

PALACIOS CONNIE
Form 4
September 08, 2010

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 *
PALACIOS CONNIE

(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)
09/07/2010

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)
VP/Principal Acctng Officer

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)
				(A) or (D) Code V Amount (D) Price			
Class A-1 Common Stock					2,847	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 Security (Instr. 3 and 4)	8. Amount or Number of Shares
Stock Option	\$ 0	09/07/2010		D ⁽¹⁾	3,466	05/08/2007 05/08/2016	Class A-1 Common Stock	3,466
Stock Option	\$ 26.49	09/07/2010		D ⁽¹⁾	5,789	05/08/2007 05/08/2016	Class A-1 Common Stock	5,789
Stock Option	\$ 7.34	09/07/2010		A	25,000	09/07/2011 ⁽²⁾ 09/07/2020	Class A-1 Common Stock	25,000

Reporting Owners

Reporting Owner Name / Address	Relationships			
	Director	10% Owner	Officer	Other
PALACIOS CONNIE 9151 BOULEVARD 26 NORTH RICHLAND HILLS, TX 76180			VP/Principal Acctng Officer	

Signatures

Connie Palacios By: /s/ Peggy G. Simpson,
POA 09/08/2010

__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) Pursuant to the terms of a compensation program applicable to the Reporting Person, including the entry into a nonqualified stock option agreement, the Reporting Person agreed to forfeit all outstanding stock options previously granted by the Company.

(2) The options become exercisable with respect to 20% of the stock option shares on each of the first five (5) anniversaries of the date of grant if the optionee remains in the continuous service as an employee of the Company (Issuer) or any subsidiary as of such date.

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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