UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
Washington, D.C. 20549

FORM 10-Q

☒ **QUARTERLY REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934**

For the period ended June 30, 2023

OR

☐ **TRANSITION REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934**

For the transition period from to
Commission file number 1-8993

WHITE MOUNTAINS INSURANCE GROUP, LTD.

(Exact name of Registrant as specified in its charter)

Bermuda (State or other jurisdiction of incorporation or organization)	**94-2708455** (I.R.S. Employer Identification No.)
23 South Main Street, Suite 3B **Hanover,** **New Hampshire** (Address of principal executive offices)	**03755-2053** (Zip Code)

Registrant's telephone number, including area code: **(603) 640-2200**

Securities registered pursuant to Section 12(b) of the Act:

Title of each class	Trading Symbol(s)	Name of each exchange on which registered
Common Shares, par value $1.00 per share	WTM	New York Stock Exchange
	WTM.BH	Bermuda Stock Exchange

Indicate by check mark whether the Registrant (1) has filed all reports required to be filed by Section 13 or 15(d) of the Securities Exchange Act of 1934 during the preceding 12 months (or for such shorter period that the Registrant was required to file such reports), and (2) has been subject to such filing requirements for the past 90 days. Yes ☒ No ☐

Indicate by check mark whether the Registrant has submitted electronically every Interactive Data File required to be submitted pursuant to Rule 405 of Regulation S-T (§232.405 of this chapter) during the preceding 12 months (or for such shorter period that the Registrant was required to submit such files). Yes ☒ No ☐

Indicate by check mark whether the Registrant is a large accelerated filer, an accelerated filer, a non-accelerated filer, a smaller reporting company, or an emerging growth company. See the definitions of "large accelerated filer," "accelerated filer", "smaller reporting company" and "emerging growth company" in Rule 12b-2 of the Exchange Act.

Large accelerated filer ☒ Accelerated filer ☐ Non-accelerated filer ☐
Smaller reporting company ☐ Emerging growth company ☐

If an emerging growth company, indicate by check mark if the registrant has elected not to use the extended transition period for complying with any new or revised financial accounting standards provided pursuant to Section 13(a) of the Exchange Act. ☐

Indicate by check mark whether the Registrant is a shell company (as defined in Rule 12b-2 of the Exchange Act).
Yes ☐ No ☒

As of August 3, 2023, 2,560,452 common shares with a par value of $1.00 per share were outstanding (which includes 37,595 restricted common shares that were not vested at such date).

WHITE MOUNTAINS INSURANCE GROUP, LTD.

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Part I. FINANCIAL INFORMATION.

Item 1. Financial Statements

WHITE MOUNTAINS INSURANCE GROUP, LTD.
CONSOLIDATED BALANCE SHEETS
(Unaudited)

Millions, except share and per share amounts	June 30, 2023	December 31, 2022
Assets		
Financial Guarantee (HG Global/BAM)		
Fixed maturity investments, at fair value	**$ 932.9**	$ 909.9
Short-term investments, at fair value	**67.5**	65.9
Total investments	**1,000.4**	975.8
Cash	**2.9**	18.2
Insurance premiums receivable	**6.4**	6.6
Deferred acquisition costs	**37.4**	36.0
Other assets	**25.3**	21.9
Total Financial Guarantee assets	**1,072.4**	1,058.5
P&C Insurance and Reinsurance (Ark/WM Outrigger)		
Fixed maturity investments, at fair value	**755.8**	772.8
Common equity securities, at fair value	**382.6**	334.6
Short-term investments, at fair value	**640.3**	484.6
Other long-term investments	**410.7**	373.6
Total investments	**2,189.4**	1,965.6
Cash	**101.7**	101.5
Reinsurance recoverables	**669.7**	595.3
Insurance premiums receivable	**1,077.2**	544.1
Deferred acquisition costs	**232.1**	127.2
Goodwill and other intangible assets	**292.5**	292.5
Other assets	**69.4**	65.2
Total P&C Insurance and Reinsurance assets	**4,632.0**	3,691.4
Asset Management (Kudu)		
Short-term investments, at fair value	**4.1**	—
Other long-term investments	**737.1**	695.9
Total investments	**741.2**	695.9
Cash (restricted $13.4 and $12.2)	**25.0**	101.4
Accrued investment income	**13.1**	12.4
Goodwill and other intangible assets	**8.4**	8.6
Other assets	**10.0**	7.6
Total Asset Management assets	**797.7**	825.9
Other Operations		
Fixed maturity investments, at fair value	**252.0**	238.2
Common equity securities, at fair value	**272.5**	333.8
Investment in MediaAlpha, at fair value	**235.7**	168.6
Short-term investments, at fair value	**274.2**	373.6
Other long-term investments	**667.2**	418.5
Total investments	**1,701.6**	1,532.7
Cash	**24.9**	33.9
Goodwill and other intangible assets	**72.7**	91.3
Other assets	**75.0**	155.6
Total Other Operations assets	**1,874.2**	1,813.5
Total assets	**$ 8,376.3**	$ 7,389.3

See Notes to Consolidated Financial Statements

CONSOLIDATED BALANCE SHEETS (CONTINUED)
(Unaudited)

Millions, except share and per share amounts	June 30, 2023	December 31, 2022
Liabilities		
Financial Guarantee (HG Global/BAM)		
Unearned insurance premiums	**$ 303.7**	$ 298.3
Debt	**146.7**	146.5
Accrued incentive compensation	**14.7**	28.0
Other liabilities	**34.6**	29.0
Total Financial Guarantee liabilities	**499.7**	501.8
P&C Insurance and Reinsurance (Ark/WM Outrigger)		
Loss and loss adjustment expense reserves	**1,421.0**	1,296.5
Unearned insurance premiums	**1,376.5**	623.2
Debt	**185.1**	183.7
Reinsurance payable	**247.0**	251.1
Contingent consideration	**45.1**	45.3
Other liabilities	**116.6**	122.3
Total P&C Insurance and Reinsurance liabilities	**3,391.3**	2,522.1
Asset Management (Kudu)		
Debt	**203.7**	208.3
Other liabilities	**51.0**	65.0
Total Asset Management liabilities	**254.7**	273.3
Other Operations		
Debt	**30.6**	36.7
Accrued incentive compensation	**51.0**	86.1
Other liabilities	**23.1**	34.3
Total Other Operations liabilities	**104.7**	157.1
Total liabilities	**4,250.4**	3,454.3
Equity		
White Mountains's common shareholders' equity		
White Mountains's common shares at $1 par value per share—authorized 50,000,000 shares; issued and outstanding 2,560,452 and 2,572,156 shares	**2.6**	2.6
Paid-in surplus	**540.6**	536.0
Retained earnings	**3,380.7**	3,211.8
Accumulated other comprehensive income (loss), after-tax:		
Net unrealized gains (losses) from foreign currency translation and interest rate swap	**(1.7)**	(3.5)
Total White Mountains's common shareholders' equity	**3,922.2**	3,746.9
Noncontrolling interests	**203.7**	188.1
Total equity	**4,125.9**	3,935.0
Total liabilities and equity	**$ 8,376.3**	$ 7,389.3

See Notes to Consolidated Financial Statements

WHITE MOUNTAINS INSURANCE GROUP, LTD.
CONSOLIDATED STATEMENTS OF OPERATIONS
(Unaudited)

Millions	Three Months Ended June 30, 2023	Three Months Ended June 30, 2022	Six Months Ended June 30, 2023	Six Months Ended June 30, 2022
Revenues:				
Financial Guarantee (HG Global/BAM)				
Earned insurance premiums	**$ 7.7**	$ 10.5	**$ 15.4**	$ 18.9
Net investment income	**7.6**	4.8	**14.8**	9.4
Net realized and unrealized investment gains (losses)	**(9.9)**	(30.1)	**7.1**	(75.2)
Other revenues	**.5**	1.6	**1.3**	2.4
Total Financial Guarantee revenues	**5.9**	(13.2)	**38.6**	(44.5)
P&C Insurance and Reinsurance (Ark/WM Outrigger)				
Earned insurance premiums	**293.3**	217.3	**548.4**	411.7
Net investment income	**13.7**	3.2	**24.3**	4.8
Net realized and unrealized investment gains (losses)	**18.0**	(44.6)	**42.5**	(62.1)
Other revenues	**(2.0)**	6.3	**(4.7)**	3.5
Total P&C Insurance and Reinsurance revenues	**323.0**	182.2	**610.5**	357.9
Asset Management (Kudu)				
Net investment income	**14.7**	13.8	**28.9**	26.4
Net realized and unrealized investment gains (losses)	**4.6**	(17.6)	**34.2**	4.7
Total Asset Management revenues	**19.3**	(3.8)	**63.1**	31.1
Other Operations				
Net investment income	**7.0**	3.3	**14.0**	5.1
Net realized and unrealized investment gains (losses)	**76.0**	(11.8)	**117.8**	20.1
Net realized and unrealized investment gains (losses) from investment in MediaAlpha	**(77.3)**	(113.5)	**7.9**	(94.7)
Commission revenues	**3.2**	2.6	**6.5**	5.5
Other revenues	**21.3**	30.9	**51.9**	56.6
Total Other Operations revenues	**30.2**	(88.5)	**198.1**	(7.4)
Total revenues	**$ 378.4**	$ 76.7	**$ 910.3**	$ 337.1

