

White Mountains Announces Private Placement Of Equity

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HAMILTON, Bermuda, Oct 18, 2002 /PRNewswire-FirstCall via COMTEX/ -- White Mountains Insurance Group, Ltd. (NYSE: WTM) announced today that it has reached an agreement in principle to place \$225 million of equity securities based on a common share price of \$295 per share. Convertible preference shares of White Mountains will be sold for \$200 million to an existing institutional investor of White Mountains. The convertible preference shares will have terms similar to those issued in connection with the acquisition of CGU Corporation in June 2001. These convertible preference shares will be exchanged for 677,966 common shares of White Mountains if shareholder approval is received for the transaction pursuant to New York Stock Exchange requirements. White Mountains intends to seek shareholder approval at its 2003 Annual Meeting. 84,745 common shares of White Mountains will be sold for \$25 million to a separate investor.

White Mountains expects to complete this transaction promptly. The proceeds of this transaction are expected to be applied toward repayment of a \$260 million convertible note that was issued in connection with the acquisition of OneBeacon Insurance Group (formerly CGU) from CGNU plc in June 2001. This note matures on November 29, 2002.

ADDITIONAL INFORMATION

White Mountains is a Bermuda-domiciled financial services holding company traded on the New York Stock Exchange under the symbol WTM. Additional financial information and other items of interest are available at the Company's web site located at www.whitemountains.com.

Safe Harbor Statement under the Private Securities Litigation Reform Act of 1995

The information contained in this press release may contain "forward- looking statements" within the meaning of Section 27A of the Securities Act of 1933 and Section 21E of the Securities Exchange Act of 1934. All statements, other than statements of historical facts, included or referenced in this release which address activities, events or developments which we expect or anticipate will or may occur in the future are forward-looking statements. The words "believe," "intend," "expect," "anticipate," "project," "estimate," "predict" and similar expressions are also intended to identify forward-looking statements. These forward-looking statements include, among others, statements with respect to White Mountains':

- growth in book value per share or return on equity;
- business strategy;
- financial and operating targets or plans;
- incurred losses and the adequacy of its loss and loss adjustment expense reserves;
- projections of revenues, income (or loss), earnings (or loss) per share, dividends, market share or other financial forecasts;
- expansion and growth of our business and operations; and
- future capital expenditures.

These statements are based on certain assumptions and analyses made by White Mountains in light of its experience and perception of historical trends, current conditions and expected future developments, as well as other factors believed to be appropriate in the circumstances. However, whether actual results and developments will conform with our expectations and predictions is subject to a number of risks and uncertainties that could cause actual results to differ materially from expectations, including:

- the continued availability of capital and financing;
- general economic, market or business conditions;
- business opportunities (or lack thereof) that may be presented to and pursued;
- competitive forces, including the conduct of other property and casualty insurers and reinsurers
- changes in applicable domestic or foreign laws or regulations, our competitors or our clients;
- an economic downturn or other economic conditions adversely affecting our financial position;
- loss reserves established subsequently proving to have been inadequate; and
- other factors, most of which are beyond our control.

Consequently, all of the forward-looking statements made in this press release are qualified by these cautionary statements, and there can be no assurance that the actual results or developments anticipated by us will be realized or, even if substantially realized, that they will have the expected consequences to, or effects on, us or our business or operations. White Mountains assumes no obligation to update publicly any such forward-looking statements, whether as a result of new information, future events or otherwise.

SOURCE White Mountains Insurance Group, Ltd.

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