

HCC INSURANCE HOLDINGS INC/DE/
Form S-3ASR
March 23, 2012

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As filed with the Securities and Exchange Commission on March 23, 2012

Registration No. 333-

**UNITED STATES
SECURITIES AND EXCHANGE COMMISSION**

Washington, D.C. 20549

Form S-3
REGISTRATION STATEMENT
UNDER
THE SECURITIES ACT OF 1933

HCC Insurance Holdings, Inc.

(Exact name of Registrant as specified in its charter)

Delaware (State or other jurisdiction of incorporation or organization) **76-0336636** (I.R.S. Employer Identification No.)

HCC Capital Trust I

(Exact name of Registrant as specified in its charter)

Delaware (State or other jurisdiction of incorporation or organization) **76-6494416** (I.R.S. Employer Identification No.)

HCC Capital Trust II

(Exact name of Registrant as specified in its charter)

Delaware (State or other jurisdiction of incorporation or organization) **76-6494417** (I.R.S. Employer Identification No.)

**13403 Northwest Freeway
Houston, Texas 77040
(713) 690-7300**

(Address, including zip code, and telephone number, including area code, of each Registrant's principal executive offices)

RANDY D. RINICELLA
Senior Vice President, General Counsel and Secretary
13403 Northwest Freeway
Houston, Texas 77040
(713) 744-9648

(Name, address including zip code, and telephone number, including area code, of agent for service)

Copy to:
P. Kevin Trautner
Fulbright & Jaworski L.L.P.
Fulbright Tower
1301 McKinney, Suite 5100
Houston, Texas 77010
(713) 651 - 5412

Approximate date of commencement of proposed sale to the public:
From time to time after the Registration Statement becomes effective, as determined by the applicable Registrant.

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If the only securities being registered on this form are being offered pursuant to dividend or interest reinvestment plans, please check the following box.

If any of the securities being registered on this form are to be offered on a delayed or continuous basis pursuant to Rule 415 under the Securities Act of 1933, other than securities offered only in connection with dividend or interest reinvestment plans, check the following box.

If this form is filed to register additional securities for an offering pursuant to Rule 462(b) under the Securities Act, check the following box and list the Securities Act registration statement number of earlier effective registration statement for the same offering.

If this form is a post-effective amendment filed pursuant to Rule 462(c) under the Securities Act, check the following box and list the Securities Act registration statement number of the earlier effective registration statement for the same offering.

If this Form is a registration statement pursuant to General Instruction I.D. or a post-effective amendment thereto that shall become effective upon filing with the Commission pursuant to Rule 462(e) under the Securities Act, check the following box.

If this Form is a post-effective amendment to a registration statement filed pursuant to General Instruction I.D. filed to register additional securities or additional classes of securities pursuant to Rule 413(b) under the Securities Act, check the following box.

Indicate by check mark whether the registrant is a large accelerated filer, an accelerated filer, a non-accelerated filer or a smaller reporting company. See definition of "large accelerated filer," "accelerated filer," and "smaller reporting company" in Rule 12b-2 of the Exchange Act. (Check one):

Large accelerated filer Accelerated filer Non-accelerated filer Smaller reporting company
 (Do not check if a smaller reporting company)

CALCULATION OF REGISTRATION FEE

Title of Each Class of Securities to be Registered	Amount to be Registered(1)	Proposed Maximum Aggregate Offering Price	Amount of Registration Fee
Common Stock of HCC Insurance Holdings, Inc. (par value \$1.00 per share)			
Debt Securities of HCC Insurance Holdings, Inc.			
Warrants of HCC Insurance Holdings, Inc.			
Trust Preferred Securities of HCC Capital Trust I and HCC Capital Trust II(3)			
Guarantees of HCC Insurance Holdings, Inc. with respect to Trust Preferred Securities(3)			
Total	\$1,000,000,000	\$1,000,000,000	\$0(2)

(1) An indeterminate number or principal amount of common stock, debt securities, warrants and guarantees of HCC Insurance Holdings, Inc., and trust preferred securities of HCC Capital Trust I and HCC Capital Trust II, as may from time to time be issued at indeterminate prices, with an aggregate offering price not to exceed \$1,000,000,000.

(2) The registration fee is calculated in accordance with Rule 457(r) under the Securities Act of 1933, as amended, in reliance on Rule 456(b). The Registrants hereby elect to defer the payment of filing fees pursuant to Rule 456(b) and to pay such additional filing fees on a pay-as-you-go basis. As a result, Rule 457(r) provides that the table does not need to specify the information as to the amount to be registered, the proposed maximum aggregate offering price, or the amount of registration fee for any class of security listed, and that the registration fee shall be subsequently calculated based on the applicable fee payment rates in effect on the date of the payment of the fees.

(3) No separate consideration will be received for the guarantees of the trust preferred securities. Debt securities may be purchased by each of HCC Capital Trust I and HCC Capital Trust II with the proceeds of the sale of the trust preferred securities, in which case no separate consideration will be received for the debt securities. Such debt securities may later be distributed to the holders of trust preferred securities.

PROSPECTUS

HCC Insurance Holdings, Inc.

**Common Stock
Debt Securities
Warrants
Guarantees**

**HCC Capital Trust I
HCC Capital Trust II**

**Trust Preferred Securities
Fully and Unconditionally Guaranteed
by
HCC Insurance Holdings, Inc.**

We or either of the Trusts may offer from time to time up to \$1,000,000,000 of any combination of the securities described in this prospectus. Neither we, nor the Trusts, will offer or sell any securities under this prospectus unless accompanied by a prospectus supplement or a prospectus contained in a post-effective amendment to the registration statement of which this prospectus is a part.

We may offer and sell, from time to time:

shares of our common stock;

debt securities;

warrants to purchase our debt securities or our common stock; and

guarantees of trust preferred securities sold by a Trust.

Each Trust may offer and sell, from time to time, trust preferred securities representing undivided beneficial interests in the assets of the respective Trust.

We will provide the specific terms of these securities in one or more supplements to this prospectus, a prospectus contained in a post-effective amendment, or documents we incorporate herein by reference. You should read this prospectus, any prospectus supplement, any prospectus contained in a post-effective amendment and the documents incorporated herein by reference carefully before you invest in these securities.

