

White Mountains Files \$2 Billion Shelf Registration Statement

06-27-2003

HAMILTON, Bermuda, June 27 /PRNewswire-FirstCall/ -- White Mountains Insurance Group, Ltd. ("White Mountains") (NYSE: WTM) today announced that it has filed an unallocated universal shelf registration statement with the Securities and Exchange Commission. Once the shelf registration statement has become effective, White Mountains and its subsidiaries, Fund American Companies, Inc. and certain statutory trusts (the "Registrants"), may issue in one or more offerings, up to \$2 billion of equity and debt securities. To effect any such sales from time to time, a Registrant will file one or more supplements to the prospectus, which will provide details of any proposed offering.

In addition to the \$2 billion of securities registered under the shelf registration statement, White Mountains is also registering possible future sales of up to 677,966 common shares held by advisory clients of Franklin Mutual Advisers, LLC ("Franklin") and 84,745 common shares held by advisory clients of Highfields Capital Management, Ltd. ("Highfields"). These shares have been included at Franklin's and Highfield's request, pursuant to prior contractual arrangements, to preserve flexibility for Franklin and Highfields to include some or all these shares in any offering of shares in the future pursuant to the registration statement. Any sale of shares by Franklin or Highfields pursuant to the registration statement can only be made in an underwritten offering initiated by White Mountains. If Franklin or Highfields had not decided to exercise their respective rights to include shares in the registration statement at this time, they would not have had the flexibility to participate in any such offering in the future. White Mountains will not receive any proceeds from any sale of shares by Franklin or Highfields.

A registration statement relating to these securities has been filed with the Securities and Exchange Commission but has not yet become effective. These securities may not be sold nor may offers to buy be accepted prior to the time the registration becomes effective. This release shall not constitute an offer to sell or the solicitation of an offer to buy nor shall there be any sale of these securities in any State in which such offer, solicitation or sale would be unlawful prior to registration or qualification under the securities laws of any such State.

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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