

KELBEL CRAIG J
Form 4
September 16, 2010

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)

C/O HCC INSURANCE
HOLDINGS, INC., 13403
NORTHWEST FREEWAY

(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)
09/15/2010

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)
Common Stock				(A) or (D)	Price		
			Code	V	Amount		
Common Stock	09/15/2010		M		40,000	A	\$ 23.83
							81,065
Common Stock	09/15/2010		S		40,000	D	\$ 26.3162
							(1)

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

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SEC 1474
(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)
				Code	V (A) (D)	Date Exercisable Expiration Date	Title Amount or Number of Shares
Option to Purchase <u>(2)</u>	\$ 23.83	09/15/2010		M	40,000	<u>(3)</u> 12/31/2010	Common Stock 112,500
Option to Purchase <u>(2)</u>	\$ 28.53					<u>(4)</u> 09/28/2011	Common Stock 100,000
Option to Purchase <u>(2)</u>	\$ 31.92					<u>(5)</u> 05/09/2012	Common Stock 100,000

Reporting Owners

Reporting Owner Name / Address

Relationships

Director 10% Owner Officer Other

KELBEL CRAIG J
C/O HCC INSURANCE HOLDINGS, INC.
13403 NORTHWEST FREEWAY
HOUSTON, TX 77040

Executive Vice President

Signatures

Randy D. Rinicella as Attorney in Fact for Craig J. Kelbel

09/16/2010

 **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) The price \$26.3162 represents a weighted average of sales prices ranging from \$26.30 to \$26.39. Full information regarding the number of shares sold at each separate price will be provided to the SEC, the issuer or a security holder of the issuer upon request.

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- (2) Option to purchase granted pursuant to the 2004 Flexible Incentive Plan.
- (3) The options vest equally annually over a 3 year period beginning 12/31/06 @ 37,500 shares per year.
- (4) The options vest equally annually over a 5 year period beginning 09/28/06 @ 20,000 shares per year.
- (5) The options vest equally annually over a 4 year period beginning 02/28/08 @ 25,000 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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