

HCC INSURANCE HOLDINGS INC/DE/  
Form 4  
March 29, 2006

**FORM 4**

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

OMB APPROVAL

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**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)

3. Date of Earliest Transaction (Month/Day/Year)  
03/27/2006

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

(Street)

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	03/27/2006		M		7,500	A	\$ 16
Common Stock	03/27/2006		M		2,500	A	\$ 16.61
Common Stock	03/27/2006		S		10,000	D	\$ 34
					0		0

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

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SEC 1474 (9-02)

number.

**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
<u>(1)</u> Option to Purchase	\$ 16.8					01/24/2003 01/24/2008	Common Stock	18,750
<u>(1)</u> Option to Purchase	\$ 21.33					12/20/2005 12/20/2009	Common Stock	18,750
<u>(2)</u> Option to Purchase	\$ 30.35					01/05/2007 01/05/2011	Common Stock	12,500
<u>(3)</u> Option to Purchase	\$ 16	03/27/2006		M	7,500	<u>(4)</u> 03/29/2007	Common Stock	30,000
<u>(1)</u> Option to Purchase	\$ 16.61	03/27/2006		M	2,500	01/03/2004 01/03/2009	Common Stock	37,500

## Reporting Owners

Reporting Owner Name / Address	Relationships			
	Director	10% Owner	Officer	Other
FLAGG JAMES C				
		X		

## Signatures

Christopher L. Martin as Attorney-in-Fact for James C. Flagg

03/29/2006

\_\_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) Option to Purchase granted pursuant to the 2004 Flexible Incentive Plan.
- (3) Option to purchase granted pursuant to the 1996 Non-Employee Director Stock Option Plan.
- (4) The options vest over a 36-month period, the aggregate number of shares purchasable as follows: 3/29/02 - 10,000; 3/29/03 - 20,000; 3/29/04 - 30,000.

Note: File three copies of this Form, one of which must be manually signed. If space is insufficient, *see* Instruction 6 for procedure. Potential persons who are to respond to the collection of information contained in this form are not required to respond unless the form displays a currently valid OMB number.