

HCC INSURANCE HOLDINGS INC/DE/  
 Form 4  
 August 10, 2006

**FORM 4**

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

OMB APPROVAL

OMB Number: 3235-0287  
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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

(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  
 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)  
 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 (D) Price			
Common Stock	08/08/2006		M	12,000 A \$ 19.8	12,000	D	
Common Stock	08/08/2006		S	12,000 D \$ 32.1524	0	D	

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

**Persons who respond to the collection of information contained in this form are not required to respond unless the form displays a currently valid OMB control number.**

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
<u>(1)</u> Option to Purchase	\$ 15.46					<u>(2)</u>	01/28/2011	Common Stock	52,500
<u>(3)</u> Option to Purchase	\$ 25.88					<u>(4)</u>	07/22/2011	Common Stock	75,000
<u>(3)</u> Option to Purchase	\$ 31.91					<u>(5)</u>	05/12/2011	Common Stock	25,000
<u>(1)</u> Option to Purchase	\$ 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 pursuant 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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