

MBIA INC
Form 4
February 18, 2005

FORM 4

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

OMB APPROVAL

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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

(Print or Type Responses)

1. Name and Address of Reporting Person *
BUDNICK NEIL G

(Last) (First) (Middle)
C/O MBIA, 113 KING STREET
(Street)

ARMONK, NY 10504

(City) (State) (Zip)

2. Issuer Name and Ticker or Trading Symbol
MBIA INC [MBI]

3. Date of Earliest Transaction
(Month/Day/Year)
02/16/2005

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

5. Relationship of Reporting Person(s) to Issuer

(Check all applicable)

____ Director _____ 10% Owner
 Officer (give title below) _____ Other (specify below)
Vice President

6. Individual or Joint/Group Filing(Check Applicable Line)
 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 Security (Instr. 3) | 2. Transaction Date (Month/Day/Year) | 2A. Deemed Execution Date, if any (Month/Day/Year) | 3. Transaction Code (Instr. 8) | 4. Securities Acquired (A) or Disposed of (D) (Instr. 3, 4 and 5) | 5. Amount of Securities Beneficially Owned Following Reported Transaction(s) (Instr. 3 and 4) | 6. Ownership Form: Direct (D) or Indirect (I) (Instr. 4) | 7. Nature of Indirect Ownership (Instr. 4) |
|---------------------------------|--------------------------------------|--|--------------------------------|---|---|--|--|
| | | | Code | V Amount (A) or (D) Price | | | |
| Common Stock | 02/16/2005 | | A | 18,864 (1) \$ 58.84 | 97,114.69 | D | |
| Common Stock | 02/16/2005 | | A | 35,000 (2) \$ 58.84 | 132,114.69 | D | |

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

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(9-02)

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

| 1. Title of Derivative Security (Instr. 3) | 2. Conversion or Exercise Price of Derivative Security | 3. Transaction Date (Month/Day/Year) | 3A. Deemed Execution Date, if any (Month/Day/Year) | 4. Transaction Code (Instr. 8) | 5. Number of Derivative Securities Acquired (A) or Disposed of (D) (Instr. 3, 4, and 5) | 6. Date Exercisable and Expiration Date (Month/Day/Year) | 7. Title and Amount of Underlying Securities (Instr. 3 and 4) |
|--|--|--------------------------------------|--|--------------------------------|---|--|---|
| | | | | Code | V (A) (D) | Date Exercisable Expiration Date | Title Amount Number Shares |
| Employee Stock Option | \$ 58.84 | 02/16/2005 | | A | 100,000 | (3) 02/16/2015 | Common Stock 100,000 |

Reporting Owners

| Reporting Owner Name / Address | Relationships | | | |
|---|---------------|-----------|----------------|-------|
| | Director | 10% Owner | Officer | Other |
| BUDNICK NEIL G C/O MBIA 113 KING STREET ARMONK, NY 10504 | | | Vice President | |

Signatures

/s/Leonard I. Chubinsky,
Attorney-in-Fact

02/18/2005

**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) Restricted stock granted pursuant to a long-term incentive award under 16b-3 exemption. The restricted stock has a three year cliff vesting period. The number of shares of restricted stock that will ultimately vest will be tied to the growth in the Modified Book Value (MBV) of the Company during the period 1/1/05 to 12/31/07. If the MBV target growth rate of 30% appreciation from 1/1/05 to 12/31/07 is achieved, then all of the restricted stock will vest. If the MBV appreciation is 0 from 1/1/05 to 12/31/07, then no restricted stock will vest at the end of the vesting period, with intermediate levels of vesting to be determined by linear interpolation (e.g. MBV appreciation of 15% will result in 50% of the restricted stock vesting).

(2) Restricted stock granted pursuant to a one-time long-term incentive award under 16b-3 exemption in recognition of Mr. Budnick's being named President of MBIA Insurance Corporation and his increased role in generating increased profitable premium. The restricted stock will have a five year vesting period. The number of shares of restricted stock that will ultimately vest will be tied to growth in the Modified Book Value (MBV) of the Company from January 1 2005 to the end of the restricted period. If MBV appreciation from January 1, 2005 is zero, then no restricted stock will vest and if MBV appreciation is 50% then 100% of the restricted stock will vest, with intermediate levels of vesting to be determined by linear interpolation (e.g. MBV appreciation of 25% will result in 50% of restricted stock vesting).

(3) Options have 5 year cliff vesting. 100% vests on the fifth anniversary of the date of grant.

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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