HCC INSURANCE HOLDINGS INC/DE/
Form DEF 14A
April 09, 2010

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UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
Washington, D.C. 20549
SCHEDULE 14A

Proxy Statement Pursuant to Section 14(a) of the Securities
Exchange Act of 1934 (Amendment No.)

Filed by the Registrant þ
Filed by a Party other than the Registrant o
Check the appropriate box:

o Preliminary Proxy Statement
o **Confidential, for Use of the Commission Only (as permitted by Rule 14a-6(e)(2))**
þ Definitive Proxy Statement
o Definitive Additional Materials
o Soliciting Material Pursuant to §240.14a-12

HCC Insurance Holdings, Inc.

(Name of Registrant as Specified In Its Charter)

(Name of Person(s) Filing Proxy Statement, if other than the Registrant)

Payment of Filing Fee (Check the appropriate box):

þ No fee required.
o Fee computed on table below per Exchange Act Rules 14a-6(i)(1) and 0-11.

(1) Title of each class of securities to which transaction applies:

(2) Aggregate number of securities to which transaction applies:

(3) Per unit price or other underlying value of transaction computed pursuant to Exchange Act Rule 0-11 (set forth the amount on which the filing fee is calculated and state how it was determined):

(4) Proposed maximum aggregate value of transaction:

(5) Total fee paid:

o Fee paid previously with preliminary materials.

o Check box if any part of the fee is offset as provided by Exchange Act Rule 0-11(a)(2) and identify the filing for which the offsetting fee was paid previously. Identify the previous filing by registration statement number, or the Form or Schedule and the date of its filing.

(1) Amount Previously Paid:

(2) Form, Schedule or Registration Statement No.:

(3) Filing Party:

(4) Date Filed:

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HCC INSURANCE HOLDINGS, INC.
13403 Northwest Freeway
Houston, Texas 77040-6094

NOTICE OF ANNUAL MEETING OF SHAREHOLDERS
To Be Held May 27, 2010, at 9:00 A.M. Houston time

NOTICE IS HEREBY GIVEN that the Annual Meeting of Shareholders of HCC Insurance Holdings, Inc. will be held on Thursday, May 27, 2010, at 9:00 A.M. Houston time, at the Hotel Granduca, 1080 Uptown Park Boulevard, Houston, TX 77056 for the following purposes:

1. To elect the ten directors named in the proxy statement for a one-year term, each to serve until the Annual Meeting of Shareholders in 2011 and until his or her successor is duly elected and qualified.

2. To ratify the appointment of PricewaterhouseCoopers LLP as auditors for 2010.

3. To transact such other business as may properly come before the meeting and any postponement or adjournment thereof.

Our Board of Directors has fixed the close of business on April 5, 2010 as the record date for determining those shareholders who are entitled to notice of, and to vote at, the Annual Meeting of Shareholders. A list of such shareholders will be open to examination by any shareholder at the annual meeting and for a period of ten days prior to the date of the annual meeting during ordinary business hours at 13403 Northwest Freeway, Houston, Texas. A copy of the Annual Report of HCC Insurance Holdings, Inc. for the year ended December 31, 2009 is enclosed.

By Order of the Board of Directors,

Randy D. Rinicella,
Senior Vice President, General Counsel and Secretary

Houston, Texas
April 9, 2010

YOUR VOTE IS IMPORTANT. WITHOUT INSTRUCTIONS, YOUR BROKER WILL NO LONGER BE PERMITTED TO VOTE ON YOUR BEHALF ON THE ELECTION OF DIRECTORS. WHETHER OR NOT YOU INTEND TO BE PRESENT AT THE MEETING, PLEASE MARK, SIGN AND DATE THE ENCLOSED PROXY AND RETURN IT IN THE ENCLOSED PREPAID ENVELOPE OR, IF YOU PREFER, SUBMIT YOUR PROXY BY TELEPHONE OR USING THE INTERNET, TO ASSURE THAT YOUR SHARES ARE REPRESENTED AT THE MEETING. IF YOU ATTEND THE MEETING, YOU MAY VOTE IN PERSON IF YOU WISH TO DO SO, EVEN IF YOU HAVE PREVIOUSLY SUBMITTED YOUR PROXY.

Important Notice Regarding the Availability of Proxy Materials for the Stockholders Meeting to Be Held on May 27, 2010:

Our proxy material relating to our 2010 Annual Meeting (notice, proxy statement, proxy and 2009 Annual Report) is available at Investor Relations on our website at http://ir.hcc.com/phoenix.zhtml?c=90423&p=proxy . The proxy card included in these materials contains instructions on how to vote by internet, vote by phone or vote by mail. Specifically, to vote by internet, visit www.proxyvote.com to use the internet to transmit your voting instructions up until 11:59 P.M. Eastern time the day before the cut-off date or meeting date. To vote by phone, use any touch-tone telephone to call 1-800-690-6903 to transmit your voting instructions up until 11:59 P.M. Eastern time the day before the cut-off date or meeting date. To vote by mail, mark, sign and date your proxy card and return it in the postage paid envelope provided or return to Vote Processing, c/o Broadridge, 51 Mercedes Way, Edgewood, NY 11717.

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HCC INSURANCE HOLDINGS, INC.
13403 Northwest Freeway
Houston, Texas 77040-6094

PROXY STATEMENT

ANNUAL MEETING OF SHAREHOLDERS
May 27, 2010

INFORMATION CONCERNING SOLICITATION AND VOTING

This Proxy Statement is first being mailed on or about April 9, 2010 to shareholders of HCC Insurance Holdings, Inc., which is sometimes referred to in this Proxy Statement as HCC, or as we, us, or our, in connection with the solicitation by our Board of Directors of proxies to be voted at the Annual Meeting of Shareholders to be held on Thursday May 27, 2010, at 9:00 A.M. Houston time, at the Hotel Granduca, 1080 Uptown Park Boulevard, Houston, TX 77056, and any postponement or adjournment thereof. A shareholder giving a proxy has the power to revoke the proxy at any time until 11:59 P.M. Eastern time May 26, 2010. Such right of revocation is not limited by or subject to compliance with any formal procedure.

This solicitation is made by HCC, and the cost of soliciting proxies will be borne by HCC. Copies of solicitation material may be furnished to brokers, custodians, nominees and other fiduciaries for forwarding to beneficial owners of shares of our common stock, and normal handling charges may be paid for such forwarding service. Solicitation of proxies may be made by mail, personal interview, telephone and facsimile by our officers and other management employees, who will receive no additional compensation for their services.

Only shareholders of record on our record date of April 5, 2010 will be entitled to vote at the annual meeting, and each share will have one vote. At the close of business on such record date, there were 114,977,844 shares of our common stock outstanding and entitled to vote at the annual meeting.

Quorum and voting requirements are set forth in the Delaware General Corporation Law and our governing documents. A majority of the outstanding shares of our common stock, entitled to vote and represented in person or by proxy, will constitute a quorum at our annual meeting. Abstentions, withhold votes and broker non-votes (described below) are each included in the determination of the number of shares present for purposes of determining the presence of a quorum. The election of directors will be determined by a plurality of the votes cast, which means that the 10 nominees who receive the highest votes will be elected. Withhold votes will not impact the outcome of the election of directors. The affirmative vote of the holders of a majority of the shares of our common stock present in person or represented by proxy at the annual meeting and entitled to vote on the matter is required for the ratification of our independent registered public accounting firm. Abstentions have the effect of an against vote. If you hold your shares in street name through a broker or other nominee, your broker or nominee may not be permitted to exercise voting discretion on some of the items to be acted upon, including the election of our directors. Thus, if you do not give your broker or nominee specific instructions, your shares may not be voted on those items (broker non-votes) and will not be counted in determining the number of shares necessary for approval for each item. Our Board of Directors does not anticipate calling for a vote on any matter other than those described herein.

If you return your signed proxy card but do not mark the boxes indicating how you wish to vote, your shares will be voted FOR the election of each of the director nominees named herein and FOR ratification of the appointment of PricewaterhouseCoopers LLP.

STOCK OWNERSHIP OF MANAGEMENT

The following table sets forth certain information regarding the beneficial ownership of our common stock as of the record date by (a) each of our current and former executive officers named in the Summary Compensation Table whom we refer to as Named Executive Officers, (b) each of our current directors and (c) all of our directors and executive officers as a group.

Name and Address of Beneficial Owner	Amount and Nature of Beneficial Ownership(2)	Percent of Common Stock Outstanding
Directors, Director Nominees, and Other Named Executive Officers(1)		
Judy C. Bozeman	0(3)	*
Frank J. Bramanti	562,465(4)	*
Barry J. Cook	246,210(5)	*
Walter M. Duer	63,217.483(6)	*
Edward H. Ellis, Jr.	215,375(7)	*
James C. Flagg, Ph.D.	21,711(8)	*
Thomas M. Hamilton	4,000(9)	*
Craig J. Kelbel	271,065(10)	*
John N. Molbeck, Jr.	598,174(11)	*
James E. Oesterreicher	10,555	*
Robert A. Rosholt	15,208	*
Michael J. Schell	207,485(12)	*
Christopher J. B. Williams	9,211	*
Scott W. Wise	6,711	*
W. Tobin Whamond	78,809(13)	*
All Directors and executive officers as a group (18 persons)	2,643,752.483(14)	2.27%
Other 5% Beneficial Owners		
BlackRock, Inc. 40 East 52nd Street New York, NY 10022	9,918,800(15)	8.82%

* Less than 1%.

(1) The address for the listed beneficial owners is 13403 Northwest Freeway, Houston, TX 77040-6094.

