

OneBeacon Creating New LAD Servicing Carrier in New York

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BOSTON – OneBeacon Insurance Group, a wholly owned subsidiary of White Mountains Insurance Group, Ltd. (NYSE: WTM), announced today it is creating a new Limited Assignment Distribution (LAD) servicing carrier to handle New York Automobile Insurance Plan business. Spearheaded by OneBeacon's chairman, Jack Byrne, the venture will serve the assigned-risk and voluntary nonstandard auto insurance markets.

A jump in no-fault claims and a slowing economy have led insurers to retrench in New York, and relatively few carriers offer LAD services. Byrne is confident, however, that this new LAD carrier will be well able to handle the unique challenges of the state's auto insurance market.

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

Byrne expects the new servicing carrier to be operational by January 1, 2002, and to generate at least \$100 million in business in its first year. He is currently in talks with another insurer to join OneBeacon in the endeavor.

The carrier will be headquartered in Melville, with additional customer service sites located in Albany, Buffalo, Rochester, Syracuse and Westchester. Al Kaltman, who began his insurance career at The Travelers in 1973 and has held senior management positions at GEICO and Merastar Insurance Company, will serve as the operation's Managing Director and CEO.

OneBeacon was introduced as the group name on June 1, 2001, concurrent with White Mountains Insurance Group's 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.

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 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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