

GEDWED WILLIAM J
Form 4/A
June 28, 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

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)
9151 BOULEVARD 26

3. Date of Earliest Transaction (Month/Day/Year)
05/08/2006

Director 10% Owner
 Officer (give title below) Other (specify below)
President & CEO

(Street)
NORTH RICHLAND HILLS, TX 76180

4. If Amendment, Date Original Filed(Month/Day/Year)
05/10/2006

6. Individual or Joint/Group Filing(Check Applicable Line)
 Form filed by One Reporting Person
 Form filed by More than One Reporting Person

(City) (State) (Zip)

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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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 |
|------------------------|---------------|--------------------------------------|-------------------------------|----------------|-------------------------|---|--|
|------------------------|---------------|--------------------------------------|-------------------------------|----------------|-------------------------|---|--|

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| 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) | | |
|------------------------|---|-------------------------|--------------------|--|---------------------------|------------------|------------------------------|--------|
| Stock Option | <u>(1)</u> | 05/08/2006 | <u>J(2)</u> | 69,534 | 05/08/2007 ⁽³⁾ | 05/08/2016 | Class A-1 Common Stock | 69,534 |
| Stock Option | \$ 37 | 05/08/2006 | <u>J(2)</u> | 69,533 | 05/08/2007 ⁽⁴⁾ | 05/08/2016 | Class A-1 Common Stock | 69,533 |

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 Peggy G. Simpson,
POA

06/28/2006

 **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).

The initial exercise price of the option is \$37.00. The exercise price of the option will accrete by 10% per year, starting on May 8, 2008. If the optionee exercises the option prior to May 8, 2008, the exercise price will be \$37.00. If the optionee exercises the option on or after

(1) May 8, 2008 but prior to May 8, 2009, the exercise price will be \$40.70. If the optionee exercises the option on or after May 8, 2009 but prior to May 8, 2010, the exercise price will be \$44.77. If the optionee exercises the option on or after May 8, 2010 but prior to May 8, 2011, the exercise price will be \$49.25. If the optionee exercises the option on or after May 8, 2011, the exercise price will be \$54.17.

(2) The reporting person is amending the Form 4 originally filed to report this employee option grant for the purpose of reflecting the disposition of the option on June 26, 2006.

The option vests in different increments on each of the first five anniversaries of May 8, 2006. Twenty-five percent of the option vests on

(3) May 8, 2007. Twenty-five percent of the option vests on May 8, 2008. Seventeen percent of the option vests on May 8, 2009. Seventeen percent of the option vests on May 8, 2010. The remaining 16% of the option vests on May 8, 2011.

(4) The options vest in 20% increments on each of the first, second, third, fourth and fifth anniversaries of May 8, 2006

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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