We may sell the securities directly, or through agents designated from time to time, or to or through underwriters or dealers. If any underwriters are involved in the sale of any securities, their names and any applicable commissions or discounts will be set forth in a prospectus supplement, in a prospectus contained in a post-effective amendment or in the documents we incorporate herein by reference.

Our common stock is listed on the New York Stock Exchange under the Symbol "HCC." The last reported sale price on March 22, 2012 was \$30.95 per share.

INVESTING IN OUR COMMON STOCK INVOLVES RISKS. YOU SHOULD CONSIDER THE "RISK FACTORS" ON PAGE 3 AND AS OTHERWISE DESCRIBED IN ANY ACCOMPANYING PROSPECTUS SUPPLEMENT, ANY PROSPECTUS CONTAINED IN A POST-EFFECTIVE AMENDMENT AND IN THE DOCUMENTS WE INCORPORATE BY REFERENCE IN THIS PROSPECTUS.

NEITHER THE SECURITIES AND EXCHANGE COMMISSION NOR ANY STATE SECURITIES COMMISSION HAS APPROVED OR DISAPPROVED OF THESE SECURITIES OR PASSED UPON THE ACCURACY OF THIS PROSPECTUS OR WHETHER IT IS TRUTHFUL OR COMPLETE. ANY REPRESENTATION TO THE CONTRARY IS A CRIMINAL OFFENSE.

The date of this prospectus is March 23, 2012

ABOUT THIS PROSPECTUS

As used in this prospectus, unless otherwise required by the context, the terms "we," "us," "our" and the "Company" refer to HCC Insurance Holdings, Inc. and its subsidiaries on a consolidated basis, and the term "HCC" refers only to HCC Insurance Holdings, Inc. References to a "Trust" refer to either HCC Capital Trust I or HCC Capital Trust II, which are the Delaware statutory business trusts that have formed to issue the trust preferred securities that may be issued under this prospectus.

This prospectus is part of a registration statement that we have filed with the Securities and Exchange Commission ("SEC") using an "automatic shelf" registration process for "well-known seasoned issuers." Under the automatic shelf registration process, we may offer and sell from time to time any combination of shares of our common stock, debt securities, warrants to purchase our debt securities or our common stock, and guarantees of trust preferred securities sold by a Trust. In addition, a Trust may offer and sell, from time to time, trust preferred securities representing undivided beneficial interests in assets of the respective Trust. Our securities and those of the Trusts may be offered in one or more offerings with a total offering price of up to \$1,000,000,000. Each time we use this prospectus to offer securities, we will provide a prospectus supplement or a prospectus contained in a post-effective amendment to the registration statement of which this prospectus is a part that will contain or will indicate where specific information about the terms of that offering may be obtained. The prospectus supplement, the prospectus contained in a post-effective amendment or the documents we incorporate herein by reference may also add, update or change information contained in this prospectus. Please carefully read this prospectus, any prospectus supplement, any prospectus contained in a post-effective amendment and the documents incorporated by reference in the prospectus together with the additional information described under "Where You Can Find More Information" before you make an investment decision.

You should rely only on the information contained in this prospectus, the applicable prospectus supplement and the applicable prospectus contained in a post-effective amendment. We have not authorized any other person to provide you with different information. If anyone provides you with different or inconsistent information, you should not rely on it. We are not making an offer to sell the securities in any jurisdiction where the offer or sale is not permitted. Neither the delivery of this prospectus, any prospectus supplement or any prospectus contained in a post-effective amendment, nor any offer or sale under any such prospectus shall, under any circumstances, create any implication that there has been no change in our business, risks related to our business, financial condition, results of operations and prospects, that the information contained in any such prospectus is accurate as of any date other than the date of such prospectus, or that any information incorporated by reference in any such prospectus is accurate at any time subsequent to its date.

THE COMPANY

We are a Delaware corporation, which was formed in 1991. Our predecessor corporation was formed in 1974.

We are a leading specialty insurer with offices in the United States, the United Kingdom, Spain and Ireland. We underwrite a variety of relatively non-correlated specialty insurance products, including property and casualty, accident and health, surety, credit and aviation product lines, in approximately 180 countries. We market our products through a network of independent agents and brokers, producers, managing general agents and directly to consumers. Our businesses are managed through five underwriting segments and our investing segment. Our underwriting segments are U.S. Property & Casualty, Professional Liability, Accident & Health, U.S. Surety & Credit and International.

Our principal executive offices are located at 13403 Northwest Freeway, Houston, Texas 77040 and our telephone number is (713) 690-7300. We maintain a website at www.hcc.com. The reference to our

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website address does not constitute incorporation by reference of the information contained at the website in this prospectus.

THE TRUSTS

Each Trust is a statutory business trust that we have formed under Delaware law. For each Trust there is a trust agreement among HCC, as depositor, U.S. Bank National Association, as property trustee, and U.S. Bank Trust National Association, as Delaware trustee. For each Trust there is also a certificate of trust filed with the Delaware Secretary of State. When we are ready to issue and sell securities through the Trust, the trust agreement will be amended to read substantially like the form of amended and restated trust agreement that is filed with the SEC as an exhibit to the registration statement of which this prospectus is a part. Each trust agreement has been qualified as an indenture under the Trust Indenture Act of 1939.

The Trusts have no separate financial statements. Separate financial statements would not be material to holders of the trust preferred securities because the Trusts have no independent operations.

The principal executive office of each Trust is 13403 Northwest Freeway, Houston, Texas 77040, and the telephone number for each Trust is (713) 690-7300.

RISK FACTORS

Investing in our securities involves risk. Please see the risk factors described in our most recent Annual Report on Form 10-K, our Quarterly Reports on Form 10-Q and our Current Reports on Form 8-K, which are incorporated by reference in this prospectus. Before making an investment decision, you should carefully consider these risks as well as other information we include or incorporate by reference in this prospectus. The risks and uncertainties we have described are not the only ones we face. Additional risks and uncertainties not presently known to us or that we currently deem immaterial may also affect our business operations. Additional risk factors may be included in a prospectus supplement relating to a particular series or offering of securities. These risks could materially affect our business, results of operations or financial condition and cause the value of our securities to decline.

