

White Mountains Prices \$700 Million Senior Notes Offering

05-14-2003

HAMILTON, Bermuda, May 14 /PRNewswire/ -- White Mountains Insurance Group, Ltd ("White Mountains") (NYSE: WTM) today announced the pricing of a registered offering by its wholly owned subsidiary, Fund American Companies, Inc., of \$700,000,000 principal amount of 5.875% Senior Notes due 2013. The notes will be fully and unconditionally guaranteed by White Mountains. Fund American plans to use the net proceeds of the offering to repay all of its term loans under its existing credit facility as well as a portion of the outstanding balance under its revolving credit facility. The commitment under its revolving credit facility will not be reduced following the repayment.

Lehman Brothers, Bank of America Securities LLC and Credit Suisse First Boston served as joint bookrunners on this offering.

A shelf registration statement with respect to these securities was declared effective by the Securities and Exchange Commission on December 10, 2001. This news release does not constitute an offer to sell or a solicitation of an offer to buy the securities described herein, nor shall there be any sale of these securities in any state or jurisdiction in which such an offer, solicitation or sale would be unlawful prior to registration or qualification under the securities laws of any such jurisdiction. The offering may be made only by means of a prospectus and related prospectus supplement, copies of which may be obtained from Lehman Brothers Inc., 745 Seventh Avenue, New York, NY 10019 (Tel. 212-526-7000).

ADDITIONAL INFORMATION

White Mountains is a Bermuda-domiciled financial services holding company traded on the New York Stock Exchange under the symbol "WTM".

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

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 its 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 its 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 it and pursued;
- competitive forces, including the conduct of other property and casualty insurers and reinsurers;
- changes in domestic or foreign laws or regulations applicable to White Mountains, its competitors or its clients;
- an economic downturn or other economic conditions adversely affecting its financial position;
- loss reserves established subsequently proving to have been inadequate; and
- other factors, most of which are beyond White Mountains' 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 White Mountains will be realized or, even if substantially realized, that they will have the expected consequences to, or effects on, White Mountains or its 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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SOURCE White Mountains Insurance Group

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CO: White Mountains Insurance Group

ST: Bermuda

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