

## White Mountains Solutions to Acquire Two Runoff Subsidiaries of PICO Holdings, Inc.

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GLASTONBURY, Conn., June 20, 2012 /PRNewswire/ -- White Mountains Solutions Holding Company (White Mountains Solutions), a wholly owned subsidiary of White Mountains Insurance Group, Ltd. (NYSE: WTM) and the group's specialist runoff acquisition operation, announced today that it had entered into a definitive agreement to acquire Physicians Insurance of Ohio and Citation Insurance Company from PICO Holdings, Inc. (NASDAQ: PICO). Both companies ceased underwriting in the mid-1990's and have been in runoff since that time. Under the terms of the agreement, White Mountains Solutions will pay approximately \$17 million subject to certain targeted pre-closing dividends. The transaction and related dividends are subject to Department of Insurance approvals in both California and Ohio.

"This acquisition continues our long track record of success in completing runoff acquisitions that allow sellers to achieve a clean exit from the insurance business," commented Neal Wasserman, President of White Mountains Solutions. This is the 8th runoff acquisition by the White Mountains Solutions team. The transaction is expected to close during the third quarter of 2012 subject to regulatory approvals and other customary closing conditions.

White Mountains Solutions is a wholly owned subsidiary of White Mountains Insurance Group, Ltd. White Mountains Insurance Group, Ltd. 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 on the company's website at [www.whitemountains.com](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':*

- *change in adjusted book value per share or return on equity;*
- *business strategy;*
- *financial and operating targets or plans;*
- *incurred loss and loss adjustment expenses and the adequacy of its loss and loss adjustment expense reserves and related reinsurance;*
- *projections of revenues, income (or loss), earnings (or loss) per share, dividends, market share or other financial forecasts;*
- *expansion and growth of our 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 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:*

- *the risks associated with Item 1A of White Mountains' 2011 Annual Report on Form 10-K and Item 1A in Part II of White Mountains' March 31, 2012 Quarterly Report on Form 10-Q;*
- *claims arising from catastrophic events, such as hurricanes, earthquakes, floods, fires, terrorist attacks or severe winter weather;*
- *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, or their interpretation, applicable to White Mountains, its competitors or its customers;*
- *an economic downturn or other economic conditions adversely affecting its financial position;*
- *recorded loss reserves subsequently proving to have been inadequate;*
- *actions taken by ratings agencies from time to time, such as financial strength or credit ratings downgrades or placing ratings on negative watch;*
- *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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SOURCE White Mountains Insurance Group, Ltd.