

Security Capital Assurance Ltd
Form SC 13G/A
February 11, 2008

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

SCHEDULE 13G
(Amendment No.1)

Under the Securities Exchange Act of 1934

Security Capital Assurance Ltd

(Name of Issuer)

Common Shares, par value \$0.01 per share

(Title of Class of Securities)

G8018D107

(CUSIP Number)

June 12, 2007

(Date of Event which Requires Filing of this Statement)

Check the appropriate box to designate the rule pursuant

to which this Schedule is filed:

- Rule 13d-1(b)
- Rule 13d-1(c)
- Rule 13d-1(d)

*The remainder of this cover page shall be filled out for a reporting person's initial filing on this form with respect to the subject class of securities, and for any subsequent amendment containing information which would alter the disclosures provided in a prior cover page.

The information required in the remainder of this cover page shall not be deemed to be "filed" for the purpose of Section 18 of the Securities Exchange Act of 1934 ("Act") or otherwise subject to the liabilities of that section of the Act but

shall be subject to all other provisions of the Act (however, see the Notes).

CUSIP No. G8018D107

1. Names of Reporting Persons.

I.R.S. Identification Nos. of above persons (entities only).

XL Capital Ltd

2. Check the Appropriate Box if a Member of a Group

(See
Instructions)

(a)

(b)

3. SEC Use Only

4. Citizenship or Place of Organization

Cayman Islands

5. Sole Voting Power

0

6. Shared Voting Power

30,069,049 (see Item 4)

7. Sole Dispositive Power

0

8. Shared Dispositive Power

30,069,049 (see Item 4)

9. Aggregate Amount Beneficially Owned by Each Reporting Person

30,069,049

10. Check box if the Aggregate Amount in Row (9) Excludes

Certain Shares (See
Instructions)

11. Percent of Class Represented by Amount in Row (9)

46.8% (see Item 4)

12. Type of Reporting Person (See Instructions)

CO

CUSIP No. G8018D107

1. Names of Reporting Persons.

I.R.S. Identification Nos. of above persons (entities only).

XL Insurance (Bermuda) Ltd

2. Check the Appropriate Box if a Member of a Group

(See
Instructions)

(a)

(b)

3. SEC Use Only

4. Citizenship or Place of Organization

Bermuda

5. Sole Voting Power

0

6. Shared Voting Power

30,069,049 (see Item 4)

7. Sole Dispositive Power

0

8. Shared Dispositive Power

30,069,049 (see Item 4)

9. Aggregate Amount Beneficially Owned by Each Reporting Person

30,069,049

10. Check box if the Aggregate Amount in Row (9) Excludes

Certain Shares (See
Instructions)

11. Percent of Class Represented by Amount in Row (9)

46.8% (see Item 4)

12. Type of Reporting Person (See Instructions)

CO

Item 1(a). Name of Issuer:

Security Capital Assurance Ltd (the "Issuer")

Item 1(b). Address of Issuer's Principal Executive Offices:

26 Reid Street
Hamilton HM 11, Bermuda

Item 2(a). Name of Person Filing:

This statement is filed jointly by each of the following persons pursuant to Rule 13d-1(k) promulgated by the Securities and Exchange Commission (the "SEC") under Section 13 of the Act:

- (i) XL Capital Ltd; and
- (ii) XL Insurance (Bermuda) Ltd (collectively the "Reporting Persons").

XL Insurance (Bermuda) Ltd, a Bermuda corporation, is the record owner of 30,069,049 shares of the Issuer's common shares, par value \$0.01 per share (the "Common Shares"). XL Insurance (Bermuda) Ltd is a wholly owned subsidiary of XL Capital Ltd, a Cayman Islands exempted company.

Item 2(b). Address of Principal Business Office:

The Address of the Principal Business Office of each Reporting Person is:

XL House
One Bermudiana Road
Hamilton HM 11, Bermuda

Item 2(c). Citizenship:

- (i) XL Capital Ltd — Cayman Islands
- (ii) XL Insurance (Bermuda) Ltd — Bermuda

Item 2(d). Title of Class of Securities:

Issuer's Common Shares, par value \$0.01 per share.

Item 2(e). CUSIP Number:

G8018D107

Item 3. Not applicable.

Item 4. Ownership:

- (a) Amount beneficially owned by each Reporting Person:

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| | |
|---------------------------------|-------------|
| (i) XL Capital Ltd | 30,069,049* |
| (ii) XL Insurance (Bermuda) Ltd | 30,069,049 |

* As of August 4, 2006, the date of the completion of the Issuer's initial public offering and concurrent secondary offering by the Reporting Persons, the Reporting Persons owned 40,696,471 of the Issuer's Common Shares which represented approximately a 63 percent economic interest in the Issuer, adjusted for restricted share awards to the Issuer's employees and management made at the effective date of the initial public offering. In June 2007, the Reporting Persons sold an additional 10,627,422 Common Shares of the Issuer from their holdings (including 947,400 Common Shares pursuant to the exercise of an over-allotment option granted to underwriters). As of the date hereof, the amount beneficially owned by XL Capital Ltd consists of the 30,069,049 Common Shares owned by XL Insurance (Bermuda) Ltd.

(b) Percent of class:

| | |
|---------------------------------|--------|
| (i) XL Capital Ltd | 46.8%* |
| (ii) XL Insurance (Bermuda) Ltd | 46.8%* |

*These figures are calculated based on 64,182,756 Common Shares issued and outstanding as of November 13, 2007 (not including 1,119,057 restricted common shares issued to management as of September 30, 2007), as reported in the Issuer's Form 10-Q for the quarter ended September 30, 2007.

(c)

XL Capital Ltd

Number of shares as to which such person has:

| | |
|---|---------------|
| (i) sole power to vote or to direct the vote: | 0 |
| (ii) shared power to vote or to direct the vote: | 30,069,049 ** |
| (iii) sole power to dispose or to direct the disposition of: | 0 |
| (iv) shared power to dispose or to direct the disposition of: | 30,069,049 |

XL Insurance (Bermuda) Ltd

Number of shares as to which such person has:

| | |
|---|------------|
| (i) sole power to vote or to direct the vote: | 0 |
| (ii) shared power to vote or to direct the vote: | 30,069,049 |
| (iii) sole power to dispose or to direct the disposition of: | 0 |
| (iv) shared power to dispose or to direct the disposition of: | 30,069,049 |

Item 5. Ownership of Five Percent or Less of a Class:

Not Applicable

Item 6. Ownership of More than Five Percent on Behalf of Another Person:

Not Applicable

Item Identification and Classification of the Subsidiary Which Acquired the Security Being Reported on by the
7. Parent Holding Company or Control Person:

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See Exhibit A hereto (incorporated by reference to Schedule 13G filed with the Commission May 11, 2007).

Item 8. Identification and Classification of Members of the Group:

See Exhibit A hereto (incorporated by reference to Schedule 13G filed with the Commission May 11, 2007).

Item 9. Notice of Dissolution of Group:

Not Applicable

Item 10. Certifications:

Not Applicable

SIGNATURES

After reasonable inquiry and to the best of my knowledge and belief, I certify that the information set forth in this statement is true, complete and correct.

Dated: February 11, 2008

XL CAPITAL LTD

By: /s/ Kirstin Romann
Gould
Name: Kirstin Romann
Gould
Title: Secretary

XL INSURANCE
(BERMUDA) LTD

By: /s/ Kirstin Romann
Gould
Name: Kirstin Romann
Gould
Title: Secretary