ABOUT FORWARD-LOOKING STATEMENTS

This prospectus contains certain "forward-looking statements" within the meaning of Section 27A of the Securities Act of 1933 and Section 21E of the Securities Exchange Act of 1934, as amended (the "Exchange Act"), which are intended to be covered by the safe harbors created by those laws. These forward-looking statements reflect our current expectations and projections about future events and include information about possible or assumed future results of our operations. All statements, other than statements of historical facts, included or incorporated by reference in this prospectus that address activities, events or developments that we expect or anticipate may occur in the future, including such things as growth of our business and operations, business strategy, competitive strengths, goals, plans, future capital expenditures and references to future successes may be considered forward-looking statements. Generally, words such as "anticipate," "believe," "estimate," "expect," "intend," "plan," "probably" or similar expressions indicate forward-looking statements.

Many risks and uncertainties may have an impact on the matters addressed in these forward-looking statements, which could affect our future financial results and performance, including, among other things:

the effects of catastrophic losses;

the cyclical nature of the insurance business;

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inherent uncertainties in the loss estimation process, which can adversely impact the adequacy of loss reserves;

the impact of past and future potential credit market downturns, including any potential additional ratings downgrade and/or impairment or perceived impairment of the debt securities of sovereign issuers, including the United States of America;

the effects of emerging claim and coverage issues;

the effects of extensive governmental regulation of the insurance industry;

changes to the country's health care delivery system;

the effects, if any, of climate change, on the risks we insure;

potential credit risk with brokers;

the effects of industry consolidations;

our assessment of underwriting risk;

our retention of risk, which could expose us to potential losses;

the adequacy of reinsurance protection;

the ability and willingness of reinsurers to pay balances due us;

the occurrence of terrorist activities;

our ability to maintain our competitive position;

fluctuations in securities markets, including defaults, which may reduce the value of our investment assets, reduce investment income or generate realized investment losses;

changes in our assigned financial strength ratings;

our ability to raise capital and funds for liquidity in the future;

attraction and retention of qualified employees;

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our ability to successfully expand our business through the acquisition of insurance-related companies;

impairment of goodwill;

the ability of our insurance company subsidiaries to pay dividends in needed amounts;

fluctuations in foreign exchange rates;

failures or constraints of our information technology systems;

difficulties with outsourcing relationships; and

change of control.

You should consider these risks and those we set out or incorporate into the "Risk Factors" section of this prospectus before you purchase our securities.

These events or factors could cause our results or performance to differ materially from those we express in our forward-looking statements. Although we believe that the assumptions underlying our forward-looking statements are reasonable, any of these assumptions, and, therefore, the forward-looking statements based on these assumptions, could themselves prove to be inaccurate. In light of the significant uncertainties inherent in the forward-looking statements that are included in this prospectus,

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our inclusion of this information is not a representation by us or any other person that our objectives or plans will be achieved.

Our forward-looking statements speak only at the date made, and we will not update these forward-looking statements unless the securities laws require us to do so. In light of these risks, uncertainties and assumptions, any forward-looking events discussed in this prospectus may not occur.

USE OF PROCEEDS

Except as otherwise described in the applicable prospectus supplement or prospectus contained in a post-effective amendment, or in documents that we incorporate herein by reference, we intend to use the net proceeds from the sale of our securities (either to the Trusts or directly to the public) for general corporate purposes, including, but not limited to, the following purposes:

make acquisitions in the insurance industry that from time to time become available to us provided that such acquisitions are deemed to be in the best interests of the Company and our stockholders by our Board of Directors;

contribute capital to insurance company subsidiaries;

make capital expenditures;

provide working capital;

purchase equity or fixed income investments;

repay or refinance debt or other corporate obligations; or

repurchase and redeem our securities.

Pending any specific application, we may initially invest funds in short-term marketable securities or apply them to the reduction of short-term indebtedness.

Each Trust will use all of the proceeds it receives from the sale of its trust preferred securities to purchase from us debt securities that will provide the funds for that Trust's payments to purchasers of its trust preferred securities.

RATIO OF EARNINGS TO FIXED CHARGES AND RATIO OF EARNINGS TO COMBINED FIXED CHARGES AND PREFERENCE DIVIDENDS

The ratio of our earnings to fixed charges and the ratio of earnings to combined fixed charges and preference dividends for the periods indicated are as follows:

	2011	2010	2009	2008	2007
Ratio of earnings to fixed charges	13.30	19.39	25.13	18.25	29.51
Ratio of earnings to combined fixed charges and preference dividends	13.30	19.39	25.13	18.25	29.51

For these ratios, fixed charges consist of interest expense, including amounts capitalized and amortization of capitalized expenses related to indebtedness, and 33% of rent expense, which represents a reasonable approximation of the interest factor of rent expense. Earnings consist of earnings from continuing operations before income tax expense plus fixed charges. Preference dividends represent the amount of pre-tax earnings that is required to pay dividends on outstanding preference securities. During the periods set forth above, HCC did not have any outstanding preference securities.

GENERAL DESCRIPTION OF SECURITIES

We may offer and sell, from time to time:

shares of our common stock;

debt securities;

warrants to purchase our debt securities or our common stock; and

guarantees of trust preferred securities sold by a Trust.

A Trust may offer and sell, from time to time, trust preferred securities representing undivided beneficial interests in the assets of the respective Trust. HCC will guarantee the trust preferred securities.

We will provide the specific terms of these securities in one or more supplements to this prospectus or prospectuses contained in a post-effective amendment, or the documents that we incorporate herein by reference, which are sometimes collectively referred to in the description of securities below as a prospectus supplement.

DESCRIPTION OF COMMON STOCK

The following is a description of our common stock and a summary of the rights of our stockholders. You should also refer to our Restated Certificate of Incorporation, as amended, and Amended and Restated Bylaws, which are incorporated by reference in this prospectus, and to Delaware law. When used in this section "Description of Common Stock," the terms "we," "us," "our," and Company refer to HCC Insurance Holdings, Inc. only.