See Notes to Consolidated Financial Statements

CONSOLIDATED STATEMENTS OF OPERATIONS (CONTINUED)
(Unaudited)

	Three Months Ended June 30,		Six Months Ended June 30,	
Millions	**2023**	**2022**	**2023**	**2022**
Expenses:				
Financial Guarantee (HG Global/BAM)				
Acquisition expenses	**$ 1.5**	$ 4.8	**$ 4.2**	$ 7.8
General and administrative expenses	**14.9**	17.4	**32.2**	33.7
Interest expense	**2.5**	3.4	**7.0**	3.4
Total Financial Guarantee expenses	**18.9**	25.6	**43.4**	44.9
P&C Insurance and Reinsurance (Ark/WM Outrigger)				
Loss and loss adjustment expenses	**167.5**	120.5	**315.3**	242.5
Acquisition expenses	**61.4**	50.2	**121.2**	100.1
General and administrative expenses	**34.9**	29.7	**70.1**	50.7
Change in fair value of contingent consideration	**2.2**	.1	**(.2)**	2.2
Interest expense	**5.2**	3.1	**10.2**	6.9
Total P&C Insurance and Reinsurance expenses	**271.2**	203.6	**516.6**	402.4
Asset Management (Kudu)				
General and administrative expenses	**4.0**	3.1	**7.8**	5.9
Interest expense	**5.3**	3.3	**10.0**	6.1
Total Asset Management expenses	**9.3**	6.4	**17.8**	12.0
Other Operations				
Cost of sales	**11.6**	22.4	**25.5**	43.8
General and administrative expenses	**48.8**	51.0	**88.5**	80.8
Interest expense	**1.2**	.3	**2.0**	.6
Total Other Operations expenses	**61.6**	73.7	**116.0**	125.2
Total expenses	**361.0**	309.3	**693.8**	584.5
Pre-tax income (loss) from continuing operations	**17.4**	(232.6)	**216.5**	(247.4)
Income tax (expense) benefit	**(.2)**	16.0	**(12.1)**	18.7
Net income (loss) from continuing operations	**17.2**	(216.6)	**204.4**	(228.7)
Net income (loss) from discontinued operations, net of tax - NSM Group	**—**	6.4	**—**	10.1
Net income (loss)	**17.2**	(210.2)	**204.4**	(218.6)
Net (income) loss attributable to noncontrolling interests	**2.4**	41.0	**(5.3)**	82.8
Net income (loss) attributable to White Mountains's common shareholders	**$ 19.6**	$ (169.2)	**$ 199.1**	$ (135.8)

See Notes to Consolidated Financial Statements

WHITE MOUNTAINS INSURANCE GROUP, LTD.
CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME
(Unaudited)

	Three Months Ended June 30,		Six Months Ended June 30,	
Millions	**2023**	**2022**	**2023**	**2022**
Net income (loss) attributable to White Mountains's common shareholders	**$ 19.6**	$ (169.2)	**$ 199.1**	$ (135.8)
Other comprehensive income, net of tax:				
Other comprehensive income (loss), net of tax	**1.4**	(1.1)	**2.6**	(1.5)
Other comprehensive income (loss) from discontinued operations, net of tax - NSM Group	**—**	(4.0)	**—**	(5.9)
Comprehensive income (loss)	**21.0**	(174.3)	**201.7**	(143.2)
Other comprehensive (income) loss attributable to noncontrolling interests	**(.4)**	.5	**(.8)**	.7
Comprehensive income (loss) attributable to White Mountains's common shareholders	**$ 20.6**	$ (173.8)	**$ 200.9**	$ (142.5)

Earnings (loss) per share attributable to White Mountains's common shareholders:				
Basic earnings (loss) per share				
Continuing operations	**$ 7.65**	$ (58.78)	**$ 77.57**	$ (48.57)
Discontinued operations	**—**	1.98	**—**	3.17
Total consolidated operations	**$ 7.65**	$ (56.80)	**$ 77.57**	$ (45.40)
Diluted earnings (loss) per share				
Continuing operations	**$ 7.65**	$ (58.78)	**$ 77.57**	$ (48.57)
Discontinued operations	**—**	1.98	**—**	3.17
Total consolidated operations	**$ 7.65**	$ (56.80)	**$ 77.57**	$ (45.40)
Dividends declared and paid per White Mountains's common share	**$ —**	$ —	**$ 1.00**	$ 1.00

See Notes to Consolidated Financial Statements.

WHITE MOUNTAINS INSURANCE GROUP, LTD.
CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY
(Unaudited)

Millions	White Mountains's Common Shareholders' Equity: Common shares and paid-in surplus	Retained earnings	AOCI, after tax	Total	Non-controlling interest	Total Equity
Balance at March 31, 2023	**$ 537.8**	**$ 3,367.3**	**$ (2.7)**	**$ 3,902.4**	**$ 190.4**	**$ 4,092.8**
Net income (loss)	**—**	**19.6**	**—**	**19.6**	**(2.4)**	**17.2**
Other comprehensive income (loss), net of tax	**—**	**—**	**1.0**	**1.0**	**.4**	**1.4**
Total comprehensive income (loss)	**—**	**19.6**	**1.0**	**20.6**	**(2.0)**	**18.6**
Dividends to noncontrolling interests	**—**	**—**	**—**	**—**	**(.6)**	**(.6)**
Issuances of common shares	**2.0**	**—**	**—**	**2.0**	**—**	**2.0**
Repurchases and retirements of common shares	**(1.2)**	**(6.2)**	**—**	**(7.4)**	**—**	**(7.4)**
BAM member surplus contribution, net of tax	**—**	**—**	**—**	**—**	**14.7**	**14.7**
Amortization of restricted share awards	**4.1**	**—**	**—**	**4.1**	**—**	**4.1**
Recognition of equity-based compensation expense of subsidiaries	**.5**	**—**	**—**	**.5**	**.1**	**.6**
Net contributions and dilution from other noncontrolling interests	**—**	**—**	**—**	**—**	**1.1**	**1.1**
Balance at June 30, 2023	**$ 543.2**	**$ 3,380.7**	**$ (1.7)**	**$ 3,922.2**	**$ 203.7**	**$ 4,125.9**

Millions	White Mountains's Common Shareholders' Equity: Common shares and paid-in surplus	Retained earnings	AOCI, after tax	Total	Non-controlling interest	Total Equity
Balance at March 31, 2022	$ 586.3	$ 2,956.2	$ (.4)	$ 3,542.1	$ 127.2	$ 3,669.3
Net income (loss)	—	(169.2)	—	(169.2)	(41.0)	(210.2)
Other comprehensive income (loss), net of tax	—	—	(.6)	(.6)	(.5)	(1.1)
Net gain (loss) from foreign currency translation from sale of discontinued operations, net of tax - NSM Group	—	—	(4.0)	(4.0)	—	(4.0)
Total comprehensive income (loss)	—	(169.2)	(4.6)	(173.8)	(41.5)	(215.3)
Dividends to noncontrolling interests	—	—	—	—	(6.4)	(6.4)
Issuances of common shares	2.2	—	—	2.2	—	2.2
Issuance of shares of non-controlling interests	—	—	—	—	74.6	74.6
Repurchases and retirements of common shares	(10.4)	(52.2)	—	(62.6)	—	(62.6)
BAM member surplus contributions, net of tax	—	—	—	—	24.0	24.0
Amortization of restricted share awards	3.6	—	—	3.6	—	3.6
Recognition of equity-based compensation expense of subsidiaries	6.5	—	—	6.5	.4	6.9
Net contributions and dilution from other noncontrolling interests	15.0	(9.7)	—	5.3	(9.6)	(4.3)
Balance at June 30, 2022	$ 603.2	$ 2,725.1	$ (5.0)	$ 3,323.3	$ 168.7	$ 3,492.0

See Notes to Consolidated Financial Statements.

CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY (CONTINUED)
(Unaudited)

Millions	White Mountains's Common Shareholders' Equity: Common shares and paid-in surplus	Retained earnings	AOCI, after tax	Total	Non-controlling interest	Total Equity
Balance at January 1, 2023	**$ 538.6**	**$ 3,211.8**	**$ (3.5)**	**$ 3,746.9**	**$ 188.1**	**$ 3,935.0**
Net income (loss)	**—**	**199.1**	**—**	**199.1**	**5.3**	**204.4**
Other comprehensive income (loss), net of tax	**—**	**—**	**1.8**	**1.8**	**.8**	**2.6**
Total comprehensive income (loss)	**—**	**199.1**	**1.8**	**200.9**	**6.1**	**207.0**
Dividends declared on common shares	**—**	**(2.6)**	**—**	**(2.6)**	**—**	**(2.6)**
Dividends to noncontrolling interests	**—**	**—**	**—**	**—**	**(7.8)**	**(7.8)**
Issuances of common shares	**2.1**	**—**	**—**	**2.1**	**—**	**2.1**
Repurchases and retirements of common shares	**(5.1)**	**(27.6)**	**—**	**(32.7)**	**—**	**(32.7)**
BAM member surplus contributions, net of tax	**—**	**—**	**—**	**—**	**26.5**	**26.5**
Amortization of restricted share awards	**7.2**	**—**	**—**	**7.2**	**—**	**7.2**
Recognition of equity-based compensation expense of subsidiaries	**.9**	**—**	**—**	**.9**	**.3**	**1.2**
Net contributions (distributions) and dilution from other noncontrolling interests	**(.5)**	**—**	**—**	**(.5)**	**(.1)**	**(.6)**
Disposition of noncontrolling interests	**—**	**—**	**—**	**—**	**(9.4)**	**(9.4)**
Balance at June 30, 2023	**$ 543.2**	**$ 3,380.7**	**$ (1.7)**	**$ 3,922.2**	**$ 203.7**	**$ 4,125.9**

Millions	White Mountains's Common Shareholders' Equity: Common shares and paid-in surplus	Retained earnings	AOCI, after tax	Total	Non-controlling interest	Total Equity
Balance at January 1, 2022	$ 588.9	$ 2,957.5	$ 1.7	$ 3,548.1	$ 156.6	$ 3,704.7
Net income (loss)	—	(135.8)	—	(135.8)	(82.8)	(218.6)
Other comprehensive income (loss), net of tax	—	—	(.8)	(.8)	(.7)	(1.5)
Net gain (loss) from foreign currency translation from sale of discontinued operations, net of tax - NSM Group	—	—	(5.9)	(5.9)	—	(5.9)
Total comprehensive income (loss)	—	(135.8)	(6.7)	(142.5)	(83.5)	(226.0)
Dividends declared on common shares	—	(3.0)	—	(3.0)	—	(3.0)
Dividends to noncontrolling interests	—	—	—	—	(7.0)	(7.0)
Issuances of common shares	3.0	—	—	3.0	—	3.0
Issuance of shares of non-controlling interests	—	—	—	—	74.6	74.6
Repurchases and retirements of common shares	(17.7)	(83.9)	—	(101.6)	—	(101.6)
BAM member surplus contributions, net of tax	—	—	—	—	36.3	36.3
Amortization of restricted share awards	6.5	—	—	6.5	—	6.5
Recognition of equity-based compensation expense of subsidiaries	7.7	—	—	7.7	.6	8.3
Net contributions and dilution from other noncontrolling interests	14.8	(9.7)	—	5.1	(8.9)	(3.8)
Balance at June 30, 2022	$ 603.2	$ 2,725.1	$ (5.0)	$ 3,323.3	$ 168.7	$ 3,492.0

See Notes to Consolidated Financial Statements.

WHITE MOUNTAINS INSURANCE GROUP, LTD.
CONSOLIDATED STATEMENTS OF CASH FLOWS
(Unaudited)

	Six Months Ended June 30,	
Millions	**2023**	**2022**
Cash flows from operations:		
Net income (loss)	**$ 204.4**	$ (218.6)
Adjustments to reconcile net income to net cash provided from (used for) operations:		
Net realized and unrealized investment (gains) losses	**(201.6)**	112.5
Net realized and unrealized investment (gains) losses from investment in MediaAlpha	**(7.9)**	94.7
Deferred income tax expense (benefit)	**(4.5)**	4.0
Amortization of restricted share awards	**7.2**	6.5
Amortization (accretion) and depreciation	**(5.0)**	8.4
Net (income) loss from discontinued operation, net of tax - NSM Group	—	(10.1)
Other operating items:		
Net change in reinsurance recoverables	**(74.4)**	11.4
Net change in insurance premiums receivable	**(532.9)**	(478.8)
Net change in deferred acquisition costs	**(106.3)**	(85.0)
Net change in loss and loss adjustment expense reserves	**124.5**	127.4
Net change in unearned insurance premiums	**758.7**	532.4
Net change in reinsurance payable	**(4.1)**	(5.3)
Net change in restricted cash	**1.2**	2.8
Proceeds from Kudu's Participation Contracts sold	**74.6**	(52.8)
Contributions to Kudu's Participation Contracts	**(81.6)**	—
Net other operating activities	**4.4**	(46.3)
Net cash provided from (used for) operations - continuing operations	**156.7**	3.2
Net cash provided from (used for) operations - NSM Group discontinued operations (**Note 19**)	—	36.7
Net cash provided from (used for) operations	**156.7**	39.9
Cash flows from investing activities:		
Net change in short-term investments	**(42.6)**	212.6
Sales of fixed maturity investments	**90.5**	153.4
Maturities, calls and paydowns of fixed maturity investments	**146.3**	75.6
Sales of common equity securities	**119.2**	—
Distributions and redemptions of other long-term investments	**18.7**	46.5
Proceeds from the sale of other businesses, net of cash sold of $0.8 and $0.0	**17.3**	19.5
Purchases of consolidated subsidiaries, net of cash acquired of $0.0 and $0.3	—	(67.9)
Purchases of fixed maturity investments	**(240.5)**	(330.8)
Purchases of common equity securities and investment in MediaAlpha	**(104.2)**	(38.1)
Purchases of other long-term investments	**(215.9)**	(50.4)
Net other investing activities	**(11.6)**	5.7
Net cash provided from (used for) investing activities - continuing operations	**(222.8)**	26.1
Net cash provided from (used for) investing activities - NSM Group discontinued operations (**Note 19**)	—	7.1
Net cash provided from (used for) investing activities	**(222.8)**	33.2
Cash flows from financing activities:		
Draw down of debt and revolving line of credit	**12.0**	203.0
Repayment of debt and revolving line of credit	**(23.1)**	(2.4)
Cash dividends paid to common shareholders	**(2.6)**	(3.0)
Common shares repurchased	**(32.7)**	(101.6)
Net contributions from (distributions to) other noncontrolling interests	**(7.5)**	(6.5)
Net (contributions to) distributions from discontinued operations	—	11.6
Acquisition of subsidiary shares from non-controlling interest shareholders	—	74.6
BAM member surplus contributions	**26.5**	36.3
Fidus Re premium payments	**(6.9)**	(3.8)
Net other financing activities	**(.1)**	(1.8)
Net cash provided from (used for) financing activities - continuing operations	**(34.4)**	206.4
Net cash provided from (used for) financing activities - NSM Group discontinued operations (**Note 19**)	—	(16.9)
Net cash provided from (used for) financing activities	**(34.4)**	189.5
Net change in cash during the period - continuing operations	**(100.5)**	235.7
Cash balances at beginning of period (includes restricted cash balances of $12.2 and $4.5 and excludes discontinued operations cash balances of $0.0 and $111.6)	**255.0**	147.7
Cash balances at end of period (includes restricted cash balances of $13.4 and $7.3 and excludes discontinued operations cash balances of $0.0 and $142.7)	**$ 154.5**	$ 383.4
Supplemental cash flows information:		
Interest paid	**$ (11.6)**	$ (6.3)
Net income tax payments	**(27.8)**	(3.8)

See Notes to Consolidated Financial Statements

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (Unaudited)

Note 1. Basis of Presentation and Significant Accounting Policies

Basis of Presentation

White Mountains Insurance Group, Ltd. (the "Company" or the "Registrant") is an exempted Bermuda limited liability company whose principal businesses are conducted through its subsidiaries and other affiliates. The Company's headquarters is located at 26 Reid Street, Hamilton, Bermuda HM 11, its principal executive office is located at 23 South Main Street, Suite 3B, Hanover, New Hampshire 03755-2053 and its registered office is located at Clarendon House, 2 Church Street, Hamilton, Bermuda HM 11. The Company's website is www.whitemountains.com. The information contained on White Mountains's website is not incorporated by reference into, and is not a part of, this report.

