

White Mountains To Acquire Attorney-In-Fact Of Star & Shield Insurance Exchange

12-23-2013

HAMILTON, Bermuda and TALLAHASSEE, Fla., Dec. 23, 2013 /PRNewswire/ -- White Mountains Insurance Group, Ltd. (NYSE: WTM) ("White Mountains") and Star & Shield Group announced today that Star & Shield Holdings LLC had entered into a definitive agreement to sell certain assets and liabilities to a wholly-owned subsidiary of White Mountains. Under the terms of the agreement, White Mountains will acquire Star & Shield Risk Management LLC, the attorney-in-fact for Star & Shield Insurance Exchange, a Florida-domiciled reciprocal insurance exchange providing private passenger auto insurance to members of the public safety community and their families, and other related entities within the Star & Shield Group.

Allen Durham, President and CEO of Star & Shield Group, said, "White Mountains brings invaluable expertise in the insurance sector, and we are very excited to partner with them. Their long-term commitment and funding ability will enable us to take the business to the next level."

David Foy, Executive Vice President and CFO of White Mountains, said, "Allen and team have created a unique organization to serve the public safety community. We are excited about the future prospects of the business."

The transaction is expected to close during the first quarter of 2014, subject to customary closing conditions and regulatory approval from the Office of Insurance Regulation in Florida.

Sterne, Agee & Leach, Inc. acted as financial advisor and Greenberg Traurig, P.A. acted as legal advisor to Star & Shield Group. Morgan, Lewis & Bockius LLP acted as legal advisor to White Mountains.

Additional Information

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.

Safe Harbor Statement under the Private Securities Litigation Reform Act of 1995

The information contained in 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 press release which address activities, events or developments which White Mountains expects or anticipates 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:

- *changes in adjusted 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 LAE 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 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 risks associated with Item 1A of White Mountains' 2012 Annual Report on Form 10-K;*
- *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 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 clients;*
- *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; 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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SOURCE White Mountains Insurance Group, Ltd.