

HCC INSURANCE HOLDINGS INC/DE/  
 Form 4  
 May 27, 2005

**FORM 4**

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

OMB APPROVAL

OMB Number: 3235-0287  
 Expires: January 31, 2005  
 Estimated average burden hours per response... 0.5

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 \*  
 FLAGG JAMES C

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)  
 05/27/2005

Director  10% Owner  
 Officer (give title below)  Other (specify below)

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 Ownership (Instr. 4) |
|---------------------------------|--------------------------------------|--|--------------------------------|---|---|--|-----------------------------------|
|                                 |                                      |  | Code                           | V   | Amount  | (A) or (D)   | Price                             |
| Common Stock                    | 05/27/2005                           |  | M                              |   | 15,000  | A  | \$ 24                             |
| Common Stock                    | 05/27/2005                           |  | S                              |   | 15,000  | D  | \$ 39.5                           |

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>(1)</u>              | \$ 24  | 05/27/2005                           |  | M                              | 15,000  | <u>(2)</u> 03/29/2007                                    | Common Stock 20,000   |
| Option to Purchase <u>(3)</u>              | \$ 24.92   |                                      |  |                                |   | 01/03/2004 01/03/2009                                    | Common Stock 25,000   |
| Option to Purchase <u>(3)</u>              | \$ 25.2  |                                      |  |                                |   | 01/24/2003 01/24/2008                                    | Common Stock 12,500   |
| Option to Purchase <u>(3)</u>              | \$ 32  |                                      |  |                                |   | 12/20/2005 12/20/2009                                    | Common Stock 12,500   |

## Reporting Owners

| Reporting Owner Name / Address                                | Relationships |           |         |       |
|---|---------------|-----------|---------|-------|
|   | Director      | 10% Owner | Officer | Other |
| FLAGG JAMES C<br>13403 NORTHWEST FREEWAY<br>HOUSTON, TX 77040 |               |           | X       |       |

## Signatures

Edward H. Ellis, Jr. as Attorney-in-Fact for James C. Flagg  
 Signature: \_\_\_\_\_ Date: 05/27/2005

\*\*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 1996 Non-Employee Director Stock Option Plan.
- (2) The options vest over a 36-month period, the aggregate number of shares purchasable as follows: 03/29/02 - 6,666; 03/29/04 - 13,333; 02/29/04 - 20,000.
- (3) Option to purchase granted pursuant to 2001 Flexible Incentive Plan.

## Edgar Filing: HCC INSURANCE HOLDINGS INC/DE/ - Form 4

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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