The accompanying consolidated financial statements have been prepared in accordance with generally accepted accounting principles in the United States ("GAAP") and include the accounts of the Company, its subsidiaries (collectively with the Company, "White Mountains") and other entities required to be consolidated under GAAP. Intercompany transactions have been eliminated in consolidation. Certain amounts in the prior period financial statements have been reclassified to conform to the current presentation.

The preparation of financial statements in conformity with GAAP requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities as of the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

These interim financial statements include all adjustments considered necessary by management to fairly state the financial position, results of operations and cash flows of White Mountains. These interim financial statements may not be indicative of financial results for the full year and should be read in conjunction with the Company's 2022 Annual Report on Form 10-K.

Reportable Segments

As of June 30, 2023, White Mountains conducted its operations through three reportable segments: (1) HG Global/BAM, (2) Ark/WM Outrigger, and (3) Kudu, with our remaining operating businesses, holding companies and other assets included in Other Operations. White Mountains has made its segment determination based on consideration of the following criteria: (i) the nature of the business activities of each of the Company's subsidiaries and affiliates; (ii) the manner in which the Company's subsidiaries and affiliates are organized; (iii) the existence of primary managers responsible for specific subsidiaries and affiliates; and (iv) the organization of information provided to the Company's chief operating decision makers and its Board of Directors. See **Note 14 — "Segment Information."**

The HG Global/BAM segment consists of HG Global Ltd. and its wholly-owned subsidiaries (collectively, "HG Global") and the consolidated results of Build America Mutual Assurance Company ("BAM") (collectively with HG Global, "HG Global/BAM"). BAM is the first and only mutual municipal bond insurance company in the United States. By insuring the timely payment of principal and interest, BAM provides market access to, and lowers interest expense for, issuers of municipal bonds used to finance essential public purpose projects, such as schools, utilities and transportation facilities. BAM is owned by and operated for the benefit of its members, the municipalities that purchase BAM's insurance for their debt issuances. HG Global was established to fund the startup of BAM and, through its reinsurance subsidiary, HG Re Ltd. ("HG Re"), to provide up to 15%-of-par, first loss reinsurance protection for policies underwritten by BAM. HG Global, together with its subsidiaries, funded the initial capitalization of BAM through the purchase of $503.0 million of surplus notes issued by BAM (the "BAM Surplus Notes"). As of June 30, 2023 and December 31, 2022, White Mountains owned 96.9% of HG Global's preferred equity and 88.4% of its common equity. White Mountains does not have an ownership interest in BAM. However, White Mountains is required to consolidate BAM's results in its financial statements because BAM is a variable interest entity ("VIE") for which White Mountains is the primary beneficiary. BAM's results are all attributed to noncontrolling interests.

The Ark/WM Outrigger segment consists of Ark Insurance Holdings Limited and its subsidiaries (collectively, "Ark") and Outrigger Re Ltd. Segregated Account 2023-1 ("WM Outrigger Re") (collectively with Ark, "Ark/WM Outrigger"). Ark is a specialty property and casualty insurance and reinsurance company that offers a wide range of niche insurance and reinsurance products, including property, specialty, marine & energy, casualty and accident & health. Ark underwrites select coverages through Lloyd's Syndicates 4020 and 3902 (the "Syndicates") and its wholly-owned subsidiary Group Ark Insurance Limited ("GAIL"). White Mountains acquired a controlling ownership interest in Ark on January 1, 2021 (the "Ark Transaction"). As of June 30, 2023 and December 31, 2022, White Mountains owned 72.0% of Ark on a basic shares outstanding basis (63.0% after taking account of management's equity incentives). The remaining shares are owned by current and former employees. In the future, management rollover shareholders could earn additional shares in Ark if and to the extent that White Mountains achieves certain multiple of invested capital return thresholds. If fully earned, these additional shares would represent 12.5% of the shares outstanding at closing. For the years of account prior to the Ark Transaction, a significant proportion of the Syndicates' underwriting capital was provided by third-party insurance and reinsurance groups ("TPC Providers") using whole account reinsurance contracts with Ark's corporate member. For the years of account subsequent to the Ark Transaction, Ark is no longer using TPC Providers to provide underwriting capital for the Syndicates. Captions within results of operations and other comprehensive income for the three and six months ended June 30, 2022 are shown net of amounts relating to the TPC Providers' share of the Syndicates' results, including investment results. During the fourth quarter of 2022, Ark sponsored the formation of Outrigger Re Ltd., a Bermuda company registered as a special purpose insurer and segregated accounts company, to provide collateralized reinsurance protection on Ark's Bermuda global property catastrophe excess of loss portfolio written in calendar year 2023. Outrigger Re Ltd. issued non-voting redeemable preference shares on behalf of four segregated accounts to White Mountains and unrelated third-party investors. White Mountains consolidates the results of its segregated account, WM Outrigger Re, in its financial statements. See **Note 2 — "Significant Transactions."** As of June 30, 2023 and December 31, 2022, White Mountains owned 100.0% of WM Outrigger Re's preferred equity.

The Kudu segment consists of Kudu Investment Management, LLC and its subsidiaries (collectively "Kudu"). Kudu provides capital solutions for boutique asset and wealth managers for a variety of purposes including generational ownership transfers, management buyouts, acquisition and growth finance and legacy partner liquidity. Kudu also provides strategic assistance to investees from time to time. Kudu's capital solutions generally are structured as minority preferred equity stakes with distribution rights, typically tied to gross revenues and designed to generate immediate cash yields. As of June 30, 2023 and December 31, 2022, White Mountains owned 89.2% and 89.3% of Kudu's basic units outstanding (76.1% and 76.1% on a fully diluted, fully converted basis).

White Mountains's Other Operations consists of the Company and its wholly-owned subsidiary, White Mountains Capital, LLC ("WM Capital"), its other intermediate holding companies, its wholly-owned investment management subsidiary, White Mountains Advisors LLC ("WM Advisors"), investment assets managed by WM Advisors, its interests in MediaAlpha, Inc. ("MediaAlpha"), PassportCard Limited ("PassportCard") and DavidShield Life Insurance Agency (2000) Ltd. ("DavidShield") (collectively, "PassportCard/ DavidShield"), Elementum Holdings LP ("Elementum"), certain other consolidated and unconsolidated entities ("Other Operating Businesses") and certain other assets.

Discontinued Operations

On August 1, 2022, White Mountains Holdings (Luxembourg) S.à r.l. ("WTM Holdings Seller"), an indirect wholly owned subsidiary of White Mountains, completed the sale of White Mountains Catskill Holdings, Inc. and NSM Insurance HoldCo, LLC ("NSM" and, collectively with White Mountains Catskill Holdings, Inc., the "NSM Group") to Riser Merger Sub, Inc., an affiliate of The Carlyle Group Inc. (the "NSM Transaction"), pursuant to the terms of the securities purchase agreement dated as of May 9, 2022. See **Note 2 — "Significant Transactions."** NSM is a full-service managing general agent ("MGA") and program administrator with delegated binding authorities for specialty property and casualty insurance.

As a result of the NSM Transaction, the assets and liabilities of NSM Group have been presented in the balance sheet as held for sale for periods prior to the closing of the transaction, and the results of operations for NSM Group have been classified as discontinued operations in the statements of operations and comprehensive income through the closing of the transaction. Prior period amounts have been reclassified to conform to the current period's presentation. See **Note 19 — "Held for Sale and Discontinued Operations."**

Significant Accounting Policies

Refer to the Company's 2022 Annual Report on Form 10-K for a complete discussion regarding White Mountains's significant accounting policies.

Note 2. Significant Transactions

NSM

On August 1, 2022, the NSM Transaction closed. White Mountains received $1.4 billion in net cash proceeds at closing and recognized a net transaction gain of $875.7 million, which was comprised of $886.8 million of net gain from sale of discontinued operations and $2.9 million of comprehensive income related to the recognition of foreign currency translation gains (losses) from the sale, partially offset by $14.0 million of compensation and other costs related to the transaction recorded in Other Operations.

