

Folksamerica Boosts Capital

10-29-2001

NEW YORK, NY, October 29, 2001-Folksamerica, a broker-market reinsurance company headquartered in New York City, announced that it will receive additional support from its parent company which will boost its capital to the \$1 billion level. This doubles the size of the company and will greatly enhance Folksamerica's already strong position in the rapidly changing reinsurance marketplace.

Folksamerica ended the third quarter with approximately \$450 million in statutory surplus. The company has estimated its losses from the September 11th attacks at about \$16 million after tax.

"Folksamerica has done a wonderful job protecting its capital and managing through the prolonged soft cycle. We are delighted by this dramatic expansion now that it appears we will receive a fair price for the exposures we assume," said Jack Byrne, Chairman of OneBeacon Insurance Group, Folksamerica's parent.

"This is a challenging time for the insurance industry," said Steve Fass, Folksamerica's President and CEO. "I am pleased that this additional support from our parent company gives us the balance sheet strength to meet the increased needs of our clients and intermediaries," he added.

Folksamerica is a wholly-owned subsidiary of the OneBeacon Insurance Group. OneBeacon is owned by the White Mountains Insurance Group, Ltd., of Hamilton, Bermuda. White Mountains is traded on the New York Stock Exchange under the symbol WTM.

CONTACT: Mike Tyburski
212-804-1768