Risk Factors Comparison 2024-02-23 to 2023-02-24 Form: 10-K

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Set forth below are risk factors relating to our business. These risks and uncertainties are not the only ones we face. There may be additional risks that we currently consider not to be material or of which we are not currently aware, and any of these risks could cause our actual results to differ materially from historical or anticipated results. You should carefully consider these risks along with the other information provided in this report, including our " Management' s Discussion and Analysis of Financial Condition and Results of Operations " and our accompanying consolidated financial statements, as well as the information under the heading " Cautionary Note Regarding Forward- Looking Statements " before investing in any of our securities. We may amend, supplement or add to the risk factors described below from time to time in future reports filed with the SEC. RISK FACTORS SUMMARY The following is a summary description of the material risks and uncertainties to which we may be exposed. Each of these risks could adversely affect our business, financial condition and results of operations, and any such effects may be material. These and other risks are more fully described after this summary description. Risks Relating to Our Industry, Business and Operations • We operate in a highly competitive environment. The insurance and reinsurance industry is highly cyclical, and we may at times experience periods characterized by excess underwriting capacity and unfavorable premium rates. The effects of inflation and global recessionary conditions impact the insurance and reinsurance industry in ways which may negatively impact our business, financial condition and results of operations. Claims for natural and man- made catastrophic events could cause large losses and substantial volatility in our results of operations and could have a material adverse effect on our financial position and results of operations. The ~~impacts of the COVID- 19 pandemic, the shift to a COVID- 19 endemic approach and related risks could materially affect our results of operations, financial position and / or liquidity. The~~ impact of climate change will affect our loss limitation methods, such as the purchase of third party reinsurance and catastrophe risk modeling and risk selection in ways which may adversely impact our business, financial condition and results of operations. **ARCH CAPITAL402023 FORM 10- K •** Our insurance and reinsurance subsidiaries are subject to supervision and regulation. Changes to existing regulation and supervisory standards, or failure to comply with applicable requirements, could adversely affect our business and results of operations. **•** We are subject to ongoing legal and policy actions around climate change which may result in ~~implications or~~ additional requirements that could prompt us to shift our risk selection and business strategy in ways which may adversely impact our results of operations. **•** The Russian invasion of Ukraine ~~has created global instability~~ and ~~also resulted in~~ the **resulting** imposition of sanctions by the U. S., U. K. and EU on Russia and Russia- related businesses **created global instability** . **•** Our customers and policyholders may also be impacted by regulatory, technological, market or other risks relating to climate change in ways which we cannot predict with certainty and adversely impact our results of operations. **•** As we continue to incorporate climate change **and other ESG factors** in our business strategy, we cannot be certain that shareholders, investors and other influential environmental **and social- focused** groups will agree with our approach, which may adversely impact our ability to raise funds in the capital markets, our share price and our results of operations. **•** ~~Governmental, regulatory and rating actions in response to the COVID- 19 pandemic have impacted us, and the continuation or reinstatement of such actions may adversely affect our financial performance.~~ We could face unanticipated losses from **increased geopolitical tensions, hostilities,** war, terrorism, cyber attacks ~~, pandemics~~ and **general** political instability, and these or other unanticipated losses could have a material adverse effect on our financial condition and results of operations. **•** Underwriting risks and reserving for losses are based on probabilities and related modeling, which are subject to inherent uncertainties. **•** The failure of any of the loss limitation methods we employ could have a material adverse effect on our financial condition or results of operations. **•** The availability of reinsurance, retrocessional coverage and capital market transactions to limit our exposure to risks may be limited, and counterparty credit and other risks associated with our reinsurance arrangements may result in losses which could adversely affect our financial condition ~~ARCH CAPITAL372022 FORM 10- Kand -~~ **and** results of operations. • We could be materially adversely affected to the extent that important third parties with whom we do business do not adequately or appropriately manage their risks, commit fraud or otherwise breach obligations owed to us. • Emerging claim and coverage issues ~~, including issues relating to the COVID- 19 pandemic,~~ may adversely affect our business. • Acquisitions, the addition of new lines of insurance or reinsurance business, expansion into new geographic regions and / or entering into joint ventures or partnerships expose us to risks. • Our information technology systems may be unable to meet the demands of customers and our workforce. • Technology failures and cyber attacks, including, but not limited to, ransomware, exploitation in software or code with malicious intent, state- sponsored cyber attacks, **as well as vulnerabilities relating to new technologies, such as generative AI,** may impact us or our business partners and service providers, causing a disruption in service and operations which ~~would~~ **could materially and** negatively impact our business and / or expose us to litigation. • Cyber incidents or data breaches caused by bad actors or unintentional human error impacting data, including personal data, we maintain or use during our business operations may result in regulatory fines or action, reputation damage and a disruption in our business operations. • ~~A~~ **Changes in criteria used by rating agencies which may result in a** downgrade in our ratings ~~or~~ **,** our inability to obtain a rating **or a change in capital allocation or requirements** for our operating insurance and reinsurance subsidiaries may adversely affect our relationships with clients and brokers and negatively impact sales of our products. • Our ability to execute ~~successfully~~ our business strategy **successfully** , continue to grow and innovate and offer our employees a dynamic and supportive workplace depends on the recruitment, retention and promotion of talented, agile, diverse and resilient employees at all levels of our organization. • Our success will depend on our ability to maintain and enhance effective operating procedures and internal controls and our ERM program. • We are exposed to

credit risk in certain of our business operations. • Our business is subject to applicable laws and regulations relating to economic trade sanctions and foreign bribery laws, the violation of which could adversely affect our operations. • New legislation or regulations relating to the U. K.' s withdrawal from the EU could adversely affect us. Risks Relating to Financial Markets and Investments • Adverse developments in the financial markets could have a material adverse effect on our results of operations, financial position and our businesses, and may also limit our access to capital; our policyholders, reinsurers and retrocessionaires may also be affected by such developments, which could adversely affect their ability to meet their obligations to us. • Disruption to the financial markets and weak economic conditions resulting from situations such as post pandemic imbalances, inflation and geopolitical conflict may **ARCH CAPITAL412023 FORM 10- K** adversely and materially impact our investments, financial condition and results of operation. • Foreign currency exchange rate fluctuation may adversely affect our financial results ~~. • Uncertainty relating to the determination of the London Interbank Offered Rate (" LIBOR ") and the phasing out and replacement of LIBOR with alternative benchmark rates may adversely impact us~~ . • The determination of the amount of current expected credit losses (" CECL ") allowances taken on our investments is highly subjective and could materially impact our results of operations or financial position. • Our reinsurance subsidiaries may be required to provide collateral to ceding companies, by applicable regulators, their contracts or other commercial considerations. Their ability to conduct business could be significantly and negatively affected if they are unable to do so. Risks Relating to Our Mortgage Operations • The ultimate performance of **our** ~~the Arch MI U. S.~~ mortgage insurance ~~portfolio~~ **portfolios** remains uncertain. • If the volume of low down payment mortgage originations declines, or if other government housing policies, practices or regulations change, the amount of mortgage insurance we write in the U. S. could decline, which would reduce our mortgage insurance revenues. • Changes to the role of the GSEs in the U. S. housing market or to GSE eligibility requirements for mortgage insurers **or to the GSEs' use of CRT** could negatively impact our results of operations and financial condition or reduce our operating flexibility. • The implementation of the Basel III Capital Accord and FHFA' s Enterprise **Regulator** Capital ~~Rule~~ **Framework** may adversely affect the use of mortgage insurance and CRT opportunities. ~~ARCH CAPITAL382022 FORM 10- K~~ Risk Relating to Our Company • Some of the provisions of our bye- laws and our shareholders agreement may have the effect of hindering, delaying or preventing third party takeovers or changes in management initiated by shareholders. These provisions may also prevent our shareholders from receiving premium prices for their shares in an unsolicited takeover. • There are regulatory limitations on the ownership and transfer of our common shares. • Arch Capital is a holding company and is dependent on dividends and other distributions from its operating subsidiaries. • General market conditions and unpredictable factors could adversely affect market prices for our outstanding preferred shares. • Dividends on our preferred shares are non- cumulative. • Our preferred shares are equity and are subordinate to our existing and future indebtedness. • The voting rights of holders of our preferred shares are limited. Risks Relating to Taxation • We and our non- U. S. subsidiaries may become subject to U. S. federal income taxation and / or the U. S. federal income tax liabilities of our U. S. subsidiaries may increase, including as a result of changes in tax law. • The continuing implementation of the Tax Cuts Act may have a material and adverse impact on our operations and financial condition. • Proposed Treasury Regulations issued on January 24, 2022, if finalized in their current form, could (on prospective basis) cause our U. S. shareholders (including tax- exempt U. S. shareholders) to be subject to current U. S. federal income tax on the portion of our earnings attributable to certain intercompany reinsurance income (whether or not such income is distributed). • ~~We may become subject to taxes in Bermuda after March 31, 2035, which may have a material adverse effect on our results of operations. • The impact of Bermuda' s letter of commitment to the OECD to eliminate harmful tax practices is uncertain and could adversely affect our tax status in Bermuda. •~~ Legislation enacted in Bermuda as to Economic Substance may affect our operations. • We **expect to become subject to increased taxation in Bermuda as a result of the recently adopted Bermuda CIT Act, and** may become subject to increased taxation in ~~Bermuda and~~ other countries as a result **of the implementation** of the OECD' s plan on " Base ~~erosion~~ **Erosion** and ~~profit~~ **Profit** ~~shifting~~ **Shifting** . " • Application of the EU Anti- Tax Avoidance Directives. Risks Relating to Our Industry, Business and OperationsWe operate in a highly competitive environment, and we may not be able to compete successfully in our industry. The insurance and reinsurance industry is highly competitive. We compete on an international and regional basis with major U. S. and non- U. S. insurers and reinsurers, many of which have greater financial, marketing and management resources than we do. See " Competition " in Item 1 for details on our competitors in each of the major segments we operate in. There has been significant consolidation in the insurance and reinsurance sector in recent years and we may experience increased competition as a result of that consolidation, with consolidated entities having enhanced market power. These consolidated entities may use their enhanced market power and broader capital base to negotiate price reductions for products and services that compete with ours, and we may experience rate declines and possibly write less business. We also compete on the basis of product offerings and other factors, such as our approach to ESG **and our use of technologies** , and customers may be drawn to our competitors based on these factors. Any failure by us to effectively compete could adversely affect our financial condition and results of operations. **ARCH CAPITAL422023 FORM 10- K** The insurance and reinsurance industry is highly cyclical, and we may at times experience periods characterized by excess underwriting capacity and unfavorable premium rates. Historically, insurers and reinsurers have experienced significant fluctuations in operating results due to competition, frequency of occurrence or severity of catastrophic events, levels of capacity, general economic conditions, inflation, changes in equity, debt and other investment markets, changes in legislation, case law and prevailing concepts of liability and other factors. Demand for reinsurance is influenced significantly by the underwriting results of primary insurers and prevailing general economic conditions. The supply of insurance and reinsurance is related to prevailing prices and levels of surplus capacity that, in turn, may fluctuate in response to changes in rates of return being realized in the insurance and reinsurance industry on both underwriting and investment sides. As a result, the insurance and reinsurance business historically has been a cyclical industry characterized by periods of intense price competition due to excessive underwriting capacity as well as periods when shortages of capacity permitted favorable premium levels and changes in terms and conditions. Until recently, the supply of insurance and