General

We have the authority to issue an aggregate of 250,000,000 shares of common stock, par value \$1.00 per share. As of March 19, 2012, 104,224,123 shares of common stock were outstanding.

Voting rights. Each share of common stock is entitled to one vote in the election of directors and on all other matters submitted to a vote of our stockholders. Our stockholders do not have the right to cumulate their votes in the election of directors.

Dividends, distributions and stock splits. Holders of our common stock are entitled to receive dividends if, as and when such dividends are declared by our Board of Directors out of assets legally available therefor.

Liquidation. In the event of any dissolution, liquidation, or winding up of our affairs, whether voluntary or involuntary, after payment of our debts and other liabilities, our remaining assets will be distributed ratably among the holders of common stock.

Fully Paid. All shares of common stock outstanding are fully paid and nonassessable, and all the shares of common stock to be outstanding upon completion of this offering will be fully paid and nonassessable.

Other Rights. Holders of our common stock have no redemption or conversion rights and no preemptive or other rights to subscribe for our securities.

Certain Anti-Takeover Effects of Certain Provisions of the Company's Amended and Restated Certificate of Incorporation, as amended, Amended and Restated Bylaws and the Delaware General Corporation Law

In order to enhance the likelihood of continuity and stability in the composition of our Board of Directors and in the policies formulated by our Board of Directors and to discourage certain types of transactions that may involve an actual or threatened change of control, our Amended and Restated Bylaws include provisions to establish advance notice requirements for nominations for election to our Board of Directors or proposing matters that can be acted upon by stockholders at stockholder meetings.

Additionally, Section 203 of the Delaware General Corporation Law may discourage, delay or prevent a change in control. We are a Delaware corporation subject to Section 203 of the Delaware General Corporation Law. Under Section 203, certain "business combinations" between a Delaware corporation and an "interested stockholder" are prohibited for a three-year period following the date that such stockholder became an interested stockholder, unless:

the business combination or the transaction which resulted in the stockholder becoming an interested stockholder was approved by the board of directors of the corporation before such stockholder became an interested stockholder;

upon consummation of the transaction that resulted in such stockholder becoming an interested stockholder, the interested stockholder owned at least 85% of the voting stock of the corporation outstanding at the time the transaction commenced, excluding for purposes of determining the voting stock outstanding (but not the outstanding voting stock owned by the interested stockholder) those shares owned (a) by directors who are also officers and (b) by employee stock plans in which the employees do not have a confidential right to tender stock held by the plan in a tender or exchange offer; or

the business combination is approved by the board of directors of the corporation and authorized at a meeting, and not by written consent, by two-thirds of the outstanding voting stock which is not owned by the interested stockholder.

The three-year prohibition also does not apply to some business combinations proposed by an interested stockholder following the announcement or notification of an extraordinary transaction involving the corporation and a person who had not been an interested stockholder during the previous three years or who became an interested stockholder with the approval of a majority of the corporation's directors.

Under the Delaware General Corporation Law, the term "business combination" is defined generally to include mergers or consolidations between the corporation or its majority-owned subsidiary and an interested stockholder, transactions with an interested stockholder involving the assets of the corporation or its majority-owned subsidiaries, and transactions that increase an interested stockholder's percentage ownership of stock. The term "interested stockholder" is defined generally as those stockholders who become beneficial owners of 15% or more of the corporation's voting stock, together with the affiliates or associates of that stockholder.

Transfer Agent and Registrar

The Transfer Agent and Registrar for the common stock is American Stock Transfer & Trust Company.

DESCRIPTION OF DEBT SECURITIES

The following description sets forth certain general terms and provisions of the debt securities to which any prospectus supplement may relate. Other terms, and the particular terms of a specific series of debt securities (which differ from the terms described below), will be described in the prospectus supplement relating to that series. The debt securities will be senior debt securities or subordinated debt securities. The senior debt securities will be issued under an indenture (the "Senior Indenture"), to be entered into between us and U.S. Bank National Association, as trustee (the "Senior Trustee"), and the subordinated debt securities will be issued under a separate indenture (the "Subordinated Indenture") to be entered into between us and U.S. Bank National Association, as trustee (the "Subordinated Trustee"). The term "Trustee" used in this prospectus shall refer to the Senior Trustee or the Subordinated Trustee, as appropriate. The Senior Indenture and the Subordinated Indenture are sometimes collectively referred to herein as the "Indentures" and individually as "Indenture." The Indentures are subject to and governed by the Trust Indenture Act of 1939, as amended (the "TIA"), and may be supplemented from time to time following execution. When used in this section "Description of Debt Securities," the terms "we," "us," "our," and Company refer to HCC Insurance Holdings, Inc. only.

The terms of the debt securities include those stated in the applicable Indenture and those made part of the Indenture by reference to the TIA. The debt securities are subject to all of those terms, and holders of debt securities are referred to the applicable Indenture and the TIA for a statement of those terms.

The statements set forth below in this section are brief summaries of certain provisions contained in the Indentures, do not purport to be complete, and are subject to, and are qualified in their entirety by reference to, the Indentures, including the definitions of certain terms therein, and the TIA. Capitalized terms used in this section and not otherwise defined in this section will have the respective meanings assigned to them in the Indentures.

General

The debt securities will be our direct, unsecured obligations. The indebtedness represented by the senior debt securities will rank equally with all of our other unsecured and unsubordinated indebtedness. The indebtedness represented by the subordinated debt securities will be subordinated in right of payment to the prior payment in full of all of our senior debt as described below under "Subordination."