(2) Directors and executive officers have sole voting and investment powers of the shares shown unless otherwise indicated.

(3) This total does not include 1,482.75 shares of common stock Ms. Bozeman has elected to defer under the HCC Insurance Holdings, Inc. Nonqualified Deferred Compensation Plan for Non-Employee Directors. Although Ms. Bozeman does not currently beneficially own the shares, she has the contractual right to receive them upon

her separation from service with HCC.

(4) Includes 212,500 shares that Mr. Bramanti has the right to acquire upon the exercise of options within 60 days from our record date. Includes 1,125 shares owned of record by Mr. Bramanti s wife in trust for their children and 2,468 shares owned of record by their children. Mr. Bramanti disclaims beneficial ownership of these 3,593 shares.

(5) Includes 210,000 shares that Mr. Cook has the right to acquire upon the exercise of options within 60 days from our record date.

(6) Includes 50,000 shares that Mr. Duer has the right to acquire upon the exercise of options within 60 days from our record date. Includes 2,006.483 shares owned of record by a family limited partnership.

(7) Includes 200,000 shares that Mr. Ellis has the right to acquire upon the exercise of options within 60 days from our record date. Includes 375 shares owned of record by Mr. Ellis wife; Mr. Ellis disclaims beneficial ownership of these shares.

(8) Includes 12,500 shares that Dr. Flagg has the right to acquire upon the exercise of options within 60 days from our record date.

(9) This does not include 5,468.76 shares of common stock Mr. Hamilton has elected to defer under the HCC Insurance Holdings, Inc. Nonqualified Deferred Compensation Plan for Non-Employee Directors. Although Mr. Hamilton does not currently beneficially own the shares, he has the contractual right to receive them upon his separation from service with HCC.

(10) Includes 230,000 shares that Mr. Kelbel has the right to acquire upon the exercise of options within 60 days from our record date.

(11) Includes 362,500 shares that Mr. Molbeck has the right to acquire upon the exercise of options within 60 days from our record date.

(12) Includes 150,000 shares that Mr. Schell has the right to acquire upon the exercise of options within 60 days from our record date.

(13) Includes 20,000 shares that Mr. Whamond has the right to acquire upon the exercise of options within 60 days from our record date.

(14) Includes 1,447,500 shares that all Directors and Named Executive Officers as a group have the right to acquire upon the exercise of options within 60 days from our record date.

(15) Based on a review of a Schedule 13G report filed on January 29, 2010, BlackRock, Inc. beneficially owned 9,918,800 shares as of December 31, 2009 with sole voting power as to 9,918,800 shares, shared voting power as to zero shares, sole dispositive power as to 9,918,800 shares and shared dispositive power as to zero shares.

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PROPOSAL NUMBER 1 ELECTION OF DIRECTORS

Each director elected at our annual meeting will continue to serve until his or her successor is duly elected and qualified at the next annual meeting of shareholders in 2011 or until his or her earlier death, resignation or removal. Each of the nominees is currently a director of HCC. Our Board of Directors has affirmatively determined that each of Ms. Bozeman, Mr. Duer, Dr. Flagg, Mr. Hamilton, Mr. Oesterreicher, Mr. Rosholt, Mr. Williams and Mr. Wise are independent directors, as that term is defined by the New York Stock Exchange (NYSE). Such directors are collectively referenced in this Proxy Statement as the Independent Directors.

Each of the proposed nominees is standing for re-election to our Board of Directors and we believe that each has served our shareholders interests well during his or her tenure as a director. We believe that HCC and its shareholders benefit from the wide variety of industry and professional experience that characterizes the members of our Board of Directors.

The following table presents information concerning persons nominated for election as directors of HCC, including current membership on committees of our Board of Directors, principal occupation or affiliations during the last five years, and certain directorships held during the last five years. Although our Board of Directors does not contemplate that any of the nominees will be unable to serve, if such a situation arises prior to the annual meeting, the Board may reduce the size of the Board accordingly, or the persons named in the enclosed form of Proxy will vote in accordance with their best judgment for any substitute nominee.

When considering whether the Board s directors and nominees have the experience, qualifications, attributes and skills, taken as a whole, to enable the Board to satisfy its oversight responsibilities effectively in light of Company s business and structure, the Board focused primarily on the information discussed in each of the Board members biographical information set forth below.

In particular, with regard to Ms. Bozeman, the Board considered her more than thirty years experience in financial management and analysis. Similarly, with regard to Mr. Bramanti, the Board considered his twenty years in the insurance industry, including his experience as an executive at HCC. As for Mr. Duer, the Board considered his more than forty years of experience as a Certified Public Accountant focusing on the insurance sector. With regard to Dr. Flagg, the Board considered his expertise in economics and his experience as a Certified Public Accountant. With regard to Mr. Hamilton, the Board considered his significant management experience and business background, including international experience, as well as his leadership skills and expertise in corporate governance. As for Mr. Molbeck, the Board considered his extensive experience in the insurance industry, including his services at HCC as President and Chief Executive Officer and, prior to that, as HCC s Chief Operating Officer. With regard to Mr. Oesterreicher, the Board considered his extensive executive management experience as well as his leadership skills. As for Mr. Rosholt, the Board considered his extensive knowledge in finance and experience in the insurance and financial services industries, as well as his significant knowledge of risk management practices. With regards to Mr. Williams, the Board considered his thirty years of industry experience and his distinguished career in the life, accident and health insurance sector as well as his international experience. As for Mr. Wise, the Board considered his extensive knowledge of investment management and finance.

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Information Regarding Nominees for Director

Name	Experience and Qualifications	Age	Served as Director Since
Judy C. Bozeman	Since 1982, Ms. Bozeman serves as Chairman of the Board of Woodway Financial Advisors, A Trust Company, which provides wealth management, estate and trust administration and financial planning, and which currently has trust and investment assets under management in excess of $1.1 billion. As the firm s founder, she also served as President and Chief Executive Officer from 1982 through 2006. Her business experience spans more than 30 years in banking, trust management and financial analysis. Ms. Bozeman is a member of our Compensation and our Investment and Finance Committees. Ms. Bozeman was initially recommended to the Nominating and Corporate Governance Committee by a non-management director and was reviewed by the Committee under the Board s criteria. See Nominating and Corporate Governance Committee Director Nominations.	67	2009
Frank J. Bramanti	Mr. Bramanti is the retired Chief Executive Officer of HCC, a position he held from 2006 to May 2009. Mr. Bramanti has over 20 years experience in the insurance industry. Prior to becoming CEO, Mr. Bramanti had been retired from his position as an Executive Vice President of HCC since the end of 2001. From 1980 until his retirement, he served HCC in various capacities, including director, Secretary, Chief Financial Officer and interim President. Mr. Bramanti is a member of our Investment and Finance Committee and our Enterprise Risk Oversight Committee.	53	1997
Walter M. Duer	Mr. Duer is a Certified Public Accountant and a retired partner in the international accounting firm KPMG LLP, where he was employed from 1968 through 2004. Mr. Duer is a member of our Audit and our Investment and Finance Committees.	63	2004
James C. Flagg, Ph. D.	Dr. Flagg is a Certified Public Accountant and an Associate Professor in the Department of Accounting in the Mays Business School at Texas A&M University, where he has taught since 1988. Dr. Flagg holds a Master of Science in Economics, an M.B.A. and a Ph.D. in Accounting. Dr. Flagg is Chairman of our Audit Committee and a member of our Nominating and Corporate Governance Committee. He is a member of the board of the Texas State Board of Public Accountancy. Until 2007, Dr. Flagg was on the Board of Directors and was also the Audit Committee Chair of EGL, Inc. (Nasdaq symbol: EAGL).	58	2001

Name	Experience and Qualifications	Age	Served as Director Since
Thomas M. Hamilton	Mr. Hamilton has been Co-owner of Medora Investments, a private investment firm, since 2003. He served as the Chairman, President and Chief Executive Officer of EEX Corporation from 1997 until his retirement in 2002. Previously, Mr. Hamilton held various executive positions at other oil and gas companies, including Pennzoil-Quaker State Company, BP p.l.c. and Exxon Mobil Corporation. Mr. Hamilton serves on our Compensation Committee and is the Chairman of our Nominating and Corporate Governance Committee. Mr. Hamilton is a director of FMC Technologies, Inc. (NYSE symbol: FTI), Hercules Offshore, Inc. (Nasdaq symbol: HERO) and Methanex Corporation (Nasdaq symbol; MEOH). He also served as a director of Western Gas Resources (NYSE: WES) from January 2006 August 2006. Subject to his re-election as a director of Methanex Corporation at its annual general meeting of shareholders on April 29, 2010, Mr. Hamilton will become the new Chairman of the Board of Methanex effective May 1, 2010.	66	2008
John N. Molbeck, Jr.	Mr. Molbeck is our President and Chief Executive Officer, a position he assumed in May 2009. Prior to that, from 2006, he served as President and Chief Operating Officer of HCC, a position he previously held from 1997 to 2002. From 2003 through 2005, Mr. Molbeck served as Chief Executive Officer of Jardine Lloyd Thompson LLC, a retail insurance brokerage firm, which was, at the time, a subsidiary of Jardine Lloyd Thompson Group, plc. Prior to initially joining HCC in 1997, Mr. Molbeck had been the Managing Director of Aon Natural Resources Group, a subsidiary of Aon Corporation. Mr. Molbeck is a member of our Investment and Finance Committee and an ex officio member of our Enterprise Risk Oversight Committee. He also serves as a director and officer of several of our subsidiaries.	63	2005
James E. Oesterreicher	Mr. Oesterreicher is the Retired Chairman of the Board of J.C. Penney Company, Inc (NYSE symbol: JCP). He served as Chairman of the Board and Chief Executive Officer from 1997 until 2000, when he retired, and as Vice Chairman and Chief Executive Officer from 1995 to 1997. Mr. Oesterreicher is Chairman of our Compensation Committee and a member of our Nominating and Corporate Governance Committee. Mr. Oesterreicher also serves as a director of Brinker International, Inc. (NYSE symbol: EAT) and on the boards of Texas Health Resources, Circle Ten Council Boy Scouts of America, National March of Dimes Advisory Board and Spina Bifida Birth Defects Foundation.	68	2007

