

SECURITIES AND EXCHANGE COMMISSION  
WASHINGTON, D.C. 20549

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FORM 8-K/A  
(AMENDMENT NO. 1)

CURRENT REPORT

Pursuant to Section 13 or 15(d) of the Securities  
Exchange Act of 1934

JUNE 17, 1999  
Date of Report (Date of earliest event reported)

WHITE MOUNTAINS INSURANCE GROUP, INC.  
(Exact name of registrant as specified in its charter)

DELAWARE	1-8993	94-2708455
(State or other jurisdiction of incorporation or organization)	(Commission file number)	(I.R.S. Employer Identification No.)

80 SOUTH MAIN STREET, HANOVER, NEW HAMPSHIRE 03755  
(Address of principal executive offices)

(603) 643-1567  
(Registrant's telephone number, including area code)

This Amendment No. 1 amends and supplements the Form 8-K Current Report originally filed on June 17, 1999, relating to the Company's sale (the "Sale") of the following property and casualty insurance operations to Unitrin, Inc.: (i) Valley Insurance Company, Valley Property & Casualty Insurance Company and certain related non-insurance affiliates; (ii) Charter Indemnity Company and certain related non-insurance subsidiaries; and (iii) White Mountains Insurance Company.

The Stock Acquisition Agreement dated February 10, 1999, which provided for the Sale was previously filed as Exhibit 10(n) to the Registrant's 1998 Form 10-K dated March 26, 1999.

ITEM 7. FINANCIAL STATEMENTS AND EXHIBITS.

Item 7 is hereby amended by adding the following information:

(b) Pro Forma Financial Information.

Unaudited pro forma condensed combined financial statements of the Registrant and its subsidiaries consisting of a pro forma balance sheet as of March 31, 1999, a pro forma income statement for the six months ended June 30, 1999, a pro forma income statement for the three months ended March 31, 1999 and a pro forma income statement for the twelve months ended December 31, 1998, together with the notes thereto, filed as Exhibit 99(c) hereto.

(c) Exhibits. The following exhibits are filed herewith:

Exhibit No.	Description
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99 (c)	Unaudited pro forma condensed combined financial statements of the Registrant and its subsidiaries consisting of a pro forma balance sheet as of March 31, 1999, a pro forma income statement for the six months ended June 30, 1999, a pro forma income statement for the three months ended March 31, 1999 and a pro forma income statement for the twelve months ended December 31, 1998, together with the notes thereto.

SIGNATURES

Pursuant to the requirements of the Securities Exchange Act of 1934, the registrant has duly caused this report to be signed on its behalf by the undersigned thereunto duly authorized.

WHITE MOUNTAINS INSURANCE GROUP, INC.

Dated: August 17, 1999

By: /s/

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Michael S. Paquette  
Senior Vice President and  
Controller

EXHIBIT INDEX

Exhibit No.  
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Description  
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99 (c)	Unaudited pro forma condensed combined financial statements of the Registrant and its subsidiaries consisting of a pro forma balance sheet as of March 31, 1999, a pro forma income statement for the six months ended June 30, 1999, a pro forma income statement for the three months ended March 31, 1999 and a pro forma income statement for the twelve months ended December 31, 1998, together with the notes thereto.
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## WHITE MOUNTAINS INSURANCE GROUP, INC.

## UNAUDITED PRO FORMA FINANCIAL INFORMATION

The following unaudited pro forma financial information of White Mountains Insurance Group, Inc. (formerly Fund American Enterprises Holdings, Inc.) and its subsidiaries ("White Mountains") is being presented in connection with White Mountains' sale, on June 17, 1999, of the following property and casualty insurance operations to Unitrin, Inc. (the "Sale"): (i) Valley Insurance Company, Valley Property & Casualty Insurance Company and certain related non-insurance affiliates; (ii) Charter Indemnity Company and certain related non-insurance subsidiaries; and (iii) White Mountains Insurance Company. Within this filing, the companies sold to Unitrin, Inc. on June 17, 1999 are collectively referred to as Valley Group, Inc. "VGI".