WM Outrigger Re

During the fourth quarter of 2022, Ark sponsored the formation of Outrigger Re Ltd., a Bermuda company registered as a special purpose insurer and segregated accounts company, to provide reinsurance capacity to Ark. On December 20, 2022, Outrigger Re Ltd. issued $250.0 million of non-voting redeemable preference shares on behalf of four segregated accounts to White Mountains and unrelated third-party investors. Upon issuance of the preference shares, Outrigger Re Ltd. entered into collateralized quota share agreements with GAIL to provide reinsurance protection on Ark's Bermuda global property catastrophe excess of loss portfolio written in calendar year 2023. The proceeds from the issuance of the preference shares were deposited into collateral trust accounts to fund any potential obligations under the reinsurance agreements with GAIL. Outrigger Re Ltd.'s obligations under the reinsurance agreements with GAIL are subject to an aggregate limit equal to the assets in the collateral trusts at any point in time. The terms of the reinsurance agreements are renewable upon the mutual agreement of Ark and the applicable preference shareholder.

White Mountains purchased 100% of the preference shares issued by its segregated account, WM Outrigger Re, for $205.0 million. White Mountains consolidates WM Outrigger Re's results in its financial statements. WM Outrigger Re's quota share reinsurance agreement with GAIL eliminates in White Mountains's consolidated financial statements.

Kudu

On May 26, 2022, Kudu raised $114.5 million of equity capital (the "Kudu Transaction") from Massachusetts Mutual Life Insurance Company ("Mass Mutual"), White Mountains and Kudu management. Mass Mutual, White Mountains and Kudu management contributed $64.1 million, $50.0 million and $0.4 million at a pre-money valuation of 1.3x book value, or $114.0 million above the December 31, 2021 equity value of Kudu's go-forward portfolio of revenue and earnings participation contracts ("Participation Contracts"). The go-forward portfolio of Kudu's Participation Contracts excluded $54.3 million of enterprise value as of December 31, 2021 relating to two portfolio companies that had announced sale transactions prior to the capital raise. As a result of the Kudu Transaction, White Mountains's basic ownership of Kudu decreased from 99.1% to 89.3%.

Note 3. Investment Securities

White Mountains's portfolio of investment securities held for general investment purposes consists of fixed maturity investments, short-term investments, common equity securities, its investment in MediaAlpha and other long-term investments, which are classified as trading securities. Trading securities are reported at fair value as of the balance sheet date. Net realized and unrealized investment gains (losses) on trading securities are reported in pre-tax revenues.

White Mountains's fixed maturity investments are generally valued using industry standard pricing methodologies. Key inputs include benchmark yields, benchmark securities, reported trades, issuer spreads, bids, offers, credit ratings and prepayment speeds. Income on mortgage and asset-backed securities is recognized using an effective yield based on anticipated prepayments and the estimated economic life of the securities. When actual prepayments differ significantly from anticipated prepayments, the estimated economic life is recalculated and the remaining unamortized premium or discount is amortized prospectively over the remaining economic life.

Realized investment gains (losses) resulting from sales of investment securities are accounted for using the specific identification method. Premiums and discounts on all fixed maturity investments are amortized or accreted to income over the anticipated life of the investment. Short-term investments consist of interest-bearing money market funds, certificates of deposit and other securities, which at the time of purchase, mature or become available for use within one year. Short-term investments are carried at fair value, which approximated amortized cost, as of June 30, 2023 and December 31, 2022.

Other long-term investments consist primarily of unconsolidated entities, including Kudu's Participation Contracts, private equity funds and hedge funds, a bank loan fund, Lloyd's trust deposits, insurance-linked securities ("ILS") funds and private debt instruments.

Net Investment Income

White Mountains's net investment income is comprised primarily of interest income associated with White Mountains's fixed maturity investments and short-term investments, dividend income from common equity securities, distributions from its investment in MediaAlpha and distributions from other long-term investments.

The following table presents pre-tax net investment income for the three and six months ended June 30, 2023 and 2022:

	Three Months Ended June 30,		Six Months Ended June 30,	
Millions	2023	2022	2023	2022
Fixed maturity investments	**$ 15.5**	$ 9.4	**$ 30.0**	$ 17.6
Short-term investments	**11.3**	.4	**21.0**	.5
Common equity securities	**1.3**	.1	**2.6**	.1
Other long-term investments	**15.3**	15.6	**29.4**	28.8
Amount attributable to TPC Providers	**—**	—	**—**	(.5)
Total investment income	**43.4**	25.5	**83.0**	46.5
Third-party investment expenses	**(.4)**	(.4)	**(1.0)**	(.8)
Net investment income, pre-tax	**$ 43.0**	$ 25.1	**$ 82.0**	$ 45.7

Net Realized and Unrealized Investment Gains (Losses)

The following table presents net realized and unrealized investment gains (losses) for the three and six months ended June 30, 2023 and 2022:

Millions	Three Months Ended June 30, 2023	Three Months Ended June 30, 2022	Six Months Ended June 30, 2023	Six Months Ended June 30, 2022
Realized investment gains (losses)				
Fixed maturity investments	**$ (1.3)**	$ (4.8)	**$ (1.4)**	$ (5.9)
Short-term investments	**.2**	(.1)	**(.1)**	(.3)
Common equity securities	**12.6**	—	**12.6**	—
Other long-term investments	**1.1**	2.0	**48.3**	20.7
Net realized investment gains (losses)	**12.6**	(2.9)	**59.4**	14.5
Unrealized investment gains (losses)				
Fixed maturity investments	**(11.5)**	(54.6)	**18.2**	(134.1)
Short-term investments	**.2**	(.7)	**1.3**	(.5)
Common equity securities	**18.9**	(11.6)	**48.3**	(10.6)
Investment in MediaAlpha	**(77.3)**	(113.5)	**7.9**	(94.7)
Other long-term investments	**68.5**	(37.0)	**74.4**	13.4
Net unrealized investment gains (losses)	**(1.2)**	(217.4)	**150.1**	(226.5)
Net realized and unrealized investment gains (losses), before amount attributable to TPC providers [(1)]	**11.4**	(220.3)	**209.5**	(212.0)
Amount attributable to TPC Providers	**—**	2.7	**—**	4.8
Net realized and unrealized investment gains (losses)	**$ 11.4**	$ (217.6)	**$ 209.5**	$ (207.2)
Fixed maturity and short-term investments				
Net realized and unrealized investment gains (losses)	**$ (12.4)**	$ (60.2)	**$ 18.0**	$ (140.8)
Less: net realized and unrealized gains (losses) on investment securities sold during the period	**.4**	(2.1)	**2.2**	(3.1)
Net unrealized investment gains (losses) recognized during the period on investment securities held at the end of the period	**$ (12.8)**	$ (58.1)	**$ 15.8**	$ (137.7)
Common equity securities and investment in MediaAlpha				
Net realized and unrealized investment gains (losses) on common equity securities	**$ 31.5**	$ (11.6)	**$ 60.9**	$ (10.6)
Net realized and unrealized investment gains (losses) from investment in MediaAlpha	**(77.3)**	(113.5)	**7.9**	(94.7)
Total net realized and unrealized investment gains (losses)	**(45.8)**	(125.1)	**68.8**	(105.3)
Less: net realized and unrealized gains (losses) on investment securities sold during the period	**3.8**	—	**3.8**	—
Net unrealized investment gains (losses) recognized during the period on investment securities held at the end of the period	**$ (49.6)**	$ (125.1)	**$ 65.0**	$ (105.3)

(1) For the three months ended June 30, 2023 and 2022, includes $5.5 and $(24.5) of realized and unrealized investment gains (losses) related to foreign currency exchange. For the six months ending June 30, 2023 and 2022, includes $10.9 and $(21.8) of realized and unrealized investment gains (losses) related to foreign currency exchange.