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Name	Experience and Qualifications	Age	Served as Director Since
Robert A. Rosholt	Mr. Rosholt is the former Chief Financial Officer for Nationwide Mutual Insurance Company from 2002 to 2008 when he retired. Prior to joining Nationwide, Mr. Rosholt served as Executive Vice President and Chief of Operations at the risk services unit of Aon Corporation, a leading global provider of risk management services, insurance and reinsurance brokerage and human capital consulting, from 2000 to 2002. Mr. Rosholt also served as Chief Financial Officer at First Chicago Corporation and its successor companies including Bank One, from 1974 to 2000, where he had oversight for capital and asset liability management as well as proprietary investment activities. Mr. Rosholt is a member of our Audit Committee and is Chairman of our Enterprise Risk Oversight Committee. Mr. Rosholt is a director and a member of the Audit Committee and the Nominating and Corporate Governance Committee of Abercrombie & Fitch Co. (NYSE symbol: ANF). Mr. Rosholt is also a member of the advisory board of the Financial Institution Advisory Services of Alvarez and Marsal.	60	2008
Christopher J. B. Williams	Mr. Williams is currently Chairman of Wattle Creek Winery, a position he has held since retiring as National Director for Life, Accident & Health of Willis Re in 2005. He has over 30 years of insurance industry experience. Mr. Williams is the Chairman of our Board of Directors, a position he assumed in 2008. Mr. Williams is a member of our Enterprise Risk Oversight Committee. He also serves as an ex officio member of our Audit, our Compensation, our Nominating and Corporate Governance and our Investment and Finance Committees.	54	2007
Scott W. Wise	Mr. Wise is currently the President of Rice Management Company, effective October 2009, and is the Chief Investment Officer for Rice University, a position he has held since 1989. Mr. Wise is responsible for all endowment matters for Rice University, including asset allocation, selection and management of investment managers, investment performance and endowment spending. Mr. Wise is also responsible for developing and overseeing Rice University s debt financing program. Mr. Wise is Chairman of our Investment and Finance Committee and is a member of our Enterprise Risk Oversight Committee. Until December 31, 2008, Mr. Wise was a Director of The Endowment Fund (an SEC registered investment fund).	60	2008

Our Board of Directors recommends that our shareholders vote FOR each of the proposed nominees.

Information Regarding Executive Officers Who Are Not Nominees for Director

Name	Principal Occupation During the Past Five Years	Age	Served the Company Since
Barry J. Cook	Mr. Cook is an Executive Vice President of International Operations of HCC and is the Chief Executive Officer of HCC Insurance Holdings (International) Limited. Mr. Cook oversees our international operations. From 1992 to 2005, Mr. Cook served as Chief Executive Officer of Rattner Mackenzie Limited, which we acquired in 1999. Mr. Cook also serves as a director and officer of several of our subsidiaries.	49	1999

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Name	Principal Occupation During the Past Five Years	Age	Served the Company Since
Craig J. Kelbel	Mr. Kelbel is Executive Vice President of Life, Accident & Health Operations of HCC and is the President and Chief Executive Officer of HCC Life Insurance Company. Prior to joining us, Mr. Kelbel was the President of USBenefits Insurance Services, Inc. and a Vice President of its parent, The Centris Group, Inc., which was acquired by HCC in 1999. Mr. Kelbel has over 29 years of experience in the insurance industry. Mr. Kelbel also serves as a director and officer of several of our subsidiaries.	55	1999
Cory L. Moulton	Mr. Moulton is Executive Vice President of U.S Property & Casualty Operations of HCC. Mr. Moulton has served as the Chief Executive Officer of our subsidiary Professional Indemnity Agency, Inc., from 2005 to the present. He was previously the General Partner of Tobat Capital, LLC, a venture capital firm that invested in early stage financial services technology companies, from 2000 to 2005, and served in various capacities with E. W. Blanche, an international reinsurance intermediary, including President International Operations, from 1992 to 2000. Mr. Moulton also serves as a director and officer of several of our subsidiaries.	41	2005
Pamela J. Penny	Ms. Penny is Executive Vice President and Chief Accounting Officer of HCC. She previously served as Senior Vice President Finance from 2004 to November 2008. Prior to joining us, Ms. Penny served as Senior Vice President and Controller for Aegis Mortgage Corporation from 2003 to 2004 and served in varying capacities with American International Group, Inc. (formerly American General Corporation), including Senior Vice President & Controller of American General, from 1991 to 2003. She was previously a partner in the international accounting firm KPMG LLP. Ms. Penny is a Certified Public Accountant and also serves as a director and officer of several of our subsidiaries.	55	2004
Randy D. Rinicella	Mr. Rinicella is Senior Vice President, General Counsel and Secretary of HCC. Prior to joining us, Mr. Rinicella was the Vice President, General Counsel and Secretary of Dresser-Rand Group, Inc., a publicly-traded equipment supplier to the worldwide oil, gas, petrochemical and process industries, from 2005 until 2007. Mr. Rinicella was a shareholder at the national law firm of Buchanan Ingersoll PC from 2004 until 2005, where he was a member of the firm s corporate finance & technology practice, and from 2002 to 2004, he was a partner in the law firm of Roetzel & Andress. Mr. Rinicella serves as a director and officer of several of our subsidiaries.	52	2007

Michael J. Schell	Mr. Schell is Executive Vice President and Chief Underwriting Officer of HCC, the Chief Executive Officer of Houston Casualty Company and other of our insurance company subsidiaries, and oversees our domestic surety and credit operations. Prior to joining us in 2002, Mr. Schell was with the St. Paul Companies for 25 years, most recently as President and Chief Operating Officer of St. Paul Re. Mr. Schell also serves as a director and officer of several of our subsidiaries.	59	2002

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Name	Principal Occupation During the Past Five Years	Age	Served the Company Since
W. Tobin Whamond	Mr. Whamond has served as Executive Vice President of HCC since May 2009 and Chief Financial Officer of HCC since August 2009. Prior to joining HCC, Mr. Whamond served in varying capacities with Wachovia Capital Markets, LLC from 2002 to March 2009, including Managing Director, Mergers and Acquisitions Head of Financial Institutions M&A. Prior to 2002, he was employed in the investment banking industry with several firms, including Goldman, Sachs & Co., from 1993 to 2002, CS First Boston Corp., from 1990 to 1993, and Drexel Burnham Lambert, Inc., from 1988 to 1990. Mr. Whamond also serves as a director and officer of several of our subsidiaries.	42	2009

Executive Sessions of the Board of Directors

Independent Directors meet regularly in executive session at each regularly scheduled meeting of our Board of Directors. Christopher J.B. Williams, as the independent Chairman of the Board, serves as the presiding director at each executive session. Our Independent Directors met in executive session five times in 2009.

Communications with Directors

Our Board of Directors has adopted corporate governance guidelines that provide that our shareholders and other interested parties may communicate with one or more of our directors by mail in care of: Randy D. Rinicella, Secretary, HCC Insurance Holdings, Inc., 13403 Northwest Freeway, Houston, Texas 77040-6094. Such communications should specify the intended recipient or recipients. All such communications, other than unsolicited commercial solicitations, will be forwarded to the appropriate director, or directors, for review.

Board Attendance at the Annual Meeting

Our policy is to have our directors attend our annual meeting. Last year, all of our then-serving directors attended the annual meeting.

Code of Business Conduct and Ethics

We have adopted a Code of Business Conduct and Ethics that is applicable to all of our directors, officers and other employees. The Code is posted under the Corporate Governance portion of the Investor Relations section on our website at *www.hcc.com* and is available to any shareholder upon request.

