

ELLIS EDWARD H JR  
Form 4  
November 17, 2008

**FORM 4** UNITED STATES SECURITIES AND EXCHANGE COMMISSION  
Washington, D.C. 20549

OMB APPROVAL  
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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 \*  
ELLIS EDWARD H JR

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)  
 Director  10% Owner  
 Officer (give title below)  Other (specify below)  
Executive Vice President & CFO

(Last) (First) (Middle)  
C/O HCC INSURANCE HOLDINGS, INC., 13403 NORTHWEST FREEWAY  
(Street)

3. Date of Earliest Transaction (Month/Day/Year)  
11/14/2008

HOUSTON, TX 77040  
(City) (State) (Zip)

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

**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	11/14/2008		M	37,500 A \$ 16.8	117,500	D	
Common Stock	11/14/2008		S	37,500 D \$ 23.3722	80,000	D	
Common Stock					375	I	By Wife

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
<u>(2)</u> Option to Purchase	\$ 16.8	11/14/2008		M	37,500	<u>(3)</u>	01/03/2009	Common Stock	37,500
<u>(4)</u> Option to Purchase	\$ 28.53					<u>(5)</u>	09/28/2011	Common Stock	100,000
<u>(4)</u> Option to Purchase	\$ 33.18					<u>(6)</u>	04/10/2011	Common Stock	50,000
<u>(4)</u> Option to Purchase	\$ 31.92					<u>(7)</u>	05/09/2011	Common Stock	50,000

## Reporting Owners

Reporting Owner Name / Address	Relationships			
	Director	10% Owner	Officer	Other
ELLIS EDWARD H JR C/O HCC INSURANCE HOLDINGS, INC. 13403 NORTHWEST FREEWAY HOUSTON, TX 77040	X		Executive Vice President & CFO	

## Signatures

Randy D. Rinicella as Attorney in Fact for Edward H. Ellis, Jr. 11/17/2008

\_\_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 \$23.3722 represents a weighted average of sales prices ranging from \$23.00 to \$24.00. 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.
- (2) Option to purchase granted pursuant to the 2001 Flexible Incentive Plan.
- (3) The options vest equally annually over a 5 year period beginning 01/03/04 at 7,500 shares per year.
- (4) Option to purchase granted pursuant to the 2004 Flexible Incentive Plan.
- (5) The options vest equally annually over a 4 year period beginning 09/28/06 at 25,000 shares per year.
- (6) The options vest annually over a 3 year period at 16,667, 16,666 and 16,667 each year respectively beginning 04/10/07.
- (7) The options vest annually over a 3 year period at 16,667, 16,666 and 16,667 each year respectively beginning 12/31/07.

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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