

HealthMarkets, Inc.  
Form 4  
December 20, 2007

**FORM 4** UNITED STATES SECURITIES AND EXCHANGE COMMISSION  
Washington, D.C. 20549

OMB APPROVAL

OMB Number: 3235-0287  
Expires: January 31, 2005  
Estimated average burden hours per response... 0.5

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 \*  
MYHRA PHILLIP 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)  
12/19/2007

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) \_\_\_X\_\_\_ Other (specify below)  
Former EVP

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)
				(A) or (D)	Price		
				Code V	Amount		
Class A-1 Common Stock	12/19/2007		M	48,674	A \$ 42.03	48,674	D

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)**

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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)	Amount or Number of Shares
Stock Option	\$ 26.49 (1)	12/19/2007		M	48,674 (1)	05/08/2007 08/31/2008 <sup>(1)</sup>	Class A-1 Common Stock	48,674 (1)

## Reporting Owners

**Reporting Owner Name / Address**

**Relationships**

Director 10% Owner Officer Other

MYHRA PHILLIP J  
9151 BOULEVARD 26  
NORTH RICHLAND HILLS, TX 76180

Former EVP

## Signatures

Phillip J. Myhra by Peggy G. Simpson,  
POA

12/20/2007

\_\_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 May 8, 2006, the reporting person was granted options to purchase the Company's Class A-1 Common Stock pursuant to the HealthMarkets, Inc. 2006 Management Option Plan. The options consisted of three tranches -- time based, increasing exercise price and performance based. The initial exercise price of each option was \$37.00. In connection with the extraordinary dividend payable and paid (1) on May 14, 2007, the options were modified to reflect an initial exercise price of \$26.49. Pursuant to the terms of the reporting person's termination of employment in August 2007, the reporting person vested in an additional 25% of the performance based options and forfeited a portion of the remaining options, resulting in a total of 48,674 options (consisting of three tranches) remaining at an initial exercise price of \$26.49 and expiring one year from date of termination of employment.

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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