

## New Jersey Skylands Targets Local Auto Market

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### *Skylands Insurance Group offers New Jersey citizens a new choice*

BOSTON (August 6, 2002) – OneBeacon Insurance, a wholly owned subsidiary of White Mountains Insurance Group, Ltd. (NYSE: WTM), today announced the formation of New Jersey Skylands Insurance Group as part of a restructuring of its New Jersey Personal Lines operation. The Skylands Group will offer automobile insurance to New Jersey consumers.

Based in Basking Ridge, New Jersey, Skylands brings new options to the New Jersey insurance market just when some national carriers plan to exit the state. The lead company is New Jersey Skylands Insurance Association - NJSIA - a not-for-profit, policyholder-owned reciprocal insurance carrier. NJSIA will actively target New Jersey's municipal employees through dedicated payroll deduction programs. Initially capitalized by OneBeacon, customers will share in the results of the company as membership grows and based on its overall profitability. New Jersey Skylands Management Corporation, a subsidiary of OneBeacon, will manage the business of the reciprocal and its subsidiary.

White Mountains Chairman Jack Byrne said, "This is a great partnership between the New Jersey Department of Banking and Insurance, New Jersey policyholders and OneBeacon. It takes leadership and vision to create a healthier private-passenger auto insurance market in New Jersey and this is a clear demonstration of the administration's commitment to the market."

In addition to NJSIA, the Skylands Group will offer auto products to the general market through its New Jersey Skylands Insurance Company. Current OneBeacon business will be transferred to the New Jersey Skylands Insurance Group. "I have called New Jersey home for many years and have enjoyed being a member of the local insurance community," noted Skylands' President Alex Archimedes. "As an industry advocate, my primary concern has been ensuring that options remain available to serve our home state. Everyone at Skylands is tremendously excited about our new venture and being singularly focused on New Jersey."

Skylands Insurance Group, like OneBeacon, will market its products exclusively through select independent insurance agents. "We believe in the added-value local agents bring to the customer. Being right there in the communities where our policyholders live and work makes a big difference. We feel that the independent agent, coupled with our new structure, is a winning combination," added Archimedes.

OneBeacon Insurance Group, headquartered in Boston, Massachusetts, is committed to being the leading independent agency property-casualty insurance group in the Northeast. With roots dating back 170 years and an A.M. Best rating of A (excellent), OneBeacon offers a wide range of personal, commercial and specialty products and services, which are sold exclusively through select property-casualty independent agents. Specialty operations are conducted on a national basis. OneBeacon is a wholly owned subsidiary of White Mountains Insurance Group, Ltd., of Hamilton, Bermuda (NYSE: WTM), whose principal executive offices are in White River Junction, Vermont.

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

This release includes "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;
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- 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;
- the acquisition and other 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 prospectus 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.

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