reinsurance had increased over the past several years, and may again in the future, either as a result of capital provided by new entrants or by the commitment of additional capital by existing insurers or reinsurers. Continued increases in the supply of insurance and reinsurance may have consequences for us, including fewer contracts written, lower premium rates, increased expenses for customer acquisition and retention, and less favorable policy terms and conditions. ~~ARCH CAPITAL392022 FORM 10- K~~ The effects of inflation and global recessionary conditions impact the insurance and reinsurance industry in ways which may negatively impact our business, financial condition and results of operations. **While** ~~General~~ **general** economic inflation has ~~increased~~ **eased** in recent quarters ~~and~~ **, higher inflationary conditions** may continue to remain **in place** ~~at elevated levels for an extended period of time~~. The potential also exists, after a catastrophe loss or pandemic events like COVID- 19, **or geopolitical tensions and hostilities** for the development of inflationary pressures in a local **or regional** economy. This may have a material effect on the adequacy of our reserves for losses and loss adjustment expenses, especially in longer- tailed lines of business. In addition, governmental actions in response to inflationary pressures, such as increasing interest rates, may have a material impact on the market value of our investment portfolio. While we consider the anticipated effects of inflation in our pricing models, reserving processes and exposure management across all lines of business and types of loss including natural catastrophe events, the actual effects of inflation on our results cannot be accurately known until claims are settled. In addition, there are different types of inflation relevant to certain lines of business, the impact of which is difficult to accurately assess at this time. For example, in our mortgage business, the failure of general wages to keep pace with economic inflation, or increases in unemployment due to prolonged recessionary conditions, could prevent borrowers from being able to afford their mortgage payments and thereby increase the frequency of claims beyond our modeled results. Global recessionary conditions, including inflation, the slow recovery of certain sectors from the pandemic, predicted slow growth rates across key markets and other factors, will impact the insurance and reinsurance industry. There is great uncertainty around how severe and how long a recession will last on a global and local basis. While our risk management and business strategy take recessionary conditions into account, we cannot accurately predict the full impact of a recession on our results of business operations. Claims for natural and man- made catastrophic events could cause large losses and substantial volatility in our results of operations and could have a material adverse effect on our financial position and results of operations. We have large aggregate exposures to natural and man- made catastrophic events. Natural catastrophes can be caused by various events, including hurricanes, floods, wildfires, tsunamis, windstorms, earthquakes, hailstorms, tornadoes, explosions, severe winter weather, fires, droughts and other natural disasters. The frequency and severity of natural catastrophe activity has also been greater in recent years due to climate change caused in part by human actions and other related factors. Catastrophic events caused by humans may include acts of war, acts of terrorism and political instability. Catastrophes can cause losses in non- property business such as workers' compensation or general liability. In addition to the nature of the property business, we believe that economic and geographic trends affecting insured property, including inflation, property value appreciation and geographic concentration tend to generally increase the size of losses from catastrophic events over time. Actual losses from future catastrophic events ~~may vary~~ **have varied** materially from estimates due to the inherent uncertainties in making such determinations resulting from several factors, including the potential inaccuracies and inadequacies in the data provided by clients, brokers and ceding companies, the modeling techniques and the application of such techniques, the contingent nature of business interruption exposures, the effects of any resultant demand surge on claims activity and attendant coverage issues. In estimating our losses from catastrophic events our considerations can include factors such as overall market losses, additional claims information from our clients, multiple model views and proprietary scenario testing. **All** ~~The impact~~ of the **catastrophe modeling tools that** ~~COVID- 19 pandemic, the shift to a COVID- 19 endemic approach and related risks could materially affect our results of operations, financial position and / or liquidity. The COVID- 19 pandemic resulted in a global slowdown of economic activity and disruption of normal business travel and working habits. While~~ we **use or rely on to evaluate our catastrophe exposures** are **therefore based on** ~~shifting to a COVID- 19 endemic approach, there is still uncertainty about the impact of COVID- 19 variants in the long- term. The COVID- 19 pandemic impacted our results of operations and a reversion to the COVID- 19 restrictions could have a~~ significant **assumptions** ~~effect on our future business, results of operations~~ and **judgments** ~~financial performance. We may experience higher levels of loss~~ and ~~claims activity in certain lines of business, and our premiums written and earned could also be adversely affected by a suppression of global commercial activity that results in a reduction in insurable assets and other exposure. The pandemic initially resulted in a sharp contraction in the global economy, tightening liquidity and increasing volatility and uncertainty in the capital markets. Coincident global mitigation responses stabilized markets and stimulated economic recovery. During the second quarter of 2020, pandemic- driven dislocations had a negative effect on the performance of our investment portfolio, after which valuations recovered. Continued macroeconomic volatility may persist affecting our businesses and related market opportunities. Certain lines of our business may require additional forms of collateral in the event of a decline in the fair value of securities and benchmarks to which those repayment mechanisms~~ are **subject** ~~linked. The impact of an ongoing pandemic on the financial markets may also adversely affect our ability~~ to ~~fund through public or private equity offerings, debt financings, and through other means at acceptable terms.~~ ARCH ~~CAPITAL402022~~ **CAPITAL432023** FORM 10- K **error and misestimation. As a result, our estimated exposures could be materially different than our actual results.** The impact of climate change will affect our loss limitation methods, such as the purchase of third party reinsurance and catastrophe risk modeling and risk selection in ways which may adversely impact our business, financial condition and results of operations. Changing weather patterns and climatic conditions, such as global warming, have added to the unpredictability, severity and frequency of natural disasters. Uncertainty about complexities of climate change affects our ability to assess with certainty the full impact of climate change and creates uncertainty about future trends and exposures. Although the loss experience of catastrophe insurers and reinsurers has historically been characterized as low frequency, climate change has impacted the frequency and severity of extreme weather events and natural catastrophes such as hurricanes, tornado activity, other windstorms, floods ~~and~~ **,** wildfires **and droughts** in recent years and may continue to

increase in the future. Claims for catastrophic events, or an unusual frequency of smaller losses in a particular period, could expose us to large losses, cause substantial volatility in our results of operations and could have a material adverse effect on our ability to write new business if we are not able to adequately assess and reserve for the increased frequency and severity of catastrophes resulting from these environmental factors. Climate change and increasing catastrophic events could increase property damage to residential real estate secured by mortgages owned by the GSEs, and by extension could increase losses to CRT investors. **Increasing catastrophic events could increase the cost of homeowners insurance and could negatively impact mortgagees' ability to meet their monthly housing payment obligations, and by extension could increase the frequency of claims.** Additionally, climate change may make modeled outcomes less certain or produce new, non- modeled risks. ~~Additionally, catastrophic~~ **Catastrophic** events could result in increased credit exposure to reinsurers and other counterparties we transact business with, declines in the value of investments we hold and significant disruptions to our physical infrastructure, systems and operations. Climate change- related risks may also specifically adversely impact the value of the securities that we hold. ~~The effects of climate change could also lead to increased credit risk of other counterparties we transact business with, including reinsurers.~~ Changes in security asset prices may impact the value of our fixed income, real estate and commercial mortgage investments, resulting in realized or unrealized losses on our invested assets. These risks are not limited to, but can include: (i) changes in supply / demand characteristics for fossil fuels (e. g., coal, oil, natural gas); (ii) advances in low- carbon technology and renewable energy development; and (iii) effects of extreme weather events on the physical and operational exposure of industries and issuers, and the transition that these companies make towards addressing climate risk in their own businesses. We attempt to manage our exposure to these risks relating to climate change through the use of underwriting controls, proprietary and third ~~-~~party risk models, and the purchase of third ~~-~~party reinsurance. Underwriting controls can include more restrictive underwriting criteria such as higher premiums and deductibles, reduction in limits offered or losses retained, and more specifically excluded policy risks. Our exposure in connection with a catastrophic event is determined by market capacity, pricing conditions, regulatory capital requirements, our perceptions of underlying risk and surplus preservation. There can be no assurance that our reinsurance coverage and other measures taken will be sufficient to mitigate losses resulting from one or more catastrophic events. As a result, the occurrence of one or more catastrophic events and the continuation and worsening of recent trends could have an adverse effect on our results of operations and financial condition. Our insurance and reinsurance subsidiaries are subject to supervision and regulation. Changes to existing regulation and supervisory standards, or failure to comply with applicable requirements, could adversely affect our business and results of operation. Our insurance and reinsurance subsidiaries conduct business globally and are subject to varying degrees of regulation in the various jurisdictions in which they conduct business, including by state, federal and national insurance regulators. The purpose of insurance laws and regulations generally is to protect policyholders and ceding insurance companies, not our shareholders. See " Regulation " in Item 1. We may not be able to comply fully with, or obtain appropriate exemptions from, these statutes and regulations, which could result in restrictions on our ability to do business or undertake activities that are regulated in one or more of the jurisdictions in which we conduct business and could subject us to fines and other sanctions. Regulatory authorities also may seek to exercise their supervisory or enforcement authority in new or more extensive ways, such as imposing increased capital requirements. These actions, if they occur, could affect the competitive market and the way we conduct our business and manage our capital and could result in lower revenues and higher costs. As a result, such actions could have a material effect on our results of operations and financial condition. **ARCH CAPITAL442023 FORM 10- K** We are subject to ongoing legal and policy actions around climate change which may result in ~~implications or~~ additional requirements which could prompt us to shift our risk selection and business strategy in ways which may adversely impact our results of operations. Governments, regulators, legislators and influential non- governmental organizations continue to focus on enacting laws, regulations and other requirements relating to climate change. We are subject to some of these changing laws, regulations and public policy debates, which are difficult to ~~ARCH CAPITAL412022 FORM 10- K~~ predict and quantify and may have an adverse impact on our business. Legislative and regulatory initiatives and court decisions following major catastrophes could force expansion of certain insurance coverages for catastrophe claims or otherwise adversely impact our business. Additionally, changes in regulations or policies relating to climate change or our own leadership decisions implemented as a result of assessing the impact of climate change on our business may result in an increase in the cost of doing business, or a decrease in premiums in certain lines of business. Our efforts to address these exposures are based in part on the outcomes of our loss mitigation measures and risk modeling, our financial results of operations and our communications with our customers and shareholders. We also continue to monitor changes across our industry and geographies and the Board considers these exposures regularly. We may make strategic business decisions to address or respond to some of the legal and policy changes relating to climate change, but there is no assurance that these decisions will adequately address these exposures or that they will not result in a material adverse effect on our results of operations, financial condition or share price. The Russian invasion of Ukraine ~~has created global instability~~ and ~~also resulted in~~ the **resulting** imposition of sanctions by the U. S., U. K. and EU on Russia and Russia- related businesses **created global instability** . The Russian invasion of Ukraine and ongoing hostilities have created a high level of uncertainty as well as disruption in certain sectors of the global economy. It is impossible to predict whether Russia will expand hostilities to other countries in Europe or elsewhere. A further prolonged war may also create uncertainty in the global economy in the form of oil shortages, inflationary pressures, loss of confidence and general increase in risks worldwide. In response to this aggression, the governments of the U. S., U. K., EU and other countries ~~have~~ implemented several sanctions programs relating to, among other things, the import and transportation of Russian oil and gas and other goods originating in Russia **. Sanctions imposed also target entities, individuals and financial institutions which support Russia' s military and defense systems** . Certain lines of business we write have been impacted by the sanctions, such as the marine and energy lines of business, although the extent of the impact will depend on the outcome of the war in Ukraine and the nature of future sanctions packages. Our customers and policyholders may also be impacted by regulatory, technological, market or other risks

