

HealthMarkets, Inc.
Form 4
July 07, 2006

FORM 4

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

OMB APPROVAL

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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 *
GEDWED WILLIAM J

(Last) (First) (Middle)
9151 BOULEVARD 26

(Street)

NORTH RICHLAND HILLS, TX 76180

(City) (State) (Zip)

2. Issuer Name and Ticker or Trading Symbol
HealthMarkets, Inc. [N/A]

3. Date of Earliest Transaction (Month/Day/Year)
04/11/2006

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)
President & 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 Reported Transaction(s) (Instr. 3 and 4) | 6. Ownership Form: Direct (D) or Indirect (I) (Instr. 4) | 7. Nature of Ownership (Instr. 4) | | |
|---------------------------------|--------------------------------------|--|--------------------------------|---|---|--|-----------------------------------|-----|-------|
| | | | | (A) or (D) | Code | V | Amount | (D) | Price |

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

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SEC 1474 (9-02)

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

| 1. Title of Derivative | 2. Conversion | 3. Transaction Date (Month/Day/Year) | 3A. Deemed Execution Date, if | 4. Transaction | 5. Number of Derivative Securities | 6. Date Exercisable and Expiration Date | 7. Title and Amount of Underlying Security |
|------------------------|---------------|--------------------------------------|-------------------------------|----------------|------------------------------------|---|--|
|------------------------|---------------|--------------------------------------|-------------------------------|----------------|------------------------------------|---|--|

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| Security (Instr. 3) | or Exercise Price of Derivative Security | any (Month/Day/Year) | Code (Instr. 8) | Acquired (A) or Disposed of (D) (Instr. 3, 4, and 5) | | (Month/Day/Year) | | (Instr. 3 and 4) | |
|---------------------|--|----------------------|------------------|--|---------|------------------|------------|------------------------|-----------------|
| | | | | Code | V | (A) | (D) | Date Exercisable | Expiration Date |
| Stock Option | \$ 14.85 | 04/11/2006 | D ⁽¹⁾ | | 154 | 08/03/2002 | 09/02/2006 | Class A-1 Common Stock | |
| Stock Option | \$ 9.25 | 04/11/2006 | A ⁽¹⁾ | | 123 | 08/03/2002 | 09/02/2006 | Class A-1 Common Stock | |
| Stock Option | \$ 15.19 | 04/11/2006 | D ⁽²⁾ | | 150 | 11/02/2002 | 12/02/2006 | Class A-1 Common Stock | |
| Stock Option | \$ 9.25 | 04/11/2006 | A ⁽²⁾ | | 118 | 11/02/2002 | 12/02/2006 | Class A-1 Common Stock | |
| Stock Option | \$ 14.19 | 04/11/2006 | D ⁽³⁾ | | 164 | 02/08/2003 | 03/10/2007 | Class A-1 Common Stock | |
| Stock Option | \$ 9.25 | 04/11/2006 | A ⁽³⁾ | | 135 | 02/08/2003 | 03/10/2007 | Class A-1 Common Stock | |
| Stock Option | \$ 20.1 | 04/11/2006 | D ⁽⁴⁾ | | 114 | 05/03/2003 | 06/02/2007 | Class A-1 Common Stock | |
| Stock Option | \$ 9.25 | 04/11/2006 | A ⁽⁴⁾ | | 69 | 05/03/2003 | 06/02/2007 | Class A-1 Common Stock | |
| Stock Option | \$ 30.75 | 04/11/2006 | D ⁽⁵⁾ | | 100,000 | 03/16/2006 | 06/14/2010 | Class A-1 Common Stock | 10 |
| Stock Option | \$ 9.25 | 04/11/2006 | A ⁽⁵⁾ | | 22,523 | 03/16/2006 | 06/14/2010 | Class A-1 Common Stock | 22 |

Reporting Owners

| Reporting Owner Name / Address | Relationships | | | |
|---|---------------|-----------|-----------------|-------|
| | Director | 10% Owner | Officer | Other |
| GEDWED WILLIAM J 9151 BOULEVARD 26 NORTH RICHLAND HILLS, TX 76180 | X | | President & CEO | |

Signatures

William J. Gedwed By /s/ Peggy G. Simpson,
POA

07/07/2006

__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) The two reported transactions involved an amendment to an outstanding option, resulting in the deemed cancellation of the "old" option and the grant of a replacement option. The exercise price of the original option (\$14.85) and the number of Class A-1 common shares issuable upon exercise of such option (154) were adjusted in a manner that preserves the aggregate "in the money" value of the option. The option otherwise remains subject in all respects to the terms of the 1987 Restated and Amended Stock Option Plan.

(2) The two reported transactions involved an amendment to an outstanding option, resulting in the deemed cancellation of the "old" option and the grant of a replacement option. The exercise price of the original option (\$15.19) and the number of Class A-1 common shares issuable upon exercise of such option (150) were adjusted in a manner that preserves the aggregate "in the money" value of the option. The option otherwise remains subject in all respects to the terms of the 1987 Restated and Amended Stock Option Plan.

(3) The two reported transactions involved an amendment to an outstanding option, resulting in the deemed cancellation of the "old" option and the grant of a replacement option. The exercise price of the original option (\$14.19) and the number of Class A-1 common shares issuable upon exercise of such option (164) were adjusted in a manner that preserves the aggregate "in the money" value of the option. The option otherwise remains subject in all respects to the terms of the 1987 Restated and Amended Stock Option Plan.

(4) The two reported transactions involved an amendment to an outstanding option, resulting in the deemed cancellation of the "old" option and the grant of a replacement option. The exercise price of the original option (\$20.10) and the number of Class A-1 common shares issuable upon exercise of such option (114) were adjusted in a manner that preserves the aggregate "in the money" value of the option. The option otherwise remains subject in all respects to the terms of the 1987 Restated and Amended Stock Option Plan.

(5) The two reported transactions involved an amendment to an outstanding option, resulting in the deemed cancellation of the "old" option and the grant of a replacement option. The exercise price of the original option (\$30.75) and the number of Class A-1 common shares issuable upon exercise of such option (100,000) were adjusted in a manner that preserves the aggregate "in the money" value of the option. The option otherwise remains subject in all respects to the terms of the 1987 Restated and Amended Stock Option Plan.

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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