

CHANDRA ANURAG  
Form 4  
September 23, 2009

**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 \*  
**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)  
**09/21/2009**

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	(D)	Price
Class A-1 Common Stock	09/21/2009		A		303,990 (1)	A	\$ 19.37
					315,671	D	

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)**

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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 Underlying Security (Instr. 3 and 4)
Stock Option	\$ 0	09/21/2009		D	75,000 (2)	10/15/2009 10/15/2008	Class A-1 Common Stock
Stock Option	\$ 19.37	09/21/2009		A	303,990	09/21/2009 <sup>(3)</sup> 09/21/2019	Class A-1 Common Stock

## 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 09/23/2009

\*\*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) Effective September 21, 2009, the Executive Compensation Committee of the Issuer's Board of Directors approved the issuance to the reporting person of 303,990 restricted shares of Class A-1 Common Stock. The equity award will generally be void if the Company does not obtain shareholder approval of the grant by the earlier of a change of control of the Company or December 31, 2009. Subject to the achievement of certain performance goals by September 8, 2010, the restricted shares will vest in quarterly installments, through June 4, 2014, subject to the reporting person's continued employment through the applicable vesting date (subject to earlier vesting in the case of certain qualifying terminations).
- (2) Effective September 21, 2009, the Executive Compensation Committee of the Issuer's Board of Directors approved the Company's entry into a revised management employment agreement with the reporting person. Pursuant to the terms of the new employment agreement, the reporting person agreed to forfeit the stock options previously granted by the Company.
- (3) The options become exercisable in quarterly installments determined based on 30% of the Options vesting by the first anniversary of June 4, 2009 (such that 7.5% of the Option shall vest quarterly up through such first anniversary), an additional 20% vesting by each of the second, third and fourth anniversaries of June 4, 2009 (such that 5% of the Option shall vest quarterly after such first anniversary) and the remaining 10% vesting by the fifth anniversary of June 4, 2009 (such that 2.5% of the Option shall vest quarterly after such fourth anniversary), in each case, subject to Optionee's remaining in the continuous employ of the Company or any Subsidiary through the applicable vesting date (subject to earlier vesting in the case of certain qualifying terminations).

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.