relating to climate change in ways which we cannot predict with certainty and adversely impact our results of operations. Our policyholders and customers are located primarily in countries and regions, such as the U. S., U. K. ~~and~~ **,** EU ~~,~~ **and Australia** where there are regulatory, policy, legal and technological changes resulting from actions relating to climate change. In some cases, those policyholders and customers may not be able to shift their business strategies or adjust adequately to these changes, and their businesses may be negatively impacted or, in some cases, cease to exist. **Climate change on a global and regional level may impact businesses on a temporary or permanent basis, resulting in shifting needs for our products and services in ways we cannot predict. More stringent regulations and other requirements imposed on our policyholders may negatively impact their ability to conduct business.** As a result **of these factors** , our results of operations may be impacted by the loss of those customers or a shift in their patterns or levels of insurance coverage in ways we cannot predict. As we continue to incorporate climate change **and other ESG factors** in our business strategy, we cannot be certain that shareholders, investors and other influential environmental **and social- focused** groups will agree with our approach, which may adversely impact our ability to raise funds in the capital markets, our share price and our results of operations. Shareholders and investors have placed increased importance on how we are addressing ESG issues. ESG encompass a wide range of issues, including climate change and other environmental risks. **ESG also includes social factors, such as how we manage our suppliers, the way we interact with our employees and communities and our diversity and inclusion efforts.** Our leadership and Board are actively engaged in understanding the ever- changing ESG landscape and assessing our business operations to ensure that our business strategy reflects our values ~~,~~ **. We believe** that our success depends on our commitment to a diverse workforce, an informed and active dialogue about ESG issues with our customers and shareholders and the strength of our ERM framework. We cannot predict whether our business decisions, business strategy and disclosures relating to climate change and other ESG issues will meet the expectations or particular requirements of certain key institutional shareholders in particular. We may be adversely impacted if shareholders or investors do not agree with, or are not satisfied with, our business strategy and approach to climate change **or social concerns** and decide to sell or not purchase our equity or debt instruments or to publicize their ~~dissatisfaction. Governmental, regulatory and rating actions in response to the COVID- 19 pandemic have impacted us, and the continuation or reinstatement of such actions may adversely affect our financial performance. Actions of the federal, state and local government in the U. S. and other countries where we do business, to address and mitigate the impact of COVID- 19 impacted us. While many of those actions have expired, been repealed or removed, it is difficult to predict whether such legislative bodies may choose to reintroduce legislation relating to the pandemic or continue to update existing regulations. For example, we are potentially subject to legislative and / or regulatory action that seeks to retroactively mandate coverage for losses which our insurance policies were not designed or priced to cover. There is proposed legislation in some states to require insurers to cover business interruption claims retroactively irrespective of terms, exclusions or other conditions included in the policies that would otherwise preclude coverage. Some proposed bills would require policies providing business~~ ARCH ~~CAPITAL422022~~ **CAPITAL452023** FORM 10- K **dissatisfaction** ~~interruption coverage to cover losses prospectively for pandemic- related losses. Insurance regulators in some states will not approve policy exclusions for losses from COVID- 19, viruses or pandemics~~ . In addition, **we cannot predict how legal** ~~a number of states have instituted, and other states are considering instituting, changes~~ **challenges** ~~designed~~ to **diversity and inclusion recruitment programs may** ~~effectively expand workers' compensation coverage by creating presumptions of compensability of claims for certain types of workers. Regulatory restrictions or requirements could also~~ impact ~~pricing, risk selection and our rights and obligations with respect to our policies and insureds, including our ability to cancel policies, our ability to increase rates or~~ **our efforts** ~~our right to collect premiums. Some state regulators have issued orders to review insurers' rates and prevent rate increases, and regulators~~ in **this** ~~other states could take similar actions. It is also possible that changes in economic conditions and steps taken by federal, state and local governments in response to COVID- 19 could require an increase in taxes at the federal, state and local levels, which would adversely impact our results of operations. Mortgage defaults related to the pandemic, if not cured, could remain in our defaulted loan inventory for a protracted period of time including due to forbearance programs and foreclosure moratoria, potentially resulting in higher frequency (claim rate) and severity (amount of the claim) for those loans that ultimately result in a claim. Accordingly, extended or extensive forbearance programs, foreclosure moratoria and other changes in regulations or laws may adversely impact our mortgage insurance operations. In addition, the rating agencies continually review the financial strength ratings assigned to the Company and its subsidiaries, and the ratings are~~ **area** subject to change. ~~The COVID- 19 pandemic and its impact on financial results and condition, could cause one or more of the rating agencies to downgrade the ratings assigned to the Company and its subsidiaries. The pandemic has resulted, and may continue to result, in a material increase in new defaults as borrowers fail to make timely payments on their mortgages, including as a result of increases in unemployment and entering mortgage forbearance programs that allow borrowers to defer mortgage payments, which may have an adverse impact on our results or operations~~ . We could face unanticipated losses from **increased geopolitical tensions, hostilities,** war, terrorism, cyber attacks, ~~pandemics~~ and **general** political instability, and these or other unanticipated losses could have a material adverse effect on our financial condition and results of operations. We have substantial exposure to unexpected, large losses resulting from future man- made catastrophic events, such as acts of war, **regional hostilities,** acts of terrorism, **political instability, social unrest and** pandemics similar to the COVID- 19 pandemic ~~, political instability and social unrest~~ . These risks are inherently unpredictable. It is difficult to predict the timing of such events with statistical certainty or estimate the amount of loss any given occurrence will generate. In certain instances, we specifically insure and reinsure risks resulting from acts of terrorism. We may also insure against risk related to cybersecurity and cyber attacks. In addition, our exposure to cyber attacks includes exposure to ' silent cyber' risks, meaning risks and potential losses associated with policies where cyber risk is not specifically included nor excluded in the policies. Even in cases where we attempt to exclude losses from terrorism, cybersecurity and certain other similar risks from some coverages written by us, we may not be successful in doing so. Moreover, irrespective of the clarity and inclusiveness of policy language, there can be no assurance that a court or arbitration

panel will not limit enforceability of policy language or otherwise issue a ruling adverse to us. Accordingly, while we believe our reinsurance programs, together with the coverage provided under the Terrorism Risk Insurance Act of 2002, as amended (" TRIP ") are sufficient to reasonably limit our net losses relating to potential future terrorist attacks, we can offer no assurance that our available capital will be adequate to cover losses when they materialize. To the extent that an act of terrorism is certified by the Secretary of the Treasury and aggregate industry insured losses resulting from the act of terrorism exceeds the prescribed program trigger, our U. S. insurance operations may be covered under TRIP for up to 80 % subject to (i) a mandatory deductible of 20 % of our prior year' s direct earned premium for covered property and liability coverages, and (ii) an industry aggregate retention of $ 37. 5 billion. The program trigger for calendar year ~~2022~~ **2023** and any program year thereafter through 2027 is $ 200 million. If an act (or acts) of terrorism result in covered losses exceeding the $ 100 billion annual limit, insurers with losses exceeding their deductibles will not be responsible for additional losses. It is not possible to completely eliminate our exposure to unforecasted or unpredictable events, and to the extent that losses from such risks occur, our financial condition and results of operations could be materially adversely affected. Underwriting risks and reserving for losses are based on probabilities and related modeling, which are subject to inherent uncertainties. Our success is dependent upon our ability to assess accurately the risks associated with the businesses that we insure and reinsure. We establish reserves for losses and loss adjustment expenses which represent estimates based on actuarial and statistical projections, at a given point in time, of our expectations of the ultimate future settlement and administration costs of losses incurred. We utilize actuarial models as well as available historical insurance industry loss ratio experience and loss development patterns to assist in the establishment of loss reserves. Most or all of these factors are not directly quantifiable, particularly on a prospective basis, and the effects of these and unforeseen factors could negatively impact our ability to accurately assess the risks of the policies that we write. Changes in the assumptions used ~~ARCH CAPITAL432022 FORM 10- K~~ by these models or by management could lead to an increase in our estimate of ultimate losses in the future. In addition, there may be significant reporting lags between the occurrence of the insured event and the time it is reported to the insurer and additional lags between the time of reporting and final settlement of claims. In addition, the estimation of loss reserves is more difficult during times of adverse economic and market conditions due to unexpected changes in behavior of claimants and policyholders, including an increase in fraudulent reporting of exposures and / or losses, reduced maintenance of insured properties or increased frequency of small claims. Changes in the level of inflation also result in an increased level of uncertainty in our estimation of loss reserves. As a result, actual losses and loss adjustment expenses paid can deviate, perhaps substantially, from the reserve estimates reflected in our financial statements. If our loss reserves are determined to be inadequate, we will be required to increase loss reserves at the time of such determination with a corresponding reduction in our net income in the period when the deficiency becomes known. It is possible that claims in respect of events that have occurred could exceed our claim reserves and have a material adverse effect on our results of operations, in a particular period, or our financial condition in general. As a compounding factor, although most insurance contracts have policy limits, the nature of property and casualty insurance and reinsurance is such that losses and the associated expenses can exceed policy limits for a variety of reasons and could significantly exceed the premiums received on the underlying policies, thereby further adversely affecting our financial condition. **ARCH CAPITAL462023 FORM 10- K** As of December 31, ~~2022~~ **2023** , our consolidated reserves for unpaid losses and loss adjustment expenses, net of unpaid losses and loss adjustment expenses recoverable, were approximately $ ~~13~~ **16** . ~~8~~ **1** billion. Such reserves were established in accordance with applicable insurance laws and GAAP. Loss reserves are inherently subject to uncertainty. In establishing the reserves for losses and loss adjustment expenses, we have made various assumptions relating to the pricing of our reinsurance contracts and insurance policies and have also considered available historical industry experience and current industry conditions. Any estimates and assumptions made as part of the reserving process could prove to be inaccurate due to several factors, including the fact that for certain lines of business relatively limited historical information has been reported to us through December 31, ~~2022~~ **2023** . The failure of any of the loss limitation methods we employ could have a material adverse effect on our financial condition or results of operations. We seek to limit our loss exposure by writing a number of our reinsurance contracts on an excess of loss basis, adhering to maximum limitations on reinsurance written in defined geographical zones, limiting program size for each client and prudent underwriting of each program written. In the case of proportional treaties, we may seek per occurrence limitations or loss ratio caps to limit the impact of losses from any one or series of events. In our insurance operations, we seek to limit our exposure through the purchase of reinsurance. For our U. S. mortgage insurance business, in addition to utilizing reinsurance, we have developed a proprietary risk model that simulates the maximum probable loss resulting from a severe economic event impacting the housing market. We also seek to limit our loss exposure by geographic diversification, including by pricing adjustments in our U. S. mortgage insurance business. Geographic pricing decisions and zone limitations involve significant underwriting judgments, including the determination of the area of the zones and the inclusion of a particular policy within a particular zone' s limits. Various provisions of our policies, negotiated to limit our risk, such as limitations or exclusions from coverage or choice of forum, may not be enforceable in the manner we intend, as it is possible that a court or regulatory authority could nullify or void an exclusion or limitation, or legislation could be enacted modifying or barring the use of these exclusions and limitations. Disputes relating to coverage and choice of legal forum may also arise. Underwriting is inherently a matter of judgment, involving important assumptions about matters that are inherently unpredictable and beyond our control, and for which historical experience and probability analysis may not provide sufficient guidance. One or more catastrophic events or severe economic events could result in claims that substantially exceed our expectations, or the protections set forth in our policies could be voided, which, in either case, could have a material adverse effect on our financial condition or our results of operations, possibly to the extent of eliminating our shareholders' equity. In addition, factors such as global climate change limit the value of historical experience and therefore further limit the effectiveness of our loss limitation methods. See " Catastrophic Events and Severe Economic Events " in Item 7 for further details. Depending on business opportunities and the mix of business that may comprise our insurance, reinsurance and