The accompanying unaudited pro forma condensed combined income statements of White Mountains for the periods ended March 31, 1999, June 30, 1999 and December 31, 1998 present results for White Mountains as if the Sale and certain transactions and adjustments related to the Sale had occurred as of January 1, 1999, January 1, 1999, and January 1, 1998, respectively. The accompanying unaudited pro forma condensed combined balance sheet of White Mountains as of March 31, 1999 presents White Mountains' financial position as if the Sale had occurred as of March 31, 1999. The unaudited pro forma financial information does not purport to represent what White Mountains' financial position or results of operations actually would have been had the Sale in fact occurred as of the dates indicated, or to project White Mountains' financial position or results of operations for any future date or period. The pro forma adjustments are based on available information and certain assumptions that White Mountains currently believes are reasonable under the circumstances. The unaudited pro forma financial information should be read in conjunction with: (i) White Mountains' Annual Report on Form 10-K for the year ended December 31, 1998; (ii) White Mountains' Quarterly Report on Form 10-Q for the three-month and six-month periods ended June 30, 1999; and (iii) White Mountains' Quarterly Report on Form 10-Q for the three-month period ended March 31, 1999.

The pro forma adjustments and pro forma combined amounts are provided for informational purposes only. White Mountains' financial statements will reflect the actual effects of the Sale on the date such event occurred. Although the actual Sale results will differ, the unaudited pro forma financial information reflects management's best estimate based on currently available information.

The pro forma adjustments contained herein assume that the Federal tax rate is 35%, the maximum Federal statutory rate for corporations and that the applicable state tax rate is approximately 6%.

WHITE MOUNTAINS INSURANCE GROUP, INC.  
 UNAUDITED PRO FORMA CONDENSED COMBINED BALANCE SHEET  
 AS OF MARCH 31, 1999  
 (in millions of dollars)

ASSETS	White Mountains Actual	[1] Collapse VGI	[2] Special Dividend	Sale of VGI	Pro Forma
	-----	-----	-----	-----	-----
Fixed maturities at market	\$ 893.9	\$ (105.4)	\$ 1.0		\$ 789.5
Equity securities at market	236.8	(60.1)	32.3		209.0
Other investments	76.5	(8.7)	8.6		76.4
Short term investments	76.8	(15.1)	20.4	122.1 [3] [4]	204.0
	-----	-----	-----	-----	-----
TOTAL INVESTMENTS	1,283.8	(189.3)	62.3	122.1	1,278.9
Cash	16.6	(7.3)			9.3
Investments in unconsolidated affiliates	333.8	--			333.8
Insurance and reinsurance balances receivable	127.0	(53.8)			73.2
Reinsurances recoverable on paid and unpaid losses	135.4	(0.8)			134.6
Deferred acquisition costs	33.8	(13.9)			19.9
Investment income accrued	15.4	(1.9)			13.5
Other assets	44.1	(16.4)			27.7
Investment in VGI	--	108.4	(62.3)	(46.1) [3]	0.0
Net assets of discontinued mortgage operations	109.5				109.5
	-----	-----	-----	-----	-----
TOTAL ASSETS	\$ 2,099.4	\$ (175.0)	\$ --	\$ 76.0	\$ 2,000.4
	-----	-----	-----	-----	-----
	-----	-----	-----	-----	-----
LIABILITIES					
Loss and loss adjustment expense reserves	\$ 796.3	\$ (85.5)			\$ 709.8
Unearned insurance and reinsurance premiums	149.4	(75.1)			74.3
Short term debt	16.5	(1.5)			15.0
Long term debt	215.7	--		(15.0) [4]	200.7
Deferred credit	35.3	--			35.3
Accounts payable and other liabilities	216.0	(12.9)		38.7 [3]	241.8
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TOTAL LIABILITIES	1,428.2	(175.0)	\$ --	\$ 23.7	\$ 1,276.9
	-----	-----	-----	-----	-----
	-----	-----	-----	-----	-----
SHAREHOLDERS' EQUITY					
Common stock and paid in surplus	384.7				384.7
Retained earnings	1,052.2			52.3 [3]	1,104.5
Common stock in treasury	(869.8)				(868.8)
Accumulated other comprehensive income after tax	104.1				104.1
	-----	-----	-----	-----	-----
TOTAL SHAREHOLDERS' EQUITY	671.2	--	--	52.3	723.5
	-----	-----	-----	-----	-----
TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY	\$ 2,099.4	\$ (175.0)	\$ --	\$ 76.0	\$ 2,000.4
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SEE ACCOMPANYING NOTES TO UNAUDITED CONDENSED COMBINED PRO FORMA BALANCE SHEET

