

OneBeacon Agrees to Sell National Farmers Union Company to QBE Insurance

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BOSTON, July 27 /PRNewswire-FirstCall/ -- OneBeacon Insurance Group today announced its agreement to sell its National Farmers Union Property and Casualty Company (NFU) subsidiary to QBE Insurance Group for approximately \$142 million, subject to adjustment based on closing book value. The transaction includes NFU's wholly owned United Security Insurance Company subsidiary. OneBeacon acquired NFU in 1998. The company provides personal, farm and business insurance solutions mainly through a network of exclusive agents. 2004 net written premiums were \$178 million and GAAP book value was \$114 million as of June 30, 2005. Subject to regulatory approval, OneBeacon expects the sale to close in the fourth quarter of this year.

OneBeacon CEO Mike Miller said, "This is a true win-win outcome for all parties. NFU has delivered strong results by serving the rural community and we have enjoyed having them in the OneBeacon family. However, their focus is distinct from ours, so this aligns them with good owners while allowing us to focus on our core strengths. We wish NFU's CEO Jerry Mackey and his team success as they transition to QBE."

National Farmers Union Property and Casualty Company, rated A- (excellent) by A.M. Best, writes auto, main-street commercial, homeowners and farmowners coverages in nine Midwestern and Rocky Mountain states. The company also provides insurance programs for rural telephone companies throughout the country. Its United Security Insurance Company subsidiary provides inland marine and other specialty property coverage.

Headquartered in Boston, Massachusetts, OneBeacon Insurance Group offers specialty and segmented personal and commercial insurance products sold primarily through select independent agents. OneBeacon is wholly owned by White Mountains Insurance Group, Ltd. White Mountains' principal businesses are conducted through its subsidiaries and affiliates in the business of property-casualty insurance and reinsurance. The company is publicly traded on the New York Stock Exchange and the Bermuda 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 "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 OneBeacon to Sell National Farmers Union to QBE Insurance - page 3 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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