The following table presents total net unrealized gains (losses) attributable to Level 3 investments for the three and six months ended June 30, 2023 and 2022 for investments still held at the end of the period:

Millions	Three Months Ended June 30, 2023	Three Months Ended June 30, 2022	Six Months Ended June 30, 2023	Six Months Ended June 30, 2022
Total net unrealized investment gains on other long-term investments held at the end of the period, pre-tax	**$ 14.4**	$ (10.2)	**$ 51.4**	$ 17.0

Investment Holdings

The following tables present the cost or amortized cost, gross unrealized investment gains (losses), net foreign currency gains (losses) and carrying values of White Mountains's fixed maturity investments as of June 30, 2023 and December 31, 2022:

	June 30, 2023				
Millions	**Cost or Amortized Cost**	**Gross Unrealized Gains**	**Gross Unrealized Losses**	**Net Foreign Currency Gains (Losses)**	**Carrying Value**
U.S. Government and agency obligations	$ 227.6	$ —	$ (9.4)	$ —	$ 218.2
Debt securities issued by corporations	1,061.8	.3	(67.9)	(1.7)	992.5
Municipal obligations	273.6	—	(19.4)	—	254.2
Mortgage and asset-backed securities	321.9	—	(33.9)	—	288.0
Collateralized loan obligations	192.4	.2	(3.6)	(1.2)	187.8
Total fixed maturity investments	**$ 2,077.3**	**$ .5**	**$ (134.2)**	**$ (2.9)**	**$ 1,940.7**

	December 31, 2022				
Millions	**Cost or Amortized Cost**	**Gross Unrealized Gains**	**Gross Unrealized Losses**	**Net Foreign Currency Gains (Losses)**	**Carrying Value**
U.S. Government and agency obligations	$ 216.6	$ —	$ (10.2)	$ —	$ 206.4
Debt securities issued by corporations	1,098.3	.6	(78.3)	(1.8)	1,018.8
Municipal obligations	281.6	.4	(23.4)	—	258.6
Mortgage and asset-backed securities	288.7	—	(34.5)	—	254.2
Collateralized loan obligations	190.8	.1	(6.0)	(2.0)	182.9
Total fixed maturity investments	$ 2,076.0	$ 1.1	$ (152.4)	$ (3.8)	$ 1,920.9

The following table presents the cost or amortized cost and carrying values of White Mountains's fixed maturity investments by contractual maturity as of June 30, 2023. Actual maturities could differ from contractual maturities because borrowers may have the right to call or prepay certain obligations with or without call or prepayment penalties.

	June 30, 2023	
Millions	**Cost or Amortized Cost**	**Carrying Value**
Due in one year or less	$ 276.3	$ 269.7
Due after one year through five years	876.2	819.9
Due after five years through ten years	311.7	285.0
Due after ten years	98.8	90.3
Mortgage and asset-backed securities and collateralized loan obligations	514.3	475.8
Total fixed maturity investments	**$ 2,077.3**	**$ 1,940.7**

The following tables present the cost or amortized cost, gross unrealized investment gains (losses), net foreign currency gains (losses), and carrying values of common equity securities, White Mountains's investment in MediaAlpha and other long-term investments as of June 30, 2023 and December 31, 2022:

	June 30, 2023				
Millions	**Cost or Amortized Cost**	**Gross Unrealized Gains**	**Gross Unrealized Losses**	**Net Foreign Currency Gains (Losses)**	**Carrying Value**
Common equity securities	**$ 599.0**	**$ 64.1**	**$ (1.8)**	**$ (6.2)**	**$ 655.1**
Investment in MediaAlpha	**$ 59.2**	**$ 176.5**	**$ —**	**$ —**	**$ 235.7**
Other long-term investments	**$ 1,593.3**	**$ 337.5**	**$ (104.7)**	**$ (11.1)**	**$ 1,815.0**

	December 31, 2022				
Millions	**Cost or Amortized Cost**	**Gross Unrealized Gains**	**Gross Unrealized Losses**	**Net Foreign Currency Gains (Losses)**	**Carrying Value**
Common equity securities	$ 660.6	$ 26.7	$ (8.4)	$ (10.5)	$ 668.4
Investment in MediaAlpha	$ —	$ 168.6	$ —	$ —	$ 168.6
Other long-term investments	$ 1,340.8	$ 271.1	$ (107.1)	$ (16.8)	$ 1,488.0

Fair Value Measurements

Fair value measurements are categorized into a hierarchy that distinguishes between inputs based on market data from independent sources (observable inputs) and a reporting entity's internal assumptions based upon the best information available when external market data is limited or unavailable (unobservable inputs). Quoted prices in active markets for identical assets or liabilities have the highest priority (Level 1), followed by observable inputs other than quoted prices, including prices for similar but not identical assets or liabilities (Level 2) and unobservable inputs, including the reporting entity's estimates of the assumptions that market participants would use, having the lowest priority (Level 3). See **Note 17 — "Fair Value of Financial Instruments."**

As of June 30, 2023 and December 31, 2022, White Mountains used quoted market prices or other observable inputs to determine fair value for approximately 68% and 72% of the investment portfolio.

Fair Value Measurements by Level

The following tables present White Mountains's fair value measurements for investments as of June 30, 2023 and December 31, 2022 by level. The major security types were based on the legal form of the securities. White Mountains has disaggregated its fixed maturity investments based on the issuing entity type, which impacts credit quality, with debt securities issued by U.S. government entities carrying minimal credit risk, while the credit and other risks associated with other issuers, such as corporations, municipalities or entities issuing mortgage and asset-backed securities vary depending on the nature of the issuing entity type. White Mountains further disaggregates debt securities issued by corporations by industry sector because investors often reference commonly used benchmarks and their subsectors to monitor risk and performance. Accordingly, White Mountains has further disaggregated this asset class into subclasses based on the similar sectors and industry classifications it uses to evaluate investment risk and performance against commonly used benchmarks, such as the Bloomberg Barclays U.S. Intermediate Aggregate.

	June 30, 2023			
Millions	**Fair Value**	**Level 1**	**Level 2**	**Level 3**
Fixed maturity investments:				
U.S. Government and agency obligations	**$ 218.2**	**$ 218.2**	**$ —**	**$ —**
Debt securities issued by corporations:				
Financials	**289.8**	**—**	**289.8**	**—**
Consumer	**193.1**	**—**	**193.1**	**—**
Healthcare	**122.7**	**—**	**122.7**	**—**
Technology	**116.2**	**—**	**116.2**	**—**
Industrial	**111.7**	**—**	**111.7**	**—**
Utilities	**66.2**	**—**	**66.2**	**—**
Communications	**42.7**	**—**	**42.7**	**—**
Energy	**29.1**	**—**	**29.1**	**—**
Materials	**21.0**	**—**	**21.0**	**—**
Total debt securities issued by corporations	**992.5**	**—**	**992.5**	**—**
Municipal obligations	**254.2**	**—**	**254.2**	**—**
Mortgage and asset-backed securities	**288.0**	**—**	**288.0**	**—**
Collateralized loan obligations	**187.8**	**—**	**187.8**	**—**
Total fixed maturity investments	**1,940.7**	**218.2**	**1,722.5**	**—**
Short-term investments	**986.1**	**982.2**	**3.9**	**—**
Common equity securities:				
Exchange-traded funds	**272.5**	**272.5**	**—**	**—**
Other [1]	**382.6**	**—**	**382.6**	**—**
Total common equity securities	**655.1**	**272.5**	**382.6**	**—**
Investment in MediaAlpha	**235.7**	**235.7**	**—**	**—**
Other long-term investments	**1,033.3**	**—**	**14.9**	**1,018.4**
Other long-term investments — NAV [2]	**781.7**	**—**	**—**	**—**
Total other long-term investments	**1,815.0**	**—**	**14.9**	**1,018.4**
Total investments	**$ 5,632.6**	**$ 1,708.6**	**$ 2,123.9**	**$ 1,018.4**

[1] Consists of investments in listed funds that predominantly invest in international equities.
[2] Consists of private equity funds and hedge funds, a bank loan fund, Lloyd's trust deposits and ILS funds for which fair value is measured using NAV as a practical expedient. Investments for which fair value is measured at NAV are not classified within the fair value hierarchy.

