

PRIMUS GUARANTY LTD  
Form 8-K  
February 18, 2009

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

**FORM 8-K**

**CURRENT REPORT**

**Pursuant to Section 13 or 15(d) of the Securities Exchange Act of 1934**

**Date of Report (Date of earliest event reported): January 29, 2009**

**PRIMUS GUARANTY, LTD.**

(Exact name of registrant as specified in its charter)

**Bermuda**

(State or other Jurisdiction of  
Incorporation)

**001-32307**

(Commission File Number)

**Not Required**

(IRS Employer Identification No.)

**Clarendon House**

**2 Church Street**

**Hamilton HM 11, Bermuda**

(Address of Principal Executive Offices)

(Zip Code)

Registrant's telephone number, including area code: **441-296-0519**

**Not Applicable**

(Former name or former address if changed since last report.)

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

- Written communications pursuant to Rule 425 under the Securities Act (17 CFR 230.425)
- Soliciting material pursuant to Rule 14a-12 under the Exchange Act (17 CFR 240.14a-12)
- Pre-commencement communications pursuant to Rule 14d-2(b) under the Exchange Act (17 CFR 240.14d-2(b))
- Pre-commencement communications pursuant to Rule 13e-4(c) under the Exchange Act (17 CFR 240.13e-4(c))

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

Primus Guaranty, Ltd. (the Company) is filing this Form 8-K to describe executive officer compensation approved on January 29, 2009.

**ANNUAL BONUSES FOR 2008**

Cash bonuses in the following amounts were approved:

| Name             | Cash Bonus |
|------------------|------------|
| Thomas W. Jasper | \$ 0       |
| Richard Claiden  | \$ 100,000 |
| Charles McLendon | \$ 0       |

**2009 RESTRICTED STOCK UNIT AWARDS**

Pursuant to the Company's Incentive Compensation Plan (the Incentive Plan), restricted stock unit awards in the following amounts were approved:

| Name             | 2009 RSU Award<br>(# of shares) | 2008 RSU Award<br>(\$) |
|------------------|---------------------------------|------------------------|
| Thomas W. Jasper | 475,000                         | \$ 755,250             |
| Richard Claiden  | 250,000                         | \$ 397,500             |
| Charles McLendon | 0                               | 0                      |

Each RSU award will vest in three equal annual installments beginning one year from January 29, 2009, the date of the grant. The number of shares included in each award was calculated by dividing the dollar value of the award by \$1.59, which was the closing price of the Company's common shares, par value \$0.08 (Common Shares), on the New York Stock Exchange on the day of the grant.

**2009 PERFORMANCE SHARE AWARDS**

Pursuant to the Incentive Plan, performance share awards in the following amounts were approved:

| Name             | 2009 Performance Shares<br>(# of shares) |
|------------------|--|
| Thomas W. Jasper | 475,000                                  |
| Richard Claiden  | 0  |
| Charles McLendon | 0  |

Each performance share award will vest in three equal annual installments beginning one year from January 29, 2009, the date of the grant. The performance shares vest as per Mr. Jasper's employment agreement, at the end of three years and vest according to the performance/share price achievement if the stock price of the Common Shares goes to \$3.00 (125,000 shares), \$3.50 (125,000 shares), and \$4.00 (225,000 shares) over the vesting period. The price of the Common Shares should be at the stated price levels for a period of time to be determined within the vesting period for the achievement to have been realized.

Signature

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

PRIMUS GUARANTY, LTD.

By: /s/ Vincent B. Tritto  
Vincent B. Tritto  
General Counsel  
(Duly Authorized Officer)

Dated: February 17, 2009