

Knight W. Gordon
 Form 4
 February 24, 2012

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

OMB APPROVAL

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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 *
 Knight W. Gordon

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)
 Director 10% Owner
 Officer (give title below) Other (specify below)
 President, AWACUS & AWNAC

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

3. Date of Earliest Transaction (Month/Day/Year)
 02/22/2012

BAAR/ZUG, V8 CH-67340
 (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	02/22/2012		A	(A) or (D) 22,500 (1)	\$ 0	49,468 (2)	D
Common Shares	02/22/2012		M	696	\$ 0 (3)	50,164	D
Common Shares	02/22/2012		M	2,200	\$ 0 (4)	52,364	D
Common Shares	02/22/2012		D	1,228	\$ 66.8906 (5)	51,136	D

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Common Shares 02/22/2012 F 11,433⁽⁶⁾ D \$ 66.88 39,703 D

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

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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 Securities (Instr. 3 and 4)	8. Amount or Number of Shares
Restricted Stock Units	<u>(3)</u>	02/22/2012		M	696 <u>(3)</u>	<u>(7)</u> <u>(7)</u>	Common Shares	696 <u>(3)</u>
Restricted Stock Units	<u>(4)</u>	02/22/2012		M	2,200 <u>(4)</u>	<u>(8)</u> <u>(8)</u>	Common Shares	2,200 <u>(4)</u>
Restricted Stock Units	<u>(9)</u>	02/22/2012		A	5,471 <u>(9)</u>	<u>(10)</u> <u>(10)</u>	Common Shares	5,471 <u>(9)</u>

Reporting Owners

Reporting Owner Name / Address

Relationships

Director 10% Owner Officer Other

Knight W. Gordon
ALLIED WORLD ASSURANCE CO. HOLDINGS,
AG
LINDENSTRASSE 8
BAAR/ZUG, V8 CH-67340

President, AWACUS &
AWNAC

Signatures

/s/ Wesley D. Dupont, by Power of Attorney

02/24/2012

 **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) Represents the Company's Common Shares that were earned pursuant to a 2009 LTIP award for no monetary consideration and which 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 365 Common Shares acquired on June 30, 2011 and 51 Common Shares acquired on December 31, 2011 pursuant to the Company's Amended and Restated 2008 Employee Share Purchase Plan.
- (3) On February 22, 2011, the reporting person was granted 2,790 Restricted Stock Units for no monetary consideration. The Restricted Stock Units convert into (i) 1,395 of the Company's Common Shares and (ii) cash equal to the market value of 1,395 Common Shares (measured at the date of vesting) upon the vesting of such Restricted Stock Units.
- (4) On February 22, 2010, the reporting person was granted 8,800 Restricted Stock Units for no monetary consideration. The Restricted Stock Units convert into (i) 5,280 of the Company's Common Shares and (ii) cash equal to the market value of 3,520 Common Shares (measured at the date of vesting) upon the vesting of such Restricted Stock Units.
- (5) 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, 2012.
- (6) Exclusively represents shares withheld by the Company with respect to the payment of withholding tax liability incurred upon the vesting of performance-based awards and/or Restricted Stock Units.
- (7) The Restricted Stock Units vest in four equal installments with the first installment vesting on February 22, 2012.
- (8) The Restricted Stock Units vest in four equal installments with the first installment vesting on February 22, 2011.
- (9) Grant of Restricted Stock Units for no monetary consideration. 5,471 Restricted Stock Units convert into (i) 1,094 Common Shares of the Company and (ii) cash equal to the market value of 4,377 Common Shares (measured at the date of vesting) upon the vesting of such Restricted Stock Units.
- (10) The Restricted Stock Units vest in four equal installments with the first installment vesting on February 22, 2013.

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.