

Max Re Executives Buy More Shares

By TONY COOKE

Dow Jones Newswires

WASHINGTON—Executives of Max Re Capital Ltd. have been consistent buyers of their company's stock since the Bermuda reinsurer went public in August 2001, and four insiders spent \$564,000 more on company shares in February.

Max Re Chief Financial Officer Keith S. Hynes, for example, bought 20,000 company shares in February for \$219,000. He noted the consistent pattern of buying by company insiders before last month.

Still, some analysts of insider trends said the previous purchases actually weaken the bullish signal sent by the most recent purchases.

Jonathan Moreland, director of research for the newsletter Insiderinsights.com, said he has mostly stayed away from buying stocks in the insurance industry, in part because he isn't optimistic about pricing trends.

He said he noticed February's insider purchases at Max Re. "It's just not enough to get through my ... negative feel on the insurance industry," he said.

Lon Gerber, director of insider research for Thomson Financial, said Max Re isn't the only insurer that has experienced recent insider buying. Insiders also acquired shares of American Financial Group Inc., UICI and Unitrin Inc. in February, he said.

Messrs. Moreland and Gerber both said that although the Max Re insider purchases provide cause for optimism, the fact that company insiders were previously willing to buy at much higher prices weakens the signal sent by the current buying. For example, Chief Executive Robert J. Cooney, who reported spending \$281,472 for 25,179 shares in February, previously had bought 175,700 shares, paying as much as the original initial-public-offering price of \$16 a share, according to data from Thomson Financial. At 4 p.m. in Nasdaq Stock Market trading Max Re shares were seven cents higher at \$11.17.

Such purchases by Mr. Cooney and others don't reflect well on the insiders' ability or willingness to anticipate near-term stock price appreciation, said Mr. Gerber. "It's an encouraging thing," said Mr. Gerber of the buying, "but I don't see it as a market-timing thing."

Michael Painchaud, research director for Market Profile Theorems, was even less impressed. He said the previous insider buying at Max Re effectively rendered the February buys meaningless as a signal.

"The odds of making anything out of these transactions are extremely small. You're just throwing a dart," he said. "Any reasonably designed insider model will look at this and say, 'There's nothing there.'"

The company's Mr. Hynes takes a bullish view, of course. He says industry pricing trends, the company's investment style and the company's short operating history all play to the advantage of Max Re. "Insurance premiums are rising dramatically across the board," said Mr. Hynes, whose company, through its subsidiaries, offers

reinsurance to property and casualty insurers, life and health insurers, and large corporations.

Mr. Hynes said that in the late 1990s, the insurance industry undercharged on premiums—a problem that Max Re doesn't share because Max Re didn't

begin its underwriting operations until 2000. "Companies are still struggling from these legacy issues," said Mr. Hynes. "We don't have any of these legacy issues, so we think it's just a great time. ... We don't have to use the present market to pay for past sins."

Insider Trading Spotlight

Biggest Individual Trades

(Based on reports filed with regulators last week)

COMPANY NAME	SYMBOL	INSIDER'S NAME	TITLE	\$ VALUE (000)	NO. OF SHRS IN TRANS (000)	RANGE OF SHR VALUES	TRANS DATES
Buyers							
Equity One	EQY	K. Helz	BI	21,411	1,590	13.47	2/12/03
Proquest	PQE	W. Oberndorf	DI	5,129	281	18.21-18.25	2/19-20/03
Proquest	PQE	J. Scully	DI	5,129	281	18.21-18.25	2/19-20/03
United Auto	UAG	R. Penske	CEO	3,231	289	11.17	2/14/03
Extended Stay America	ESA	G. Johnson	CEOI	1,792	163	11.00	2/21/03
Vastara	VAST	R. Kimball	DI	1,557	346	4.50	2/18/03
Proquest	PQE	J. Scully	DI	1,126	64	17.55-17.72	2/21-24/03
Proquest	PQE	W. Oberndorf	DI	1,126	64	17.55-17.72	2/21-24/03
EP Medsystems	EPMD	A. Lele	DOI	1,008	820	1.23	1/31/03
Niku	NIKU	V. Vaden	DI	952	224	4.26	2/12/03
Sellers							
Microsoft	MSFT	W. Gates	CB	99,840	2,000	49.92	2/18/03
Autonation	AN	H. Huizenga	D	54,882	4,072	13.40-13.66	2/21/03
AOL Time Warner	AOL	R. Turner	ODI	51,139	5,632	10.05-10.61	2/24/03
Microsoft	MSFT	W. Gates	CB	48,088	2,000	23.85-24.23	2/24/03
Microsoft	MSFT	W. Gates	CB	24,624	1,000	24.56-24.68	2/19/03
eBay	EBAY	M. Whitman	CEOI	24,342	319	75.85-76.63	2/18-19/03
Advisory Board	ABCO	D. Bradley	B	16,376	500	32.75	2/11/03
Advisory Board	ABCO	J. Zients	DO	16,025	500	32.05	2/19/03
AmSouth Bancorporation	ASO	C. Ritter	CEO	14,055	698	20.12	2/13/03
Federated Investors	FI	J. Donahue	CBI	12,250	500	24.50	2/19/03

