

## New LAD Servicing Carrier Joins New York Auto Insurance Fray

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Company seeking insurance professionals experienced with state's no-fault system

BOSTON – Undaunted by the unique challenges of the New York auto insurance market, a new Limited Assignment Distribution (LAD) servicing carrier, a division of OneBeacon Insurance Group, has stepped forward to handle Automobile Insurance Plan (AIP) business.

So far, 12 companies (including Boston-based OneBeacon) have committed to the LAD program for 2002. Several other LAD offers are pending.

Although rising claims costs and a slowing economy have led many nonstandard auto insurers to retrench, and relatively few companies are offering LAD services to cover the resulting increase in assigned risks, Managing Director and Chief Executive Officer Al Kaltman is confident about the future.

"New York is now one of the toughest states for auto insurance, primarily because of the organized fraud and abuse targeted at its no-fault program," said Kaltman. "Still, we believe that LAD, properly priced and managed, represents an excellent business opportunity for a company that can be street-smart about claims management."

Headquartered in Melville, the carrier has additional customer services sites in Albany, Buffalo, Rochester, Syracuse and Westchester. Carey Benson, the company's President and Chief Operating Officer, said "Right now we're focusing on establishing our claims management and service capabilities, and seeking to hire the best claims people in the state for our Melville, Westchester, Rochester and Albany offices."

Opportunities include those for managers and supervisors; no-fault, liability and physical damage adjusters and examiners; customer service representatives; and executive assistants.

And providing LAD services is only the beginning. While its initial focus is on LAD, the company is also investigating how to further serve New York drivers through a nonstandard auto insurance program for hard-to-place risks whose needs can't be satisfied in either the voluntary market or the assigned-risk pool.

OneBeacon was introduced as the group name on June 1, 2001, concurrent with White Mountains Insurance Group's (NYSE: WTM) acquisition of the former CGU U.S. property/casualty operations. Headquartered in Boston, Massachusetts, OneBeacon has 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.

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The information contained in this press release may contain forward-looking statements within the meaning of the "safe harbor" provisions of the United States Private Securities Litigation Reform Act of 1995. White Mountains cautions that a number of important factors could cause actual results to differ materially from the plans, objectives, expectations, estimates and intentions expressed in forward-looking statements made by White Mountains. These factors include: (i) competitive forces, including the conduct of other property and casualty insurers and reinsurers, (ii) changes in domestic or foreign laws or regulations applicable to White Mountains, its competitors or its clients, (iii) an economic downturn or other economic conditions (such as rising interest rate environment) adversely affecting White Mountains' financial position, (iv) loss reserves and other balance sheet items established by White Mountains subsequently proving to have been inadequate, and (v) the failure of pending transactions to be consummated under expected terms or at all. White Mountains cautions that the foregoing list of important factors is not exhaustive. In any event, such forward-looking statements made by White Mountains speak only as of the date on which they are made, and White Mountains does not undertake any obligation to update or revise such statements as a result of new information, future events or otherwise.

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