



Item 5.02 Departure of Directors or Certain Officers: Election of Directors, Appointment of Certain Officers; Compensatory Arrangements of Certain Officers.

In connection with the resignation, announced on June 15, 2009, of the Company's President and CEO Dr. Geoffrey Allan due to health concerns, the Company and Mr. Allan entered into an separation agreement which is attached as Exhibit 10.1 to this Form 8-K. Under the agreement, the Company will pay Mr. Allan a lump-sum payment of \$675,000, pay his health insurance premiums for up to 36 months, provide him use for 18 months of the automobile currently leased for him, and extend the exercise period for his vested options to their expiration dates.

In exchange for these separation benefits, Mr. Allan released all claims that he might have against the Company, its directors, officers, employees, and others relating to his employment. Mr. Allan also agreed to a covenant not to compete for 18 months and to comply with covenants not to compete or solicit contained in the Company's agreement with Merck & Co. In addition, Mr. Allan agreed to comply with certain confidentiality restrictions.

Exhibit No.	Description
10.1	Separation Agreement and General Release.

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SIGNATURES

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

Insmmed Incorporated

Date: July 2, 2009

By: /s/ Kevin P. Tully  
Name: Kevin P. Tully C.G.A.,  
Title: Executive Vice President &  
Chief Financial Officer

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EXHIBIT INDEX

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