mortgage insurance portfolio, we may seek to adjust our self- imposed limitations on probable maximum pre- tax loss for catastrophe exposed business and mortgage default exposed business. ~~ARCH CAPITAL442022 FORM 10- K~~ The availability of reinsurance, retrocessional coverage and capital market transactions to limit our exposure to risks may be limited, and counterparty credit and other risks associated with our reinsurance arrangements may result in losses which could adversely affect our financial condition and results of operations. We manage risk using reinsurance, retrocessional coverage and capital markets transactions. Our insurance subsidiaries typically cede a portion of their premiums through pro rata, excess of loss and facultative reinsurance agreements. Our reinsurance subsidiaries purchase a limited amount of retrocessional coverage as part of their aggregate risk management program. In addition, our reinsurance subsidiaries participate in " common account " retrocessional arrangements for certain pro rata treaties. Such arrangements reduce the effect of individual or aggregate losses to all companies participating on such treaties, including the reinsurers, such as our reinsurance subsidiaries, and the ceding company. Economic conditions, including but not limited to recessionary conditions, inflation, declining home prices or the impact of climate change could also have a material impact on our ability to manage our risk aggregations through reinsurance or capital markets transactions. **The availability and cost of excess of loss reinsurance sold into the capital markets is subject to investor appetite and market conditions when compared to the terms and yield opportunities of other similar investment opportunities.** As a result of these factors, we may not be able to successfully mitigate risk through reinsurance and retrocessional arrangements. Further, we are subject to credit risk with respect to our reinsurance and retrocessions because the ceding of risk to reinsurers and retrocessionaires does not relieve us of our liability to the clients or companies we insure or reinsure. We monitor the financial condition of our reinsurers and attempt to place coverages only with carriers we view as substantial and financially sound. An inability of our reinsurers or retrocessionaires to meet their obligations to us could have a material adverse effect on our financial condition and results of operations. Our losses for a given event or occurrence may increase if our reinsurers or retrocessionaires dispute or fail **ARCH CAPITAL472023 FORM 10- K** to meet their obligations to us or the reinsurance or retrocessional protections purchased by us are exhausted or are otherwise unavailable for any reason. In certain instances, we also require collateral to mitigate our credit risk to our reinsurers or retrocessionaires. We are at risk that losses could exceed the collateral we have obtained. Our failure to establish adequate reinsurance or retrocessional arrangements or the failure of our existing reinsurance or retrocessional arrangements to protect us from overly concentrated risk exposure could adversely affect our financial condition and results of operations. We could be materially adversely affected to the extent that important third parties with whom we do business do not adequately or appropriately manage their risks, commit fraud or otherwise breach obligations owed to us. For certain lines of our insurance business, we authorize managing general agents, general agents and other producers to write business on our behalf within underwriting authorities prescribed by us. In addition, our mortgage group delegates the underwriting of a significant percentage of its primary new insurance written to certain mortgage lenders. Under this delegated underwriting program, the approved customer may determine whether mortgage loans meet our mortgage insurance program guidelines and commit us to issue mortgage insurance. We rely on the underwriting controls of these agents to write business within the underwriting authorities provided by us. Although we have contractual protections in some instances and we monitor such business on an ongoing basis, our monitoring efforts may not be adequate or our agents may exceed their underwriting authorities or otherwise breach obligations owed to us. In addition, our agents, our insureds or other third parties may commit fraud or otherwise breach their obligations to us. Our financial condition and results of operations could be materially adversely affected by any one of these issues. While we conduct underwriting, financial, claims and information technology due diligence reviews and apply rigorous standards in the selection of these counterparties, there is no assurance they have provided us accurate or complete information to assess their risk or that they can manage effectively their own risks. The counterparties are also subject to the same global increase in cyber incidents, including ransomware, and we cannot offer assurances that these counterparties have sufficient technical and organizational controls to mitigate these risks. Consequently, we assume a degree of credit and operational risk of those parties, and a material failure to manage their risks may result in material losses or damage to us. Emerging claim and coverage issues ~~, including issues relating to the COVID- 19 pandemic,~~ may adversely affect our business. As industry practices and legal, social and other environmental conditions change, unexpected and unintended issues related to claims and coverage may emerge, including new or expanded theories of liability. These or other changes could impose new financial obligations on us by extending coverage beyond our underwriting intent or otherwise require us to make unplanned modifications to the products and services that we provide, or cause the delay or cancellation of products and services that we provide. In some instances, these changes may not become apparent until sometime after we have issued insurance or reinsurance contracts that are ~~ARCH CAPITAL452022 FORM 10- K~~ affected by the changes. As a result, the full extent of liability under our insurance or reinsurance contracts may not be known for many years after a contract is issued. The effects of unforeseen developments or substantial government intervention could adversely impact us. While we had exposure to a number of lines of business, such as trade credit, travel, workers compensation and property where business interruption coverage under a pandemic such as COVID- 19 was at issue, the number of claims in this area has decreased greatly in 2022. ~~In May~~ **and into** ~~2020~~ **2023** ~~, FCA commenced court proceedings against a number of insurance companies, including Arch Insurance (U~~ . **We continue** ~~K.),~~ to **monitor the impact of** ~~test how certain business interruption insurance policies respond to claims arising from~~ COVID- 19 ~~. The High Court in September 2020 handed down its judgment which, found in favor of policyholders~~ on **our claims process** ~~the majority of the key coverage issues~~ in the ~~representative sample of policies submitted by the defendants. Appeals were filed by six insurers, including Arch Insurance (~~ U. **S and U.** K. ~~), and~~ in **particular** ~~January 2021~~ , **although we do not expect** the ~~Supreme Court in the U. K. broadly confirmed the High Court' s rulings on the business wordings. The~~ impact ~~of this case on Arch Insurance (U. K.)' s results of operations has been modest, and no further litigation has flowed from it that has significantly impacted Arch Insurance (U. K.). Whilst the judgment amended the law in some respects (namely the tests for causation in English litigation),~~ to **be** ~~date this has not had a~~ significant ~~impact on Arch Insurance (U. K.) claims and it is not anticipated to do so, however this cannot be ruled out entirely.~~

~~See " Risks Relating to Our Mortgage Operations " for further details on our mortgage operations~~ . Acquisitions, the addition of new lines of insurance or reinsurance business, expansion into new geographic regions and / or entering into joint ventures or partnerships expose us to risks. We may seek, from time to time, to acquire other companies, acquire selected blocks of business, expand our business lines, expand into new geographic regions and / or enter into joint ventures or partnerships. Such activities expose us to challenges and risks, including: integrating financial and operational reporting systems; establishing satisfactory budgetary and other financial controls; funding increased capital needs, overhead expenses or cash flow shortages that may occur if anticipated sales and revenues are not realized or are delayed, whether by general economic or market conditions or unforeseen internal difficulties; obtaining management personnel required for expanded operations; obtaining necessary regulatory permissions; and establishing adequate reserves for any acquired book of business. In addition, the value of assets acquired may be lower than expected or may diminish due to credit defaults or changes in interest rates; the liabilities assumed may be greater than expected; and assets and liabilities acquired may be subject to foreign currency exchange rate fluctuation. We may also be subject to financial exposures in the event that the sellers of the entities or business we acquire are unable or unwilling to meet their indemnification, reinsurance and other contractual **ARCH CAPITAL482023 FORM 10- K** obligations to us. Our failure to manage successfully any of the foregoing challenges and risks may adversely impact our results of operations. Our information technology systems **and our pace of adoption of new technologies, such as AI,** may **not** be ~~unable~~ **adequate** to meet the demands of **our** customers ~~and our~~ - **or** ~~workforce~~ **impact negatively our ability to compete with our peers** . ~~Our~~ **We are dependent on our information technology systems to conduct our business. Specifically, our** information technology systems service our insurance portfolios. Accordingly, we are highly dependent on the effective operation of these systems. While we believe that the systems are adequate to service our insurance portfolios, there can be no assurance that they will operate in all manners in which we intend or possess all of the functionality required by customers currently or in the future. Our ~~customers, especially our mortgage insurance~~ customers, require that we conduct our business in a secure manner, electronically via the Internet or via electronic data transmission. We must continually invest significant resources in establishing and maintaining electronic connectivity with customers. In order to integrate electronically with customers in the mortgage insurance industry, we require electronic connections between our systems and those of the industry' s largest mortgage servicing systems and leading pricing and loan origination systems. Our mortgage group currently possesses connectivity with certain of these external systems, but there is no assurance that such connectivity is sufficient, and we are continually undertaking new electronic integration efforts with third ~~-~~ party loan servicing, pricing and origination systems. We also rely on electronic integrations in our insurance operations with third parties and customers. Inflation and supply chain issues for components to support our informational technology systems or those of our vendors pose risks which are beyond our control and may be difficult to manage. Our business, financial condition and operating results may be adversely affected if we do not possess or timely acquire the requisite set of electronic integrations necessary to keep pace with the technological demands of customers. ~~Additionally, attracting~~ **We continuously evaluate the security** and ~~retaining talented~~ **adequacy of our** information technology ~~employees who support our~~ systems ~~and~~ **in order to ensure that we are utilizing** ~~those~~ -- **the** ~~of our vendors~~ **most appropriate technologies. With new technologies, such** ~~has~~ - **as AI** ~~been challenging~~ , ~~although~~ **emerging at a rapid pace,** ~~the~~ **there** ~~recent easing of this trend may mitigate this risk~~ **is no assurance that we will be able to evaluate and integrate new technologies or update our existing systems** . ~~ARCH CAPITAL462022 FORM 10- K~~ Technology failures and cyber attacks, including, but not limited to, ransomware, exploitation in software or code with malicious intent, state- sponsored cyber attacks, **as well as vulnerabilities relating to new technologies, such as generative AI,** may impact us or our business partners and service providers, causing a disruption in service and operations which ~~would~~ **could materially and** negatively impact our business and / or expose us to litigation. We rely on information technology systems to **securely** process, transmit, store and protect the **confidential and** electronic information, financial data and proprietary models that are critical to our business. Furthermore, a significant portion of the communications between our employees and our business partners and service providers depends on information technology and electronic information exchange. Like all companies, our information technology systems **and the systems of third parties we do business with** are vulnerable to data breaches, interruptions or failures due to events that may be beyond our control, including, but not limited to, natural disasters, power outages, theft, terrorist attacks, computer viruses, **hackers, employee or vendor error or misconduct,** malicious actors, errors in usage or ~~through~~ **deepfake or** social engineering or **schemes,** phishing **attacks, other external hazards** and general technology failures. Security breaches by third parties could expose us to the loss or misuse of our information, ~~litigation,~~ financial losses **, reputational damage** and potential liability **and litigation** . In addition, cyber incidents **and other disruptions** that impact the availability, reliability, speed, accuracy or other proper functioning of these systems could have a significant negative impact on our operations and ~~possibly our~~ results. **While we and third parties with which we do business have experienced cybersecurity incidents, to date, the Company does not believe that any previous cybersecurity incidents have materially affected the Company. The sophistication of cybersecurity threats, including through the use of AI, continues to increase, and the controls and preventative actions that we take to reduce the risk of cybersecurity incidents and protect these systems, including the regular testing of our cybersecurity incident response plan, may be insufficient. Although our use of generative AI in business tools is limited and we continue to evaluate how to integrate this new technology into our business operations, recent developments in AI, including generative AI, may accelerate or exacerbate potential risks related to technological developments, and we cannot predict how such risks may impact our strategy, productivity, market competition and growth.** We **rely** ~~are dependent~~ on certain third party technology service providers and other service providers ~~to operate our business~~ , notably major cloud providers, Software- as- a- Service (or SaaS) solutions, and on- premise software, including proprietary and open source solutions. **ARCH CAPITAL492023 FORM 10- K** We also outsource certain business process functions to third parties and may continue do so in the future. This practice exposes us to increased risks related to data security, service disruptions, supply chain issues or the effectiveness of our control system, which could result in

our ~~ability~~ **inability** to conduct business operations, monetary and reputational damage or harm to our competitive position **. There is no assurance that we will not be materially adversely affected by, or that the security measures we take will shield us from, data breaches or cyber attacks on us or on the third parties we rely on for critical business functions. See Item 1C, " Cybersecurity " for additional information** . Cyber incidents or data breaches caused by bad actors or unintentional human error impacting data, including personal data, we maintain or use during our business operations may result in regulatory fines or action, reputation damage and a disruption in our business operations. We collect, process and store data, including the personal data of our employees, customers and policyholders, as part of our business operations. While we believe we have effective technical and organizational measures in place to prevent, detect, manage and mitigate the impact of data breaches caused by malicious actors, systemic failures or human error, we cannot offer complete assurances that significant data breaches will not occur. **We are subject to many laws and regulations relating to the adequacy of cybersecurity programs and business resiliency, including industry specific requirements under federal and state law, the new SEC Cybersecurity Rules, and comprehensive privacy or security laws in the EU, U. K. and some U. S. states like New York and California.** A ~~cyber~~ **cybersecurity** incident could also result in a violation of applicable privacy, data protection or other laws, damage our reputation, cause a loss of customers, adversely affect our stock price, cause us to incur remediation costs, increased insurance premiums, and / or give rise to monetary fines ~~and~~ **,** penalties, **or litigation** any of which could adversely affect our business. ~~A~~ **Changes in criteria used by rating agencies which may result in a** downgrade in our ratings ~~or~~ **,** our inability to obtain a rating **or a change in capital application or requirements** for our operating insurance and reinsurance subsidiaries may adversely affect our relationships with clients and brokers and negatively impact sales of our products. Similar to our competitors, a ratings downgrade or the potential for such a downgrade, or failure to obtain a necessary rating, could adversely affect our relationships with agents, brokers, wholesalers, intermediaries, clients and other distributors of our existing and new products and services. Some of the reinsurance agreements assumed by our reinsurance operations include provisions that a ratings downgrade or other specified triggering event with respect to our reinsurance operations, such as a reduction in surplus by specified amounts during specified periods, provide our ceding company clients certain rights, including, the right to terminate the subject reinsurance agreement and / or to require us to post additional collateral. Any ratings downgrade or failure to obtain a necessary rating could adversely affect our ability to compete in our markets, could cause our premiums and earnings to decrease and could have a material adverse impact on our financial condition and results of operations. In some cases, a downgrade in ratings of certain of our operating subsidiaries may constitute an event of default under our credit facilities. We can offer no assurances that our ratings will remain at their current levels or that any of our ratings which are under review or watch by ratings agencies will remain unchanged **. Changes in in the criteria used by rating agencies may impact our capital position, our capital requirements and the treatment of certain items on our balance sheet** . It is possible that rating agencies may modify their evaluation criteria, heighten the level of scrutiny they apply when analyzing companies in our industry, adjust upward the capital and other requirements employed in their models and / or discontinue credit and debt instruments or other structures deployed for maintenance of certain rating levels. We may need to raise additional funds through equity or debt financings **or other investments** . Any equity or debt financing, if available at all, may be on terms that are unfavorable to us. Equity financings could be dilutive to our existing shareholders and could result in the issuance of securities that have rights, preferences and privileges that are senior to those of our outstanding securities. If we are not able to obtain adequate capital **through such financings or through our investment strategy** , our business, results of operations and financial condition could be adversely affected. See " Capital Resources " in Item 7 for further details. ~~ARCH CAPITAL472022 FORM 10- K~~ For further information on our financial strength and / or issuer ratings, see " Ratings " in Item 1. For further information on our letter of credit facilities, see the Letter of Credit and Revolving Credit Facilities section of " Contractual Obligations and Commercial Commitments " in Item 7. Our ability to execute ~~successfully~~ our business strategy **successfully** , continue to grow and innovate and offer our employees a dynamic and supportive workplace depends on the recruitment, retention and promotion of talented, agile, diverse and resilient employees at all levels of our organization. **The success** ~~With the easing~~ of ~~restrictions relating to~~ **our business depends on attracting and retaining a capable and talented workforce. Following** the COVID- 19 pandemic, we have adopted a hybrid work model in most of our offices with employees returning to the office **ARCH CAPITAL502023 FORM 10- K** for part of the work week ~~. The pandemic impacted employee work models and, in some cases, also impacted employee workloads and attitudes about work~~ . We provide a work environment and culture which reflects our goal to " Enable Possibility ". We offer flexible work arrangements, when possible, for our employees globally, as well as competitive compensation packages which include participation in our Employee Stock Purchase Plan and the possibility of equity awards at certain job levels. Over the past few years, we have also implemented and expanded our learning programs, career leveling and employee networks, all of which we believe will help us retain talent. **In 2023, we launched our talent acquisitions shared services team for our North American entities. This structure enables us to better deploy internal and external candidates across the organization while providing a cohesive candidate experience. As the model matures and scales, we expect to see improvements in time to hire metrics.** Our leadership and Board promote the goals of building a diverse employee population and fostering an environment that allows us to fully leverage and engage that diversity as a competitive edge which benefits both our employees and our business. While our efforts to attract, develop and retain talented employees continues to be a top priority, ~~current job market conditions present challenges~~ **we may not be able to complete successfully** for ~~us~~ **talented executives** and **employees, which** may adversely impact our ability to fully realize our business strategy. Our success will depend on our ability to maintain and enhance effective operating procedures and internal controls and our ERM program. We operate within an ERM framework designed to identify, assess and monitor our risks. We consider underwriting, reserving, investment, credit and operational risk in our ERM framework. Losses, reputational damage, regulatory fines and litigation are among the adverse impacts which can arise if we fail to operate an effective ERM framework. Operational risk and losses can result from, among other things, fraud, errors, failure to document