Director Independence

Our Board of Directors has established criteria for determining director independence as set forth in our Corporate Governance Guidelines For the Board of Directors. In particular, no director shall be deemed to be independent unless the Board shall have affirmatively determined that no material relationship exists between such director and HCC other than the director s service as a member of our Board of Directors or any Board committee. In addition, the following criteria apply to determine independence:

- no director who is an employee, or whose immediate family member is an executive officer of HCC, is deemed independent until five years after the end of such employment relationship;

- no director who receives, or whose immediate family member receives, more than $120,000 in any twelve-month period in direct compensation from HCC, other than director and committee fees and pension or other forms of deferred compensation for prior service (provided such compensation is not contingent in any way on continued service), is deemed independent until three years after he or she ceases to receive more than $120,000 in any twelve-month period of such compensation;

no director is independent who (i) is a current partner or employee of a firm that is HCC s internal or external auditor; (ii) has an immediate family member who is a current partner of such firm; (iii) has an immediate family member who is a current employee of such firm and personally works on the HCC s audit; or (iv) was or had an immediate family member who was within the last three years a partner or employee of such firm and personally worked on HCC s audit within that time;

no director who is employed, or whose immediate family member is employed, as an executive officer of another company where any of our present executives serve on that company s compensation committee is deemed independent until three years after the end of such service or the employment relationship;

no director who is an executive officer or an employee, or whose immediate family member is an executive officer, of a company that makes payments to, or receives payments from, HCC for property or services in an amount that, in any single fiscal year, exceeds the greater of $1.0 million or 2% of such other company s consolidated gross revenues, is deemed independent until three years after falling below such threshold;

no director who has a personal services contract with HCC, or any member of HCC s senior management is independent;

no director who is affiliated with a not-for-profit entity that receives significant contributions from HCC is independent;

no director who is employed by a public company at which an executive officer of HCC serves as a director is independent;

no director is independent who received, during calendar years 2004-2007, remuneration, directly or indirectly, as a result of service as, or compensation paid to an entity affiliated with the director that serves as:

an advisor, consultant, or legal counsel to HCC or to a member of HCC s senior management; or

a significant customer or supplier of HCC;

no director who, during calendar years 2004-2007, had any business relationship with HCC for which HCC has been required to make disclosure under Item 404(a) of Regulation S-K (Transactions with Related Persons) is independent provided that transactions disclosed in our 2008 proxy statement are grandfathered into this requirement;

no director who had any relationship described in the first bullet point above or in any of the sixth through the tenth bullet points above with any affiliate of HCC is independent; and

no director who is a member of the immediate family of any person who fails to satisfy the independence requirements described in the first bullet point above or in any of the sixth through the eleventh bullet points above is independent.

In addition, members of our Audit Committee must meet the following additional independence requirements:

no director who is a member of the Audit Committee shall be deemed independent if such director is affiliated with HCC or any of its subsidiaries in any capacity, other than in such director s capacity as a member of our Board of Directors, the Audit Committee or any other Board committee; and no director who is a member of the Audit Committee shall be deemed independent if such director receives, directly or indirectly, any consulting, advisory or other compensatory fee from HCC or any of its subsidiaries, other than fees received in such director s capacity as a member of our Board of Directors, the Audit Committee or any other Board committee, and fixed amounts of compensation under a retirement plan (including deferred compensation) for prior service with HCC (provided such compensation is not contingent in any way on continued service).

Our Board of Directors has affirmatively determined that each of Ms. Bozeman, Mr. Duer, Dr. Flagg, Mr. Hamilton, Mr. Oesterreicher, Mr. Rosholt, Mr. Williams and Mr. Wise meets the criteria for independence set forth above and that all members of the Audit Committee meet the further requirements for independence set forth above.

In 2008, the Board determined that Patrick B. Collins, J. Robert Dickerson, Allan W. Fulkerson, and Michael A.F. Roberts, who did not stand for election at the 2009 Annual Meeting, also were independent.

Meetings and Committees of the Board of Directors

During 2009, our Board of Directors met 12 times and acted by written consent on two other occasions. Each person nominated to be a director attended, or participated via teleconference, in 75% or more of the meetings of the Board of Directors and the meetings of any committee on which he or she served. Our Board of Directors has standing Audit, Compensation, Enterprise Risk Oversight, Investment and Finance, and Nominating and Corporate Governance Committees, each of which has a written charter. Copies of the Charter of the Audit Committee of the Board of Directors, the Charter of the Compensation Committee of the Board of Directors, and the Charter of the Nominating and Corporate Governance Committee of the Board of Directors, as well as our Corporate Governance Guidelines For the Board of Directors, are available under the Corporate Governance portion of the Investor Relations section of our website at *www.hcc.com.* In addition, a printed copy of any of these documents will be provided to any shareholder who requests it.

Audit Committee

Our Audit Committee consists of three Independent Directors. The members of the Audit Committee are Walter M. Duer, James C. Flagg (Chairman) and Robert A. Rosholt. In addition, Christopher J.B. Williams serves as an ex officio member and Patrick B. Collins serves as an ex officio advisory member of the Audit Committee. The Audit Committee met nine times in 2009.

The Audit Committee s primary purpose is to assist our Board of Directors oversight of (a) the integrity of our consolidated financial statements and disclosures; (b) our compliance with legal and regulatory requirements; (c) our independent registered public accounting firm s qualifications, performance, independence and fees; and (d) our internal audit function. The Audit Committee has the sole authority to appoint and terminate our independent registered public accounting firm. Our Board of Directors has determined that each of Messrs. Duer, Flagg and Rosholt is an audit committee financial expert as described in Item 407(d)(5)(ii) of the SEC s Regulation S-K. In addition, our Board of Directors has determined that each member of the Audit Committee is independent, as independence for audit committee members is defined in the listing standards of the NYSE and in accordance with the standards outlined in our Corporate Governance Guidelines For the Board of Directors as described above. The Audit Committee is established in accordance with Section 3(a)(58)(A) of the Securities Exchange Act of 1934.

The Audit Committee also assists the Board with oversight of risk management by reviewing the Company s consolidated financial statements and meeting with the Vice President of Internal Controls and Vice President of Internal Audit at regularly scheduled meetings of the Audit Committee to review their reports on the adequacy and effectiveness of our internal audit and internal control systems and discusses with management the Company s major financial risks and exposures and the steps management has taken to monitor and control such risks and exposures.

Compensation Committee

Our Compensation Committee consists of three Independent Directors. The members of the Compensation Committee are Judy C. Bozeman, Thomas H. Hamilton and James E. Oesterreicher (Chairman). In addition, Christopher J.B. Williams serves as an ex officio member of the Compensation Committee. The Compensation Committee met 14 times in 2009.

The Compensation Committee has the responsibility for assuring that our senior executives are compensated in a manner that is consistent with the compensation philosophy and strategy of our Board of Directors and that is in compliance with the requirements of the regulatory bodies that oversee our operations. Generally, the Compensation Committee is charged with the authority to review and approve our compensation philosophy and our executive compensation programs, levels, plans and awards. The Compensation Committee also administers our incentive plans and our stock-based compensation plans and reviews and approves general employee benefit plans

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on an as-needed basis. The Compensation Committee also has the authority to retain, approve fees and other terms for, and terminate any compensation consultant, outside counsel, accountant or other advisor hired to assist the Compensation Committee in the discharge of its responsibilities. The Chief Executive Officer makes recommendations to the Compensation Committee with respect to the form and amount of executive compensation. In addition, under our Compensation Committee Charter and under our 2008 Flexible Incentive Plan, the Compensation Committee may delegate the authority to management to perform specified functions under such plan; however, under our currently existing internal controls with respect to our stock option granting practices, such authority may not be delegated with respect to the granting of options. The Compensation Committee charter allows delegation of Committee authority to subcommittees. See the Compensation Discussion and Analysis below for information on our process and procedures for determining 2009 executive officer compensation. Our Board of Directors has determined that each member of the Compensation Committee is independent, as independence for compensation committee members is defined in the listing standards of the NYSE.

Compensation Committee Interlocks and Insider Participation

No member of the Compensation Committee is or has been an officer or employee of us or any of our subsidiaries. No executive officer of ours served as a member of the Board of Directors or compensation committee (or other Board committee performing similar functions or, in the absence of any such committee, the entire Board of Directors) of another corporation, one of whose executive officers served on our Compensation Committee or as our director. No executive officer or director had a relationship with us requiring disclosure under Regulation S-K Item 404.

Compensation Committee Risk Assessment

In March 2010, management conducted an assessment of the current risk profile of our compensation programs. Management then reviewed the risk assessment with the Compensation Committee. The risk assessment included a review of the primary design features of our compensation programs and the process for determining executive and employee compensation. The risk assessment identified numerous ways in which our compensation programs potentially mitigate risk, including:

- the structure of our executive compensation program, which consists of both fixed and variable compensation, with a focus on underwriting profitability, and rewards both annual and long-term performance;
- the use of multiple performance metrics under our incentive and bonus plans;
- time-based vesting for stock options and restricted stock awards;
- a clawback feature and cap on equity awards that are based upon a formula bonus; and
- effective internal controls.

Enterprise Risk Oversight Committee

Our Enterprise Risk Oversight Committee consists of four directors, a majority of which are independent directors, and a member of management participating on an ex-officio non-voting basis. Moreover, both the President and Chief Executive Officer and the independent Chairman of the Board of Directors serve on the Enterprise Risk Oversight Committee. The members of the Enterprise Risk Oversight Committee are Frank J. Bramanti, Robert A. Rosholt (Chairman), Christopher J.B. Williams and Scott W. Wise. In addition, John N. Molbeck, Jr. serves as an ex officio member of the Enterprise Risk Oversight Committee. The Enterprise Risk Oversight Committee met four times in 2009.

The Enterprise Risk Oversight Committee is charged with assisting the Board of Directors with oversight of risk generally, and specifically with oversight of management s responsibility to identify, assess, prioritize and manage all material risks to HCC s business objectives. In this regard, the Board of Directors employs the Enterprise Risk Oversight Committee as the primary means of administering its enterprise risk oversight function through the Committee s review of management s assessment of risks and mitigation strategies with respect to our business. The Committee receives regular reports from our Corporate Vice President of Enterprise Risk

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Management, which includes information relating to specific risks evaluated and managed by our internal risk committee that is comprised of senior operating management, and the administration of our annual risk assessment process. The Enterprise Risk Oversight Committee also presents a quarterly report to the Board of Directors regarding risk oversight issues raised as result of its oversight process and the Board discusses these findings pursuant to the Board s responsibility for overseeing risk management at the Company.

Similarly, as described above at Compensation Committee Compensation Committee Risk Assessment , the Enterprise Risk Oversight Committee also conducts a review and evaluation of the compensation policies and practices.