A prospectus supplement, the applicable Indenture and the supplemental indenture or authorizing resolution (including any related officer's certificate or Company order), if any, relating to any series of debt securities being offered will include specific terms relating to the offering. These terms will include some or all of the following:

the form and title of the debt securities and whether the debt securities are senior debt securities or subordinated debt securities;

the aggregate principal amount of the debt securities and any limit on the aggregate principal amount;

the date or dates on which the principal of the debt securities shall be payable;

the rate or rates (fixed or variable) at which the debt securities shall bear interest, if any, and the date or dates from which the interest shall accrue;

the dates on which interest, if any, shall be payable and the record dates for the interest payment dates;

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the place or places where the principal of and interest, if any, on the debt securities of the series will be payable;

any optional or mandatory redemption or any sinking fund or analogous provisions;

any special tax implications of the debt securities, including provisions for original issue discount securities, if offered;

any provisions granting special rights to holders when a specified event occurs;

the percentage of the principal amount at which the debt securities will be issued and any payments due if the maturity of the debt securities is accelerated;

any Events of Default or covenants with respect to the debt securities that differ from, or are in addition to, those set forth in the applicable Indenture;

provisions regarding the convertibility or exchangeability of the debt securities;

provisions pertaining to the issuance of debt securities in the form of global debt securities, as described below;

provisions relating to the modification of the terms of the debt securities or the rights of securityholders;

the form of and conditions to issuance of debt securities issuable in definitive form, other than as described below;

the identity of the trustee, the registrar for the debt securities and any paying agent; and

any other terms not prohibited by the provisions of the applicable Indenture.

The debt securities of a series may be issued in registered, coupon or global form and will be denominated in an amount equal to all or a portion of the aggregate principal amount of those debt securities. See "Global Debt Securities."

Unless otherwise set forth in a prospectus supplement, the debt securities will not contain any provisions that protect the holders of the debt securities in the event of a change of control of us or in the event of a highly leveraged transaction, whether or not such transaction results in a change of control of us.

Neither indenture will limit the amount of debt securities that we may issue, unless we indicate otherwise in a prospectus supplement. Each Indenture will allow us to issue debt securities of any series up to the aggregate principal amount that we authorize.

Denominations

Unless otherwise indicated in any applicable prospectus supplement, the debt securities of any series will be issued only in fully registered form in denominations of \$2,000 or any integral multiple of \$1,000 in excess thereof.

Global Debt Securities

Certain series of the debt securities may be issued as permanent global debt securities to be deposited with a depository with respect to that series. Unless otherwise indicated in the applicable prospectus supplement, the following is a summary of the depository arrangements applicable to debt securities issued in permanent global form and for which The Depository Trust Company, or DTC, acts as depository.

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Each global debt security will be deposited with, or on behalf of, DTC, as depository, or its nominee and registered in the name of a nominee of DTC. Except under the limited circumstances described below, global debt securities are not exchangeable for definitive certificated debt securities.

Ownership of beneficial interests in a global debt security is limited to institutions that have accounts with DTC or its nominee ("participants") or persons that may hold interests through participants. In addition, ownership of beneficial interests by participants in a global debt security will be evidenced only by, and the transfer of that ownership interest will be effected only through, records maintained by DTC or its nominee for a global debt security. Ownership of beneficial interests in a global debt security by persons that hold through participants will be evidenced only by, and the transfer of that ownership interest within that participant will be effected only through, records maintained by that participant. DTC has no knowledge of the actual beneficial owners of the debt securities. Beneficial owners will not receive written confirmation from DTC of their purchase, but beneficial owners are expected to receive written confirmations providing details of the transaction, as well as periodic statements of their holdings, from the participants through which the beneficial owners entered the transaction. The laws of some jurisdictions require that certain purchasers of securities take physical delivery of such securities in definitive form. Such laws may impair the ability to transfer beneficial interests in a global debt security.

Payments on debt securities represented by a global debt security registered in the name of or held by DTC or its nominee will be made to DTC or its nominee, as the case may be, as the registered owner and holder of the global debt security representing the debt securities. We expect that upon receipt of any payments with respect to a global debt security, DTC will immediately credit accounts of participants on its book-entry registration and transfer system with payments in amounts proportionate to their respective beneficial interests in the principal amount of that global debt security as shown in the records of DTC. Payments by participants to owners of beneficial interests in a global debt security held through those participants will be governed by standing instructions and customary practices, as is now the case with securities held for the accounts of customers in bearer form or registered in "street name," and will be the sole responsibility of those participants, subject to any statutory or regulatory requirements that may be in effect from time to time.

Neither we, any Trustee nor any of our respective agents will be responsible for any aspect of the records of DTC, any nominee or any participant relating to, or payments made on account of, beneficial interests in a permanent global debt security or for maintaining, supervising or reviewing any of the records of DTC, any nominee or any participant relating to such beneficial interests.

A global debt security is exchangeable for definitive debt securities registered in the name of, and a transfer of a global debt security may be registered to, any person other than DTC or its nominee, only if:

DTC notifies us that it is unwilling or unable to continue as depository for that global debt security or at any time DTC ceases to be registered under the Exchange Act, and a successor depository is not appointed by us within 90 days after our receipt of such notice;

we determine in our discretion that the global debt security shall be exchangeable for definitive debt securities in registered form;

there shall have occurred and be continuing an event of default or an event which, with notice or the lapse of time or both, would constitute an event of default under the debt securities; or

as may be provided in any applicable prospectus supplement.

Any global debt security that is exchangeable pursuant to the preceding sentence will be exchangeable in whole for definitive debt securities in registered form, of like tenor and of an equal aggregate principal amount as the global debt security, in denominations of \$2,000 or any integral

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multiple of \$1,000 in excess thereof. The definitive debt securities will be registered by the registrar in the name or names instructed by DTC. We expect that these instructions may be based upon directions received by DTC from its participants with respect to ownership of beneficial interests in the global debt security.

Except as provided above, owners of the beneficial interests in a global debt security will not be entitled to receive physical delivery of debt securities in definitive form and will not be considered the holders of debt securities for any purpose under the Indentures. No global debt security shall be exchangeable except for another global debt security of like denomination and tenor to be registered in the name of DTC or its nominee. Accordingly, each person owning a beneficial interest in a global debt security must rely on the procedures of DTC and, if that person is not a participant, on the procedures of the participant through which that person owns its interest, to exercise any rights of a holder under the global debt security or the Indentures.

We understand that, under existing industry practices, in the event that we request any action of holders, or an owner of a beneficial interest in a global debt security desires to give or take any action that a holder is entitled to give or take under the debt securities or the Indentures, DTC would authorize the participants holding the relevant beneficial interest to give or take that action, and those participants would authorize beneficial owners owning through those participants to give or take that action or would otherwise act upon the instructions of beneficial owners owning through them.

