SIMPSON PEGGY G

Form 4 April 02, 2007

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

STATEMENT OF CHANGES IN BENEFICIAL OWNERSHIP OF **SECURITIES**

Filed pursuant to Section 16(a) of the Securities Exchange Act of 1934,

2. Issuer Name and Ticker or Trading

HealthMarkets, Inc. [N/A]

3. Date of Earliest Transaction

4. If Amendment, Date Original

(Month/Day/Year)

Filed(Month/Day/Year)

03/29/2007

Section 17(a) of the Public Utility Holding Company Act of 1935 or Section 30(h) of the Investment Company Act of 1940

Symbol

1(b).

(Print or Type Responses)

1. Name and Address of Reporting Person * SIMPSON PEGGY G

(First) (Middle) (Last)

(Street)

(State)

9151 BOULEVARD 26

NORTH RICHLAND HILLS, TX 76180

(City)

OMB Number:

3235-0287

Expires:

January 31, 2005

Estimated average burden hours per

response...

0.5

OMB APPROVAL

5. Relationship of Reporting Person(s) to

Issuer

(Check all applicable)

Director 10% Owner X_ Officer (give title Other (specify

below) below) Secretary

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 2. Transaction Date 2A. Deemed Security (Month/Day/Year) Execution Date, if (Instr. 3)

(Zip)

3. (Month/Day/Year)

4. Securities TransactionAcquired (A) or Code Disposed of (D) (Instr. 8)

(Instr. 3, 4 and 5)

(A)

or

5. Amount of Securities Beneficially Owned Following

6. Ownership 7. Nature of Form: Direct Indirect (D) or Indirect Beneficial (I) Ownership (Instr. 4) (Instr. 4)

Reported Transaction(s) (Instr. 3 and 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 Conversion 3. Transaction Date 3A. Deemed (Month/Day/Year) Execution Date, if

Transactionof

5. Number 6. Date Exercisable and **Expiration Date**

7. Title and Amount of 8. P Underlying Securities Der

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Security (Instr. 3)	or Exercise Price of Derivative Security	any (Month/	Code Day/Year) (Inst	e tr. 8)	Derivative Securities Acquired (A) or Disposed of (D) (Instr. 3, 4, and 5)		(Month/Day/Year)		(Instr. 3 and 4)		Section (Ins
			Cod	e V	(A)	(D)	Date Exercisable	Expiration Date	Title	Amount or Number of Shares	
Stock Option	\$ 38.37	03/29/2007	A		125 (1)		08/30/2007	08/30/2016	Class A-1 Common Stock	125	\$ 3

Reporting Owners

Reporting Owner Name / Address Relationships

Director 10% Owner Officer Other

SIMPSON PEGGY G 9151 BOULEVARD 26 NORTH RICHLAND HILLS, TX 76180

Secretary

Signatures

/s/ Peggy G. 04/02/2007 Simpson

**Signature of Date
Reporting Person

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).

On August 30, 2006, the Compensation Committee of the Issuer approved a grant to the reporting person of an option to purchase 500 shares of Class A-1 Common Stock, which would vest based on the Issuer?s satisfaction of certain performance criteria, as follows: (i)

25% on the first anniversary of the grant date, (ii) 25% on the second anniversary of the grant date, (iii) 17% on the third anniversary of the grant date, (iv) 17% on the fourth anniversary of the grant date, and (v) the remaining 16% on the fifth anniversary of the grant date. On March 29, 2007, the Issuer determined that the performance criteria for the first 25% had been met which will result in vesting of the option as to 125 shares on August 30, 2007, subject to the reporting person?s continued employment 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. 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.

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