transactions properly or to obtain proper internal authorization, failure to comply with regulatory requirements, information technology or information security failures and failure to train employees appropriately or adequately. We continuously enhance our operating procedures and internal controls to effectively support our business and our regulatory and reporting requirements. As a result of the inherent limitations in all control systems, no evaluation of controls can provide absolute assurance that all control issues and instances of fraud, if any, within the company have been detected. These inherent limitations include the realities that judgments in decision making can be faulty, and that breakdowns can occur because of simple error or mistake or circumvention of controls. There can be no assurance that our control system will succeed in achieving its stated goals under all potential future conditions. Any ineffectiveness in our controls or procedures could have a material adverse effect on our business. For further information on our ERM framework, see " Enterprise Risk Management " in Item 1. We are exposed to credit risk in certain of our business operations. In addition to exposure to credit risk related to our investment portfolio, reinsurance recoverables and reliance on brokers and other agents, we are exposed to credit risk in other areas of our business related to policyholders. We are exposed to credit risk in our insurance group' s surety unit where we guarantee to a third party that our policyholder will satisfy certain performance or financial obligations. If our policyholder defaults, we may suffer losses and be unable to be reimbursed by our policyholder. We are also exposed to credit risk from policyholders on smaller deductibles in other insurance group lines, such as healthcare and excess and surplus casualty. Although we have not experienced any material credit losses to date, an increased inability of our policyholders to meet their obligations to us could have a material adverse effect on our financial condition and results of operations. See note 3, " Significant Accounting Policy. " Our business is subject to applicable laws and regulations relating to economic trade sanctions and foreign bribery laws, the violation of which could adversely affect our operations. We must comply with all applicable economic sanctions and anti-bribery laws and regulations of the U. S. and other foreign jurisdictions where we operate. U. S. laws and regulations applicable to us and others who provide insurance and reinsurance include the economic trade sanctions laws and regulations administered by the Treasury' s Office of Foreign Assets Control as well as certain laws administered by the U. S. Department of State. New ~~sanction~~ **sanctions** regimes may be initiated, or existing sanctions expanded, at any time, which can immediately impact our business activities. Since the Russian invasion of Ukraine in February 2022, there have been several sanctions packages imposed by the U. S., U. K. and EU which impact our business. The sanctions are complex, numerous and nuanced, requiring close review and assessment as they pertain to our business. We are also subject to the U. S. Foreign Corrupt Practices Act and other anti- bribery laws such as the U. K. Bribery Act that generally ~~ARCH CAPITAL482022 FORM 10- K~~ bar corrupt payments or unreasonable gifts to foreign governments or officials. Although we have policies and controls in place designed to ensure compliance with these laws and regulations, it is possible that an employee or intermediary could fail to comply with applicable laws and regulations. In addition, we may interpret a complex sanction in a way which may differ from a regulator. In these cases, we could be exposed to fines, criminal penalties and other sanctions. Such violations could limit our ability to conduct business and / or damage our reputation, resulting in a material adverse effect on our financial condition and results of operations. **ARCH CAPITAL512023 FORM 10- K** New legislation or regulations relating to the U. K.' s Withdrawal from the EU could adversely affect us. The U. K. ceased to be a member state of the European Union in January 2020. Although the EU and U. K. reached a limited agreement in relation to certain matters, U. K. insurers and reinsurers no longer have automatic access to EU markets and vice versa. Our U. K. domiciled entities and our Lloyd' s Syndicates may no longer " passport " within the EU ~~and are now part of the U. K. temporary permissions regime which allows firms to operate in the U. K. for a limited period while they seek authorization from the U. K. regulators~~. We have implemented changes in our operations to accommodate Brexit; however **,** we remain subject to new proposals **such as third country governance guidance provided by EIOPA in 2023,** and regulations which may negatively impact U. K. underwriting activities in respect of EU risks and policyholders. Risks Relating to Financial Markets and InvestmentsAdverse developments in the financial markets could have a material adverse effect on our results of operations, financial position and our businesses, and may also limit our access to capital; our policyholders, reinsurers and retrocessionaires may also be affected by such developments, which could adversely affect their ability to meet their obligations to us. Adverse developments in the financial markets, resulting from inflation, global recessionary pressures, geopolitical conflict, **liquidity conditions** among other factors, ~~has~~ **can** ~~increased~~ - **increase** uncertainty ~~levels~~ and ~~heightened~~ -- **heighten** volatility in the ~~capital and~~ credit **and equity** markets. These developments may result in realized and unrealized losses on our investment portfolio that could have a material adverse effect on our results of operations, financial position and our businesses, and may also limit our access to capital required to operate our business ~~. More specifically, economic conditions could also have a material impact on the frequency and severity of claims and therefore could negatively impact our underwriting returns~~. In addition, our policyholders, reinsurers and retrocessionaires may be affected by developments in the financial markets, which could adversely affect their ability to meet their obligations to us. ~~The volatility~~ **Volatility** in the financial markets could continue to significantly affect our investment returns, reported results and shareholders' equity. The capital requirements of our businesses depend on many factors, including regulatory and rating agency requirements, the performance of our investment portfolio, our ability to write new business successfully, the frequency and severity of catastrophe events and our ability to establish premium rates and reserves at levels sufficient to cover losses. Disruption to the financial markets and weak economic conditions resulting from situations such as post pandemic imbalances, inflation and geopolitical conflict may adversely and materially impact our investments, financial condition and results of operation. Disruption in the financial markets and the downturn in global economic activity resulting from ~~the~~ geopolitical conflict, elevated financing rates, housing market declines or other macro- and micro- economic conditions could adversely affect the valuation of securities in our investment portfolio. Credit **deterioration** spread widening and / or equity market volatility could result in temporary or permanent impairment. Elevated levels of inflation could drive higher U. S. and global interest rates, negatively impacting asset prices, particularly in fixed income **and financial flexibility of operating businesses** . In addition, a lack of pricing transparency, decreased market liquidity, the strengthening or weakening of foreign currencies

against the U. S. Dollar, individually or in tandem, could have a material adverse effect on our results through realized losses, impairments and changes in unrealized positions in our investment portfolio. Furthermore, issuers of the investments we hold under the equity method of accounting report their financial information to us one month to three months following the end of the reporting period. Accordingly, the adverse impact of any disruptions in global financial markets on equity method income from these investments would likely not be reflected in our current quarter results and would instead be reported in the subsequent quarter. Our operating results depend in part on the performance of our investment portfolio. A significant portion of cash and invested assets held by Arch consists of fixed maturities (~~72~~ **70** . 1 % as of December 31, ~~2022~~ **2023**). Although our current investment guidelines and approach ~~stress~~ **emphasize** preservation of capital, market liquidity and diversification of risk, our investments are subject to market- wide risks and fluctuations. In addition, we are subject to risks inherent in particular securities or types of securities, as well as sector concentrations. We may not be able to realize our investment objectives, which could have a material adverse effect on our financial results. In the event that we are unsuccessful in calibrating the liquidity of our investment portfolio with our expected insurance and reinsurance liabilities, we may be forced to liquidate our investments at times and prices that are not optimal, which could have a material adverse effect on our financial results and ability to conduct our business. ARCH ~~CAPITAL492022~~ **CAPITAL522023** FORM 10- K Foreign currency exchange rate fluctuation may adversely affect our financial results. We write business on a worldwide basis, and our results of operations may be affected by fluctuations in the value of currencies other than the U. S. Dollar. The primary foreign currencies in which we operate are the Euro, the British Pound Sterling, the Australian Dollar and the Canadian Dollar. In order to minimize the possibility of losses we may suffer as a result of our exposure to foreign currency fluctuations in our net insurance liabilities, we invest in securities denominated in currencies other than the U. S. Dollar. In addition, we may replicate investment positions in foreign currencies using derivative financial instruments. Changes in the value of available- for- sale investments due to foreign currency rate movements are reflected as a direct increase or decrease to shareholders' equity and are not included in the statement of income. ~~Uncertainty relating to the determination of LIBOR and the phasing out and replacement of LIBOR with alternative benchmark rates may adversely impact us. In order to mitigate the potential adverse effects on our cost of capital caused by the uncertainty of the timing and impact of the phase- out of LIBOR, we entered into certain amendments to our credit facilities in 2021 in order to replace the LIBOR- based benchmarks for borrowings and letters of credit denominated in British Pounds Sterling and Euros with the Sterling Overnight Index Average (" SONIA ") and the Euro Inter- bank Offered Rate (" EURIBOR "), respectively, as SONIA and EURIBOR have emerged as preferred alternative benchmarks with respect to certain indebtedness and other financial instruments denominated in these currencies. Similarly, in April 2022, we entered into an amendment to our credit facilities in order to replace the LIBOR- based benchmark for borrowings and letters of credit denominated in U. S. Dollars with a rate based on Secured Overnight Financing Rate (" SOFR "). However, there can be no assurance that these mitigation efforts will adequately protect against increases or volatility in our cost of capital. Although we believe we have taken appropriate measures to adjust to the replacement of LIBOR, the transition from LIBOR to SOFR and other alternative reference rates may adversely impact our investment portfolio, our cost of capital and our cost of issuing Bellemeade mortgage risk transfer securities and could require changes to our current asset liability strategies.~~ The determination of the amount of current expected CECL allowances taken on our investments is highly subjective and could materially impact our results of operations or financial position. On a quarterly basis, we review our investments by applying an approach based on the CECL and whether declines in fair value below the cost basis requires an estimate of the expected credit loss. There can be no assurance that our management has accurately assessed the level of the credit loss allowance taken **, as** reflected in our financial statements. Furthermore, additional allowance may need to be taken or allowances provided for in the future. Further, rapidly changing and unpredictable credit and equity market conditions could materially affect the valuation of securities carried at fair value as reported within our consolidated financial statements and the period- to- period changes in value could vary significantly. Our reinsurance subsidiaries may be required to provide collateral to ceding companies, by applicable regulators, their contracts or other commercial considerations. Their ability to conduct business could be significantly and negatively affected if they are unable to do so. Arch Re Bermuda is a registered Bermuda insurance company and is not licensed or admitted as an insurer in any jurisdiction in the U. S., although Arch Re Bermuda has been approved as a " certified reinsurer " in certain U. S. states that allow reduced collateral for reinsurance ceded to such reinsurers. Arch Re Bermuda' s contracts generally require it to post a letter of credit or provide other security, even in U. S. states where it has been approved for reduced collateral. State credit for reinsurance rules also generally provide that certified reinsurers such as Arch Re Bermuda must provide 100 % collateral in the event their certified status is " terminated " or upon the entry of an order of rehabilitation, liquidation or conservation against a ceding insurer. Although, to date, Arch Re Bermuda has not experienced any difficulties in providing collateral when required, if we are unable to post security in the form of letters of credit or trust funds when required, the operations of Arch Re Bermuda could be significantly and negatively affected. ~~ARCH CAPITAL502022 FORM 10- K~~ Risks Relating to Our Mortgage OperationsThe ultimate performance of **our** ~~the Arch MI U. S.~~ mortgage insurance ~~portfolio~~ **portfolios** remains uncertain. The mix of business in our insured loan portfolio may affect losses. The presence of multiple higher- risk characteristics in a loan materially increases the likelihood of a claim ~~on such a loan~~ unless there are other characteristics to mitigate the risk. The mix of higher- risk loans, including affordable housing loans which often have higher- risk characteristics, could increase losses and harm our financial performance. The geographic mix of **our insured loan portfolio** ~~Arch MI U. S.' s business~~ could **also** increase losses and harm our financial performance. Mortgage insurance premiums are set at the time coverage is procured, based in part on the expected duration of the coverage. We cannot cancel mortgage insurance coverage or adjust renewal premiums during the life of the policy. **Thus** ~~To the extent that the insured cancels coverage as a result of prior home price appreciation, the duration of coverage will be shorter, and we will receive less premium. Further~~ , higher than anticipated claims generally cannot be offset by premium increases on policies in force or mitigated by our non- renewal or cancellation of insurance coverage. **Further, in the U. S., to the extent that the insured cancels coverage as a result of prior home price**