Millions	December 31, 2022 Fair Value	Level 1	Level 2	Level 3
Fixed maturity investments:				
U.S. Government and agency obligations	$ 206.4	$ 206.4	$ —	$ —
Debt securities issued by corporations:				
Financials	291.2	—	291.2	—
Consumer	191.9	—	191.9	—
Healthcare	121.3	—	121.3	—
Technology	123.7	—	123.7	—
Industrial	115.4	—	115.4	—
Utilities	73.8	—	73.8	—
Communications	47.9	—	47.9	—
Energy	33.9	—	33.9	—
Materials	19.7	—	19.7	—
Total debt securities issued by corporations	1,018.8	—	1,018.8	—
Municipal obligations	258.6	—	258.6	—
Mortgage and asset-backed securities	254.2	—	254.2	—
Collateralized loan obligations	182.9	—	182.9	—
Total fixed maturity investments	1,920.9	206.4	1,714.5	—
Short-term investments	924.1	924.1	—	—
Common equity securities:				
Exchange-traded funds	333.8	333.8	—	—
Other (1)	334.6	—	334.6	—
Total common equity securities	668.4	333.8	334.6	—
Investment in MediaAlpha	168.6	168.6	—	—
Other long-term investments	926.4	—	14.8	911.6
Other long-term investments — NAV (2)	561.6	—	—	—
Total other long-term investments	1,488.0	—	14.8	911.6
Total investments	$ 5,170.0	$ 1,632.9	$ 2,063.9	$ 911.6

(1) Consists of investments in listed funds that predominantly invest in international equities.
(2) Consists of private equity funds and hedge funds, a bank loan fund, Lloyd's trust deposits and ILS funds for which fair value is measured using NAV as a practical expedient. Investments for which fair value is measured at NAV are not classified within the fair value hierarchy.

Investments Held on Deposit or as Collateral

As of June 30, 2023 and December 31, 2022, investments of $524.0 million and $500.5 million were held in trusts required to be maintained in relation to HG Global's reinsurance agreements with BAM.

HG Global is required to maintain an interest reserve account in connection with its senior notes issued in 2022. As of June 30, 2023 and December 31, 2022, the fair value of the interest reserve account, which was included in short-term investments, was $29.7 million and $31.2 million. See **Note 7 - "Debt."**

BAM is required to maintain deposits with certain insurance regulatory agencies in order to maintain its insurance licenses. The fair value of such deposits, which represent state deposits and are included within the investment portfolio, totaled $4.6 million as of both June 30, 2023 and December 31, 2022.

Lloyd's trust deposits are generally required of Lloyd's syndicates to protect policyholders in non-U.K. markets and are pledged into Lloyd's trust accounts to provide a portion of the capital needed to support obligations at Lloyd's. As of June 30, 2023 and December 31, 2022, Ark held Lloyd's trust deposits with a fair value of $152.3 million and $137.4 million.

The underwriting capacity of a member of Lloyd's must be supported by providing a deposit ("Funds at Lloyd's") in the form of cash, securities or letters of credit in an amount determined by Lloyd's. The amount of such deposit is calculated for each member through the completion of an annual capital adequacy exercise. These requirements allow Lloyd's to evaluate whether each member has sufficient assets to meet its underwriting liabilities plus a required solvency margin. As of June 30, 2023 and December 31, 2022, the fair value of Ark's Funds at Lloyd's investment deposits totaled $335.3 million and $319.2 million.

As of June 30, 2023 and December 31, 2022, Ark held additional investments on deposit or as collateral for insurance regulators and reinsurance counterparties of $244.9 million and $257.0 million.

As of June 30, 2023 and December 31, 2022, Ark had $145.5 million and $90.3 million of short-term investments pledged as collateral under uncommitted standby letters of credit. See **Note 7 — "Debt."**

As of June 30, 2023 and December 31, 2022, short-term investments of $211.4 million and $203.7 million were held in a collateral trust account required to be maintained in relation to WM Outrigger Re's reinsurance agreement with GAIL.

Debt Securities Issued by Corporations

The following table presents the credit ratings of debt securities issued by corporations held in White Mountains's investment portfolio as of June 30, 2023 and December 31, 2022:

Millions	Fair Value at June 30, 2023	Fair Value at December 31, 2022
AAA	**$ 12.7**	$ 11.3
AA	**87.7**	96.0
A	**552.4**	567.9
BBB	**333.4**	337.7
Other	**6.3**	5.9
Debt securities issued by corporations (1)	**$ 992.5**	$ 1,018.8

(1) Credit ratings are based upon issuer credit ratings provided by Standard & Poor's Financial Services LLC ("Standard & Poor's"), or if unrated by Standard & Poor's, long-term obligation ratings provided by Moody's Investor Service, Inc.

Mortgage and Asset-backed Securities and Collateralized Loan Obligations

The following table presents the fair value of White Mountains's mortgage and asset-backed securities and collateralized loan obligations as of June 30, 2023 and December 31, 2022:

	June 30, 2023			December 31, 2022		
Millions	Fair Value	Level 2	Level 3	Fair Value	Level 2	Level 3
Mortgage-backed securities:						
Agency:						
FNMA	**$ 155.6**	**$ 155.6**	**$ —**	$ 124.5	$ 124.5	$ —
FHLMC	**86.2**	**86.2**	**—**	78.8	78.8	—
GNMA	**31.6**	**31.6**	**—**	28.3	28.3	—
Total agency (1)	**273.4**	**273.4**	—	231.6	231.6	**—**
Non-agency: Residential	**.2**	**.2**	**—**	.3	.3	—
Total non-agency	**.2**	**.2**	**—**	.3	.3	—
Total mortgage-backed securities	**273.6**	**273.6**	—	231.9	231.9	—
Other asset-backed securities:						
Credit card receivables	**3.2**	**3.2**	**—**	11.9	11.9	—
Vehicle receivables	**11.2**	**11.2**	**—**	10.4	10.4	—
Total other asset-backed securities	**14.4**	**14.4**	**—**	22.3	22.3	—
Total mortgage and asset-backed securities	**288.0**	**288.0**	**—**	254.2	254.2	**—**
Collateralized loan obligations	**187.8**	**187.8**	**—**	182.9	182.9	—
Total mortgage and asset-backed securities and collateralized loan obligations	**$ 475.8**	**$ 475.8**	$ —	$ 437.1	$ 437.1	$ —

(1) Represents publicly traded mortgage-backed securities which carry the full faith and credit guaranty of the U.S. Government (i.e., GNMA) or are guaranteed by a government sponsored entity (i.e., FNMA, FHLMC).

As of June 30, 2023, White Mountains's investment portfolio included $187.8 million of collateralized loan obligations that are within the senior tranches of their respective fund securitization structures. All of White Mountains's collateral loan obligations were rated AAA or AA as of June 30, 2023.

Investment in MediaAlpha

In 2020, MediaAlpha completed an initial public offering (the "MediaAlpha IPO"). Following the MediaAlpha IPO, White Mountains's investment in MediaAlpha is accounted for at fair value based on the publicly traded share price of MediaAlpha's common stock and is presented as a separate line item on the balance sheet.

During the second quarter of 2023, White Mountains completed a tender offer to purchase 5.9 million additional shares of MediaAlpha at a purchase price of $10.00 per share. As of June 30, 2023, White Mountains owned 22.9 million shares, representing a 35.7% basic ownership interest (33.0% on a fully diluted, fully converted basis). See **Note 16 — "Equity Method Eligible Investments."** At this current level of ownership, each $1.00 per share increase or decrease in the share price of MediaAlpha will result in an approximate $9.00 per share increase or decrease in White Mountains's book value per share. At the June 30, 2023 closing price of $10.31 per share, the fair value of White Mountains's investment in MediaAlpha was $235.7 million.

Other Long-Term Investments

The following table presents the carrying values of White Mountains's other long-term investments by reportable segment as of June 30, 2023 and December 31, 2022:

	Fair Value at June 30, 2023			
Millions	**Ark/ WM Outrigger**	**Kudu**	**Other**	**Total**
Kudu's Participation Contracts	**$ —**	**$ 737.1**	**$ —**	**737.1**
PassportCard/DavidShield	**—**	**—**	**150.0**	**150.0**
Elementum Holdings, L.P.	**—**	**—**	**30.0**	**30.0**
Other unconsolidated entities [(1)]	**—**	**—**	**87.5**	**87.5**
Total unconsolidated entities	**—**	**737.1**	**267.5**	**1,004.6**
Private equity funds and hedge funds	**52.8**	**—**	**236.5**	**289.3**
Bank loan fund	**184.3**	**—**	**—**	**184.3**
ILS funds	**—**	**—**	**153.3**	**153.3**
Lloyd's trust deposits	**152.3**	**—**	**—**	**152.3**
Private debt instruments	**—**	**—**	**9.9**	**9.9**
Other	**21.3**	**—**	**—**	**21.3**
Total other long-term investments	**$ 410.7**	**$ 737.1**	**$ 667.2**	**$ 1,815.0**

(1) Includes White Mountains's noncontrolling equity interests in certain private common equity securities, preferred securities, limited liability company units and Simple Agreement for Future Equity ("SAFE") investments.

