

**HEALTHMARKETS, INC.**

**COMPLIANCE & GOVERNANCE 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 Compliance & Governance Committee.

**II. PURPOSE**

The Compliance & Governance Committee (the “Committee”) shall (1) develop and recommend to the Board any corporate governance guidelines applicable to the Company; (2) oversee the evaluation of the Board and management; (3) review succession plans of the Chief Executive Officer and other key officer positions; and (4) oversee and monitor the Company’s compliance and regulatory functions, which shall include the assessment on a periodic basis of the processes related to the Company’s risk and control environment, the oversight of the integrity of the Company’s compliance with legal and regulatory requirements and evaluation of the Company’s overall compliance program.

**III. COMMITTEE MEMBERSHIP AND PROCEDURE**

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

**IV. COMMITTEE AUTHORITY AND RESPONSIBILITIES**

- The Committee shall oversee the annual evaluation of the Board and the committees of the Board and review, at least annually, the structure of the Board to assure that the proper skills and experience are represented on the Board.
- The Committee shall periodically review and recommend to the full Board the size of the Board.
- The Committee shall recommend candidates for appointment to the Company’s standing committees.
- The Committee shall develop and recommend to the Board corporate governance guidelines applicable to the Company, if any, and shall consider any requests for waivers from such corporate governance guidelines. The Company shall make disclosure of such waivers as required by the Securities and Exchange Commission.

- The Committee shall periodically review and recommend any modifications to the Board of the Code of Business Conduct and Ethics and consider any requests for waivers from the Company's Code of Business Conduct and Ethics. The Company shall make disclosure of such waivers as required by the Securities and Exchange Commission.
- The Committee shall oversee and monitor the Company's compliance and regulatory functions, which shall include the assessment on a periodic basis of the processes related to the Company's risk and control environment, the oversight of the integrity of the Company's compliance with legal and regulatory requirements and evaluation of the Company's overall compliance program.
- The Committee shall make regular reports of its activities to the Board. The Board shall annually review the performance of the Committee.
- The Committee shall review and reassess the adequacy of this Charter periodically and recommend any proposed changes to the Board for approval.
- The Committee may form and delegate authority to subcommittees when appropriate.
- The Committee shall review periodically with the Chairman and the Chief Executive Officer succession plans relating to the position of Chief Executive Officer and other key officer positions, and make recommendations to the Board with respect to the selection and development of individuals to occupy those positions.
- The Committee shall perform such other functions that from time to time may be assigned by the Board.