

Fritch Herbert A
Form 4
February 01, 2012

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 *
Fritch Herbert A

(Last) (First) (Middle)
9009 CAROTHERS
PARKWAY, SUITE 501
(Street)

FRANKLIN, TN 37067

(City) (State) (Zip)

2. Issuer Name and Ticker or Trading Symbol
HealthSpring, Inc. [HS]

3. Date of Earliest Transaction (Month/Day/Year)
01/25/2012

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)
Chairman & CEO

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 Ownership: Indirect Beneficial Ownership (Instr. 4) |
|---------------------------------|--------------------------------------|--|--------------------------------|---|---|--|--|
| | | | Code | V | Amount | (A) or (D) | Price |
| Common Stock | 01/25/2012 | | G | V | 90,910 | D | \$ 0 |
| Common Stock | 01/31/2012 | | D | | 2,217,213 | D | <u>1</u> 0 |
| Common Stock | 01/31/2012 | | D | | 30,000 | D | <u>2</u> 0 |

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

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number.

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 Security (Instr. 3 and 4) | Amount of Shares |
|--|--|--------------------------------------|--|--------------------------------|---|---------|--|-----------------|---|------------------|
| | | | | | (A) | (D) | Date Exercisable | Expiration Date | | |
| Employee Stock Option (right to buy) | \$ 15.16 | 01/31/2012 | | D | | 127,321 | ⁽³⁾ | 02/13/2019 | Common Stock | 12 |
| Employee Stock Option (right to buy) | \$ 17.82 | 01/31/2012 | | D | | 280,220 | ⁽⁴⁾ | 02/11/2020 | Common Stock | 28 |
| Employee Stock Option (right to buy) | \$ 37.29 | 01/31/2012 | | D | | 72,697 | ⁽⁵⁾ | 03/07/2021 | Common Stock | 72 |
| Employee Stock Option (right to buy) | \$ 37.29 | 01/31/2012 | | A | 72,697 | | ⁽⁶⁾ | 03/07/2021 | Common Stock | 72 |
| Employee Stock Option (right to buy) | \$ 37.29 | 01/31/2012 | | D | | 72,697 | ⁽⁷⁾ | 03/07/2021 | Common Stock | 72 |

Reporting Owners

| Reporting Owner Name / Address | Relationships | | | |
|---|---------------|-----------|----------------|-------|
| | Director | 10% Owner | Officer | Other |
| Fritch Herbert A 9009 CAROTHERS PARKWAY SUITE 501 FRANKLIN, TN 37067 | X | | Chairman & CEO | |

Signatures

/s/ J. Gentry Barden,
Attorney-in-Fact

02/01/2012

__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) Pursuant to the terms of the Agreement and Plan of Merger, dated as of October 24, 2011, by and among HealthSpring, Inc. (the "Company"), Cigna Corporation ("Cigna") and Cigna Magnolia Corp., an indirect wholly-owned subsidiary of Cigna, each share of the Company's common stock owned by the reporting person immediately prior to the effective time of the merger was, upon the effective time of the merger, converted into the right to receive \$55.00 per share in cash, without interest and less any applicable withholding taxes.

(2) Pursuant to the Merger Agreement, at the effective time of the merger, this award of restricted shares of Company common stock granted under the HealthSpring, Inc. 2006 Amended and Restated Equity Incentive Plan (the "2006 Plan") was assumed by Cigna and replaced with an award of 37,136 restricted shares of Cigna common stock. This award provided for restrictions with respect to these shares to lapse as follows: 50% on February 11, 2012; 25% on February 11, 2013; and 25% on February 11, 2014.

(3) Pursuant to the Merger Agreement, at the effective time of the merger, this option to purchase shares of Company common stock granted under the 2006 Plan was assumed by Cigna and replaced with an option to purchase 157,609 shares of Cigna common stock for \$12.25 per share. This option, which initially represented a right to purchase a total of 254,642 shares of Company common stock (previously exercised with respect to 127,321 shares), provided for vesting as follows: 50% on February 13, 2011; 25% on February 13, 2012; and 25% on February 13, 2013.

(4) Pursuant to the Merger Agreement, at the effective time of the merger, this option to purchase shares of Company common stock granted under the 2006 Plan was assumed by Cigna and replaced with an option to purchase 346,882 shares of Cigna common stock for \$14.40 per share. This option provided for vesting as follows: 50% on February 11, 2012; 25% on February 11, 2013; and 25% on February 11, 2014.

(5) Pursuant to the Merger Agreement, at the effective time of the merger, this option to purchase shares of Company common stock granted under the 2006 Plan was assumed by Cigna and replaced with an option to purchase 89,991 shares of Cigna common stock for \$30.13 per share. This option provided for vesting as follows: 50% on March 7, 2013; 25% on March 7, 2014; and 25% on March 7, 2015.

(6) The reporting person was previously awarded an option to purchase 72,697 shares of Company common stock under the 2006 Plan that vested over time based on future Company performance. Pursuant to the terms of the award, upon the effective time of the merger, the performance goals were deemed to have been met. The option provided for vesting to then be as follows: 50% on March 7, 2013; 25% on March 7, 2014; and 25% on March 7, 2015.

(7) Pursuant to the Merger Agreement, at the effective time of the merger, this option to purchase shares of Company common stock granted under the 2006 Plan was assumed by Cigna and replaced with an option to purchase 89,991 shares of Cigna common stock for \$30.13 per share.

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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