appreciation, the duration of coverage will be shorter, and we will receive less premium. The premiums charged, and the associated investment income, may not be adequate to compensate us for the risks and costs associated with the insurance coverage provided to customers. A decrease in the amount of premium received or an increase in the number or size of claims, compared to what we anticipate, could adversely affect **our** ~~Arch MI U. S.' s~~ results of operations and financial condition. The frequency and severity of claims we incur is uncertain and will depend largely on general economic factors outside of our control, including, among others, changes in unemployment ~~,~~ **and** home prices **affordability** ~~and interest rates in the U. S~~. Inflated home prices followed by a decline in home values could significantly decrease a borrower' s equity in their home, which would limit their ability to sell the property without incurring a loss ~~,~~ and could increase the frequency and severity **of claims. Monthly interest rate changes in Australia or the increasing cost of homeowners insurance in the U. S. could make a borrower' s monthly housing- related payment obligations increase and could increase the frequency** of claims. Deteriorating economic conditions ~~in the U. S.~~ , potentially due to prolonged recessionary conditions increasing levels of unemployment and inflation, could adversely affect the performance of our ~~U. S.~~ mortgage insurance portfolio and could **ARCH CAPITAL532023 FORM 10- K** adversely affect our results of operations and financial condition. If the volume of low down payment mortgage originations declines, or if other government housing policies, practices or regulations change, the amount of mortgage insurance we write in the U. S. could decline, which would reduce our mortgage insurance revenues. The size of the U. S. mortgage insurance market depends in large part upon the volume of low down payment home mortgage originations. Factors affecting the volume of low down payment mortgage originations include, among others: restrictions on mortgage credit due to stringent underwriting standards and liquidity issues affecting lenders; changes in mortgage interest rates and home prices, and other economic conditions in the U. S. and regional economies; population trends, including the rate of household formation; and U. S. government housing policy. Increases to mortgage interest rates have materially increased financing costs, and as a result may decrease the number of qualified borrowers and the volume of low down payment mortgage originations. The private mortgage insurers' principal government competitor is the Federal Housing Administration (" FHA "). **On February 22, 2023, the FHA reduced its annual mortgage insurance premium rates by 30bps for most single family mortgages endorsed on or after March 20, 2023. This takes the annual premium from 0. 85 % down to 0. 55 % for most FHA borrowers. This change, and any** ~~Future~~ **future** changes to the FHA program ~~, including any reduction to mortgage insurance premiums charged~~ may **,** negatively impact the amount of mortgage insurance we write in the U. S. The Federal Housing Finance Agency (" FHFA ") as conservator of the GSEs continues to evaluate loan level price adjustments (" LLPAs ") **and guarantees fees** assessed by the GSEs when purchasing loans. **During** ~~Effective on April 1,~~ 2022 ~~, Fannie Mae~~ and ~~Freddie Mac~~ **2023, the FHFA implemented a series of changes to update the GSEs' single- family guarantee fee pricing framework to** ~~increased~~ - **increase support** ~~upfront fees~~ for ~~"~~ **creditworthy borrowers limited by income or by wealth, while also increasing pricing to other categories of loans (such as** high ~~-~~ balance ~~loans " (~~ mortgages ~~in excess of $ 647, 000)~~ and mortgages on second homes **) to foster capital accumulation** . On ~~October 24~~ **May 15** , ~~2022~~ **2023** , FHFA ~~announced~~ **issued a Request for Input (" RFI ") on the process used for implementing guarantee fee pricing changes, and on the goals and priorities** that ~~the GSEs are eliminating upfront fees for certain first- time homebuyers, low- income borrowers, and underserved communities and is increasing fees for cash out refinance loans. On January 19, 2023,~~ FHFA ~~announced~~ **, as both conservator and regulator, should pursue in its oversight of** ~~three~~ -- **the** ~~new~~ pricing **framework** ~~grids that broadly adjusted pricing to GSE purchases~~ . These, and future actions **taken as a result of the RFI** could cause a decline in the volume of low- down payment home mortgage purchases by the GSEs, could decrease demand for mortgage insurance, and could decrease our U. S. new insurance written and reduce mortgage insurance revenues. On June 8, 2022, the FHFA announced the GSEs release of Fannie Mae' s and Freddie Mac' s Equitable Housing Finance Plans for 2022- 2024. These plans are designed to foster housing finance markets that provide equitable access to affordable and sustainable housing, including through the use of special purpose credit programs (" SPCPs "). SPCPs are lending programs designed to expand access to credit among disadvantaged **borrowers** ~~groups to address special social needs that exist today~~ . The Consumer Finance Protection Bureau, the Department of Housing and Urban Development, and other federal agencies have issued guidance encouraging the use of ~~ARCH CAPITAL512022 FORM 10- K~~ SPCPs and providing assurances that properly structured SPCPs are permissible under federal law. New practices or programs implemented under the GSEs' Equitable Housing Plans, may impact the underwriting and servicing standards on mortgages purchased by the GSEs and could increase the presence of multiple higher- risk characteristics in our insured loan portfolio. Further, the legal landscape applicable to SPCPs remains untested and loans originated under these programs could be subject to increased risk of private litigation or enforcement actions under state and federal law. Changes to the role of the GSEs in the U. S. housing market or to GSE eligibility requirements for mortgage insurers **or to the GSEs' use of CRT** could negatively impact our results of operations and financial condition ~~,~~ or reduce our operating flexibility. Substantially all of Arch MI U. S.' s insurance written has been for loans sold to the GSEs. The charters of the GSEs require credit enhancement for low down payment mortgages to be eligible for purchase or guarantee by the GSEs. Any changes to the charters or statutory authorities of the GSEs would require congressional action to implement. If the charters of the GSEs were amended to change or eliminate the acceptability of private mortgage insurance, our mortgage insurance business could decline significantly. In January 2021, the U. S. Department of Treasury (the " Treasury Department ") and FHFA announced an agreement to amend the preferred stock purchase agreements between the Treasury Department and the GSEs, originally entered into in September 2008, in order to, among other things, codify several existing FHFA conservatorship practices for the GSEs and outline a plan for the Treasury Department, in consultation with FHFA, to develop a proposal for continued GSE reform. If any GSE reform is adopted, whether through legislation or administrative action, it could impact the current role of private mortgage insurance as credit enhancement, including its reduction or elimination. Passage and timing of any comprehensive GSE reform or incremental change (legislative or administrative) is uncertain, making the actual impact on the mortgage insurance industry difficult to predict. ~~Any such~~ **Furthermore, the FHFA and / or the GSEs could chose to reduce**

the amount of CRT protection purchased on their loan portfolios, which could reduce the CRT investment ARCH CAPITAL542023 FORM 10- K opportunities available for reinsurers. Future legislative, administrative or changes ~~that come~~ to ~~pass~~ **business practices related to the use or requirement for credit enhancement** could have a material adverse impact on the Company. The PMIERs apply to Arch Mortgage Insurance Company and United Guaranty Residential Insurance Company, which are GSE- approved mortgage insurers (" eligible mortgage insurers "). The PMIERs impose limitations on the type of risk insured, the forms and insurance policies issued, standards for the geographic and customer diversification of risk, acceptable underwriting practices, quality assurance, loss mitigation, claims handling, standards for certain reinsurance cessions and financial requirements, among other things. The financial requirements require a mortgage insurer' s available assets ~~, which generally include only the most liquid assets,~~ to meet or exceed " minimum required assets " as of each quarter end. Arch MI U. S.' s minimum required assets under the PMIERs will be determined, in part, by the particular risk profiles of the loans it insures. If, absent other changes, Arch MI U. S.' s mix of business changes to include more loans with higher loan- to- value ratios or lower credit scores, it will have a higher minimum required asset amount under the PMIERs and, accordingly, be required to hold more capital in order to maintain GSE eligibility. Our eligible mortgage insurers each satisfied the PMIERs' financial requirements as of December 31, ~~2022~~ **2023** . While we intend to continue to comply with these requirements, there can be no assurance that the GSEs will not change the PMIERs or that Arch Mortgage Insurance Company or United Guaranty Residential Insurance Company will continue as eligible mortgage insurers. If either or both of the GSEs were to cease to consider Arch Mortgage Insurance Company or United Guaranty Residential Insurance Company as eligible mortgage insurers and, therefore, cease accepting our mortgage insurance products, our results of operations and financial condition would be adversely affected. The implementation of the Basel III Capital Accord and FHFA' s Enterprise **Regulator** Capital ~~Rule~~ **Framework** may adversely affect the use of mortgage insurance and CRT opportunities. With certain exceptions, the Basel III Rules became effective on January 1, 2014. In December 2017, the Basel Committee published final revisions to the Basel Capital Accord which is informally denominated in the U. S. as " Basel ~~IV~~ **III Endgame** . " The Basel Committee expects the new rules to be fully implemented by January 2027. On ~~September 9~~ **July 27** , ~~2022~~ **2023** , the Federal banking agencies ~~issued~~ **released** a **proposed rule** ~~statement reaffirming their commitment~~ to ~~implementing~~ --- **implement** the ~~2017 revisions and stated that a request for public comment on new regulatory standards~~ **Basel III Endgame in the United States. The proposal would eliminate the capital relief currently afforded mortgage loans protected by private mortgage insurance. Instead, the capital treatment** would be ~~forthcoming. Under the Basel IV protocols, banks using the standardized approach for credit risk management will determine the risk- weight for residential mortgages~~ based on the **mortgage' s** loan ~~-~~ to ~~-~~ value ratio ~~at loan origination,~~ without consideration of mortgage insurance. The **comment period** ~~U. S. regulatory agencies could determine that current U. S. rules~~ for **this proposal closed on January 16** ~~residential mortgages are " at least as stringent " as the Basel IV provisions~~ , **2024** ~~and therefore do not need to be modified~~ . **If the** ~~However, if~~ U. S. regulators decide to adopt the **proposed** Basel ~~IV~~ **III Endgame** approach to mortgage assets, **the capital treatment of mortgages held in portfolio will increase and** the capital relief benefits of mortgage insurance would be ~~diminished~~ **eliminated** , which could adversely affect the **volume of mortgages originated by banks subject to the rule and the** demand for mortgage insurance. On December 17, 2020, the FHFA published a new **Enterprise Regulatory** ~~capital~~ **Capital** ~~framework~~ **Framework (" ERCF ") Enterprise Capital Rule** for Fannie Mae and Freddie Mac that significantly increases minimum capital requirements for these GSEs. The new rule requires each GSE to maintain both higher minimum capital ratios and capital " buffers " to avoid restrictions on capital distributions and discretionary bonus payments. **Changes were made to the ERCF in 2022 to incentive CRT transactions, and in 2023 to address capital requirements for derivatives; market risk; multifamily loans; and exposures of an Enterprise to the other Enterprise.** The **ERCF includes higher** ~~rule also imposes a~~ risk- **capital** ~~weight floor of 10 percent on retained CRT positions. In a 2022 amendment, ARCH CAPITAL522022 FORM 10- K the risk- weight floor was reduced to 5 percent, and other changes~~ **charges for residential mortgages and** ~~were made to incentivize CRT transactions. The new framework~~ continues to take into account the benefits of mortgage insurance, provided the mortgage insurer is compliant with the PMIERs. The amount of capital relief afforded for mortgage insurers ~~will depend~~ **depends** on a number of factors, including the GSEs' determination of the creditworthiness of the mortgage insurer ~~. It is possible that the higher capital standards imposed on the GSEs will result in increased fees for homebuyers that will reduce the demand for mortgage loans, and therefore the demand for mortgage insurance. Further, the GSEs will independently determine the creditworthiness of mortgage insurance counterparties~~ , which could affect the competitive position of **the** individual mortgage insurance providers. **The** ~~Moreover, the~~ higher risk- capital charges for residential mortgages could be incorporated into the PMIERs standards, thereby requiring mortgage insurers to hold higher capital levels in order to be recognized as approved counterparties for the GSEs. This could have a negative impact on our return on equity. ~~On~~ **In addition, higher capital standards could impact the guarantee fees charged to acquire loans. In** January ~~4,~~ 2023, **after** the ~~unified regulatory agenda issued by~~ **Enterprises had fully transitioned to** the **new ERCF capital regime,** ~~Office of Management and Budget referenced that~~ FHFA ~~targets February 2023 for a notice of proposed rulemaking addressing capital requirements for derivatives; market~~ **announced new pricing matrices redesigned and recalibrated to align the fee structure more closely with the** risk **factors utilized** ~~; multifamily loans~~ in ~~general and multifamily loans with government subsidies specifically, and exposures of an Enterprise to the other Enterprise. There is a risk that future changes to~~ the capital framework **. Future changes to the ERCF, or the guarantee fees charged to acquire loans,** could adversely impact credit for credit risk transfer ~~or~~ **,** the capital relief afforded **mortgage insurance or the volume of loans purchased by the Enterprises and the demand** for mortgage insurance. **ARCH CAPITAL552023 FORM 10- K** Risk Relating to Our Company and Our SharesSome of the provisions of our bye- laws and our shareholders agreement may have the effect of hindering, delaying or preventing third party takeovers or changes in management initiated by shareholders. These provisions may also prevent our shareholders from receiving premium prices for their shares in an unsolicited takeover. Some provisions of our bye- laws could have the effect of discouraging unsolicited takeover bids from

