

HealthMarkets, Inc.  
Form 4  
July 07, 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 \*  
GEDWED WILLIAM 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)  
04/11/2006

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)  
President & CEO

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 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.

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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	5. Number of Derivative Securities	6. Date Exercisable and Expiration Date	7. Title and Amount of Underlying Security
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Security (Instr. 3)	or Exercise Price of Derivative Security	any (Month/Day/Year)	Code (Instr. 8)	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
Stock Option	\$ 14.85	04/11/2006	D <sup>(1)</sup>		154	08/03/2002	09/02/2006	Class A-1 Common Stock	
Stock Option	\$ 9.25	04/11/2006	A <sup>(1)</sup>		123	08/03/2002	09/02/2006	Class A-1 Common Stock	
Stock Option	\$ 15.19	04/11/2006	D <sup>(2)</sup>		150	11/02/2002	12/02/2006	Class A-1 Common Stock	
Stock Option	\$ 9.25	04/11/2006	A <sup>(2)</sup>		118	11/02/2002	12/02/2006	Class A-1 Common Stock	
Stock Option	\$ 14.19	04/11/2006	D <sup>(3)</sup>		164	02/08/2003	03/10/2007	Class A-1 Common Stock	
Stock Option	\$ 9.25	04/11/2006	A <sup>(3)</sup>		135	02/08/2003	03/10/2007	Class A-1 Common Stock	
Stock Option	\$ 20.1	04/11/2006	D <sup>(4)</sup>		114	05/03/2003	06/02/2007	Class A-1 Common Stock	
Stock Option	\$ 9.25	04/11/2006	A <sup>(4)</sup>		69	05/03/2003	06/02/2007	Class A-1 Common Stock	
Stock Option	\$ 30.75	04/11/2006	D <sup>(5)</sup>		100,000	03/16/2006	06/14/2010	Class A-1 Common Stock	10
Stock Option	\$ 9.25	04/11/2006	A <sup>(5)</sup>		22,523	03/16/2006	06/14/2010	Class A-1 Common Stock	22

## Reporting Owners

Reporting Owner Name / Address	Relationships			
	Director	10% Owner	Officer	Other
GEDWED WILLIAM J 9151 BOULEVARD 26 NORTH RICHLAND HILLS, TX 76180	X		President & CEO	

## Signatures

William J. Gedwed By /s/ Peggy G. Simpson,  
POA

07/07/2006

\_\_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 two reported transactions involved an amendment to an outstanding option, resulting in the deemed cancellation of the "old" option and the grant of a replacement option. The exercise price of the original option (\$14.85) and the number of Class A-1 common shares issuable upon exercise of such option (154) were adjusted in a manner that preserves the aggregate "in the money" value of the option. The option otherwise remains subject in all respects to the terms of the 1987 Restated and Amended Stock Option Plan.

(2) The two reported transactions involved an amendment to an outstanding option, resulting in the deemed cancellation of the "old" option and the grant of a replacement option. The exercise price of the original option (\$15.19) and the number of Class A-1 common shares issuable upon exercise of such option (150) were adjusted in a manner that preserves the aggregate "in the money" value of the option. The option otherwise remains subject in all respects to the terms of the 1987 Restated and Amended Stock Option Plan.

(3) The two reported transactions involved an amendment to an outstanding option, resulting in the deemed cancellation of the "old" option and the grant of a replacement option. The exercise price of the original option (\$14.19) and the number of Class A-1 common shares issuable upon exercise of such option (164) were adjusted in a manner that preserves the aggregate "in the money" value of the option. The option otherwise remains subject in all respects to the terms of the 1987 Restated and Amended Stock Option Plan.

(4) The two reported transactions involved an amendment to an outstanding option, resulting in the deemed cancellation of the "old" option and the grant of a replacement option. The exercise price of the original option (\$20.10) and the number of Class A-1 common shares issuable upon exercise of such option (114) were adjusted in a manner that preserves the aggregate "in the money" value of the option. The option otherwise remains subject in all respects to the terms of the 1987 Restated and Amended Stock Option Plan.

(5) The two reported transactions involved an amendment to an outstanding option, resulting in the deemed cancellation of the "old" option and the grant of a replacement option. The exercise price of the original option (\$30.75) and the number of Class A-1 common shares issuable upon exercise of such option (100,000) were adjusted in a manner that preserves the aggregate "in the money" value of the option. The option otherwise remains subject in all respects to the terms of the 1987 Restated and Amended Stock Option Plan.

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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