SIMPSON PEGGY G

Form 4 March 17, 2008

FORM 4

UNITED STATES SECURITIES AND EXCHANGE COMMISSION

STATEMENT OF CHANGES IN BENEFICIAL OWNERSHIP OF

Washington, D.C. 20549

Check this box if no longer subject to Section 16. Form 4 or

SECURITIES Form 5 obligations

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 Number:

3235-0287

2005

January 31, Expires:

Estimated average burden hours per

response... 0.5

(Print or Type Responses)

1(b).

may continue.

See Instruction

1. Name and Address of Reporting Person * SIMPSON PEGGY G

(First) (Middle) (Last)

9151 BOULEVARD 26

(Street)

(State)

NORTH RICHLAND HILLS, TX 76180

(City)

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 Other (specify below)

below) Secretary

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 2. Transaction Date 2A. Deemed Security (Month/Day/Year) Execution Date, if (Instr. 3)

(Month/Day/Year)

(Zip)

3. 4. Securities TransactionAcquired (A) or Code Disposed of (D) (Instr. 8)

(Instr. 3, 4 and 5)

(A)

or

5. Amount of Securities Beneficially Owned Following Reported

Transaction(s)

6. Ownership 7. Nature of Form: Direct Indirect (D) or Indirect Beneficial (I) Ownership (Instr. 4) (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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(Instr. 3 and 4)

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 Conversion 3. Transaction Date 3A. Deemed

(Month/Day/Year) Execution Date, if TransactionNumber

5.

6. Date Exercisable and **Expiration Date**

7. Title and Amount of 8. Pri Deriv Underlying Securities

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Security (Instr. 3)	or Exercise Price of Derivative Security	any (Month/Day/Year)	* · · · · · · · · · · · · · · · · · · ·	Code (Instr. 8)	of Derivative Securities Acquired (A) or Disposed of (D) (Instr. 3, 4, and 5)			(Instr. 3 and 4)		Secur (Instr
			Code V	(A) (D)	Date Exercisable	Expiration Date	Title	Amount or Number of Shares		
Stock Option	\$ 27.86	03/13/2008		A	62 (1)	08/30/2007	08/30/2016	Class A-1 Common Stock	62	\$ 2'

Reporting Owners

Reporting Owner Name / Address Relationships

Director 10% Owner Officer Other

SIMPSON PEGGY G 9151 BOULEVARD 26 NORTH RICHLAND HILLS, TX 76180

Secretary

Signatures

/s/ Peggy G. 03/17/2008 Simpson

**Signature of Date
Reporting Person

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 August 30, 2006, the Compensation Committee of the Issuer approved a grant to the reporting person of an option to purchase 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

(1) 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%, which will result in vesting of the option as to 62 shares on August 30, 2008, subject to the reporting person's continued employment as of such 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.

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