Investment and Finance Committee

Our Investment and Finance Committee consists of five directors. The members of the Investment and Finance Committee are Judy C. Bozeman, Frank J. Bramanti, Walter M. Duer, John N. Molbeck, Jr. and Scott W. Wise (Chairman). In addition, Christopher J.B. Williams serves as an ex officio member of the Investment and Finance Committee. The Investment and Finance Committee met five times in 2009.

The Investment and Finance Committee is charged with establishing investment policies for us and our subsidiaries and directing the investment of our funds, and those of our subsidiaries, in accordance with those policies. In this regard, the Investment and Finance Committee oversees the investment management activities of our third-party investment managers and oversees our corporate financing activities.

Nominating and Corporate Governance Committee

Our Nominating and Corporate Governance Committee consists of three Independent Directors. The members of the Nominating and Corporate Governance Committee are James C. Flagg, Thomas M. Hamilton (Chairman) and James E. Oesterreicher. In addition, Christopher J.B. Williams serves as an ex officio member of the Nominating and Corporate Governance Committee. The Nominating and Corporate Governance Committee met five times in 2009.

The Nominating and Corporate Governance Committee is charged with identifying and making recommendations to our Board of Directors of individuals suitable to become members of the Board of Directors and overseeing the administration of our various policies related to corporate governance matters. Our Board of Directors has determined that each member of the Nominating and Corporate Governance Committee is independent, as independence for nominating committee members is defined in the listing standards of the NYSE.

Director Nominations

The Nominating and Corporate Governance Committee has established certain criteria as guidelines in considering nominations for the Board of Directors. The criteria include:

- the candidate s independence;
- the candidate s depth of business experience;
- the candidate s availability to serve;
- the candidates integrity and personal and professional ethics;
- the balance of the business experience on the Board as a whole; and

the need for specific expertise on the Board.

These criteria are not exhaustive, and the Nominating and Corporate Governance Committee and the Board of Directors may consider other qualifications and attributes that they believe are appropriate in evaluating the ability of an individual to serve as a member of the Board of Directors. The Nominating and Corporate Governance Committee s goal is to assemble a Board of Directors that brings to us a variety of perspectives and skills derived from high quality business and professional experience. In order to ensure that the Board consists of members with a variety of perspectives and skills, the Nominating and Corporate Governance Committee has not set any minimum qualifications and also considers candidates with appropriate non-business backgrounds. Other than ensuring that at least one independent member of the Board is a financial expert and a majority of the Board members meet all applicable independence requirements, the Nominating and Corporate Governance Committee does not have any specific skills that it believes are necessary for any individual director to possess, nor does it have any written policy relating to the diversity of backgrounds, experiences and perspectives required for any individual to possess. Instead, the Committee evaluates potential nominees based on the contribution such nominee s background, experiences, perspectives and skills could have upon the overall functioning of the Board in order to ensure that the Board as a whole reflects these diverse backgrounds, experiences, perspectives and skills. While neither the Board nor the Nominating and Corporate Governance Committee has a formal diversity policy, one of many factors that the Board and the Nominating and Governance Committee carefully considers is diversity in personal background, race, gender, age and nationality as described in the Corporate Governance Guidelines For the Board of Directors. In addition, the Board conducts an annual self-assessment to evaluate director performance which also serves to gauge the Board s effectiveness in achieving diversity of backgrounds, experiences and perspectives.

The Board of Directors believes that, based on the Nominating and Corporate Governance Committee s knowledge of our Corporate Governance Guidelines For the Board of Directors and the needs and qualifications of the Board at any given time, the Nominating and Corporate Governance Committee is best equipped to select nominees that will result in a well-qualified and well-rounded Board of Directors. In making its nominations, the Nominating and Corporate Governance Committee identifies nominees by first evaluating the current members of the Board willing to continue their service. When identifying new candidates to serve on our Board, the Nominating and Corporate Governance Committee undertakes a process that will entail the solicitation of recommendations from any of our incumbent directors, our management or our shareholders. Following a review of the qualifications, experience and backgrounds of these candidates, the Nominating and Corporate Governance Committee will make its recommendation to the Board of Directors. In addition, the committee has the authority under its charter to retain a search firm for this purpose.

Shareholder Recommendations

The Charter of the Nominating and Corporate Governance Committee provides that the committee will consider proposals for nominees for director from shareholders. Shareholder nominations for director should be made in writing to Randy D. Rinicella, Secretary, HCC Insurance Holdings, Inc., 13403 Northwest Freeway, Houston, Texas 77040-6094. The Nominating and Corporate Governance Committee will consider candidates recommended by shareholders based on the criteria described above. Although the Nominating and Corporate Governance Committee will consider candidates to the Board, the Board may determine not to nominate those candidates.

In order to recommend a director to be nominated at a meeting of shareholders, we require that a shareholder follow the procedures set forth in this section. In order to recommend a nominee for a director position, a shareholder must be a shareholder of record at the time such shareholder gives notice of recommendation and must be entitled to vote for the election of directors at the meeting at which such nominee will be considered. Shareholder recommendations must be made pursuant to written notice delivered to our Secretary at the principal executive offices of HCC:

- in the case of a nomination for election at an annual meeting, not less than 45 days nor more than 75 days prior to the first anniversary of the date of our notice of annual meeting for the preceding year s annual meeting; and

- in the case of a special meeting at which directors are to be elected, no later than the close of business on the later of the 90th day prior to such special meeting or the tenth day following the day on which public announcement is first made of the date of the meeting and of the nominees proposed by our Board of Directors to be elected at the special meeting.

In the event that the date of the annual meeting is changed by more than 30 days from the anniversary date of the preceding year s annual meeting, the shareholder notice described above will be deemed timely if it is received no later than the close of business on the later of the 90th day prior to such annual meeting or the tenth day following the day on which public announcement of the date of such meeting is first made.

The shareholder notice must set forth the following:

as to each person the shareholder proposes to nominate for election as a director, all information relating to such person that would be required to be disclosed in solicitations of proxies for the election of such

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nominees as directors pursuant to Regulation 14A under the Exchange Act, and such person s written consent to serve as a director if elected; and

as to the nominating shareholder and the beneficial owner, if any, on whose behalf the nomination is made, such shareholder s and beneficial owner s name and address as they appear on our books, the class and number of shares that are owned beneficially and of record by such shareholder and such beneficial owner, and an affirmative statement of whether either such shareholder or such beneficial owner intends to deliver a proxy statement and form of proxy to a sufficient number of shareholders to elect such nominee or nominees.

In addition to complying with the foregoing procedures, any shareholder recommending a director candidate must also comply with all applicable requirements of the Exchange Act, including the rules and regulations under such Act.

Board Leadership Structure

Currently HCC has an individual who serves in the position of Chairman of the Board and a separate individual who serves in the position of President and Chief Executive Officer of the Company. We believe that this structure is appropriate for HCC because Mr. Williams and Mr. Molbeck, respectively, provide unique experiences, perspectives and skills, all of which are valuable for the management and leadership of HCC. Furthermore, Mr. Williams has been determined to be an independent director by the Board.

Certain Relationships and Related Transactions

We are not a party to any transaction with executive officers or directors that is required to be disclosed under Item 404(a) of Regulation S-K.

There are no family relationships among the executive officers and directors, and there are no arrangements or understandings between any Independent Director or any other person pursuant to which that Independent Director was selected as a director.

Board Ratification of Related Transactions

Not less than annually, our Board of Directors undertakes the review and approval of all related-party transactions. This policy covers any transaction valued at greater than $120,000 between us or our subsidiaries and any of our executive officers, directors, nominees for director, holders of greater than five percent of our shares, and any of such parties immediate family members. Under our policy, covered transactions are to be reviewed by the disinterested members of our Board of Directors, who shall satisfy themselves that (i) all material facts with respect to the transaction have been disclosed to the Board of Directors for its consideration and (ii) that the transaction is fair to HCC. As a result of this review, approval of a transaction may be denied if the transaction is not fair to HCC or is otherwise a violation of our Code of Business Conduct and Ethics. Our policy is in writing and can be found in our Corporate Governance Guidelines For the Board of Directors.

Section 16(a) Beneficial Ownership Reporting Compliance

Section 16(a) of the Exchange Act requires our directors and executive officers, as defined under the Exchange Act, and persons who own more than 10% of a registered class of our equity securities to file initial reports of ownership and changes in ownership with the SEC. Such executive officers, directors and shareholders are required by SEC regulations to furnish us with copies of all Section 16(a) forms they file. There were two transactions relating to reporting for deferred stock dividend reinvestments on April 20, 2009 and July 15, 2009 with respect to shares granted to Mr. Hamilton as part of the annual grant to our directors, the receipt of which were deferred by Mr. Hamilton under our Non-Employee Directors Deferred Compensation Plan, that were not timely filed, but that were subsequently reported on their respective Form 4. There was also one transaction for each of Mr. Bramanti and Mr. Molbeck relating to their respective February 17, 2009 bonus grants that was not timely filed, but was subsequently reported on Form 4 one day after the initial filing deadline. Otherwise, based solely upon a review of the copies of such forms furnished to us and written representations from our directors and executive officers, all persons subject to the reporting requirements of Section 16(a) filed all required reports on a timely basis in 2009.

