

HealthMarkets, Inc.
Form 4
December 20, 2007

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 *
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) Other (specify below)
Former EVP

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 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	(A) or (D)	Price	
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 ⁽¹⁾	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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