WHITE MOUNTAINS INSURANCE GROUP, INC.  
 UNAUDITED PRO FORMA CONDENSED COMBINED INCOME STATEMENT  
 FOR THE SIX MONTHS ENDED JUNE 30, 1999  
 (in millions of dollars, except per share data)

		PRO FORMA ADJUSTMENTS	
REVENUES	White Mountains Actual -----	(1) Eliminate VGI -----	Pro Forma Combined -----
Earned property and casualty insurance premiums	\$166.3	(66.9)	\$ 99.4
Gain on sale of VGI	88.1	--	88.1
Net investment income	29.2	(3.2)	26.0
Net realized investment gains	26.8	(9.7)	17.1
Earnings from unconsolidated insurance affiliates	9.0	--	9.0
Other insurance operations revenue	3.3	(3.2)	0.1
Amortization of deferred credit	9.7	--	3.7
	-----	-----	-----
TOTAL REVENUES	\$326.4	\$ (83.0)	\$ 243.4
	-----	-----	-----
	-----	-----	-----
EXPENSES			
Insurance losses and loss adjustment expenses	\$123.0	(52.8)	70.2
Insurance and reinsurance acquisition expenses	39.5	(8.8)	30.7
Compensation and benefits	25.1	(10.7)	14.4
Interest expense	8.2	(0.4)	7.8
General expense	9.2	(5.0)	4.2
	-----	-----	-----
TOTAL EXPENSES	205.0	(77.7)	127.3
	-----	-----	-----
	-----	-----	-----
PRETAX EARNINGS	121.4	(5.3)	116.1
	-----	-----	-----
Income tax provision	46.8	(1.7)	45.1
	-----	-----	-----
	-----	-----	-----
NET INCOME FROM CONTINUING OPERATIONS	\$ 74.6	\$ (3.6)	\$ 71.0
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	-----	-----	-----
NET INCOME PER SHARE FROM CONTINUING OPERATIONS: (3)			
BASIC	\$ 13.16		\$ 12.52
DILUTED	11.74		11.17

SEE ACCOMPANYING NOTES TO UNAUDITED PRO FORMA CONDENSED COMBINED INCOME STATEMENT

WHITE MOUNTAINS INSURANCE GROUP, INC.  
 UNAUDITED PRO FORMA CONDENSED COMBINED INCOME STATEMENT  
 FOR THE THREE MONTHS ENDED MARCH 31, 1999  
 (in millions of dollars, except per share data)

	White Mountains Actual	PRO FORMA ADJUSTMENTS		Pro Forma Combined
		(1) Eliminate VGI	(2) Gain on Sale	
REVENUES				
Earned property and casualty insurance premiums	\$ 93.7	(39.7)		\$ 54.0
Gain on sale of VGI	--	--	88.1	88.1
Net investment income	15.8	(1.7)		14.1
Net realized investment gains	9.0	(0.6)		8.2
Earnings from unconsolidated insurance affiliates	4.2	--		4.2
Other insurance operations revenue	2.4	(2.2)		0.2
Amortization of deferred credit	1.8	--		1.8
TOTAL REVENUES	\$ 126.9	\$ (44.4)	88.1	\$ 170.6
EXPENSES				
Insurance losses and loss adjustment expenses	\$ 66.4	(27.9)		\$ 38.5
Insurance and reinsurance acquisition expenses	22.8	(7.2)		15.6
Compensation and benefits	12.8	(7.1)		5.7
Interest expense	4.2	(0.2)		4.0
General expense	4.1	(1.4)		2.7
TOTAL EXPENSES	110.3	(43.8)	--	66.5
PRETAX EARNINGS	16.6	(0.6)	88.1	104.1
Income tax provision	5.8	--	35.8	41.6
NET INCOME FROM CONTINUING OPERATIONS	\$ 10.8	\$ (0.6)	\$ 52.3	\$ 62.5
NET INCOME PER SHARE FROM CONTINUING OPERATIONS: (3)				
BASIC	\$ 1.85			\$ 10.72
DILUTED	\$ 1.65			\$ 9.60

