

XL CAPITAL LTD

Form 4

August 03, 2006

FORM 4
UNITED STATES SECURITIES AND EXCHANGE COMMISSION
Washington, D.C. 20549

Check this box
if no longer
subject to
Section 16.
Form 4 or
Form 5
obligations
may continue.
See Instruction
1(b).

**STATEMENT OF CHANGES IN BENEFICIAL OWNERSHIP OF
SECURITIES**

Filed pursuant to Section 16(a) of the Securities Exchange Act of 1934,
Section 17(a) of the Public Utility Holding Company Act of 1935 or Section
30(h) of the Investment Company Act of 1940

OMB APPROVAL

OMB
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(Print or Type Responses)

1. Name and Address of Reporting Person *
GIORDANO PAUL S

(Last) (First) (Middle)

**1221 AVENUE OF THE
AMERICAS**

(Street)

NEW YORK, NY 10020-1001

(City) (State) (Zip)

2. Issuer Name **and** Ticker or Trading
Symbol
XL CAPITAL LTD [XL]

3. Date of Earliest Transaction
(Month/Day/Year)
08/02/2006

4. If Amendment, Date Original
Filed(Month/Day/Year)

5. Relationship of Reporting Person(s) to
Issuer

(Check all applicable)

____ Director ____ 10% Owner
__X__ Officer (give title below) ____ Other (specify below)

Executive Vice President

6. Individual or Joint/Group Filing(Check
Applicable Line)
__X__ Form filed by One Reporting Person
____ Form filed by More than One Reporting
Person

Table I - Non-Derivative Securities Acquired, Disposed of, or Beneficially Owned

1. Title of Security (Instr. 3)	2. Transaction Date (Month/Day/Year)	2A. Deemed Execution Date, if any (Month/Day/Year)	3. Transaction Code (Instr. 8)	4. Securities Acquired (A) or Disposed of (D) (Instr. 3, 4 and 5)	5. Amount of Securities Beneficially Owned Following Reported Transaction(s) (Instr. 3 and 4)	6. Ownership Form: Direct (D) or Indirect (I) (Instr. 4)	7. Nature of Indirect Beneficial Ownership (Instr. 4)
			Code	V	Amount	(A) or (D)	Price
Common Shares	08/02/2006		D		1,750	D	<u>11</u> 0
Common Shares	08/02/2006		D		9,000	D	<u>11</u> 0
Common Shares	08/02/2006		D		10,000	D	<u>11</u> 0

Reminder: Report on a separate line for each class of securities beneficially owned directly or indirectly.

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SEC 1474
(9-02)

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number.

Table II - Derivative Securities Acquired, Disposed of, or Beneficially Owned
(e.g., puts, calls, warrants, options, convertible securities)

1. Title of Derivative Security (Instr. 3)	2. Conversion or Exercise Price of Derivative Security	3. Transaction Date (Month/Day/Year)	3A. Deemed Execution Date, if any (Month/Day/Year)	4. Transaction Code (Instr. 8)	5. Number of Derivative Securities Acquired (A) or Disposed of (D) (Instr. 3, 4, and 5)	6. Date Exercisable and Expiration Date (Month/Day/Year)		7. Title and Amount of Underlying Securities (Instr. 3 and 4)	
				Code	V (A) (D)	Date Exercisable	Expiration Date	Title	Amount or Number of Shares
Stock Option (Employee Right to Buy)	\$ 73	08/02/2006		D	20,000	<u>(2)</u>	12/04/2008	Common Shares	20,000
Stock Option (Employee Right to Buy)	\$ 80	08/02/2006		D	50,000	<u>(2)</u>	03/09/2011	Common Shares	50,000
Stock Option (Employee Right to Buy)	\$ 93	08/02/2006		D	65,000	<u>(2)</u>	03/08/2012	Common Shares	65,000
Stock Option (Employee Right to Buy)	\$ 68.62	08/02/2006		D	40,000	<u>(2)</u>	03/07/2013	Common Shares	40,000
Stock Option (Employee Right to Buy)	\$ 77.1	08/02/2006		D	50,000	<u>(2)</u>	03/05/2014	Common Shares	50,000
Stock Option (Employee Right to Buy)	\$ 75.48	08/02/2006		D	80,000	<u>(2)</u>	03/04/2015	Common Shares	80,000
Stock Option	\$ 75.95	08/02/2006		D	75,000	<u>(2)</u>	01/05/2015	Common Shares	75,000

(Employee
Right to
Buy)

Reporting Owners

Reporting Owner Name / Address	Relationships			
	Director	10% Owner	Officer	Other
GIORDANO PAUL S 1221 AVENUE OF THE AMERICAS NEW YORK, NY 10020-1001			Executive Vice President	

Signatures

/s/ Sarah Fox, Attorney-in-fact for Paul S.
Giordano

08/03/2006

__Signature of Reporting Person

Date

Explanation of Responses:

- * If the form is filed by more than one reporting person, *see* Instruction 4(b)(v).
- ** Intentional misstatements or omissions of facts constitute Federal Criminal Violations. *See* 18 U.S.C. 1001 and 15 U.S.C. 78ff(a).
- (1) The securities were cancelled by mutual agreement of the reporting person and the Issuer and, in substitution therefor, the reporting person received securities of Security Capital Assurance Ltd.
Each of the options provided for vesting in three (or four in the case of options granted after calendar year 2002) equal annual
- (2) installments beginning on the first anniversary of the date of grant (which, in each case, was ten years prior to the expiration date of the option).

Note: File three copies of this Form, one of which must be manually signed. If space is insufficient, *see* Instruction 6 for procedure.
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