

HILDEBRAND PHILLIP JOHN  
 Form 4  
 July 02, 2008

**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 \*  
**HILDEBRAND PHILLIP JOHN**

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

5. Relationship of Reporting Person(s) to Issuer

(Check all applicable)

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

3. Date of Earliest Transaction (Month/Day/Year)  
**06/30/2008**

Director  10% Owner  
 Officer (give title below)  Other (specify below)  
**Chief Executive Officer**

**NORTH RICHLAND HILLS, TX 76180**

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

6. Individual or Joint/Group Filing(Check Applicable Line)  
 Form filed by One Reporting Person  
 Form filed by More than One Reporting Person

(City) (State) (Zip)

**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)
				Code V	Amount	(A) or (D)	Price
Class A-1 Common Stock	06/30/2008		P		\$ 57,472	A	34.8
Class A-1 Common Stock	06/30/2008		A		\$ 0	A	(1) 91,955

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

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number.

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

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)
Stock Option	\$ 0 <sup>(2)</sup>	06/30/2008		A	82,500	06/05/2009 <sup>(3)</sup> 06/05/2018	Class A-1 Common Stock 82,500 Shares
Stock Option	\$ 34.8	06/30/2008		A	412,500	06/05/2009 <sup>(3)</sup> 06/05/2018	Class A-1 Common Stock 412,500 Shares

## Reporting Owners

Reporting Owner Name / Address	Relationships			
	Director	10% Owner	Officer	Other
HILDEBRAND PHILLIP JOHN 9151 BOULEVARD 26 NORTH RICHLAND HILLS, TX 76180	X		Chief Executive Officer	

## Signatures

Phillip J. Hildebrand By: /s/ Peggy G. Simpson,  
POA  
Date: 07/02/2008

\_\_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) Subject to continued employment with the Company (or certain qualifying terminations of his employment), the shares will vest in three equal annual installments, on each of June 5, 2009, June 5, 2010 and June 5, 2011.
- The initial Option Price is (i) \$34.80 per Share if exercised prior to the first anniversary of June 5, 2008 (as defined in Optionee's Employment Agreement, the "Effective Date"); (ii) \$38.28 per Share if exercised on or after the first anniversary of the Effective Date but prior to the second anniversary of the Effective Date; (iii) \$42.11 per Share if exercised on or after the second anniversary of the Effective Date but prior to the third anniversary of the Effective Date; (iv) \$46.32 per Share if exercised on or after the third anniversary of the Effective Date but prior to the fourth anniversary of the Effective Date; (v) \$50.95 per Share if exercised on or after the fourth anniversary of the Effective Date but prior to the fifth anniversary of the Effective Date; and (vi) \$56.05 per Share if exercised on or after the fifth anniversary of the Effective Date.
- (3) The Time-Based Tranche A Options shall become exercisable (i.e. vested) with respect to 20% of the Time-Based Options (99,000 Shares) on the first anniversary of the Effective Date (as defined in Optionee's Employment Agreement as June 5, 2008) and the remainder of the Time-Based Tranche A Options (396,000 Shares) shall vest in equal quarterly installments thereafter until the fifth

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anniversary of the Effective Date, in each case, subject to Optionee's remaining in the continuous employ of the Company or any Subsidiary through the applicable vesting date.

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.