third parties or changes in management initiated by shareholders. These provisions may encourage companies interested in acquiring us to negotiate in advance with our Board, since the Board has the authority to overrule the operation of several of the limitations. Among other things, our bye- laws provide: for a classified Board, in which the directors of the class elected at each annual general meeting holds office for a term of three years, with the term of each class expiring at successive annual general meetings of shareholders; that the number of directors is determined by the Board from time to time by a vote of the majority of the Board; that directors may only be removed for cause, and cause removal shall be deemed to exist only if the director whose removal is proposed has been convicted of a felony or been found by a court to be liable for gross negligence or misconduct in the performance of his or her duties; that the Board has the right to fill vacancies, including vacancies created by an expansion of the Board; and for limitations on a shareholder' s right to raise proposals or nominate directors at general meetings. Our bye-laws provide that certain provisions that may have anti- takeover effects may be repealed or altered only with prior Board approval and upon the affirmative vote of holders of shares representing at least 65 % of the total voting power of our shares entitled generally to vote at an election of directors. The bye- laws also contain a provision limiting the rights of any U. S. person (as defined in section 7701 (a) (30) of the Internal Revenue Code of 1986, as amended (the " Code ")) that owns shares of Arch Capital, directly, indirectly or constructively (within the meaning of section 958 of the Code), representing more than 9. 9 % of the voting power of all shares entitled to vote generally at an election of directors. The votes conferred by such shares of such U. S. person will be reduced by whatever amount is necessary so that after any such reduction the votes conferred by the shares of such person will constitute 9. 9 % of the total voting power of all shares entitled to vote generally at an election of directors. Notwithstanding this provision, the Board may make such final adjustments to the aggregate number of votes conferred by the shares of any U. S. person that the Board considers fair and reasonable in all circumstances to ensure that such votes represent 9. 9 % of the aggregate voting power of the votes conferred by all shares of Arch Capital entitled to vote generally at an election of directors. Arch Capital will assume that all shareholders (other than specified persons) are U. S. persons unless we receive assurance satisfactory to us that they are not U. S. persons. The bye- laws also provide that the affirmative vote of at least 66 2 / 3 % of the outstanding voting power of our shares (excluding shares owned by any person (and such person' s affiliates and associates) that is the owner of 15 % or more (a " 15 % Holder ") of our outstanding voting shares) shall be required for various corporate actions, including: merger or consolidation of the company into a 15 % Holder; sale of any or all of our assets to a 15 % Holder; the issuance of voting securities to a 15 % Holder; or amendment of these provisions; provided, however, the super majority vote will not apply to any transaction approved by the Board. The provisions described above may have the effect of making more difficult or discouraging unsolicited takeover bids from third parties. To the extent that these effects occur, shareholders could be deprived of opportunities to realize takeover premiums for their shares and the market price of their shares could be depressed. In addition, these provisions ~~ARCH CAPITAL532022 FORM 10- K~~ could also result in the entrenchment of incumbent management. There are regulatory limitations on the ownership and transfer of our common shares. The jurisdictions where we operate have laws and regulations that require regulatory approval of a change in control of an insurer or an insurer' s holding company. Where such laws apply to us, there can be no effective change in our control unless the person seeking to acquire control has filed a statement with the regulators and obtained prior approval for the proposed change. Certain regulators may at any time, by written notice, object to a person holding shares in an insurer or an insurer' s holding company if it appears to the regulator that the person is not or is no longer fit and proper to be such a holder. The regulator may require the shareholder to reduce its holding in the insurer or an insurer' s holding company and direct, among other things, that such shareholder' s voting rights attaching to the shares in an insurer or an insurer' s holding company shall not be exercisable. **ARCH CAPITAL562023 FORM 10- K** Arch Capital is a holding company and is dependent on dividends and other distributions from its operating subsidiaries. Arch Capital is a holding company whose assets primarily consist of the shares in our subsidiaries. Generally, Arch Capital depends on its available cash resources, liquid investments and dividends or other distributions from subsidiaries to make payments, including the payment of debt service obligations and operating expenses it may incur and any payments of dividends, redemption amounts or liquidation amounts with respect to our preferred shares and common shares, and to fund the share repurchase program. The ability of our regulated insurance and reinsurance subsidiaries to pay dividends or make distributions is subject to legislative constraints and dependent on their ability to meet applicable regulatory standards. In addition, the ability of our insurance and reinsurance subsidiaries to pay dividends to Arch Capital and to intermediate parent companies owned by Arch Capital could be constrained by our dependence on financial strength ratings from independent rating agencies. Our ratings from these agencies depend to a large extent on the capitalization levels of our insurance and reinsurance subsidiaries. General market conditions and unpredictable factors could adversely affect market prices for our outstanding preferred shares. There can be no assurance about the market prices for our series of preferred shares that are traded publicly. Several factors, many of which are beyond our control, will influence the fair value of our preferred shares, including, but not limited to: • whether dividends have been declared and are likely to be declared on any series of our preferred shares from time to time; • our creditworthiness, financial condition, performance and prospects; • whether the ratings on any series of our preferred shares provided by any ratings agency have changed; • the market for similar securities; and • economic, financial, geopolitical, social, regulatory or judicial events that affect us and / or the insurance or financial markets generally. Dividends on our preferred shares are non- cumulative. Dividends on our preferred shares are non-cumulative and payable only out of lawfully available funds of Arch Capital under Bermuda law. Consequently, if the Board (or a duly authorized committee of the Board) does not authorize and declare a dividend for any dividend period with respect to any series of our preferred shares, holders of such preferred shares would not be entitled to receive any such dividend, and such unpaid dividend will not accrue and will never be payable. Arch Capital will have no obligation to pay dividends for a dividend period on or after the dividend payment date for such period if the Board (or a duly authorized committee of the Board) has not declared such dividend before the related dividend payment date; if dividends on our series F or series G preferred shares are authorized and declared with respect to any subsequent dividend period, Arch Capital will be free to pay dividends on any other

series of preferred shares and / or our common shares. In the past, we have not paid dividends on our common shares. ~~ARCH CAPITAL542022 FORM 10- K~~ Our preferred shares are equity and are subordinate to our existing and future indebtedness. Our preferred shares are equity interests and do not constitute indebtedness. As such, these preferred shares will rank junior to all of our indebtedness and other non- equity claims with respect to assets available to satisfy our claims, including in our liquidation. Our existing and future indebtedness may restrict payments of dividends on our preferred shares. Additionally, unlike indebtedness, where principal and interest would customarily be payable on specified due dates, in the case of preferred shares, (1) dividends are payable only if declared by the Board (or a duly authorized committee of the Board) and (2) as described under " Risks Relating to Our Company — Arch Capital is a holding company and is dependent on dividends and other distributions from its operating subsidiaries, " we are subject to certain regulatory and other constraints affecting our ability to pay dividends and make other payments. We may issue additional securities that rank equally with or senior to our series F and series G preferred shares without limitation. The issuance of securities ranking equally with or senior to our preferred shares may reduce the amount available for dividends and the amount recoverable by holders of such series in the event of a liquidation, dissolution or winding- up of Arch Capital. **ARCH CAPITAL572023 FORM 10- K** The voting rights of holders of our preferred shares are limited. Holders of our preferred shares have no voting rights with respect to matters that generally require the approval of voting shareholders. The limited voting rights of holders of our preferred shares include the right to vote as a class on certain fundamental matters that affect the preference or special rights of our preferred shares as set forth in the certificate of designations relating to each series of preferred shares. In addition, if dividends on our series F or series G preferred shares have not been declared or paid for the equivalent of six dividend payments, whether or not for consecutive dividend periods, holders of the outstanding series F or series G preferred shares will be entitled to vote for the election of two additional directors to the Board subject to the terms and to the limited extent as set forth in the certificate of designations relating to such series of preferred shares. Risks Relating to TaxationWe **expect to become subject to increased taxation in Bermuda as a result of the recently adopted Bermuda CIT Act,** and ~~our non- U. S. subsidiaries~~ may become subject to ~~U. S. federal income taxation and / or the U. S. federal income tax liabilities of our U. S. subsidiaries may increase, including as a result of changes in tax law. Arch Capital and its non- U. S. subsidiaries intend to operate their business in a manner that will not cause them to be treated as engaged in a trade or business in the U. S. and, thus, will not be required to pay U. S. federal income taxes (other than U. S. excise taxes on insurance and reinsurance premiums and withholding taxes on certain U. S. source investment income) on their income. However, because there is uncertainty as to the activities which constitute being engaged in a trade or business in the U. S., there can be no assurance that the IRS will not contend successfully that Arch Capital or its non- U. S. subsidiaries are engaged in a trade or business in the U. S., in which case our shareholders' equity and earnings could be adversely affected. Congress has been considering several legislative proposals intended to eliminate certain perceived tax advantages of Bermuda and other non- U. S. jurisdictions. There is no assurance that any such legislative proposal will not be enacted into law or that any such enacted law would not materially increase our income tax liabilities or those of our subsidiaries. The continuing implementation of the Tax Cuts Act may have a material and adverse impact on our operations and financial condition. Certain provisions in the Tax Cuts Act could have a material and adverse impact on our financial condition and business operation. One such provision imposes a 10 % minimum base erosion and anti- abuse tax (increased to 12. 5 % for taxable years after 2025) on the " modified taxable income " of a U. S. corporation (or a non- U. S. corporation engaged in a U. S. trade or business) over such corporation' s regular U. S. federal income tax, reduced by certain tax credits. The " modified taxable income " of a corporation is determined without deduction for certain payments by such corporation to its non- U. S. affiliates (including reinsurance premiums). Other provisions of the Tax Cuts Act that could have a material and adverse impact on us include a provision that defers or disallows a U. S. corporation' s deduction of interest expense to the extent such interest expense exceeds a specified percentage of such U. S. corporation' s " adjusted taxable income " and a provision that adjusts the manner in which a U. S. property and casualty insurance company computes its loss reserve. In addition, there is no assurance that subsequent changes in tax laws or regulations will not materially and adversely affect our operations and financial condition. ARCH CAPITAL552022 FORM 10- K Proposed Treasury Regulations issued on January 24, 2022, if finalized in their current form, could (on prospective basis) cause our U. S. shareholders (including tax- exempt U. S. shareholders) to be subject to current U. S. federal income tax on the portion of our earnings attributable to certain intercompany reinsurance income (whether or not such income is distributed). Unless an exception applies, U. S. shareholders generally are required to include currently in income a portion of any RPII recognized by our foreign subsidiaries, whether or not distributed. Generally, RPII is insurance income (including reinsurance income) of a foreign corporation with respect to which the insured is a United States shareholder of the foreign corporation or a related person to such a shareholder. Under one exception to the foregoing RPII rules, U. S. shareholders are not required to include a CFC' s RPII currently in income if the CFC' s gross RPII is less than 20 % of its total gross insurance income for the taxable year in question (the " RPII 20 % gross income exception "). Under current law, we currently expect each of our non- U. S. subsidiaries to satisfy the RPII 20 % gross income exception, and therefore we currently do not expect any U. S. shareholder to be required to currently include RPII in income (although there can be no assurance that this is or will continue be the case). However, proposed Treasury Regulations issued on January 24, 2022, if finalized in their current form, would for the first time (on a prospective basis) expand the definition of RPII to include certain intercompany insurance income (including reinsurance income) in a manner that could cause certain of our foreign subsidiaries not to satisfy the RPII 20 % gross income exception. In such event, (1) all U. S. shareholders (not just 10 % U. S. shareholders) would be required to include RPII in income currently, whether or not distributed, and (2) U. S. shareholders that are tax exempt entities would be required to treat such RPII inclusions as unrelated business taxable income. Current and prospective U. S. shareholders should consult their own tax advisors as to the potential impact of these recently proposed Treasury Regulations. We may become subject to taxes in Bermuda after March 31, 2035, which may have a material adverse effect on our results of operations. Under current Bermuda law, we are not subject to tax on income, profits, withholding, capital~~

