

HealthMarkets, Inc.  
Form 4  
November 17, 2008

**FORM 4**

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

OMB APPROVAL

OMB Number: 3235-0287  
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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 \*  
**CHANDRA ANURAG**

(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)  
**11/14/2008**

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)  
**EVP & Chief Administrative Off**

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 Ownership (Instr. 4)
			Code	V	Amount (A) or (D) Price		
Class A-1 Common Stock	11/14/2008		A		6,418 (1) \$ 23.37	6,418	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)	8.
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					Date Exercisable	Expiration Date	Title	Amount or Number of Shares
					Code	V (A) (D)		
Stock Option	\$ 0 <sup>(2)</sup>				10/15/2009 <sup>(3)</sup>	10/15/2018	Class A-1 Common Stock	75,000 <sup>(2)</sup>

## Reporting Owners

Reporting Owner Name / Address	Relationships			
	Director	10% Owner	Officer	Other
CHANDRA ANURAG 9151 BOULEVARD 26 NORTH RICHLAND HILLS, TX 76180			EVP & Chief Administrative Off	

## Signatures

Anurag Chandra By: /s/ Peggy G. Simpson,  
POA 11/17/2008

        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).

Subject to Executive's continued employment with the Company, the award will vest at the earlier of (i) a change of control or (ii) in three equal installments on each of the first three anniversaries of the Effective Date of Executive's Employment Agreement [October 15, 2008], as follows: 2,139 shares on October 15, 2009, 2,139 shares on October 15, 2010, and 2,140 shares on October 15, 2011.

(a) 62,500 of the Shares subject to the Option may be purchased at a price (the "Initial Option Price") equal to the Fair Market Value of the Company's Class A-1 Common Stock as determined by the Board of Directors to be effective for the quarter ending December 31, 2008 (\$23.37); (b) 12,500 of the Shares subject to the Option may be purchased at the Initial Option Price per Share, if exercised prior to the first anniversary of the grant date of October 15, 2008 (the "Effective Date"), and will accrete thereafter by 10% per year on and after the first anniversary date through the fifth anniversary date of the Effective Date if not exercised prior to an applicable anniversary date.

The Options shall become exercisable with respect to 20% of the Options (15,000 Shares) on the first anniversary of the Effective Date (3) and the remainder of the Options (60,000 Shares) shall vest in equal quarterly installments thereafter until the fifth anniversary of the Effective 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.