

HealthMarkets, Inc.
Form 4
March 17, 2008

FORM 4

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

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

OMB APPROVAL

OMB
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(Print or Type Responses)

1. Name and Address of Reporting Person *
COLLIFLOWER 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)

03/13/2008

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

5. Relationship of Reporting Person(s) to
Issuer

(Check all applicable)

____ Director ____ 10% Owner
____X____ Officer (give title below) ____ Other (specify below)

Executive Vice President

6. Individual or Joint/Group Filing(Check
Applicable Line)
____X____ 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 Indirect Beneficial Ownership (Instr. 4)
			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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information contained in this form are not
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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 of Derivative	5. Number	6. Date Exercisable and Expiration Date	7. Title and Amount of Underlying Securities	8.
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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)		S	
			Code	V	(A)	(D)	Date Exercisable	Expiration Date	Title	Amount or Number of Shares
Stock Option	\$ 26.49	03/13/2008	A		1,083 (1)		06/26/2007	06/26/2016	Class A-1 Common Stock	1,083
Stock Option	\$ 27.86	03/13/2008	A		437 (2)		08/30/2007	08/30/2016	Class A-1 Common Stock	437
Stock Option	\$ 7.34 (3)						07/06/2006	10/04/2010	Class A-1 Common Stock	2,338 (3)

Reporting Owners

Reporting Owner Name / Address	Relationships
	Director 10% Owner Officer Other
COLLIFLOWER MICHAEL 9151 BOULEVARD 26 NORTH RICHLAND HILLS, TX 76180	Executive Vice President

Signatures

Michael A. Colliflower By /s/ Peggy G. Simpson,
POA 03/17/2008

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).

- On June 26, 2006, the Compensation Committee of the Issuer approved a grant to the reporting person of an option to purchase 8,667 shares of Class A-1 Common Stock, which would vest based on the Issuer's satisfaction of certain performance criteria, as follows: (i) 25% on the first anniversary of the grant date, (ii) 25% on the second anniversary of the grant date, (iii) 17% on the third anniversary of the grant date, (iv) 17% on the fourth anniversary of the grant date, and (v) the remaining 16% on the fifth anniversary of the grant date.
- (1) On March 13, 2008, the Issuer determined that the performance criteria for the second 25% had been met to the extent of 50%, or 12.5%, which will result in vesting of the option as to 1,083 shares on June 26, 2008, subject to the reporting person's continued employment as of such date.
- (2) On August 30, 2006, the Compensation Committee of the Issuer approved a grant to the reporting person of an option to purchase 3,500 shares of Class A-1 Common Stock, which would vest based on the Issuer's satisfaction of certain performance criteria, as follows: (i) 25% on the first anniversary of the grant date, (ii) 25% on the second anniversary of the grant date, (iii) 17% on the third anniversary of the grant date, (iv) 17% on the fourth anniversary of the grant date, and (v) the remaining 16% on the fifth anniversary of the grant date. On March 13, 2008, the Issuer determined that the performance criteria for the second 25% had been met to the extent of 50%, or 12.5%,

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which will result in vesting of the option as to 437 shares on August 30, 2008, subject to the reporting person's continued employment as of such date.

- (3) The option was previously reported as covering 1,854 shares at an exercise price of \$9.25, but, in accordance with the 1987 Amended and Restated Stock Option Plan, was adjusted to reflect an extraordinary dividend paid on May 14, 2007.

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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