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EXECUTIVE COMPENSATION

Compensation Discussion and Analysis

This Compensation Discussion and Analysis explains the philosophy underlying our compensation strategy and the fundamental elements of compensation paid to our Chief Executive Officers, Chief Financial Officers, and other individuals, whom we refer to as Named Executive Officers or executive officers, included in the Summary Compensation Table for the 2009 calendar year. Specifically, this Compensation Discussion and Analysis addresses the following:

- Objectives of our compensation programs;
- What our compensation programs are designed to reward;
- Elements of compensation provided to the Named Executive Officers;
- How we determine each element of compensation and why we pay each element;
- How we determine executive officer compensation; and
- Other important compensation policies affecting the Named Executive Officers.

Objectives of Our Compensation Programs

Our business plan is shaped by our underlying business philosophy, which is to maximize underwriting profit and net earnings while preserving and achieving long-term growth of shareholders equity. As a result, our primary objective is to increase net earnings rather than market share or gross written premium.

In our ongoing operations, we will continue to:

- emphasize the underwriting of lines of business in which we anticipate we will earn underwriting profits (based on various factors, including premium rates, the availability and cost of reinsurance, policy terms and conditions, and general market conditions);
- limit our insurance companies aggregate net loss exposure from a catastrophic loss through
  - prudent underwriting,
  - the use of reinsurance for those lines of business exposed to such losses, and
  - diversification into lines of business not exposed to such losses; and
- consider the potential acquisition of specialty insurance operations.

With the goal of assisting in achieving the foregoing business strategy, our Compensation Committee designs our compensation programs to:

recruit and retain top executive officers who are experienced, highly qualified individuals in a position to make significant contributions to our success;

provide incentives to motivate executive officers to ensure exceptional performance and desired financial results and to reward such performance;

provide an opportunity for executives to develop a significant ownership stake in our company; and

align the executive officers interests with the long-term interests of our shareholders.

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What Our Compensation Programs Are Designed to Reward

Our compensation programs are designed to reward executive officers who are capable of leading us in achieving our business strategy on both a short-term and long-term basis. In addition, we reward qualities that we believe help achieve our strategy such as:

- individual performance in light of general economic and industry-specific conditions;
- individual performance that supports our core values;
- teamwork;
- resourcefulness;
- the ability to manage our business;
- level of job responsibility; and
- tenure with our company.

Elements of Compensation Provided to the Named Executive Officers

We have determined that our company s and our shareholders interests are best served by entering into multi-year employment agreements with the Named Executive Officers. Such agreements are the result of arms length negotiations between the Named Executive Officer and the Compensation Committee. We believe that such multi-year employment arrangements benefit us and our shareholders by permitting us to attract and retain executive officers with demonstrated leadership abilities and to secure the services of such executive officers over an extended period of time. In addition, multi-year employment agreements align executive interests with the long-term interests of HCC and serve our recruitment and retention goals by providing executive officers with security based on the knowledge of how they will be compensated over the term of the agreement. A summary of the principal terms of these employment agreements is included below under the caption Employment Agreements and Potential Payments Upon Termination or Change of Control.

The elements of compensation we used during 2009 to compensate the Named Executive Officers included:

- Base salary;
- Annual incentives;
- Long-term equity awards;
- Nonqualified deferred compensation;
- Perquisites; and
- Employee benefits, including
  - Health and insurance plans, and

Retirement benefits.

How We Determine Each Element of Compensation and Why We Pay Each Element

General. In the following section, we discuss each element of compensation listed above, why we elect to pay each element of compensation and how each element of compensation was determined by the Compensation Committee. In determining the amounts of each element and the aggregate compensation for our Named Executive Officers, we do not use any specific formulae or attempt to satisfy any specific ratio for compensation among our executive officers. We also do not generally target any particular allocation for base salary, annual incentive, or long-term equity awards as a percent of total compensation. The Compensation Committee has not engaged in any formal benchmarking processes with respect to compensation of Named Executive Officers. The Compensation

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Committee has instead relied on the general knowledge, experience and good judgment of its members, both with regard to competitive compensation levels and the relative success that our company has achieved.

Pay decisions for our Named Executive Officers are based on a reasoned, subjective assessment of objective and subjective factors that are weighted as follows:

- two-thirds based on a consideration of our performance during a given year against our budgeted performance as established in our annual budgeting process; and
- one-third based on an assessment of individual factors with respect to the particular Named Executive Officer.

For the two-thirds based on our budgeted performance goals, the Compensation Committee considers each of four factors. The Compensation Committee believes these factors are appropriate measures in determining whether the objectives of our compensation programs are being met. In particular, the Compensation Committee considers:

- our actual reported combined ratio, calculated under generally accepted accounting principles (GAAP), compared to budgeted combined ratio;
- our actual return on equity compared to budgeted return on equity;
- our actual total underwriting profit compared to budgeted total underwriting profit; and
- our actual net investment income compared to budgeted net investment income.

For the one-third based on an assessment of individual factors, the Compensation Committee considers:

- the executive s individual performance;
- the executive s future potential;
- the executive s years of service;
- the executive s level of experience;
- the executive s areas of responsibility; and
- the executive s total compensation opportunities relative to compensation opportunities of other members of management of HCC and its subsidiaries.

Because of the significant incentive opportunities available to managers of our subsidiaries based on the subsidiary s performance, the Compensation Committee also evaluates total compensation to our Named Executive Officers to ensure overall fairness between the compensation opportunities available at both the subsidiary and the corporate level. The differences in the aggregate compensation between our President and Chief Executive Officer, our Executive Vice President and Chief Financial Officer, and our other Named Executive Officers reflect the greater relative responsibilities with respect to their respective positions.

Base Salary. Base salary provides a fixed base level of compensation for our executives for the services they render during the year. The purpose of base salary is to compensate our Named Executive Officers in light of their respective roles and responsibilities over time. Base salary is essential to allow us to compete in the employment marketplace for talent and is an important component of total compensation for the Named Executive Officers. It is vital to our goal of recruiting and retaining executive officers with proven abilities. The level of base salary for each Named Executive Officer was established in the executive officer s employment agreement upon the date of hire or the date of renewal of an existing employment agreement. Base salary was initially determined for each executive officer based on the abilities, qualifications, accomplishments, and prior work experience of the executive officer. Base salary in a renewal agreement was determined based on the same criteria, but also on how the executive officer performed under his previously existing agreement and on the length of the executive officer s tenure with HCC.

While upward adjustments of base salary are generally specified in the executive officer s employment agreement, adjustments may also be considered on a discretionary basis annually. In deciding whether to make a discretionary increase to a Named Executive Officer s compensation, we consider the consistency of the executive officer s individual performance over the prior year, changes in the executive officer s responsibilities, the executive officer s future potential and internal equity. We also consider data available from objective, professionally-conducted market studies obtained from a range of industry and general market sources.

Base salary for 2008 and increases, if any, for 2009 were set in accordance with the terms of the respective employment agreements of our Named Executive Officers. These increases are shown in the Summary Compensation Table, below. Our Board did not award any discretionary salary increases under existing employment agreements in 2009 or for 2010.

Annual Incentives. Annual incentive compensation is intended to motivate and reward our Named Executive Officers for performance in achieving our business objectives.

2008 Flexible Incentive Plan. In 2008, our Board adopted and our shareholders approved the HCC Insurance Holdings, Inc. 2008 Flexible Incentive Plan. Under the 2008 Plan, we pay performance awards in the form of annual cash incentive compensation payments. The 2008 Plan is intended to advance our interests and those of our shareholders,

- by rewarding superior performance;
- by motivating our Named Executive Officers;
- by attracting and retaining key executives; and
- by fostering accountability and teamwork.

Under the 2008 Plan, we grant awards of incentive compensation that may be paid to a participant upon our satisfaction of corporate performance goals. We limit cash performance awards under the 2008 Plan to our Chief Executive Officer, Chief Financial Officer and any of our other employees whose compensation is potentially subject to the deductibility limitations of Section 162(m) of the Internal Revenue Code. Participants are designated by our Compensation Committee. For 2009, Messrs. Bramanti, Ellis, Molbeck, Kelbel and Schell participated in cash performance awards under the 2008 Plan. Mr. Whamond did not participate because he was not an employee at the date the targets for 2009 were established. Mr. Cook did not participate because approximately half of his compensation costs were allocated to UK and Spain subsidiaries of the Company since he resides and works in the UK. Our Compensation Committee established maximum bonus amounts for each of these executives, expressed as a percentage of pretax income for HCC. Those maximum targets were as follows: Mr. Bramanti 1.0%, Mr. Molbeck 1.0%, Mr. Ellis 0.25%, Mr. Kelbel 0.25% and Mr. Schell 0.25%. For 2009, our pretax income was $518.6 million. After the conclusion of the calendar year, the Compensation Committee calculates the maximum bonus amount based on the compensation targets established for each executive officer and then determines the actual bonus payment amounts based on a reasoned, subjective assessment of objective and subjective factors (including actual operating results against budget, the achievement of personal objectives, individual performance and equitable considerations among similarly situated executives) to arrive at the actual bonus amount for a particular executive officer, which in each case is equal to or less than the maximum bonus amount under the plan.

Our Compensation Committee uses negative discretion in determining the actual annual cash incentive awards for the participants in the 2008 Plan as allowed under Section 162(m). For purposes of Section 162(m), the maximum annual incentive award is determined to the extent we achieve our performance goal of pretax income. The Compensation

Committee then exercises its negative discretion to reduce the actual annual incentive awards to reflect actual corporate, business unit and individual performance. By setting a high amount that can then be reduced, we believe our annual incentive payments qualify for full deductibility under Section 162(m). Any reduction is not a negative reflection on the performance of our company or our Named Executive Officers, but rather is done to ensure maximum flexibility with respect to the payment of performance-based bonuses. If the Compensation Committee were to have instead funded the incentive pool at a minimum threshold and used discretion to increase the amounts to reflect company and individual performance, actual payouts would not qualify for the Section 162(m) tax deduction. For further information on Section 162(m), see Tax Deductibility of the Named Executive Officers Incentives and Equity Compensation below.

