HealthMarkets, Inc. Form 4 June 13, 2008

FORM 4

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

STATEMENT OF CHANGES IN BENEFICIAL OWNERSHIP OF

OMB

OMB APPROVAL

Number:

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Check this box if no longer subject to Section 16. Form 4 or

SECURITIES Filed pursuant to Section 16(a) of the Securities Exchange Act of 1934,

obligations may continue. See Instruction

Section 17(a) of the Public Utility Holding Company Act of 1935 or Section 30(h) of the Investment Company Act of 1940

1(b).

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(Print or Type Responses)

1. Name and Address of Reporting Person * MCQUAGGE TROY A

2. Issuer Name and Ticker or Trading Symbol

5. Relationship of Reporting Person(s) to Issuer

HealthMarkets, Inc. [N/A]

(Check all applicable)

(Last)

(First) (Middle) 3. Date of Earliest Transaction (Month/Day/Year)

Director 10% Owner Officer (give title

below)

X Other (specify below)

7651 ESTERS BLVD., SUITE 150

(Street)

06/11/2008

Former Division Manager

4. If Amendment, Date Original

Filed(Month/Day/Year)

6. Individual or Joint/Group Filing(Check Applicable Line)

X Form filed by One Reporting Person Form filed by More than One Reporting

Person

IRVING, TX 75063

(City) (State) (Zip)

Table I - Non-Derivative Securities Acquired, Disposed of, or Beneficially Owned

1.Title of Security (Instr. 3)

2. Transaction Date 2A. Deemed (Month/Day/Year)

Execution Date, if

(Month/Day/Year)

3. 4. Securities TransactionAcquired (A) or Code Disposed of (D) (Instr. 3, 4 and 5) (Instr. 8)

5. Amount of Securities Beneficially Owned Following

6. Ownership 7. Nature of Form: Direct Indirect (D) or Indirect Beneficial Ownership (T) (Instr. 4) (Instr. 4)

(A)

Reported Transaction(s) (Instr. 3 and 4)

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 Conversion Security or Exercise

3. Transaction Date 3A. Deemed (Month/Day/Year)

Execution Date, if any

4. 5. Number of TransactionDerivative Code Securities

6. Date Exercisable and **Expiration Date** (Month/Day/Year)

7. Title and Amount of **Underlying Securities** (Instr. 3 and 4)

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(Instr. 3) Price of Derivative Security

(Month/Day/Year) (Instr. 8) Acquired (A)

or Disposed of (D)

(D)

(Instr. 3, 4, and 5)

Code V (A)

Date Expiration Exercisable Date

Title

Amount or Number

of Shares

Stock Option

\$ 26.49

06/11/2008

D

17,846 06/26/2007 06/26/2016 Common

Class A-1 Common

ommon 17,846 Stock

Reporting Owners

Reporting Owner Name / Address

Relationships

Director 10% Owner Officer Other

MCQUAGGE TROY A 7651 ESTERS BLVD. SUITE 150 IRVING, TX 75063

Former Division Manager

Signatures

Troy A. McQuagge By /s/ Peggy G. Simpson

06/13/2008

**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) In consideration of a lump sum payment of bonus award for the Company's 2007 fiscal year, the reporting person agreed to the termination of one-third (1/3) of his unvested options scheduled to vest in 2009, 2010 and 2011.

Note: File three copies of this Form, one of which must be manually signed. If space 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.

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