DTC is a limited purpose trust company organized under the laws of the State of New York, a "banking organization" within the meaning of the New York Banking Law, a member of the Federal Reserve System, a "clearing corporation" within the meaning of the New York Uniform Commercial Code and a "clearing agency" pursuant to the provisions of Section 17A of the Exchange Act. DTC was created to hold securities of its participants and to facilitate the clearance and settlement of securities transactions among its participants in those securities through electronic book-entry changes in accounts of the participants, thereby eliminating the need for physical movement of securities certificates. DTC's participants include securities brokers and dealers, banks, trust companies, clearing corporations and certain other organizations. DTC is a wholly-owned subsidiary of The Depository Trust & Clearing Corporation ("DTCC"). DTCC is the holding company for DTC, National Securities Clearance Corporation and Fixed Income Clearing Corporation, all of which are registered clearing agencies. DTCC is owned by the users of its regulated subsidiaries. Access to DTC's book-entry system is also available to others, such as banks, brokers, dealers, trust companies and clearing corporations that clear through or maintain a custodial relationship with a participant, either directly or indirectly. The rules applicable to DTC and its participants are on file with the SEC.

Covenants

Under the Indentures, we have agreed to:

pay the principal of, and interest and any premium on, the debt securities when due;

maintain a place of payment;

deliver an officer's certificate to the Trustee within 150 days after the end of each fiscal year regarding our review of compliance with our obligations under the Indentures;

maintain our corporate existence; and

deposit sufficient funds with any paying agent on or before the due date for any payment of principal, interest or premium.

Consolidation, Merger or Asset Sale

Both Indentures generally allow us to consolidate or merge with a person, association or entity. They also allow us to sell, lease or transfer our property and assets substantially as an entirety to a person, association or entity.

However, we will only consolidate or merge with or into any other person, association or entity or sell, lease or transfer our assets substantially as an entirety according to the terms and conditions of the Indentures, which include the following requirements:

the remaining or acquiring person, association or entity is a corporation or partnership organized under the laws of the United States, any state or the District of Columbia;

the remaining or acquiring person, association or entity expressly assumes all of our responsibilities and liabilities under the Indentures, including the punctual payment of all amounts due on the debt securities and performance of the covenants in the Indentures;

immediately after giving effect to the transaction, no event which is, or after notice or lapse of time or both would become, an Event of Default, as defined below, exists; and

delivery to the trustee an officer's certificate and an opinion of counsel stating that all related conditions have been satisfied.

The remaining or acquiring person, association or entity will be substituted for us in the Indentures with the same effect as if it had been an original party to the Indentures. Thereafter, the successor may exercise our rights and powers under the Indentures, in our name or in its own name. If we sell or transfer our assets substantially as an entirety, we will be released from all our liabilities and obligations under the Indentures and the debt securities. If we lease our assets substantially as an entirety, we will not be released from our obligations under the Indentures and the debt securities.

Events of Default

Unless otherwise specified in the applicable prospectus supplement, each of the following events will be an Event of Default under an Indenture with respect to any series of debt securities issued under that Indenture:

failure to pay any interest on any debt security of the series when due, continued for 30 days;

failure to pay principal of (or premium, if any, on) any debt security of the series when due;

failure to deposit a sinking fund or any other such analogous required payment, if any, when due by the terms of a debt security of the series;

failure to perform or comply with any covenant in the applicable Indenture or related supplemental indenture, continued for 90 days after written notice as provided in the Indenture;

certain events in bankruptcy, insolvency or reorganization affecting us; and

any other Event of Default set forth in the applicable indenture or supplemental indenture relating to the debt securities of that series.

An Event of Default for a particular series of debt securities does not necessarily constitute an Event of Default for any other series of debt securities issued under an Indenture. The applicable Trustee may withhold notice to the holders of a series of debt securities of any default, except payment defaults of principal or on interest or any premium on those debt securities, if it considers such withholding to be in the interest

of the holders.

If an Event of Default occurs and is continuing, then the applicable Trustee or the holders of a specified percentage in aggregate principal amount of the outstanding debt securities of that series may

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declare the entire principal amount of the debt securities of that series to be due and payable immediately; provided, however, that the holders of a majority of the aggregate principal amount of the debt securities of that series may, under certain circumstances, rescind and annul the declaration.

Subject to provisions in each Indenture relating to its duties in case an Event of Default shall have occurred and be continuing, no Trustee will be under an obligation to exercise any of its rights or powers under that Indenture at the request, order or direction of any holders of debt securities then outstanding under that Indenture, unless the holders shall have offered to the applicable Trustee reasonable indemnity. If such reasonable indemnity is provided, the holders of a majority in aggregate principal amount of the outstanding debt securities of any series will have the right to direct the time, method and place of conducting any proceeding for any remedy available to the applicable Trustee or exercising any power conferred on the Trustee, for any series of debt securities.

Defeasance

Debt securities of a series may be defeased at any time in accordance with their terms and as set forth in the applicable Indenture and described briefly below, unless the securities resolutions or supplemental indenture establishing the terms of the series provides otherwise. Any defeasance may terminate all of our obligations (with limited exceptions) with respect to a series of debt securities and the applicable Indenture ("legal defeasance"), or it may terminate only our obligations under any restrictive covenants which may be applicable to a particular series ("covenant defeasance").

We may exercise our legal defeasance option even though we have also exercised our covenant defeasance option. If we exercise the legal defeasance option with respect to a series of debt securities, that series may not be accelerated because of an Event of Default. If we exercise the covenant defeasance option, that series of debt securities may not be accelerated by reference to any restrictive covenants which may be applicable to that particular series.

