

HCC INSURANCE HOLDINGS INC/DE/
Form 8-K
March 14, 2014
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UNITED STATES
SECURITIES AND EXCHANGE COMMISSION

Washington, D.C. 20549

FORM 8-K

CURRENT REPORT PURSUANT
TO SECTION 13 OR 15 (d) OF THE
SECURITIES EXCHANGE ACT OF 1934

Date of report (Date of earliest event reported): **March 11, 2014**

HCC INSURANCE HOLDINGS, INC.

(Exact name of registrant as specified in its charter)

Delaware
(State or other jurisdiction of
incorporation)

001-13790
(Commission File Number)

76-0336636
(I.R.S. Employer
Identification No.)

13403 Northwest Freeway

Houston, Texas 77040

(Address of principal executive offices, including zip code)

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(713) 690-7300

(Registrant's telephone number, including area code)

Check the appropriate box below if the Form 8-K is intended to simultaneously satisfy the filing obligation of the registrant under any of the following provisions:

Written communications pursuant to Rule 425 under the Securities Act (17 CFR 230.425)

Soliciting material pursuant to Rule 14a-12 under the Exchange Act (17 CFR 240.14a-12)

Pre-commencement communications pursuant to Rule 14d-2(b) under the Exchange Act (17 CFR 240.14d-2(b))

Pre-commencement communications pursuant to Rule 13e-4(c) under the Exchange Act (17 CFR 240.13e-4(c))

Item 5.02. Department of Directors or Certain Officers; Election of Directors; Appointment of Certain Officers; Compensatory Arrangements of Certain Officers.

On March 11, 2014, the Compensation Committee (the Committee) of the Board of Directors of HCC Insurance Holdings, Inc. (the Company) adopted the following compensation-related decisions regarding the Company's named executive officers (i.e., those executive officers for whom disclosure was required in the Company's 2013 Proxy Statement):

2013 Annual Incentive Awards

The Committee approved the actual amounts to be paid to certain executive officers, including our named executive officers, for annual incentive awards made in 2013 under the Company's 2008 Flexible Incentive Plan (the 2008 FIP), as follows:

Named Executive Officer	2013 Annual Incentive Award	
Christopher J.B. Williams	\$	4,600,000
Brad T. Irick	\$	610,000
William N. Burke	\$	1,100,000
Barry J. Cook	\$	1,001,400(1)
Craig J. Kelbel	\$	1,600,000

2014 Annual Incentive Award Targets

The Committee designated named executive officers as participants, and established targets and maximums, for annual incentive awards for 2014 under the 2008 FIP, as follows:

Named Executive Officer	2014 Annual Incentive Award Target (% of Base Salary)	2014 Annual Incentive Award Maximum (% of Base Salary)	2014 Annual Incentive Award Maximum (% of Pretax Income)
Christopher J.B. Williams	150%	300%	1.00%
Brad T. Irick	60%	120%	0.25%
William N. Burke	60%	120%	0.50%
Barry J. Cook	60%	120%	0.25%
Craig J. Kelbel	100%	200%	0.30%

Target annual incentive awards are generally expressed as a percentage of a named executive officer's base salary. The actual annual incentive award received by a named executive officer may vary between 0% and 200% of the target award based (i) 70% upon the Company's achievement of certain levels of operating return on equity, growth in book value per share (excluding accumulated other comprehensive income) and GAAP combined ratio, and (ii) 30% upon the named executive officer's achievement of pre-established individual goals. No annual incentive awards will be granted in a given year if the Company's pretax income for such year is less than 50% of the Company's pretax income for the preceding year and in no case will a named executive officer receive an actual annual incentive award payment in excess of the lesser of (i) 200% of the target annual incentive award or (ii) a designated percentage of the Company's pretax income.

2014 Annual Equity Awards

The Committee granted named executive officers annual awards of time-vesting and performance-vesting restricted stock under the 2008 FIP, as follows:

Named Executive Officer	Time-Vesting Restricted Stock Award		Performance-vesting Restricted Stock Award (at Target)	
	(% of Base Salary)	(# of Shares)	(% of Base Salary)	(# of Shares)
Christopher J.B. Williams	100%	22,169	150%	33,253
Brad T. Irick	20%	2,439	40%	4,877
William N. Burke			20%	4,434

(1) Converted from British pounds sterling using an exchange rate of 1.669.

An award of time-vesting restricted stock will vest, assuming continued employment, ratably over a 3-year period beginning on the grant date. Dividends are payable on the time-vesting restricted stock during the vesting period. Between 0% and 200% of the target award of performance-vesting restricted stock will vest, assuming continued employment, on the third anniversary of the grant date based (i) 50% upon the Company's achievement of specified levels of operating return on equity over a 3-year performance period beginning on January 1, 2014 and (ii) 50% upon the Company's total shareholder return as compared to the Company's peer group over the same 3-year performance period. No dividends are payable on the performance-vesting restricted stock prior to vesting.

In addition, the Committee granted additional, discretionary awards of time-vesting and performance-vesting restricted stock under the 2008 FIP, as follows:

Named Executive Officer	Time-Vesting Restricted Stock Award		Performance-vesting Restricted Stock Award (at Target)	
	(Value)	(# of Shares)	(Value)	(# of Shares)
Christopher J.B. Williams	\$ 500,000	11,089		
Brad T. Irick	\$ 20,000	443	\$ 40,000	797
William N. Burke			\$ 100,000	2,217

The discretionary awards of time-vesting and performance-vesting restricted stock have the same terms and conditions as the annual awards of time-vesting and performance-vesting restricted stock, respectively.

SIGNATURE

Pursuant to the requirements of the Securities Exchange Act of 1934, the registrant has duly caused this report to be signed on its behalf by the undersigned hereunto duly authorized.

HCC Insurance Holdings, Inc.

By:

/s/ Alexander M Ludlow
Alexander M Ludlow
Associate General Counsel & Assistant Secretary

DATED: March 14, 2014