

## White Mountains Acquires 42% Stake in Answer Financial

01-22-2008

HAMILTON, Bermuda, Jan. 22 /PRNewswire-FirstCall/ -- White Mountains Insurance Group, Ltd. (NYSE: WTM) announced today that it has acquired a 42% stake in Answer Financial Inc.'s outstanding debt and equity for \$30 million. In conjunction with this transaction, Answer Financial will be completing a restructuring.

Answer Financial, headquartered in Encino, California, is one of the nation's largest online personal insurance agencies, with more than 275,000 policies in-force. Answer Financial, through its wholly owned subsidiary Insurance Answer Center, LLC, offers consumers in all 50 states the ability to compare quotes for automobile and homeowners insurance and purchase coverage from multiple insurance carriers. Consumers transact with Answer Financial either online or over the telephone. Answer Financial markets its products through financial institutions, affinity groups, large employers, other business partners, and the Answer Financial Website ([www.answerfinancial.com](http://www.answerfinancial.com)).

Ray Barrette, CEO of White Mountains commented, "We believe that online insurance distribution channels will continue to grow in importance. Answer Financial's agency platform is a nice complement to Esurance. We are excited to invest in a renewed Answer Financial, further building on our success at Esurance."

### 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':

- X growth in book value per share or return on equity;
- X business strategy;
- X financial and operating targets or plans;
- X incurred losses and the adequacy of its loss and loss adjustment expense reserves and related reinsurance;
- X projections of revenues, income (or loss), earnings (or loss) per share, dividends, market share or other financial forecasts;
- X expansion and growth of our business and operations; and
- X 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 to our expectations and predictions is subject to a number of risks and uncertainties that could cause actual results to differ materially from expectations, including:

- X the risks associated with Item 1A of White Mountains' 2006 Annual Report on Form 10-K;
- X claims arising from catastrophic events, such as hurricanes, earthquakes, floods or terrorist attacks;
- X the continued availability of capital and financing;
- X general economic, market or business conditions;
- X business opportunities (or lack thereof) that may be presented to it and pursued;
- X competitive forces, including the conduct of other property and casualty insurers and reinsurers;
- X changes in domestic or foreign laws or regulations, or their interpretation, applicable to White Mountains, its competitors or its clients;
- X an economic downturn or other economic conditions adversely affecting its financial position;

X recorded loss reserves subsequently proving to have been inadequate;  
X 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 publicly update any such forward-looking statements, whether as a result of new information, future events or otherwise.

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CO: White Mountains Insurance Group, Ltd.; Answer Financial Inc.

ST: Bermuda, California

IN: FIN INS

SU: TNM

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