To exercise either defeasance option as to a series of debt securities, we must:

irrevocably deposit in trust with the applicable Trustee or another trustee money or U.S. government obligations in an amount to pay and discharge the principal of and any premium and interest on the debt securities on the stated maturities or redemption dates therefor and any mandatory sinking fund payments;

deliver a certificate from a nationally recognized firm of independent accountants expressing their opinion that the payments of principal and interest when due on the deposited U.S. government obligations, without reinvestment, plus any deposited money without investment, will provide cash at the times and in the amounts necessary to pay the principal of and premium and interest when due on all debt securities of the series to maturity or redemption, as the case may be, and any mandatory sinking fund payments; and

comply with certain other conditions. In particular, we must obtain an opinion of tax counsel that the defeasance will not result in recognition of any gain or loss to holders for federal income tax purposes.

Discharge

We may discharge all our obligations under an Indenture with respect to the notes of any series, other than our obligation to register the transfer of and to exchange notes of that series, when either:

all outstanding notes of that series, except lost, stolen or destroyed notes that have been replaced or paid and notes for whose payment money has been deposited in trust and thereafter repaid to us, have been delivered to the trustee for cancellation; or

all such notes not so delivered for cancellation have either become due and payable or will become due and payable at their stated maturity within one year or are to be called for redemption within one year, and we have deposited with the trustee in trust an amount of cash sufficient to pay the entire indebtedness of such notes, including interest to the stated maturity or applicable redemption date;

and we have paid all other sums due under that Indenture and delivered an officer's certificate and opinion of counsel to the Trustee stating that all related conditions have been satisfied.

Modification of Indentures

Under each Indenture, generally we and the Trustee may modify our rights and obligations and the rights of the holders with the consent of the holders of a majority in aggregate principal amount of the outstanding debt securities of each series affected by the modification.

No modification of the principal or interest payment terms, no modification reducing the percentage required for any waiver or modifications and no modification impairing the right to institute suit for the payment on debt securities of any series when due, is effective against any holder without its consent.

In addition, we and the applicable Trustee may amend the Indentures without the consent of any holder of the debt securities to make certain technical changes, such as:

curing ambiguities or correcting defects or inconsistencies or otherwise adding or changing provisions with respect to matters or questions arising under the Indenture relating to a particular series of debt securities that does not adversely affect the rights of any holder in any material respect;

evidencing the succession of another person to us, and the assumption by that successor of our obligations under the applicable indenture and the debt securities of any series;

providing for the acceptance of appointment by a successor trustee;

qualifying the indentures under the TIA;

complying with the rules and regulations of any securities exchange or automated quotation system on which debt securities of any series may be listed or traded; or

adding, changing or eliminating provisions relating to a particular series of debt securities to be issued.

Subordination

Debt securities of a series may be subordinated to our "Senior Indebtedness," which we define (subject to modification in any applicable prospectus supplement) generally as money borrowed, including guarantees, by us that is not expressly subordinate or junior in right of payment to any of our other indebtedness. Subordinated debt securities will be subordinate in right of payment, to the extent and in the manner set forth in the indenture, and related supplemental indenture or authorizing resolution (including any related officer's certificate or Company order), and the prospectus supplement relating to such series, to the prior payment of all of our indebtedness that is designated as "Senior Indebtedness" with respect to the series. Under a subordinated indenture, payment of the principal, interest and premium, if any, on the subordinated debt securities will generally be subordinated and junior in right of payment to the prior payment in full of all senior debt. The Subordinated Indenture

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will provide that no payment of principal, interest and any premium on the subordinated debt securities may be made in the event:

we fail to pay the principal, interest, premium, if any, or any other amounts on any Senior Indebtedness when due;

any other default on Senior Indebtedness occurs and the maturity of such Senior Indebtedness is accelerated in accordance with its terms unless, in either case, the default has been cured or waived and any such acceleration has been rescinded or such Senior Indebtedness has been paid in full in cash;

of any insolvency, bankruptcy or similar proceeding involving us or our property; or

of a default (other than payment default) with respect to the Senior Indebtedness that imposes a payment blockage on the subordinated debt securities for a maximum of 179 days at any one time, unless the Event of Default has been cured or waived or shall no longer exist.

The Subordinated Indenture will not limit the amount of Senior Indebtedness that we may incur.

No Individual Liability of Officers, Directors, Employees or Stockholders

No director, officer, employee or stockholder, as such, of ours or any of our affiliates shall have any personal liability in respect of our obligations under any Indenture or the debt securities by reason of his, her or its status as such.

DESCRIPTION OF WARRANTS

We may issue warrants to purchase our senior debt securities, subordinated debt securities, common stock or other securities registered pursuant to the registration statement to which this prospectus relates. Warrants may be issued independently or together with any other securities and may be attached to, or separate from, such securities. Each series of warrants will be issued under a separate warrant agreement to be entered into between us and a warrant agent. In addition to this summary, you should refer to the warrant agreement, including the forms of warrant certificate representing the warrants, relating to the specific warrants being offered for the complete terms of the warrant agreement and the warrants. That warrant agreement, together with the terms of warrant certificate and warrants, will be filed with the SEC in connection with the offering of the specific warrants. When used in this section "Description of Warrants," the terms "we," "us," "our," and Company refer to HCC Insurance Holdings, Inc. only.

The applicable prospectus supplement will describe the terms of any series of warrants in respect of which this prospectus is being delivered, including, where applicable, the following:

the title of such warrants;

the aggregate number of such warrants;

the price or prices at which such warrants will be issued;

the currency or currencies, in which the price of such warrants will be payable;

the securities or other rights, including rights to receive payment in cash or securities based on the value, rate or price of one or more specified commodities, currencies, securities or indices, or any combination of the foregoing, purchasable upon exercise of such warrants;

the price at which and the currency or currencies in which the securities or other rights purchasable upon exercise of such warrants may be purchased;

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the date on which the right to exercise such warrants shall commence and the date on which such right shall expire;

the minimum or maximum amount of such warrants which may be exercised at any one time;

the anti-dilution provisions of such warrants;

the redemption or call provisions of such warrants;

provisions regarding changes to or adjustments in the exercise price;

the designation and terms of the securities with which such warrants are issued and the number of such warrants issued with each such security;

the date on and after which such warrants and the related securities will be separately transferable;

information with respect to book-entry procedures, if any;

a discussion of any material United States federal income tax considerations; and

any other terms of such warrants, including terms, procedures and limitations relating to the exchange and exercise of such warrants.

