

HEALTHMARKETS, INC.

NOMINATING COMMITTEE CHARTER

I. ORGANIZATION

There shall be a committee of the Board of Directors (the “Board”) of HealthMarkets, Inc. (the “Company”), which shall be called the Nominating Committee.

II. PURPOSE

The Nominating Committee shall identify individuals qualified to become Board members consistent with criteria approved by the Board and recommend that the Board select the director nominees to be voted on at the next annual meeting of shareholders.

III. COMMITTEE MEMBERSHIP AND PROCEDURE

The Nominating Committee shall consist of no fewer than three members. The Board shall appoint the members of the Nominating Committee, considering the recommendations of the Compliance and Governance Committee and the views of the Chairman of the Board and the Chief Executive Officer, as appropriate. The members of the Nominating Committee shall serve until their successors are appointed and qualify. The members of the Nominating Committee shall designate a Chairman of the Nominating Committee. The Board shall have the power at any time to change the membership of the Nominating Committee and to fill vacancies in it. Except as expressly provided in this Charter or the Bylaws of the Company, the Nominating Committee shall fix its own rules of procedure.

IV. COMMITTEE AUTHORITY AND RESPONSIBILITIES

- The Nominating Committee shall seek out possible candidates and otherwise aid in attracting highly qualified candidates as directors; interview and screen individuals qualified to become Board members in light of the qualification and selection criteria; review potential conflicts of prospective Board members; make recommendations to the Board to fill vacancies; and shall be available to other directors for consultation concerning candidates as directors.
- The Nominating Committee shall recommend to the Board, prior to each annual meeting of shareholders, a slate of nominees for election or reelection as Directors by the shareholders of the Company at the annual meeting, based upon recommendations of Directors, officers, employees, shareholders and others.
- The Nominating Committee shall have the sole authority to retain and terminate any search firm to be used to identify director candidates and shall have sole authority to approve the search firm’s fees and other retention terms. The Nominating Committee shall also have authority to obtain advice and assistance from internal or external legal, accounting or other advisors.
- The Nominating Committee shall ensure that the Secretary of the Company maintains a list of all candidates proposed and considered; to the extent

reasonably practicable, prepares a brief biographical sketch with respect to each candidate so proposed; maintains minutes of the proceedings of the Nominating Committee; and responds to each person who has proposed a candidate as to the action taken by the Nominating Committee with regard to such candidate.

- The Nominating Committee shall make regular reports of its activities to the Board. The Board or the Compliance & Governance Committee of the Board shall annually review the performance of the Nominating Committee.
- The Nominating Committee shall review and reassess the adequacy of this Charter periodically and recommend any proposed changes to the Board for approval.
- The Nominating Committee may form and delegate authority to subcommittees when appropriate.
- The Nominating Committee shall perform such other functions that from time to time may be assigned by the Board.