

HealthMarkets, Inc.
Form 4
July 07, 2006

FORM 4

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

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

OMB APPROVAL

OMB
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(Print or Type Responses)

1. Name and Address of Reporting Person *
PLATO JAMES N

(Last) (First) (Middle)

1200 S WHITE CHAPEL
BLVD, SUITE A

(Street)

SOUTHLAKE, TX 76092

(City) (State) (Zip)

2. Issuer Name **and** Ticker or Trading
Symbol
HealthMarkets, Inc. [N/A]

3. Date of Earliest Transaction
(Month/Day/Year)
04/11/2006

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 ____X____ Other (specify
below) below)

Division Manager

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	(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 Security	2. Conversion or Exercise	3. Transaction Date (Month/Day/Year)	3A. Deemed Execution Date, if any	4. Transaction Code	5. Number of Derivative Securities	6. Date Exercisable and Expiration Date (Month/Day/Year)	7. Title and Amount Underlying Securities (Instr. 3 and 4)
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(Instr. 3)	Price of Derivative Security	(Month/Day/Year)	(Instr. 8)	Acquired (A) or Disposed of (D) (Instr. 3, 4, and 5)							
			Code	V	(A)	(D)	Date Exercisable	Expiration Date	Title	Amount or Number of Shares	
Stock Option	\$ 13.25	04/11/2006	D ⁽¹⁾			3,000	02/04/2003	03/06/2007	Class A-1 Common Stock	3,000	
Stock Option	\$ 9.25	04/11/2006	A ⁽¹⁾		2,568		02/04/2003	03/06/2007	Class A-1 Common Stock	2,568	
Stock Option	\$ 11.5	04/11/2006	D ⁽²⁾			6,000	02/12/2004	03/13/2008	Class A-1 Common Stock	6,000	
Stock Option	\$ 9.25	04/11/2006	A ⁽²⁾		5,514		02/12/2004	03/13/2008	Class A-1 Common Stock	5,514	
Stock Option	\$ 30.75	04/11/2006	D ⁽³⁾			25,000	03/16/2006	06/14/2010	Class A-1 Common Stock	25,000	
Stock Option	\$ 9.25	04/11/2006	A ⁽³⁾		5,631		03/16/2006	06/14/2010	Class A-1 Common Stock	5,631	

Reporting Owners

Reporting Owner Name / Address	Relationships			
	Director	10% Owner	Officer	Other
PLATO JAMES N 1200 S WHITE CHAPEL BLVD SUITE A SOUTHLAKE, TX 76092				Division Manager

Signatures

James N. Plato By /s/ Peggy G. Simpson,
POA 07/07/2006

**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).
- (1) The two reported transactions involved an amendment to an outstanding option, resulting in the deemed cancellation of the "old" option and the grant of a replacement option. The exercise price of the original option (\$13.25) and the number of Class A-1 common shares issuable upon exercise of such option (3,000) were adjusted in a manner that preserves the aggregate "in the money" value of the option.

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The option otherwise remains subject in all respects to the terms of the 1987 Restated and Amended Stock Option Plan.

- (2) The two reported transactions involved an amendment to an outstanding option, resulting in the deemed cancellation of the "old" option and the grant of a replacement option. The exercise price of the original option (\$11.50) and the number of Class A-1 common shares issuable upon exercise of such option (6,000) were adjusted in a manner that preserves the aggregate "in the money" value of the option. The option otherwise remains subject in all respects to the terms of the 1987 Restated and Amended Stock Option Plan.

- (3) The two reported transactions involved an amendment to an outstanding option, resulting in the deemed cancellation of the "old" option and the grant of a replacement option. The exercise price of the original option (\$30.75) and the number of Class A-1 common shares issuable upon exercise of such option (25,000) were adjusted in a manner that preserves the aggregate "in the money" value of the option. The option otherwise remains subject in all respects to the terms of the 1987 Restated and Amended Stock Option Plan.

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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