Until they exercise their warrants, holders of warrants will not have any of the rights of holders of the securities purchasable upon exercise, and will not be entitled to:

receive payments of principal of (or premium, if any, on) or interest, if any, on any debt securities purchasable upon exercise;

receive dividend payments, if any, with respect to any underlying securities; or

exercise the voting rights of any common stock or preferred stock purchasable upon exercise.

DESCRIPTION OF TRUST RELATED JUNIOR SUBORDINATED DEBT SECURITIES

The junior subordinated debentures that we issue to a Trust will be our direct unsecured general obligations. Only junior subordinated debt securities will be issued to the Trusts. The debt securities will be issued in one or more series under the indenture between us and U.S. Bank National Association, as trustee, and under our securities resolution or a supplemental indenture authorizing the particular series. This indenture is referred to herein as the "Trust Preferred Indenture." The terms "we," "us," "our," and Company refer to HCC Insurance Holdings, Inc. only, when used in this section "Description of Trust Related Junior Subordinated Debt Securities" and the sections "Description of Trust Preferred Securities," "Description of Trust Related Guarantees" and "Relationship among the Trust Preferred Securities, the Corresponding Junior Subordinated Securities and the Guarantees."

Set forth below is a summary of certain provisions of the Trust Preferred Indenture. Other terms, and the particular terms of a specific series of debt securities (which differ from the terms described below), will be described in the prospectus supplement relating to that series. The form

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of the Trust Preferred Indenture and a form of amended and restated trust agreement, or Trust Agreement, are filed as exhibits to the registration statement of which this prospectus is a part. You should read the Trust Preferred Indenture and the Trust Agreement for provisions that may be important to you. The statements set forth below in this section are brief summaries of certain provisions contained in the Trust Preferred Indenture, do not purport to be complete, and are subject to, and are qualified in their entirety by reference to, the Trust Preferred Indenture, including the definitions of certain terms therein, and the TIA. Capitalized terms used in this section and not otherwise defined in this section will have the respective meanings assigned to them in the Trust Preferred Indenture.

General

The Trust Preferred Indenture does not significantly limit our operations. In particular, it does not:

limit the amount of debt securities that we can issue under the Trust Preferred Indenture;

limit the number of series of debt securities that we can issue from time to time;

restrict the total amount of debt that we or our subsidiaries may incur; or

contain any covenant or other provision that is specifically intended to afford any holder of the debt securities special protection in the event of highly leveraged transactions or any other transactions resulting in a decline in our ratings or credit quality.

As of the date of this prospectus, there are no debt securities outstanding under the Trust Preferred Indenture. The ranking of a series of debt securities with respect to all of our indebtedness will be established by the securities resolution or supplemental indenture creating the series.

Although the Trust Preferred Indenture permits the issuance of debt securities in other forms or currencies, the debt securities issued under the Trust Preferred Indenture will only be denominated in U.S. dollars in registered form without coupons, unless otherwise indicated in the applicable prospectus supplement.

A prospectus supplement and a securities resolution or supplemental indenture relating to the offering of any series of debt securities will include specific terms relating to the offering. The terms will include some or all of the following:

the designation, aggregate principal amount, currency or composite currency (if other than U.S. dollars) and denominations of the debt securities;

the price at which the debt securities will be issued and, if an index, formula or other method is used, the method for determining amounts of principal or interest;

the maturity date and other dates, if any, on which the principal of the debt securities will be payable;

the interest rate or rates, if any, or method of calculating the interest rate or rates which the debt securities will bear;

the date or dates from which interest will accrue and on which interest will be payable, and the record dates for the payment of interest; the manner of paying principal and interest on the debt securities;

the place or places where principal and interest will be payable;

the terms of any mandatory or optional redemption of the debt securities by us, including any sinking fund, the terms of any conversion or exchange right; the terms of any redemption of debt securities at the option of holders;

any tax indemnity provisions;

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the portion of principal payable upon acceleration of the maturity date of any debt security;

whether and upon what terms debt securities may be defeased (which means that we would be discharged from its obligations by depositing sufficient cash or government securities to pay the principal, interest, any premiums and other sums due to the stated maturity date or a redemption date of the debt securities of the series);

whether any events of default or covenants in addition to or instead of those set forth in the Trust Preferred Indenture apply;

provisions for electronic issuance of debt securities or for debt securities in uncertificated form;

any provisions relating to extending or shortening the date on which the principal and premium, if any, of the debt securities of the series is payable;

any provisions relating to the deferral of payment of any interest;

the terms of any right to convert or exchange the debt securities into any other of our securities or property;

if the series of debt securities is to be issued to a Trust, the forms of the related trust agreement and guarantee agreement;

the additions or changes, if any, to the Trust Preferred Indenture with respect to that series of debt securities to permit or facilitate the issuance of that series of debt securities to a Trust; and

any other terms not inconsistent with the provisions of the Trust Preferred Indenture including any covenants or other terms that may be required or advisable under United States or other applicable laws or regulations, or advisable in connection with the marketing of the debt securities.

We may issue debt securities of any series in such form and in such denominations as we specify in the securities resolution or supplemental indenture and prospectus supplement for the series.

A holder of registered debt securities may request registration of a transfer upon surrender of the debt security being transferred at any agency or office that we maintain for that purpose and upon fulfillment of all other requirements of the agent.

Denominations; Investment of Proceeds

The principal amount of the junior subordinated debentures that we issue to a Trust will be equal to the aggregate stated liquidation amount of the trust preferred securities and common securities of that Trust. Concurrently with the issuance of each Trust's trust preferred securities, each Trust will invest the proceeds from the sale of the trust preferred securities and the consideration we pay for the common securities in a series of corresponding junior subordinated debentures that we will issue to that Trust.

Covenants

Unless otherwise specified in the applicable securities resolution or supplemental indenture, we will covenant, as to each series of junior subordinated debentures:

to pay the principal of, and interest and any premium on, the junior subordinated indentures when due;

to maintain a place of payment;

to deliver an officer's certificate to the trustee within 120 days after the end of each fiscal year regarding our review of compliance with our obligations under the Trust Preferred Indenture;