

HCC INSURANCE HOLDINGS INC/DE/

Form 4

January 06, 2006

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
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(Print or Type Responses)

1. Name and Address of Reporting Person *
KELBEL CRAIG J

(Last) (First) (Middle)

13403 NORTHWEST
FREEWAY, C/O HCC
INSURANCE HOLDINGS

(Street)

HOUSTON, TX 77040

(City) (State) (Zip)

2. Issuer Name **and** Ticker or Trading
Symbol
**HCC INSURANCE HOLDINGS
INC/DE/ [HCC]**

3. Date of Earliest Transaction
(Month/Day/Year)
01/04/2006

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

5. Relationship of Reporting Person(s) to
Issuer

(Check all applicable)

____ Director ____ 10% Owner
X Officer (give title below) ____ Other (specify below)
Executive Vice President

6. Individual or Joint/Group Filing(Check
Applicable Line)
X 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)
			Code	V	Amount	(A) or (D)	Price
Common Stock	01/04/2006		M		37,500	A	\$ 16.8
Common Stock	01/04/2006		S		37,500	D	\$ 29.9558

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

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SEC 1474
(9-02)

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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
Option to Purchase (1)	\$ 23.7					(2) 12/31/2010	Common Stock 112,500
Option to Purchase (1)	\$ 27.02					(3) 09/28/2011	Common Stock 100,000
Option to Purchase (4)	\$ 16.8	01/04/2006		M	37,500	(5) 12/31/2007	Common Stock 150,000

Reporting Owners

Reporting Owner Name / Address	Relationships			
	Director	10% Owner	Officer	Other
KELBEL CRAIG J 13403 NORTHWEST FREEWAY C/O HCC INSURANCE HOLDINGS HOUSTON, TX 77040			Executive Vice President	

Signatures

Christopher L. Martin as Attorney-in-Fact for Craig J. Kelbel 01/06/2006

__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) Option to purchase granted pursuant to the 2004 Flexible Incentive Plan.

(2) The options vest equally annually over a 3 year period beginning 12/31/06.

(3) The options vest equally annually over a five year period beginning 09/28/06.

(4) Option to purchase granted pursuant to the 2001 Flexible Incentive Plan.

(5) The options vest equally annually over a 4 year period beginning 01/01/03.

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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