SEE ACCOMPANYING NOTES TO UNAUDITED PRO FORMA CONDENSED COMBINED INCOME STATEMENT



WHITE MOUNTAINS INSURANCE GROUP, INC.  
 UNAUDITED PRO FORMA CONDENSED COMBINED INCOME STATEMENT  
 FOR THE YEAR ENDED DECEMBER 31, 1998  
 (in millions of dollars, except per share data)

REVENUES	White Mountains Actual	Pro Forma Adjustments		Pro Forma Combined
		(1) Eliminate VGI	(2) Gain On Sale	
Earned property and casualty insurance premiums	\$ 246.0	\$ (159.7)		\$ 86.3
Gain on sale of VGI	-		88.1	88.1
Net investment income	36.8	(7.7)		29.1
Net realized investment gains	71.0	(4.8)		66.2
Earnings from unconsolidated insurance affiliates	24.3	-		24.3
Other insurance operations revenue	9.5	(9.4)		0.1
Amortization of deferred credit	2.7	-		2.7
<b>TOTAL REVENUES</b>	<b>\$ 380.3</b>	<b>\$ (161.6)</b>	<b>\$ 88.1</b>	<b>\$ 296.8</b>
<b>EXPENSES</b>				
Insurance losses and loss adjustment expenses	\$ 174.8	\$ (114.6)		\$ 60.2
Insurance and reinsurance acquisition expenses	54.8	(27.1)		27.7
Compensation and benefits	51.5	(24.4)		27.1
Interest expense	13.7	(1.1)		12.6
General expense	15.9	(8.0)		7.9
<b>TOTAL EXPENSES</b>	<b>310.7</b>	<b>(175.2)</b>	<b>-</b>	<b>135.5</b>
<b>PRETAX EARNINGS</b>	<b>79.6</b>	<b>(6.4)</b>	<b>88.1</b>	<b>161.3</b>
Income tax provision	28.5	(1.3)	35.8	63.0
<b>NET INCOME FROM CONTINUING OPERATIONS</b>	<b>\$ 51.1</b>	<b>\$ (5.1)</b>	<b>\$ 52.3</b>	<b>\$ 98.3</b>
<b>NET INCOME PER SHARE FROM CONTINUING OPERATIONS; [3]</b>				
BASIC	\$ 8.71			\$ 16.76
DILUTED	7.75			14.97

SEE ACCOMPANYING NOTES TO UNAUDITED PRO FORMA CONDENSED COMBINED INCOME STATEMENT

WHITE MOUNTAINS INSURANCE GROUP, INC.

NOTES TO UNAUDITED PRO FORMA CONDENSED COMBINED  
BALANCE SHEET

1. Adjustments to collapse the balance sheet accounts of VGI, net of its investment in VNIC (which was retained by the Registrant pursuant to the Sale) and its long-term debt, to one line entitled "Investment in VGI".
2. Adjustments to show receipt of the cash and the investment securities portion of the "Special Dividend" which occurred immediately prior to the Sale.
3. Adjustments to record the cash proceeds from the Sale, net of related expenses, and the resulting gain.
4. Repayment of \$15.0 million VGI long-term indebtedness.

WHITE MOUNTAINS INSURANCE GROUP, INC.

NOTES TO UNAUDITED PRO FORMA CONDENSED COMBINED  
INCOME STATEMENTS

1. Adjustments to eliminate the income statement activities of VGI, during the period which assumes that the Sale occurred at the beginning of the accounting period presented.
2. Adjustments to record the resulting gain on the Sale, net of related expenses.
3. Basic earnings per share amounts are based on the weighted average number of shares of the Registrant's common stock outstanding which were 5,865,902 shares, 5,831,398 shares and 5,669,050 shares for the periods ending December 31, 1998, March 31, 1999 and June 30, 1999, respectively. Diluted earnings per share amounts are based on the weighted average number of shares and the net effect of potential dilutive shares outstanding (consisting of stock options and warrants to acquire common stock) which were 6,535,181 shares, 6,500,699 shares and 6,337,977 shares for the periods ending December 31, 1998, March 31, 1999 and June 30, 1999, respectively.