

HealthMarkets, Inc.
Form 4
September 28, 2006

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 *
BOXER MICHAEL

(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)
09/26/2006

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)
EVP and CFO

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 (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.

Persons who respond to the collection of information contained in this form are not required to respond unless the form displays a currently valid OMB control number.

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 | 6. Date Exercisable and Expiration Date | 7. Title and Amount of Underlying Securities |
|------------------------|---------------|--------------------------------------|-------------------------------|----------------|-------------------------|---|--|
|------------------------|---------------|--------------------------------------|-------------------------------|----------------|-------------------------|---|--|

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| Security (Instr. 3) | or Exercise Price of Derivative Security | any (Month/Day/Year) | Code (Instr. 8) | Securities 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 | Title | Amount or Number of Shares |
| Stock Option | \$ 38.37 | 09/26/2006 | A | | 35,167 | | 09/26/2007 ⁽¹⁾ | 09/26/2016 | Class A-1 Common Stock | 35,167 |
| Stock Option | \$ 0 ⁽²⁾ | 09/26/2006 | A | | 35,166 | | 09/26/2007 ⁽³⁾ | 09/26/2016 | Class A-1 Common Stock | 35,166 |

Reporting Owners

Reporting Owner Name / Address

Relationships

Director 10% Owner Officer Other

BOXER MICHAEL
9151 BOULEVARD 26
NORTH RICHLAND HILLS, TX 76180

EVP and CFO

Signatures

Michael E. Boxer By /s/ Peggy G. Simpson,
POA

09/28/2006

__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 options vest in 20% increments on each of the first, second, third, fourth and fifth anniversaries of September 26, 2006.

(2) The initial exercise price of the option is \$38.37. The exercise price of the option will accrete by 10% per year, starting on September 26, 2008. If the optionee exercises the option prior to September 26, 2008, the exercise price will be \$38.37. If the optionee exercises the option on or after September 26, 2008 but prior to September 26, 2009, the exercise price will be \$42.21. If the optionee exercises the option on or after September 26, 2009 but prior to September 26, 2010, the exercise price will be \$46.43. If the optionee exercises the option on or after September 26, 2010 but prior to September 26, 2011, the exercise price will be \$51.07. If the optionee exercises the option on or after September 26, 2011, the exercise price will be \$56.18.

(3) The options vest in different increments on each of the first five anniversaries of September 26, 2006. Twenty-five percent of the options vest on September 26, 2007. Twenty-five percent of the options vest on September 26, 2008. Seventeen percent of the options vest on September 26, 2009. Seventeen percent of the options vest on September 26, 2010. The remaining sixteen percent of the options vest on September 26, 2011.

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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