

HCC INSURANCE HOLDINGS INC/DE/

Form 4

August 10, 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 *
Nagji Farid

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

5. Relationship of Reporting Person(s) to
Issuer

(Check all applicable)

(Last) (First) (Middle)
13403 NORTHWEST FREEWAY
(Street)

3. Date of Earliest Transaction
(Month/Day/Year)
08/08/2006

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

HOUSTON, TX 77040

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

6. Individual or Joint/Group Filing(Check
Applicable Line)
____X____ Form filed by One Reporting Person
____ Form filed by More than One Reporting
Person

(City) (State) (Zip)

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	08/08/2006		M		12,000	A	\$ 19.8
Common Stock	08/08/2006		S		12,000	D	\$ 32.1524

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

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information contained in this form are not
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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)		8. Amount or Number of Shares	
				Code	V	(A)	(D)	Date Exercisable	Expiration Date	Title	Amount or Number of Shares
Option to Purchase <u>(1)</u>	\$ 15.46							<u>(2)</u>	01/28/2011	Common Stock	52,500
Option to Purchase <u>(3)</u>	\$ 25.88							<u>(4)</u>	07/22/2011	Common Stock	75,000
Option to Purchase <u>(3)</u>	\$ 31.91							<u>(5)</u>	05/12/2011	Common Stock	25,000
Option to Purchase <u>(1)</u>	\$ 19.8	08/08/2006		M		12,000		<u>(6)</u>	08/03/2010	Common Stock	30,000

Reporting Owners

Reporting Owner Name / Address	Relationships
	Director 10% Owner Officer Other
Nagji Farid 13403 NORTHWEST FREEWAY HOUSTON, TX 77040	Executive Vice President

Signatures

Christopher L. Martin as Attorney-in-Fact for Farid
Nagji
08/10/2006

**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 2001 Flexible Incentive Plan.
- (2) Options vest annually equally over a 7 year period beginning 01/28/2004 @ 7,500 shares per year.
- (3) Option to purchase granted prusuant to the 2004 Flexible Incentive Plan.

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- (4) Options vest annually equally over a 5 year period beginning 07/22/2006 @ 15,000 shares per year.
- (5) Options vest annually equally over a 3 year period beginning 05/12/2007 @ 8,334 shares per year.
- (6) Options vest annually equally over a 5 year period beginning 08/03/2005 @ 6,000 shares per year.

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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