

INSMED INC  
Form 4  
February 01, 2011

**FORM 4**

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

Check this box  
if no longer  
subject to  
Section 16.  
Form 4 or  
Form 5  
obligations  
may continue.  
See Instruction  
1(b).

**STATEMENT OF CHANGES IN BENEFICIAL OWNERSHIP OF  
SECURITIES**

Filed pursuant to Section 16(a) of the Securities Exchange Act of 1934,  
Section 17(a) of the Public Utility Holding Company Act of 1935 or Section  
30(h) of the Investment Company Act of 1940

## OMB APPROVAL

OMB  
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burden hours per  
response... 0.5

(Print or Type Responses)

1. Name and Address of Reporting Person \*  
**TULLY KEVIN P**

(Last) (First) (Middle)

**C/O INSMED  
INCORPORATED, 8720 STONY  
POINT PARKWAY, SUITE 200**

(Street)

**RICHMOND, VA 23235**

(City) (State) (Zip)

2. Issuer Name **and** Ticker or Trading  
Symbol  
**INSMED INC [INSM]**

3. Date of Earliest Transaction  
(Month/Day/Year)  
**01/31/2011**

4. If Amendment, Date Original  
Filed(Month/Day/Year)

5. Relationship of Reporting Person(s) to  
Issuer

(Check all applicable)

\_\_\_\_ Director \_\_\_\_ 10% Owner  
\_\_X\_\_ Officer (give title below) \_\_\_\_ Other (specify below)  
Executive VP & CFO

6. Individual or Joint/Group Filing(Check  
Applicable Line)  
\_\_X\_\_ Form filed by One Reporting Person  
\_\_\_\_ Form filed by More than One Reporting  
Person

**Table I - Non-Derivative Securities Acquired, Disposed of, or Beneficially Owned**

| 1. Title of<br>Security<br>(Instr. 3) | 2. Transaction Date<br>(Month/Day/Year) | 2A. Deemed<br>Execution Date, if<br>any<br>(Month/Day/Year) | 3. Transaction<br>Code<br>(Instr. 8) | 4. Securities<br>Acquired (A) or<br>Disposed of (D)<br>(Instr. 3, 4 and 5) | 5. Amount of<br>Securities<br>Beneficially<br>Owned<br>Following<br>Reported<br>Transaction(s)<br>(Instr. 3 and 4) | 6. Ownership<br>Form: Direct<br>(D) or Indirect<br>(I)<br>(Instr. 4) | 7. Nature of<br>Indirect<br>Beneficial<br>Ownership<br>(Instr. 4) |
|---------------------------------------|-----------------------------------------|-------------------------------------------------------------|--------------------------------------|----------------------------------------------------------------------------|--------------------------------------------------------------------------------------------------------------------|----------------------------------------------------------------------|-------------------------------------------------------------------|
|                                       |                                         |                                                             | Code                                 | V                                                                          | Amount                                                                                                             | (D)                                                                  | Price                                                             |

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

**Persons who respond to the collection of  
information contained in this form are not  
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SEC 1474  
(9-02)

**Table II - Derivative Securities Acquired, Disposed of, or Beneficially Owned**  
**(e.g., puts, calls, warrants, options, convertible securities)**

| 1. Title of<br>Derivative | 2. Conversion | 3. Transaction Date<br>(Month/Day/Year) | 3A. Deemed<br>Execution Date, if | 4. Transaction | 5. Number of<br>Derivative | 6. Date Exercisable and<br>Expiration Date | 7. Title and Amount<br>Underlying Security |
|---------------------------|---------------|-----------------------------------------|----------------------------------|----------------|----------------------------|--------------------------------------------|--------------------------------------------|
|---------------------------|---------------|-----------------------------------------|----------------------------------|----------------|----------------------------|--------------------------------------------|--------------------------------------------|

# Edgar Filing: INSMED INC - Form 4

| Security<br>(Instr. 3)               | or Exercise<br>Price of<br>Derivative<br>Security | any<br>(Month/Day/Year) | Code<br>(Instr. 8) | Securities<br>Acquired (A) or<br>Disposed of (D)<br>(Instr. 3, 4, and<br>5) | (Month/Day/Year) | (Instr. 3 and 4) |                           |                    |                                |                            |
|--------------------------------------|---------------------------------------------------|-------------------------|--------------------|-----------------------------------------------------------------------------|------------------|------------------|---------------------------|--------------------|--------------------------------|----------------------------|
|                                      |                                                   |                         | Code               | V                                                                           | (A)              | (D)              | Date Exercisable          | Expiration<br>Date | Title                          | Amount<br>Number<br>Shares |
| Stock<br>Option -<br>Right to<br>Buy | \$ 0.59                                           | 01/31/2011              | A                  |                                                                             | 248,000          |                  | 01/31/2012 <sup>(1)</sup> | 01/31/2021         | Common<br>Stock                | 248,000                    |
| Restricted<br>Stock<br>Units         | <sup>(2)</sup>                                    | 01/31/2011              | A                  |                                                                             | 558,000          |                  | <sup>(2)</sup>            | <sup>(2)</sup>     | Common<br>Stock <sup>(3)</sup> | 558,000                    |

## Reporting Owners

| Reporting Owner Name / Address                                                                        | Relationships |           |                       |       |
|-------------------------------------------------------------------------------------------------------|---------------|-----------|-----------------------|-------|
|                                                                                                       | Director      | 10% Owner | Officer               | Other |
| TULLY KEVIN P<br>C/O INSMED INCORPORATED<br>8720 STONY POINT PARKWAY, SUITE 200<br>RICHMOND, VA 23235 |               |           | Executive<br>VP & CFO |       |

## Signatures

/s/ Kevin P.  
Tully

02/01/2011

\*\*Signature of  
Reporting Person

Date

## Explanation of Responses:

\* If the form is filed by more than one reporting person, *see* Instruction 4(b)(v).

\*\* Intentional misstatements or omissions of facts constitute Federal Criminal Violations. *See* 18 U.S.C. 1001 and 15 U.S.C. 78ff(a).

(1) This Option shall be exercisable with respect to twenty-five percent (25%) of the shares of Common Stock subject to this Option on the first anniversary of the Date of Grant and with respect to an additional twelve and a half percent (12.5%) of the shares of Common Stock subject to this Option on the sixth month anniversary of the First Anniversary Date and each sixth month anniversary date thereafter through the fourth anniversary of the Date of Grant.

Pursuant to the Management Agreement these awards are subject to both time (50% of the Award) and performance-based (50% of the Award) vesting. The portion of the Award subject to time-based vesting shall vest on the 3rd anniversary of the grant date or January 31, 2014, so long as the member of management continues to be employed by the Company. The portion of the Award subject to performance-based vesting shall vest based on the date on which the Board determines that Arikace has achieved its primary endpoint in a Phase III trial, provided that the Grantee continues to be employed with the Company on such date.

(3) Restricted Stock Units will be paid to the grantee in cash upon vesting, unless one of the following occurs: 1) the shareholders of the issuer approve an amendment to the issuer's Amended & Restated 2000 Stock Incentive Plan to increase the number of shares of common stock that may be issued under the plan or 2) additional shares become available to the plan through stock option expirations and/or employee terminations, in which case the grantee may receive shares of common stock in lieu of cash.

Note: File three copies of this Form, one of which must be manually signed. If space is insufficient, *see* Instruction 6 for procedure.

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