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Discretionary Annual Incentive. Named Executive Officers, who are not participants in the 2008 Plan, are eligible for a discretionary annual incentive award. These discretionary annual bonuses are designed to advance our interests and those of our shareholders and to achieve the same goals as those set forth in the discussion of the 2008 Plan, above, in that they reward, motivate, attract and retain key executives and foster accountability and teamwork. A portion of Mr. Whamond s and all of Mr. Cook s annual cash bonuses for 2009 were subject to the discretion of the CEO and the Compensation Committee. Mr. Whamond was entitled to a minimum annual bonus for 2009 of $250,000 under the terms of the employment agreement he entered into in connection with his assumption of the duties of Executive Vice President and Chief Financial Officer.

For 2009, we determined the actual payouts under our 2008 Plan, as well as the actual amount of discretionary bonus for Mr. Whamond and Mr. Cook, based on individual performance and our performance, which included the following factors:

- GAAP combined ratio of 84.9% against budget of 86.3%;
- Return on average equity for 2009 of 12.5% against budget of 12.1%;
- Total underwriting profit of $589.1 million against budget of $537.4 million;
- Overall investment results of $192.0 million against budget of $202.1 million;
- Individual effort by the executive in assisting us to achieve our goals;
- Our performance relative to peers;
- Our performance in 2009 relative to prior years;
- Our performance given the general conditions in the industry;
- Equitable considerations among similarly situated officers; and
- Past bonus compensation.

No formula was applied to these measures in arriving at the actual bonus amounts, although performance against budget was weighted roughly two-thirds while individual factors were weighted approximately one-third. The peer group adopted by the Compensation Committee with input from management was comprised of: The Chubb Corporation, The Travelers Companies, Argo Group International Holdings, Ltd., RLI Corp., Navigators Group, Inc., W.R. Berkley Corporation and Markel Corporation. These companies were selected on the basis that they have significant specialty insurance operations and compete with the Company for talent, stockholders investments and in the marketplace for business.

The following summarizes the key individual performance factors, considered by the Committee for each of the Named Executive Officers in determining the bonus payments:

- Mr. Molbeck demonstrated leadership in (i) achieving the Company s key financial goals and objectives, including growth, combined ratio, return on equity, total underwriting profit and overall investment results; (ii) assuring that the Company s internal climate and policies are consistent with improving long term performance; (iii) developing and motivating a strong top management team; (iv) assuring that the Company s capital resources are sufficient and properly allocated to provide returns; and (v) assuring that the Company implements and executes a long term strategy that maximizes opportunities and considers risks.

Mr. Whamond (i) successfully transitioned to role as Chief Financial Officer; (ii) raised $300 million of unsecured term debt; (iii) coordinated merger and acquisition activity with subsidiary management; (iv) developed new comprehensive investor database; and (v) developed enterprise resource planning strategy.

Mr. Cook (i) achieved annual budget objectives; (ii) completed sale of Rattner Mackenzie Limited; (iii) negotiated the acquisition of the third party interest in Lloyd s Syndicate 4040; and (iv) executed improvements in the Company s UK credit business.

Mr. Kelbel (i) achieved annual budget objectives; (ii) developed organizational infrastructure improvements in the medical insurance services business; (iii) demonstrated leadership in achieving combined ratio target; and (iv) developed staff consistent with the succession plan.

Mr. Schell (i) achieved progress towards developing a uniform underwriting and reinsurance strategy for the Company; (ii) realized reductions of gross insurance limits; (iii) achieved progress towards consolidating of the Company s U.S. surety operations; (iv) demonstrated leadership in effectively managing the Company s gross and net loss ratios; and (v) effectively evaluated new underwriting opportunities.

Taking these factors into account and utilizing reasoned, subjective judgment, the Compensation Committee approved bonus payments as follows: Mr. Molbeck $2,750,000; Mr. Whamond $600,000; Mr. Ellis $200,000; Mr. Kelbel $525,000; Mr. Cook $1,134,775 and Mr. Schell $500,000. In each case, for participants in the 2008 Plan, the actual bonus paid was less than the target amount established under the 2008 Plan.

Long-Term Equity Awards. We have historically granted stock options, as we believe this element of compensation aligns the employees and the executive officers interests with the long-term interests of shareholders. We believe that stock options provide incentive for increased shareholder value because they only provide value to the Named Executive Officers to the extent that the price of our common stock appreciates, and they serve as a good retention vehicle for the Named Executive Officers because they vest based on the executive officer s continued employment. We also grant restricted stock awards that generally cliff vest at a later date. These long-term equity awards also serve the goal of allowing our executives to obtain a significant stake in our company.

In 2009, in connection with his new employment agreement, we granted 100,000 stock options and 32,203 shares of restricted stock to Mr. Whamond. In connection with the amendment and extension of Mr. Kelbel s employment agreement, we granted him 15,855 shares of restricted stock. In determining the amount of these grants, the Compensation Committee considered prior grants made to Mr. Kelbel, grants to similarly situated executives, the potential value of the awards, the cost of the awards to us and general market conditions and then utilized reasoned, subjective judgment to arrive at a final award. The exercise price of the grant of stock options and the fair value of the restricted shares was set at the closing price of our common stock on the date of the Compensation Committee meeting at which such grants were approved. In addition, Mr. Bramanti received a grant of 3,381 shares of fully-vested common stock following his election as a non-employee director at our 2009 annual meeting.

In addition, in November 2009, our Compensation Committee approved awards of restricted stock for thirty-three key employees, including Named Executive Officers, to be granted on January 4, 2010. These awards were made under the 2008 Plan and were granted in order to enhance executive retention and stock ownership. The grant amounts were based on a multiple of the grantees current base salary (100% for NEOs and other executives identified as demonstrating superior performance and 50% for all other grantees identified as key employees) and totaled $9.1 million. The awards generally vest after five years from the date of grant, although they are subject to an additional second restriction period of five years unless the grantee has met applicable stock ownership requirements.

In December 2009, our Compensation Committee approved an award of $4.0 million in restricted stock to Mr. Molbeck, with a grant date of January 4, 2010. The award was made in connection with Mr. Molbeck s assumption of the additional responsibilities of Chief Executive Officer. Seventy-five percent of the grant is subject to performance-based vesting and 25% is subject to time-based vesting. Between 331/3% and 100% of the performance-based portion of the award will vest if our compound annual growth rate of book value over a three-year period is between 100% and 120% of the compound annual growth rate of a selected peer group. None of the performance-based portion of the award will vest if our compound annual growth rate over the three-year period is less than 100% of the compound annual growth rate of the peer group. The peer group was determined by the

Compensation Committee, with input from management, and is comprised of companies with specialty insurance operations that compete with us for talent, stockholder investment and in the marketplace for business. Subject to the applicable performance and service criteria, the awards will vest, if at all, on May 31, 2013 when the current term of Mr. Molbeck s employment agreement expires.

Additional equity awards may be made at any of our Compensation Committee meetings during the year. The Compensation Committee s policy is to set the exercise price of stock option awards at the closing price of our stock on the date of the Compensation Committee meeting at which such options are granted. We do not coordinate the

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grant of awards with the release of earnings for any purpose, including the purpose of affecting the value of executive compensation.

Non-qualified Deferred Compensation. Mr. Molbeck is entitled to the payment of deferred compensation under the terms of his employment agreement. We believe the tax benefit from our deferring payment of a portion of compensation is valuable to Mr. Molbeck and assists us in meeting our retention goals. Paying a portion of base compensation as deferred compensation also ensures Mr. Molbeck s total compensation will be fully tax deductible. Consequently, we have adopted a non-qualified deferred compensation plan for Mr. Molbeck. The plan is discussed in more detail under the caption Deferred Compensation Plans, below. In addition, in connection with Mr. Bramanti s retirement as our Chief Executive Officer, and under the terms of the separation agreement executed in connection with his retirement as our Chief Executive Officer, HCC agreed to make one final contribution to his participant account under his deferred compensation plan of $48,387.

Perquisites. Our current policy is that the costs of perquisites will constitute only a small percentage of each Named Executive Officer s total compensation. In general, the perquisites that an executive officer is eligible to receive are contained in such executive s employment agreement. In some instances, our Named Executive Officers were provided perquisites by their previous employers, and we offered comparable perquisites in order to attract these Named Executive Officers. Perquisites may include: extended medical benefits; a corporate apartment; an automobile allowance; personal travel on the corporate aircraft; payment of club dues; payment of life and disability insurance premiums; physical exams and payment for estate planning. These benefits are reflected in the All Other Compensation Column of the Summary Compensation Table, below.

Employee Benefits. Our Named Executive Officers have the opportunity to participate in a number of benefit programs that are generally available to all of our U.S. employees. The Named Executive Officers are eligible to participate in company-sponsored benefit programs on the same terms and conditions as those generally provided to other salaried employees; however, in some instances described below, the executives are entitled to additional benefits. These benefits include:

Health and Insurance Plans. Basic health benefits, dental benefits, disability protection, life insurance, and similar programs are provided to make certain that access to healthcare and income protection is available to our employees and the employees family members. The cost of company-sponsored benefit programs is negotiated by us with the providers of such benefits. In general, the Named Executive Officers contribute to the cost of the benefits; however, medical benefits are provided to Messrs. Bramanti and Molbeck at no cost to them.

