XL CAPITAL LTD Form 4

December 08, 2005

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

STATEMENT OF CHANGES IN BENEFICIAL OWNERSHIP OF

OMB Number:

3235-0287

Expires:

January 31, 2005

0.5

Estimated average burden hours per

OMB APPROVAL

response...

if no longer subject to Section 16. Form 4 or Form 5

obligations

may continue.

See Instruction

Check this box

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

1(b).

(Print or Type Responses)

1. Name and Address of Reporting Person * ESPOSITO MICHAEL P JR

2. Issuer Name and Ticker or Trading Symbol

5. Relationship of Reporting Person(s) to Issuer

XL CAPITAL LTD [XL]

(Check all applicable)

below)

(Last)

(Middle)

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

_X__ Director X_ Officer (give title

10% Owner Other (specify

235 L'AMBIANCE DRIVE, SUITE

(Street)

(First)

706. LONGBOAT KEY

4. If Amendment, Date Original

6. Individual or Joint/Group Filing(Check

Chairman

Filed(Month/Day/Year)

12/06/2005

Applicable Line)

X Form filed by One Reporting Person Form filed by More than One Reporting

Person

below)

SARASOTA, FL 34228-8909

1. Title of 2. Transaction Date 2A. Deemed

(State)

Table I - Non-Derivative Securities Acquired, Disposed of, or Beneficially Owned 3. 4. Securities

5. Amount of

6. Ownership 7. Nature of

Security (Instr. 3)

(City)

(Month/Day/Year)

Execution Date, if

(Month/Day/Year)

(Zip)

TransactionAcquired (A) or Code Disposed of (D) (Instr. 3, 4 and 5) (Instr. 8)

Securities Beneficially Owned Following

Form: Direct Indirect (D) or Indirect Beneficial Ownership (T) (Instr. 4)

(A)

Reported Transaction(s)

(Instr. 3 and 4) Code V Amount (D) Price

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.

SEC 1474 (9-02)

(Instr. 4)

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

1. Title of Derivative Conversion Security or Exercise

3. Transaction Date 3A. Deemed (Month/Day/Year)

Execution Date, if any

4. 5. Number of TransactionDerivative Code Securities

6. Date Exercisable and **Expiration Date** (Month/Day/Year)

7. Title and Amount of **Underlying Securities** (Instr. 3 and 4)

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(Instr. 3)	Price of Derivative Security		(Month/Day/Year)	(Instr.	8)	Acquired (A) or Disposed of (D) (Instr. 3, 4, and 5)					
				Code	V	(A)	(D)	Date Exercisable	Expiration Date	Title	Amount or Number of Shares
Equity Units	\$ 25	12/06/2005		P		20,000		12/06/2005	02/15/2009	Class A Common Shares	20,000

Reporting Owners

Reporting Owner Name / Address	Relationships						
1 0	Director	10% Owner	Officer	Other			
ESPOSITO MICHAEL P JR 235 L'AMBIANCE DRIVE SUITE 706, LONGBOAT KEY SARASOTA, FL 34228-8909	X		Chairman				

Signatures

Michael P. 12/08/2005 Esposito, Jr. **Signature of Reporting Date

Person

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).

Each purchase contract is part of an Equity Security Unit acquired for \$25 per Unit. Each Unit consists of (i) a contract to purchase Class A common shares and (ii) a 2.5% ownership interest in a senior note of the issuer with a principal amount of \$1,000. Each purchase

contract obligates the holder to purchase (and the issuer to sell), on February 15, 2009 for \$25, between 0.3102 and 0.3846 Class A common shares, depending on the market value of the shares ("settlement rate"). Subject to certain conditions, a holder may settle a purchase contract for cash at any time before the thirtieth business day prior to February 15, 2009 in exchange for 0.3102 Class A common shares per purchase contract. The issuer may, under certain circumstances, fix the settlement rate prior to February 15, 2009.

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.

Reporting Owners 2