

PICO HOLDINGS INC /NEW
 Form 5
 February 10, 2009

FORM 5

**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).
 Form 3 Holdings Reported Form 4 Transactions Reported

ANNUAL 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

1. Name and Address of Reporting Person *
HART JOHN R

 (Last) (First) (Middle)

2. Issuer Name and Ticker or Trading Symbol
PICO HOLDINGS INC /NEW [PICO]

5. Relationship of Reporting Person(s) to Issuer
 (Check all applicable)
 Director 10% Owner
 Officer (give title below) Other (specify below)
 President and CEO

875 PROSPECT STREET, SUITE 301
 (Street)

3. Statement of Issuer's Fiscal Year Ended (Month/Day/Year)
12/31/2008

LA JOLLA, CA 92037-4264
 (City) (State) (Zip)

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

6. Individual or Joint/Group Reporting (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 at end of Issuer's Fiscal Year (Instr. 3 and 4)	6. Ownership Form: Direct (D) or Indirect (I) (Instr. 4)	7. Nature of Indirect Beneficial Ownership (Instr. 4)
COMMON	Â	Â	Â	Â	Â	22,798.16 I	BY 401(k) PLAN
COMMON	Â	Â	Â	Â	Â	833,333 I	LIMITED PARTERSHIP (1)

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

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SEC 2270 (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)		
					(A) (D)	Date Exercisable	Expiration Date	Title	Amount
Stock Appreciation Rights	\$ 33.76	Â	Â	Â	Â Â	12/12/2005	12/12/2015	COMMON	838
Stock Appreciation Rights	\$ 42.71	Â	Â	Â	Â Â	Â ⁽²⁾	08/02/2017	COMMON	419

Reporting Owners

Reporting Owner Name / Address	Relationships			
	Director	10% Owner	Officer	Other
HART JOHN R 875 PROSPECT STREET SUITE 301 LA JOLLA, CA 92037-4264	Â X	Â	Â President and CEO	Â

Signatures

John R. Hart by James F. Mosier per Power of Attorney dated January 28, 2008. 02/10/2009

__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) (1) Mr. Hart shares voting power over 833,333 shares which are owned by a limited partnership.

(2) (2) One-third of these stock appreciation rights were exercisable on August 2, 2007, another one-third were exercisable as of August 2, 2008, and the remaining one-third will be exercisable on August 2, 2009.

Note: File three copies of this Form, one of which must be manually signed. If space provided is insufficient, see Instruction 6 for procedure. Potential persons who are to respond to the collection of information contained in this form are not required to respond unless the form displays a currently valid OMB number.