

White Mountains Restructures Prospector Partners Relationship

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HAMILTON, Bermuda, June 20 /PRNewswire-FirstCall/ -- White Mountains Insurance Group, Ltd. (NYSE: WTM) announced today that it has restructured its relationship with Prospector Partners and John Gillespie, its founder and managing member. Under the revised arrangement, Prospector will manage White Mountains' common equity portfolios, currently around \$1.2 billion, for a fixed fee schedule. John Gillespie, Rich Howard, Kevin O'Brien and other current White Mountains Advisors equity professionals will no longer be employees of WM Advisors. The company's fixed income and other portfolios will continue to be managed by White Mountains Advisors.

John Gillespie will remain a director of White Mountains.

Prospector will also advise White Mountains on matters including capital management, asset allocation, private equity investments and mergers and acquisitions. Pursuant to a consulting agreement for those services, White Mountains will pay incentive compensation to Prospector based on the performance of the company and of its total investment portfolio.

The revenue sharing arrangement that was established in June 2001 between Prospector and White Mountains is being terminated. The company will continue to receive the share of the gross fees generated by Prospector to which it is entitled as a result of its founding investment in Prospector made in 1997.

White Mountains' CEO Ray Barrette said, "John Gillespie has been and will remain a great partner for the company. The restructured relationship preserves our access to the superior talent at Prospector Partners while allowing John and his team to further build an independent investment management business. From January 2001 through the first quarter of 2005, this team produced a cumulative time-weighted return in our common equity portfolio of 105% compared to -4% for the S&P 500. Going forward, we expect to receive the high level of attention from John and his partners that has produced these superior returns at roughly the same total net cost."

These revised arrangements are expected to take effect in July.

ADDITIONAL INFORMATION

White Mountains is a Bermuda-domiciled financial services holding company traded on the New York Stock Exchange and the Bermuda Stock Exchange under the symbol "WTM". Additional financial information and other items of interest are available at the Company's web site located at <http://www.whitemountains.com>.

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 "will," "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:

- * claims arising from catastrophic events, such as hurricanes, earthquakes, floods or terrorist attacks;
- * 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 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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