

Sills Stephen Jay
Form 4
October 21, 2008

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
Number: 3235-0287
Expires: January 31,
2005
Estimated average
burden hours per
response... 0.5

(Print or Type Responses)

1. Name and Address of Reporting Person *
Sills Stephen Jay

2. Issuer Name **and** Ticker or Trading
Symbol
Darwin Professional Underwriters
Inc [DR]

5. Relationship of Reporting Person(s) to
Issuer

(Check all applicable)

(Last) (First) (Middle)

9 FARM SPRINGS ROAD

(Street)

FARMINGTON, CT 06032

(City) (State) (Zip)

3. Date of Earliest Transaction
(Month/Day/Year)
10/20/2008

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

☒ Director ☐ 10% Owner
☒ Officer (give title below) ☐ Other (specify below)

President and CEO

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 Stock	10/20/2008		D ⁽¹⁾	Amount 295,404 ⁽²⁾	D \$ 32 0	D	
Common Stock	10/20/2008		D ⁽¹⁾	420,000	D \$ 32 0	I	by trusts ⁽³⁾
Common Stock	10/20/2008		D	7,506	D \$ 32 0	I	By reporting person as custodian under UTMA account for child

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

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SEC 1474
(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 Securities (Instr. 3 and 4)
				Code	V (A) (D)	Date Exercisable Expiration Date	Title Amount or Number of Shares
Employee stock options	\$ 22.56	10/20/2008		D	23,335	<u>(4)</u> 02/27/2018	common stock 23,335
employee stock options	\$ 25.3	10/20/2008		D	14,365	<u>(6)</u> 02/23/2017	common stock 14,365
employee stock options	\$ 16	10/20/2008		D	57,787	<u>(7)</u> 05/19/2016	common stock 57,728

Reporting Owners

Reporting Owner Name / Address	Relationships			
	Director	10% Owner	Officer	Other
Sills Stephen Jay 9 FARM SPRINGS ROAD FARMINGTON, CT 06032	X		President and CEO	

Signatures

Stephen J. Sills by Timothy J. Curry
attorney-in-fact 10/21/2008

__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)

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Disposed of pursuant to the Agreement and Plan of Merger, dated as of June 27, 2008, by and among Darwin Professional Underwriters, Inc. (the "Company"), Allied World Assurance Company Holdings, Ltd and Allied World Merger Company (the "Merger Agreement"), in exchange for a cash payment of \$32.00 per share of the Company's common stock (the "Common Stock") held by the reporting person.

- (2) Total includes restricted shares of Common Stock which were accelerated and converted into right to receive \$32.00 per share in cash pursuant to the Merger Agreement.
- (3) Had been held by grantor annuity trusts (2006 GRAT, 2007 GRAT and 2008 GRAT), as to each of which the reporting person is the sole trustee.
- (4) These options, which provided for vesting in four equal installments beginning on 02/27/2008, were cancelled pursuant to the Merger Agreement in exchange for cash payment representing the difference between the exercise price and \$32.00 per share, the merger consideration under the Merger Agreement.
- (5) Employee stock options previously granted under the Company's 2006 Stock Incentive Plan (the "Plan"), exercisable at a fair market value determined in accordance with the Plan.
- (6) These options, which provided for vesting in four equal installments beginning on 02/23/2007, were cancelled pursuant to the Merger Agreement in exchange for cash payment representing the difference between the exercise price and \$32.00 per share, the merger consideration under the Merger Agreement.
- (7) These options, which provided for vesting in four equal installments beginning on 05/19/2006, were cancelled pursuant to the Merger Agreement in exchange for cash payment representing the difference between the exercise price and \$32.00 per share, the merger consideration under the Merger Agreement.

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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