a concerted manner for purposes of obtaining, changing or influencing control of ACGL or the CMG Companies. This course of conduct is mandated by the investment policies and restrictions of many of Artisan's clients. For example, a significant portion of the ACGL shares over which Artisan has the power to vote are owned by a series of Artisan Partners Funds, Inc. ("Artisan Funds"), a series of open-end management investment companies (mutual funds) registered under the Investment Company Act of 1940. Like many mutual funds, Artisan Funds has an investment restriction which provides that Artisan Funds "may not invest in companies for the purpose of exercising control or management." Although not all of Artisan's clients have such explicit restrictions, all are institutional investors that are not in the business of obtaining, changing or influencing control of the dozens of issuers in which investments have been made on their behalf. Moreover, Artisan invests the portfolios of all of its clients in a single investment strategy in the same way. As a result, Artisan is effectively precluded from investing on behalf of its clients in a security for the purpose of exercising control or management of the issuer of that security.

When Artisan is in a position to vote shares of ACGL, an employee of Artisan working under the supervision of Artisan's Proxy Voting Committee provides the portfolio managers with the voting agendas for the upcoming proxies, which at times are accompanied by proposals for how such shares may be voted based upon Artisan's Proxy Voting Policy. The portfolio managers who invest in ACGL shares will provide a vote recommendation that they believe is in the best interests of the shareholders, and the shares are then voted in accordance with such recommendation.

The basis for disclaiming control of the CMG Companies in the preceding paragraphs is consistent with the position taken by Artisan in its U.S. federal securities laws filings. For example, Artisan and its affiliates recently filed a Schedule 13G statement of beneficial ownership with the SEC disclosing, as of March 31, 2013, shared voting and shared dispositive authority with respect to 16.0% and 17.5%, respectively of the total outstanding common shares of ACGL. The use of a Schedule 13G is significant for the following reason. While the SEC requires disclosure filings if an investor acquires beneficial ownership of more than 5% of the outstanding equity securities of a publicly held company, SEC Rule 13d-1 permits registered investment advisers, such as Artisan, to use Schedule 13G in limited instances. This is where the filer has acquired the securities in the ordinary course of business and does not have the purpose or intent to change or influence the control of the issuer. The Schedule 13G format is less

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burdensome on filers and may only be used in the absence of an intent to influence or change control.

In addition, Artisan has no written agreement or other understanding with ACGL or any of its subsidiaries, nor has ACGL approached Artisan about entering into any such arrangements. ACGL has confirmed to Artisan that the mere ownership of more than 10% of its common shares does not confer any additional rights with respect to governance or operation of ACGL or its subsidiaries, including the CMG Companies.

As a final point, Artisan would like to disclose that certain of its employees also own shares of ACGL in their individual capacity. Such share ownership is less than 0.007% (as of June 30, 2013) in the aggregate.

For the reasons discussed above, Artisan is respectfully disclaiming control of the CMG Companies. If you have any questions, please contact me at the telephone number at the top of this letter.

Sincerely,



Earl Zimmerman

cc.: David Gaskin (Artisan Partners Limited Partnership)
Joy Huibonhoa (Arch Capital Services Inc.)