HILDEBRAND PHILLIP JOHN

Form 4 July 02, 2008

FORM 4

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

STATEMENT OF CHANGES IN BENEFICIAL OWNERSHIP OF

SECURITIES

OMB Number:

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obligations may continue. See Instruction

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

1(b).

(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) | | (Middle) | 3. Date of Earliest Transaction | (Sheek all approache) | | |
| | | | (Month/Day/Year) | X Director 10% Owner | | |
| 9151 BOULEVARD 26 | | | 06/30/2008 | X Officer (give title Other (specify below) | | |
| | | | | Chief Executive Officer | | |
| | (Street) | | 4. If Amendment, Date Original | 6. Individual or Joint/Group Filing(Check | | |
| | | | Filed(Month/Day/Year) | Applicable Line) | | |
| NORTH RICHLAND | | | | _X_ Form filed by One Reporting Person Form filed by More than One Reporting Person | | |

| NORTH | RI | CHI | LAN | ID |
|--------|----|-----|-----|-----------|
| HILLS, | TX | 761 | 80 | |

| (City) | (State) (| Table I - Non-Derivative Securities Acquired, Disposed of, or Beneficially Owned | | | | | | | |
|--------------------------------------|---|--|--------------------|--|--------|--------------|--|--|---|
| 1.Title of Security (Instr. 3) | 2. Transaction Date (Month/Day/Year) | | Code (Instr. 8) | 4. Securit on(A) or Dis (Instr. 3, 4 | sposed | of (D) 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 | (D) | Price | (Instr. 5 and 1) | | |
| Class A-1 Common Stock | 06/30/2008 | | P | 57,472 | A | \$ 34.8 | 57,472 | D | |
| Class A-1 Common Stock | 06/30/2008 | | A | 34,483 | A | \$ 0 (1) | 91,955 | D | |

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 orDerivative Securities Acquired (A) or Disposed of (D) (Instr. 3, 4, and 5) | 6. Date Exercisab Expiration Date (Month/Day/Year | | 7. Title and A Underlying S (Instr. 3 and | Securitie |
|---|---|---|---|---|---|---|--------------------|---|---------------------------|
| | | | | Code V | (A) (D) | Date Exercisable | Expiration Date | Title | Amous Number Shares |
| Stock Option | \$ 0 (2) | 06/30/2008 | | A | 82,500 | 06/05/2009(3) | 06/05/2018 | Class A-1 Common Stock | 82,5 |
| Stock Option | \$ 34.8 | 06/30/2008 | | A | 412,500 | 06/05/2009(3) | 06/05/2018 | Class A-1 Common Stock | 412,5 |

Relationshine

Reporting Owners

| Reporting Owner Name / Address | rting Owner Name / Address | | | |
|--------------------------------|----------------------------|-----------|---------|-------|
| | Director | 10% Owner | Officer | Other |

HILDEBRAND PHILLIP JOHN
9151 BOULEVARD 26 X Chief Executive Officer
NORTH RICHLAND HILLS, TX 76180

Signatures

Phillip J. Hildebrand By: /s/ Peggy G. Simpson, POA 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
- (2) 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

Reporting Owners 2

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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.