HealthMarkets, Inc.
Form 4
August 06, 2007

FORM 4

Check this box if no longer subject to Section 16. Form 4 or Form 5 obligations may continue. *See* Instruction 1(b).

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

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

OMB APPROVAL
OMB Number: 3235-0287
Expires: January 31, 2005
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(Print or Type Responses)

1. Name and Address of Reporting Person *
RYDZEWSKI PHILIP

(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)
08/02/2007

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 below) _____ Other (specify below)
SVP & CAO

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 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			

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	6. Date Exercisable and Expiration Date	7. Title and Amount of Underlying Securities

Security (Instr. 3)	or Exercise Price of Derivative Security		any (Month/Day/Year)	Code (Instr. 8)		Securities 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	Title	Amount or Number of Shares
Stock Option	$ 0 (1)	08/02/2007		A		4,166		08/02/2008 (2)	08/02/2017	Class A-1 Common Stock	4,166
Stock Option	$ 40.97	08/02/2007		A		4,167		08/02/2008 (3)	08/02/2017	Class A-1 Common Stock	4,167

Reporting Owners

Reporting Owner Name / Address	Relationships			
	Director	10% Owner	Officer	Other
RYDZEWSKI PHILIP 9151 BOULEVARD 26 NORTH RICHLAND HILLS, TX 76180			SVP & CAO	

Signatures

Philip Rydzewski By /s/ Peggy G. Simpson, POA	08/06/2007
**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).

(1) The initial exercise price of the option is $40.97. The exercise price of the option will accrete by 10% per year, starting on August 2, 2009. If the optionee exercises the option prior to August 2, 2009, the exercise price will be $40.97. If the optionee exercises the option on or after August 2, 2009 but prior to August 2, 2010, the exercise price will be $45.07. If the optionee exercises the option on or after August 2, 2010 but prior to August 2, 2011, the exercise price will be $49.58. If the optionee exercises the option on or after August 2, 2011 but prior to August 2, 2012, the exercise price will be $54.54. If the optionee exercises the option on or after August 2, 2012, the exercise price will be $59.99.

(2) The options vest in different increments on each of the first five anniversaries of August 2, 2007. Twenty-five percent of the options vest on August 2, 2008. Twenty-five percent of the options vest on August 2, 2009. Seventeen percent of the options vest on August 2, 2010. Seventeen percent of the options vest on August 2, 2011. The remaining sixteen percent of the options vest on August 2, 2012.

(3) The options vest in 20% increments on each of the first, second, third, fourth and fifth anniversaries of August 2, 2007.

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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