~~gains or capital transfers. Furthermore, we have obtained from the Minister of Finance of Bermuda under the Exempted Undertakings Tax Protection Act 1966 of Bermuda, an assurance that, in the event that Bermuda enacts legislation imposing tax computed on profits, income, any capital asset, gain or appreciation, or any tax in the nature of estate duty or inheritance tax, then the imposition of the tax will not be applicable to us or our operations until March 31, 2035. Given the limited duration of the Minister of Finance' s assurance we cannot be certain that we will not be subject to any Bermuda tax after that date, which may have a material adverse effect on our results of operations. This assurance does not, however, prevent the imposition of taxes on any person ordinarily resident in Bermuda or any company in respect of its ownership of real property or leasehold interests in Bermuda. The impact of Bermuda' s letter of commitment to the OECD to eliminate harmful tax practices is uncertain and could adversely affect our tax status in BermudaOECD has published reports and launched a global initiative among member and non- member countries on measures to limit harmful tax competition. These measures are largely directed at counteracting the effects of tax havens and preferential tax regimes in countries around the world. Bermuda was not listed in the most recent report as an uncooperative tax haven jurisdiction because it has substantially implemented the internationally agreed tax standard and previously committed to eliminate harmful tax practices, to embrace international tax standards for transparency, to exchange information and to eliminate an environment that attracts business with no substantial domestic activity. We are not able to predict what changes will arise from the commitment or whether such changes will subject us to additional taxes. Legislation enacted in Bermuda as to Economic Substance may affect our operations. Pursuant to the Economic Substance Act 2018 (as amended) of Bermuda and related regulations (the " ES Act "), which came into force on January 1, 2019, a registered entity other than an entity which is resident for tax purposes in certain jurisdictions outside Bermuda (" non- resident entity ") that carries on as a business any one or more of the " relevant activities " referred to in the ES Act must comply with economic substance requirements. The ES Act may require in- scope Bermuda entities which are engaged in such " relevant activities " to be directed and managed in Bermuda, have an adequate level of qualified employees in Bermuda, incur an adequate level of annual expenditure in Bermuda, maintain physical offices and premises in Bermuda or perform core income- generating activities in Bermuda. The list of " relevant activities " includes carrying on any one or more of the following activities: banking, insurance, fund management, financing, leasing, headquarters, shipping, distribution and service center, intellectual property and holding entities. An in- scope Bermuda entity that carries on a relevant activity is obliged under the ES Act to file a declaration with the Bermuda Registrar of Companies on an annual basis containing certain information. Any entity found to be lacking adequate economic substance may be fined or ordered by a court to take action to remedy such failure (or ARCH CAPITAL562022 FORM 10- K face being struck off the companies register). As a result, there is a risk that non- compliance with its economic substance requirements under the ES Act could require Arch to enhance its infrastructure in Bermuda, and this may result in some additional operational expenditures, increased tax liabilities and / or compliance costs for Arch. We may become subject to~~ increased taxation in ~~Bermuda and~~ other countries as a result **of the implementation** of the OECD' s plan on " Base ~~erosion~~ **Erosion** and ~~profit~~ **Profit** ~~shifting~~ **Shifting** . " The OECD, with the support of the G20, initiated the " ~~base~~ **Base** ~~erosion~~ **Erosion** and ~~profit~~ **Profit** ~~shifting~~ **Shifting** " (" BEPS ") project in 2013 in response to concerns that changes are needed to international tax laws to address situations where multinationals may pay little or no tax in certain jurisdictions by shifting profits away from jurisdictions where the activities creating those profits may take place. In November 2015, " final reports " were approved for adoption by the G20 finance ministers. The final reports provide the basis for international standards for corporate taxation that are designed to prevent, among other things, the artificial shifting of income to tax havens and low- tax jurisdictions, the erosion of the tax base through interest deductions on intercompany debt and the artificial avoidance of permanent establishments (i. e., tax nexus with a jurisdiction). Legislation to adopt and implement these standards, including country by country reporting, has been enacted or is currently under consideration in a number of jurisdictions. As a result, our income may be taxed in jurisdictions where it is not currently taxed and at higher rates of tax than currently taxed, which may substantially increase our effective tax rate. Also, the continued adoption of these standards may increase the complexity and costs associated with tax compliance and adversely affect our financial position and results of operations. In May 2019, the OECD published a " Programme of Work, " divided into two pillars, which is designed to address the tax challenges created by an increasing digitalized economy. Pillar I addresses the broader challenge of a digitalized economy and focuses on the allocation of group profits among taxing jurisdictions based on a market- based concept rather than historical " permanent establishment " concepts. In January 2020, the OECD released a statement excluding most financial services activities, including insurance activities, from the scope of the profit reallocation mechanism in Pillar I. The OECD statement cited the presence of commercial (rather than consumer) customers as grounds for the carve- out, but also acknowledged that a " compelling case " could be made that the consumer- facing business lines of insurance companies should be excluded from the scope of Pillar I given the impact of regulations and licensing requirements that typically ensure that residual profits are largely realized in local customer markets. However, profits from " unregulated elements of the financial services sector " remain in scope but only where revenue exceeds € 20 billion. Pillar II addresses the remaining BEPS risk of profit shifting to **certain in- scope** entities in low tax jurisdictions by introducing a global minimum tax (15 %) ~~and a proposed tax on base eroding payments~~ , which would operate through a denial of a deduction or imposition of source- based taxation (including withholding tax) on certain payments. In **calculating whether the effective tax rate of an in- scope entity meets the minimum tax rate, certain deferred income tax assets and liabilities reflected or disclosed in the financial accounts of an in- scope entity are taken into account. In** October 2021, 136 jurisdictions agreed on a two- pillar solution to address the tax challenges arising from the digitalization of the economy. In December 2021, the OECD released Model Rules for implementation of Pillar II followed by the release of detailed commentary in March 2022. ~~Further details of the Implementation Package and related topics is expected in early 2023.~~ The OECD ~~expects~~ **has released additional administrative guidance on** the ~~rules~~ **global minimum tax in February, July and December of 2023. Under the European Union' s minimum tax directive, unanimously agreed by the member states in 2022, each member state is required** to

adopt ~~be enacted into~~ domestic legislation ~~in 2023 in order~~ **implementing the minimum tax rules effective** for **periods beginning** ~~the rules to be effective from 2023 (with a key element of the rules, the UTPR, deferred for one year until 2025). On December 15, 2022, the EU formally adopted Council Directive~~ on ~~ensuring a global minimum level of taxation for~~ - **or after** ~~groups operating in the Union. Member States are required to transpose the Directive into their domestic law by~~ December 31, 2023 **,** ~~. The OECD expects the rules to be enacted into domestic legislation in 2023 in order for the rules to be effective from 2023 (~~ with ~~a key element of the rules, the UTPR, deferred for one year until 2025). The adoption of these~~ -- **the " under** ~~rules may increase the complexity and costs associated with tax compliance and may adversely affect our financial position and results of operations. Application of the EU Anti~~ - **taxed profit rule** ~~Tax Avoidance DirectivesAs part of the BEPS project, the EU Council adopted on 12 July 2016 Council Directive (EU) 2016 / 1164 (" ATAD I~~ " ~~), as amended by Council Directive (EU) 2017 / 952 (" ATAD II ", together with ATAD I, " ATAD "),~~ to ~~provide for minimum standards across EU Member States for tackling aggressive tax planning involving hybrid tax mismatches and interest deductibility. ATAD I was required to be transposed into domestic Member State law with effect from January 1, 2019, whilst ATAD II was required to be transposed into domestic Member State law with effect from January 1, 2020 (with an exception in respect of reverse hybrid mismatch provisions, which will~~ take effect **for periods beginning** on **or after** ~~January 1, 2022). On~~ December ~~22~~ **31** , ~~2021~~ **2024** ~~,~~ **. Legislatures in multiple countries outside of** the European ~~Commission published a~~ **Union have also drafted and / or enacted legislation to implement the OECD' s minimum tax** proposal ~~for a Directive (" ATAD~~ **. Given the OECD' s continued release of guidance regarding Pillar** ~~III~~ - **II** ~~") laying down rules~~ **, that only certain jurisdictions have currently enacted laws** to **give effect to Pillar II,** ~~prevent the misuse of shell entities for improper tax purposes~~ and ~~amending~~ **that jurisdictions may interpret such laws in different manners,** the ~~Directive~~ **overall implementation of Pillar II remains uncertain and subject to change, possibly** on **a retroactive basis** ~~administrative cooperation (Directive 2011 / 16 / EU). If adopted, ATAD III will be effective from January 1, 2024. ATAD and ATAD III could result in increased tax liabilities and / or compliance costs and administrative burden for us~~ . ARCH ~~CAPITAL572022~~ **CAPITAL582023** FORM 10- K **On August 8, 2023, the Bermuda Ministry of Finance published its first Public Consultation announcing the proposed implementation of a new corporate income tax regime applicable to Bermuda businesses that are part of Multinational Enterprise Groups with annual revenue of € 750 million or more. A Second Public Consultation was published on October 5, 2023 confirming, inter alia, a statutory corporate tax rate of 15 % and a Third Public Consultation was published on November 15, 2023. The Bermuda CIT Act was enacted on December 27, 2023 and is to be effective for tax years beginning on or after January 1, 2025. The Bermuda Government announced in its Second Public Consultation that any new Bermuda corporate income tax regime would supersede existing Tax Assurance Certificates held by entities within the scope of the new Bermuda corporate income tax (such as those issued to us, referred to above under " — Taxation of Arch Capital. Bermuda. "). Given the potential for the new Bermuda corporate income tax to supersede existing Tax Assurance Certificates, it is likely that Arch will be subject to Bermuda tax for tax years beginning on or after January 1, 2025. The adoption of the tax laws described above (in particular, the adoption of an " under- taxed profit rule " by certain countries in which we and our affiliates do business and the expected implementation of a corporate income tax regime in Bermuda) are expected to result in an increase to our effective tax rate and aggregate tax liability, which may adversely affect our financial position and results of operations, and is expected to increase the complexity and cost of our worldwide tax compliance. Although certain jurisdictions in which we and our affiliates do business have enacted an " under- taxed profit rule ", such rule is only expected to take effect for taxable periods beginning on or after December 31, 2024. Such tax laws may not be enacted or the form of such tax laws could change on a prospective or retroactive basis. The impact of any such changes is unknown, but such changes could have an adverse effect on our effective tax rate and aggregate tax liability and could increase the complexity and costs associated with our tax compliance worldwide.**