

Bell David  
 Form 4  
 February 22, 2011

**FORM 4**

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

OMB APPROVAL

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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

(Print or Type Responses)

1. Name and Address of Reporting Person \*  
 Bell David

2. Issuer Name and Ticker or Trading Symbol  
 Allied World Assurance Co Holdings, AG [AWH]

5. Relationship of Reporting Person(s) to Issuer  
 (Check all applicable)

(Last) (First) (Middle)  
 ALLIED WORLD ASSURANCE CO. HOLDINGS, AG, LINDENSTRASSE 8  
 (Street)

3. Date of Earliest Transaction (Month/Day/Year)  
 02/21/2011

\_\_\_\_ Director  
 Officer (give title below)  
 \_\_\_\_ 10% Owner  
 \_\_\_\_ Other (specify below)  
 COO

BAAR/ZUG, V8 CH-6340  
 (City) (State) (Zip)

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

6. Individual or Joint/Group Filing(Check Applicable Line)  
 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) |
|---------------------------------|--------------------------------------|--|--------------------------------|---|---|--|---|
| Common Shares                   | 02/21/2011                           |  | A                              | (A)<br>or<br>(D)<br>V Amount Price<br>21,000 (1) A \$ 0           | 49,116 (2)  | D  |   |
| Common Shares                   | 02/22/2011                           |  | M                              | 750 A \$ 0 (3)  | 49,866  | D  |   |
| Common Shares                   | 02/22/2011                           |  | D                              | \$ 62.0515 (4)<br>300 D   | 49,566  | D  |   |

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

Persons who respond to the collection of information contained in this form are not required to respond unless the form displays a currently valid OMB control number.

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(9-02)

**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 Security (Instr. 3 and 4) |
|--|--|--------------------------------------|--|--------------------------------|---|--|---|
| Restricted Stock Units                     | (3)  | 02/22/2011                           |  | M                              | 750<br>(3)  | 02/22/2011 <sup>(5)</sup> 02/22/2014 <sup>(5)</sup>      | Common Shares 75  |
| Restricted Stock Units                     | (6)  | 02/22/2011                           |  | A                              | 1,290<br>(6)  | (7) (7)  | Common Shares 1   |
| Employee Stock Option (right to buy)       | \$ 61.51   | 02/22/2011                           |  | A                              | 4,890   | (7) (7)  | Common Shares 4   |

## Reporting Owners

| Reporting Owner Name / Address   | Relationships |           |         |       |
|--|---------------|-----------|---------|-------|
|  | Director      | 10% Owner | Officer | Other |
| Bell David<br>ALLIED WORLD ASSURANCE CO. HOLDINGS, AG<br>LINDENSTRASSE 8<br>BAAR/ZUG, V8 CH-6340 |               |           | COO     |       |

## Signatures

/s/ Wesley D. Dupont, by Power of Attorney 02/22/2011

\_\_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).
  - Represents the Company's Common Shares that were earned pursuant to a 2008 LTIP award for no monetary consideration and which
  - (1) vested at 150% of target based on the achievement of pre-established performance criteria during the applicable three-year performance period established under the Company's Third Amended and Restated Long-Term Incentive Plan.
  - (2) Includes 366 Common Shares acquired on December 31, 2010 pursuant to the Company's Amended and Restated 2008 Employee Share Purchase Plan.
    - On February 22, 2010, the reporting person was granted 3,000 Restricted Stock Units for no monetary consideration. The Restricted
    - (3) Stock Units convert into (i) 1,800 of the Company's Common Shares and (ii) cash equal to the market value of 1,200 Common Shares (measured at the date of vesting) upon the vesting of such Restricted Stock Units.
    - (4) The fair market value of the cash portion was determined using the daily volume-weighted average sales price of the Company's Common Shares for the five consecutive trading days up to and including February 22, 2011.
    - (5) The Restricted Stock Units vest in four equal installments with the first installment vesting on February 22, 2011.
      - Grant of Restricted Stock Units for no monetary consideration. 1,290 Restricted Stock Units convert into (i) 645 of the Company's
      - (6) Common Shares and (ii) cash equal to the market value of 645 Common Shares (measured at the date of vesting) upon the vesting of such Restricted Stock Units.
      - (7) The Restricted Stock Units and Employee Stock Options vest in four equal installments with the first installment vesting on February 22, 2012.

Note: File three copies of this Form, one of which must be manually signed. If space is insufficient, *see* Instruction 6 for procedure. Potential persons who are to respond to the collection of information contained in this form are not required to respond unless the form displays a currently valid OMB number.