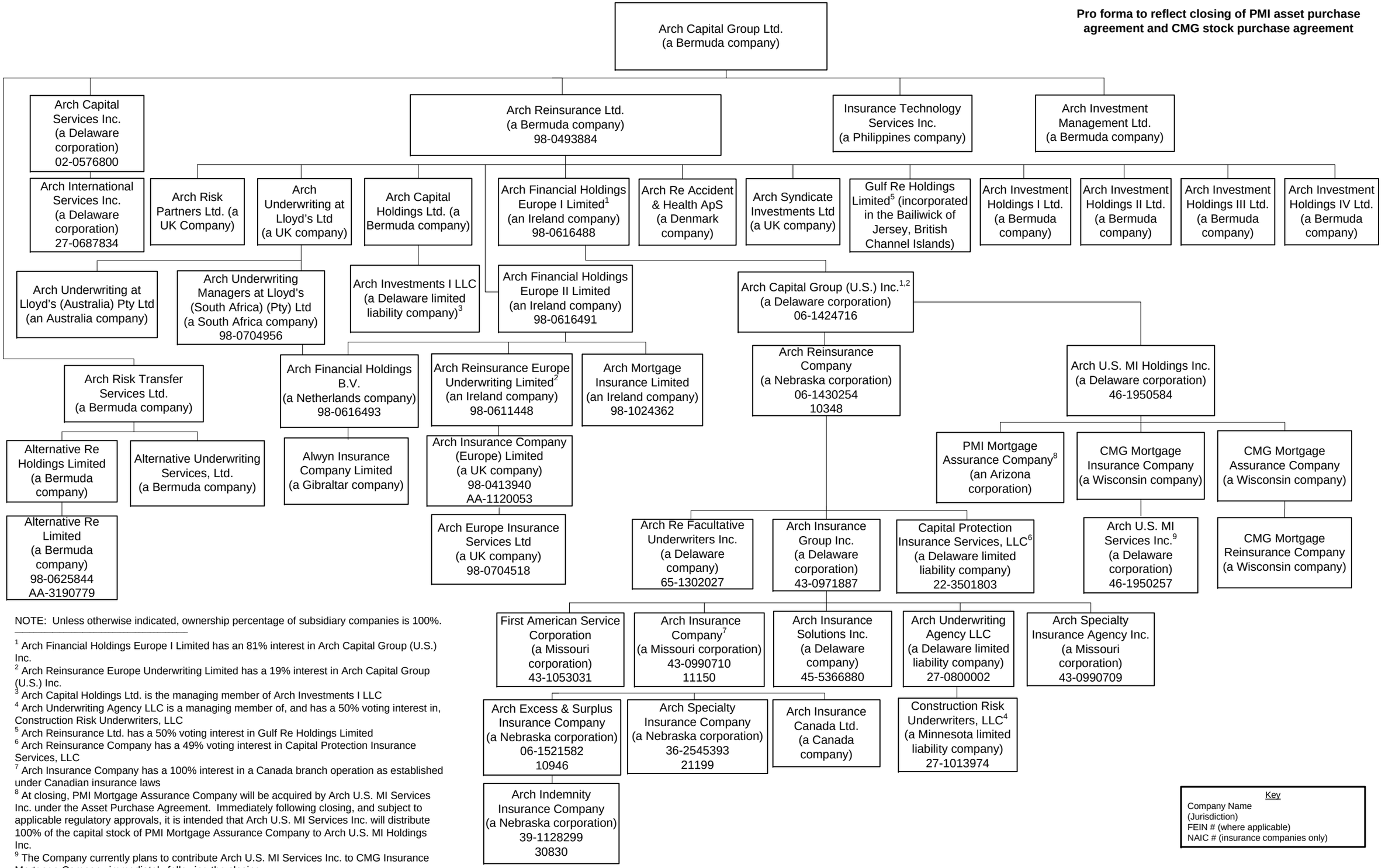
Pro forma to reflect closing of PMI asset purchase agreement and CMG stock purchase agreement



NOTE: Unless otherwise indicated, ownership percentage of subsidiary companies is 100%.

[1] Arch Financial Holdings Europe I Limited has an 81% interest in Arch Capital Group (U.S.) Inc.
[2] Arch Reinsurance Europe Underwriting Limited has a 19% interest in Arch Capital Group (U.S.) Inc.
[3] Arch Capital Holdings Ltd. is the managing member of Arch Investments I LLC
[4] Arch Underwriting Agency LLC is a managing member of, and has a 50% voting interest in, Construction Risk Underwriters, LLC
[5] Arch Reinsurance Ltd. has a 50% voting interest in Gulf Re Holdings Limited
[6] Arch Reinsurance Company has a 49% voting interest in Capital Protection Insurance Services, LLC
[7] Arch Insurance Company has a 100% interest in a Canada branch operation as established under Canadian insurance laws
[8] At closing, PMI Mortgage Assurance Company will be acquired by Arch U.S. MI Services Inc. under the Asset Purchase Agreement. Immediately following closing, and subject to applicable regulatory approvals, it is intended that Arch U.S. MI Services Inc. will distribute 100% of the capital stock of PMI Mortgage Assurance Company to Arch U.S. MI Holdings Inc.
[9] The Company currently plans to contribute Arch U.S. MI Services Inc. to CMG Insurance Mortgage Company immediately following the closing