In addition, under the terms of their respective employment agreements (or in the case of Mr. Bramanti, under his separation agreement), each of Messrs. Bramanti, Ellis, Molbeck, Kelbel and Schell and their respective qualified beneficiaries, where applicable, is entitled to extended medical benefits under our medical plan after termination of their respective employment. In the case of Messrs. Ellis, Kelbel and Schell, such benefits are at no cost to them and extend until they or their respective spouses become eligible for Medicare or the date their respective children would have ceased to be covered under our benefit plans had the executive remained an employee. For each of Messrs. Bramanti and Molbeck, such benefits are at no cost and extend until the later to occur of his death, the death of his spouse (if he is married on the date of his death) or the date their respective children would have ceased to be covered under our benefit plans had the executive remained an employee. We agreed to provide such extended medical benefits to Mr. Bramanti and Mr. Molbeck during each of their previous terms of employment with us.

Retirement Benefits. The Named Executive Officers are eligible to participate in our 401(k) Plan, which is a company-wide, tax-qualified retirement plan. The intent of this plan is to provide all employees with a tax-advantaged savings opportunity for retirement. We sponsor this plan to help employees at all levels save and accumulate assets for use during their retirement. As required, eligible pay under this plan is capped at Internal Revenue Code annual limits.

How We Determine Executive Officer Compensation

Role of the Compensation Committee. The Compensation Committee is composed of independent, outside members of the Board of Directors in accordance with NYSE rules, current SEC regulations, and Section 162(m) of

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the Internal Revenue Code and is responsible for establishing, reviewing, approving, and monitoring the compensation paid to the Named Executive Officers.

Under our current policy, the Compensation Committee approves the terms of each Named Executive Officer s employment agreement and any necessary modifications that are needed over time.

The Chief Executive Officer recommends to the Compensation Committee annual pay increases, discretionary annual bonuses, cash incentive awards and long-term incentive grants for the other Named Executive Officers. The Compensation Committee then evaluates each executive officer, determines whether the CEO will receive any annual pay increase, sets performance criteria for discretionary annual incentive bonuses, and makes long-term incentive grants, if any. As part of its evaluation process, the Compensation Committee considers our performance, internal equity and consistency, the executive officer s individual performance over the prior year, changes in responsibilities, and future potential as well as data available from objective, professionally-conducted market studies obtained from a range of industry and general market sources.

The Compensation Committee views the various components of compensation as related, but distinct. As a result, the Compensation Committee has not adopted any policy or guidelines for allocating compensation between long-term and currently paid compensation, between cash and non-cash compensation, or among different forms of non-cash compensation.

Benchmarking. The Compensation Committee did not use benchmarking to set executive compensation in 2009.

Compensation Consultant. The Compensation Committee may retain and engage, at its sole discretion, to the extent deemed necessary and appropriate, any compensation consultants, outside counsel or other advisors, having the sole authority to approve the firm s or advisor s fees and other retention. The Compensation Committee did not engage a compensation consultant in 2009.

Other Important Compensation Policies Affecting the Named Executive Officers

Financial Restatement. The Compensation Committee does not have a policy in place governing retroactive modifications to any cash- or equity-based incentive compensation paid to the Named Executive Officers where the payment of such compensation was predicated upon the achievement of specified financial results that were subsequently the subject of a restatement. However, if the Compensation Committee deems it appropriate and to the extent permitted by applicable law, it will seek to recoup amounts, determined to have been inappropriately paid to an executive officer as a result of a financial restatement.

Stock Ownership Requirements. The Compensation Committee has adopted minimum ownership requirements for company stock for its Named Executive Officers. Ownership targets have been established as a multiple of current annual base compensation for each of our Named Executive Officers based on their position with the company as follows: CEO 3X; President 2X; CFO 1.5X; and other Section 16 Officers 1X. Executives are expected to comply with the guidelines within five years of becoming subject to the ownership guidelines. As of the record date, all Named Executive Officers have complied with the ownership guidelines.

Trading in Our Stock Derivatives. Our Insider Trading Policy prohibits our employees, including Named Executive Officers, from purchasing or selling options on our common stock, engaging in short sales with respect to our common stock, or trading in puts, calls, straddles, equity swaps or other derivative securities that are directly linked to our common stock.

Tax Deductibility of the Named Executive Officers Incentive and Equity Compensation. Section 162(m) of the Internal Revenue Code generally disallows a tax deduction to public companies for compensation over $1.0 million paid to a corporation s chief executive officer and the three other most highly compensated executive officers, excluding the chief financial officer.

Section 162(m) further provides that qualifying performance-based compensation will not be subject to the deduction limit if certain requirements are met. We currently structure our discretionary annual incentive compensation for executive officers to comply with Section 162(m) through the 2008 Flexible Incentive Plan. Our current annual incentives satisfy Section 162(m) s requirement that they be payable solely on account of the attainment of one or more performance goals. Although we intend to structure grants under future stock award

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plans and cash incentive plans in a manner that complies with this section, we may forego all or some portion of a deduction to conform to our compensation goals.

In connection with the compensation of our executive officers, the Compensation Committee is aware of Section 162(m) as it relates to deductibility of qualifying compensation paid to executive officers. In addition, we are aware of recently adopted Section 409A of the Internal Revenue Code and believe we should structure our compensation plans in ways to minimize the likelihood that our employees, including Named Executive Officers, have to pay the excise taxes set forth under Section 409A. If any provision of an employment agreement we have entered into would cause the Named Executive Officer to incur any additional tax under Section 409A or any Treasury Regulations or IRS guidance, we will attempt to reform such provision in a manner that maintains, to the extent possible, the original intent of the provision without violating Section 409A. In addition, the employment agreements of Messrs. Molbeck, Kelbel and Schell require us to reimburse the executives for any Section 409A excise taxes incurred by the executives.

In addition, the future exercise of certain options held by Named Executive Officers, which were issued at a grant date price that was less than the measurement date price, may have resulted in compensation to our Named Executive Officers that exceeds the deductibility limitations under Section 162(m). In connection with our stock option review in 2006, we repriced these options before December 31, 2006 so that the grant date price equals the measurement date price. However, notwithstanding such repricing, these options no longer qualify as qualified performance-based compensation under Section 162(m). Therefore, to the extent a Named Executive Officer were to exercise such options during a given year, any gain realized on such exercise would be included in the calculation of non-excluded compensation, and we would not be able to deduct any such compensation that exceeds the deductibility limits. Thus, future option exercise activity that is beyond our control or the Compensation Committee s control could cause non-deductible compensation expense under Section 162(m). This risk will remain until all such repriced options are exercised, terminated or expire.

Change of Control Agreements. Our executive officers employment agreements provide for severance in the event of change of control. Payments will only be made under these agreements if there is both a change of control and a termination of employment. In the case of Mr. Molbeck, payment will only be made if there is both a change of control and a termination or replacement of his position as Chief Executive Officer. This is discussed in more detail under the caption Employment Agreements and Potential Payments Upon Termination or Change of Control below. The Compensation Committee believes this benefit is required to offer competitive benefits to attract and retain highly qualified executives.

COMPENSATION COMMITTEE REPORT

The Compensation Committee has reviewed and discussed the Compensation Discussion and Analysis with management. Based upon such review, the related discussions and such other matters deemed relevant and appropriate to the Compensation Committee, the Compensation Committee has recommended to the Board of Directors that the Compensation Discussion and Analysis be included in HCC s Annual Report on Form 10-K for the year ended December 31, 2009 and in this Proxy Statement to be delivered to shareholders.

Submitted by the Compensation Committee:

James E. Oesterreicher, *Chairman*
Judy C. Bozeman
Thomas M. Hamilton

Disclosure Regarding Compensation Consultants

Management retained Mercer to provide advice on management and director compensation during 2009. Mercer s services were in connection with the review of HCC s equity based compensation for key employees. The aggregate fees paid to Mercer for these services were $69,651. Mercer is a wholly owned subsidiary of Marsh & McLennan Companies, Inc. During 2009, we paid $20.4 million in fees in the ordinary course of business for insurance brokerage and other related services provided by other affiliates of Marsh & McLennan Companies, Inc. Neither the Board nor the Compensation Committee specifically approved the unrelated services.

The Compensation Committee intends to adopt a practice by which any compensation consultant engaged by the Committee, including any affiliates of such consultant shall not be engaged by management or the Company.

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Summary of Cash and Certain Other Compensation

The following table provides certain information concerning compensation we paid to or accrued on behalf of our Principal Executive Officers, Principal Financial Officers and the other three most highly compensated executive officers serving at December 31, 2009, who are sometimes referred to in this Proxy Statement collectively as the Named Executive Officers.

2009 Summary Compensation Table

nd Principal Position	Year	Salary ($)	Bonus ($)	Stock Awards ($)(1)	Option Awards ($)(2)	Non-equity Incentive Plan Compensation ($)(3)	Non-qualified Deferred Compensation Earnings ($)	All Other Compensation ($)(4)	Tot
Molbeck, Jr.(5)	2009	1,743,548(6)				2,750,000		100,093	4,59
nt and	2008	1,350,000(6)		643,483		1,306,517	491	96,867	3,39
xecutive Officer	2007	1,253,035(6)			853,125	2,500,000	1,319	91,234	4,69
Bramanti(5)	2009	741,624(7)						1,048,229	1,78
Chief Executive	2008	1,950,000(7)		494,983		1,005,017	1,670	32,958	3,48
	2007	1,950,000(7)			3,008,280	1,950,000	8,393		