Buying and Selling By Sector

(Based on actual transaction dates in reports received through Friday)

SECTOR	BUYING	SELLING	SECTOR	BUYING	SELLING
Basic Industries	1,559,217	8,768,667	Finance	30,883,719	98,904,217
Capital Goods	1,149,318	11,818,070	Health Care	3,740,131	29,243,502
Consumer Durables	1,490,137	7,926,196	Miscellaneous	153,103	735,236
Consumer Non-Durables	531,410	17,628,040	Public Utilities	477,874	11,670,211
Consumer Services	7,607,005	155,622,069	Technology	17,726,501	144,744,959
Energy	1,086,170	17,675,881	Transportation	152,068	1,857,628

Biggest Individual Trades

(Based on reports received by Thomson Financial on March 3)

COMPANY NAME	SYMBOL	INSIDER'S NAME	TITLE	\$ VALUE (000)	NO. OF SHRS IN TRANS (000)	RANGE OF SHR VALUES	TRANS DATES
Buyers							
Proquest	PQE	W. Oberndorf	DI	1,603	89	17.81-18.56	2/25-26/03
Proquest	PQE	J. Scully	DI	1,603	89	17.81-18.56	2/25-26/03
Regal Entertainment	RGC	A. Eckert	GC	298	15	19.75-19.89	2/27/03
Amylin Pharmaceuticals	AMLN	J. Wilson	DI	284	17	16.68-16.70	2/19/03
Newcastle Investment	NCT	W. Edens	CEO	180	10	15.98-16.04	2/26/03
Haggar	HGGR	T. Kahn	DOI	148	13	11.37	2/27/03
Haggar	HGGR	T. Kahn	DOI	132	12	11.00	2/25/03
Susquehanna Bancshares	SUSQ	C. Eichelberger	DI	108	5	21.30	2/27/03
Charles River Laboratories Intl	CRL	G. Milne	D	90	3	30.00	2/21/03
Closure Medical	CLSR	R. Ahrens	D	88	8	11.59-11.92	2/27/03
Sellers							
Network Appliance	NTAP	D. Warmenhoven	CEOI	1,829	178	10.27-10.36	2/25-26/03
Guitar Center	GTRC	J. Walker	DI	1,651	80	20.55-20.79	2/25/03
Bank Of New York	BK	T. Renyi	CEO	1,401	63	22.20-22.63	2/14/03
Concur Technologies	CNQR	S. Singh	CEO	800	200	4.00	2/27/03
Ask Jeeves	ASKJ	C. Pinkus	O	797	120	6.60-6.64	2/27-28/03
Expeditors Intl Of Wash	EXPD	R. Saber	O	680	20	34.00-34.00	2/25-26/03
Western Gas Resources	WGR	L. Outlaw	D	644	19	32.85-33.34	2/27/03
Cott	COT	P. Richardson	O	583	34	16.78-16.81	2/26-27/03
Ask Jeeves	ASKJ	S. Berkowitz	O	534	81	6.60-6.64	2/27-28/03
Coach	COH	F. Schulaner	O	492	14	34.03	2/27/03

B=beneficial owner of more than 10% of a security class. CB=chairman. CEO=chief executive officer. CFO=chief financial officer. CO=chief operating officer. D=director. DD=director and beneficial owner. GC=general counsel. H=officer, director and beneficial owner. I=indirect transaction filed through a trust, insider spouse, minor child or other. O=officer. OO=officer and director. P=president. UT=unknown. VP=vice president. Includes transactions related to stock option exercises.

Source: Thomson Financial

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