	Fair Value at December 31, 2022			
Millions	**Ark/ WM Outrigger**	**Kudu**	**Other**	**Total**
Kudu's Participation Contracts	$ —	$ 695.9	$ —	$ 695.9
PassportCard/DavidShield	—	—	135.0	135.0
Elementum Holdings, L.P.	—	—	30.0	30.0
Other unconsolidated entities [(1)]	—	—	37.2	37.2
Total unconsolidated entities	—	695.9	202.2	898.1
Private equity funds and hedge funds	40.4	—	157.4	197.8
Bank loan fund	174.8	—	—	174.8
ILS funds	—	—	49.3	49.3
Lloyd's trust deposits	137.4	—	—	137.4
Private debt instruments	—	—	9.6	9.6
Other	21.0	—	—	21.0
Total other long-term investments	$ 373.6	$ 695.9	$ 418.5	$ 1,488.0

(1) Includes White Mountains's noncontrolling equity interests in certain private common equity securities, preferred securities, limited liability company units and Simple Agreement for Future Equity ("SAFE") investments.

Private Equity Funds and Hedge Funds

White Mountains invests in private equity funds and hedge funds, which are included in other long-term investments. The fair value of these investments is generally estimated using the NAV of the funds. As of June 30, 2023, White Mountains held investments in eighteen private equity funds and two hedge funds. The largest investment in a single private equity fund or hedge fund was $54.3 million as of June 30, 2023 and $49.0 million and December 31, 2022.

The following table presents the fair value of investments and unfunded commitments in private equity funds and hedge funds by investment objective and sector as of June 30, 2023 and December 31, 2022:

	June 30, 2023		December 31, 2022	
Millions	Fair Value	Unfunded Commitments	Fair Value	Unfunded Commitments
Private equity funds				
Aerospace/Defense/Government	**$ 139.8**	**$ 32.3**	$ 59.4	$ 37.5
Financial services	**85.7**	**44.9**	77.1	54.3
Real estate	**4.2**	**2.5**	4.1	2.5
Total private equity funds	**229.7**	**79.7**	140.6	94.3
Hedge funds				
Long/short equity financials and business services	**49.8**	**—**	49.0	—
European small/mid cap	**9.8**	**—**	8.2	—
Total hedge funds	**59.6**	**—**	57.2	—
Total private equity funds and hedge funds included in other long-term investments	**$ 289.3**	**$ 79.7**	$ 197.8	$ 94.3

Investments in private equity funds are generally subject to a lock-up period during which investors may not request a redemption. Distributions prior to the expected termination date of the fund may be limited to dividends or proceeds arising from the liquidation of the fund's underlying investments. In addition, certain private equity funds have the option to extend the lock-up period.

The following table presents investments in private equity funds that were subject to lock-up periods as of June 30, 2023:

Millions	1 – 3 years	3 – 5 years	5 – 10 years	>10 years	Total
Private equity funds — expected lock-up period remaining	**$4.3**	**$73.4**	**$141.9**	**$10.1**	**$229.7**

Investors in private equity funds are generally subject to indemnification obligations outside of the capital commitment period and prior to the winding up of the fund. As of June 30, 2023 and December 31, 2022, White Mountains is not aware of any indemnification claims relating to its investments in private equity funds.

Redemption of investments in most hedge funds is subject to restrictions, including lock-up periods where no redemptions or withdrawals are allowed, restrictions on redemption frequency and advance notice periods for redemptions. Amounts requested for redemptions remain subject to market fluctuations until the redemption effective date, which generally falls at the end of the defined redemption period. Advance notice requirements for redemptions from White Mountains's hedge fund investments range from 45 to 90 days. One of White Mountains's hedge fund investments also limits redemptions to every second anniversary following the date of the initial investment.

Bank Loan Fund

White Mountains's other long-term investments include a bank loan fund with a fair value of $184.3 million and $174.8 million as of June 30, 2023 and December 31, 2022. The fair value of this investment is estimated using the NAV of the fund. The bank loan fund's investment objective is to provide, on an unleveraged basis, high current income consistent with preservation of capital and low duration. The bank loan fund primarily invests in a broad portfolio of U.S. dollar-denominated, non-investment grade, floating-rate senior secured loans and may invest in other financial instruments, such as secured and unsecured corporate debt, credit default swaps, reverse repurchase agreements, synthetic indices and cash and cash equivalents.

The investment in the bank loan fund is subject to restrictions on redemption frequency and advance notice periods for redemptions. Amounts requested for redemptions remain subject to market fluctuations until the redemption effective date, which generally falls at the end of the defined redemption period. White Mountains may redeem all or a portion of its bank loan fund investment as of any calendar month-end upon 15 calendar days advanced written notice.

Lloyd's Trust Deposits

White Mountains's other long-term investments include Lloyd's trust deposits, which consist of non-U.K. deposits and Canadian comingled pooled funds. The Lloyd's trust deposits invest primarily in short-term government securities, agency securities and corporate bonds held in trusts that are managed by Lloyd's of London. These investments are generally required of Lloyd's syndicates to protect policyholders in non-U.K. markets and are pledged into Lloyd's trust accounts to provide a portion of the capital needed to support obligations at Lloyd's. The fair value of the Lloyd's trust deposits is generally estimated using the NAV of the funds. As of June 30, 2023 and December 31, 2022, White Mountains held Lloyd's trust deposits with a fair value of $152.3 million and $137.4 million.

Insurance-Linked Securities Funds

White Mountains's other long-term investments include ILS fund investments. The fair value of these investments is generally estimated using the NAV of the funds. As of June 30, 2023 and December 31, 2022, White Mountains held investments in ILS funds with a fair value of $153.3 million and $49.3 million.

Investments in ILS funds are generally subject to restrictions, including lock-up periods where no redemptions or withdrawals are allowed, non-renewal clauses, restrictions on redemption frequency and advance notice periods for redemptions. From time to time, natural catastrophe, liquidity, market or other events will occur that make the determination of fair value for underlying investments in ILS funds less certain due to the potential for loss development. In such circumstances, the impacted investments may be subject to additional lock-up provisions.

ILS funds are typically subject to monthly and annual restrictions on redemptions and advance redemption notice period requirements that range between 30 and 90 days. Amounts requested for redemption remain subject to market fluctuations until the redemption effective date, which generally falls at the end of the defined redemption period, or until the underlying investment has fully matured or been commuted.

Rollforward of Level 3 Investments

Level 3 measurements as of June 30, 2023 and 2022 consist of securities for which the estimated fair value has not been determined based upon quoted market price inputs for identical or similar securities. The following table presents the changes in White Mountains's fair value measurements for Level 3 investments for the six months ended June 30, 2023 and 2022:

Level 3 Investments					
Millions	**Other Long-term Investments**			**Other Long-term Investments**	
Balance at December 31, 2022	**$**	**911.6**	Balance at December 31, 2021	$	890.6
Net realized and unrealized gains		**49.5**	Net realized and unrealized gains		16.6
Amortization/accretion		**—**	Amortization/accretion		—
Purchases and contributions		**167.7**	Purchases and contributions		57.8
Sales and distributions		**(110.4)**	Sales and distributions		(31.7)
Transfers in		**—**	Transfers in		—
Transfers out		**—**	Transfers out		—
Balance at June 30, 2023	**$**	**1,018.4**	Balance at June 30, 2022	$	933.3

Fair Value Measurements — Transfers Between Levels - Six months ended June 30, 2023 and 2022

Transfers between levels are recorded using the fair value measurement as of the end of the quarterly period in which the event or change in circumstance giving rise to the transfer occurred.

During the six months ended June 30, 2023 and 2022, there were no fixed maturity investments or other long-term investments classified as Level 3 measurements in the prior period that were transferred to Level 2 measurements.

During the six months ended June 30, 2023 and 2022, there were no fixed maturity investments or other long-term investments classified as Level 2 measurements in the prior period that were transferred to Level 3 measurements.

Significant Unobservable Inputs

The following tables present significant unobservable inputs used in estimating the fair value of White Mountains's other long-term investments, classified within Level 3 as of June 30, 2023 and December 31, 2022. The tables below exclude $91.8 million and $41.1 million of Level 3 other long-term investments generally valued based on recent or expected transaction prices. The fair value of investments in private equity funds and hedge funds, bank loan funds, Lloyd's trust deposits and ILS funds are generally estimated using the NAV of the funds.

$ in Millions	**June 30, 2023**			
Description	**Valuation Technique(s) (1)**	**Fair Value (2)**	**Unobservable Inputs**	
			Discount Rate (5)	**Terminal Cash Flow Exit Multiple (x) or Terminal Revenue Growth Rate (%) (5)**
Kudu's Participation Contracts (3)(4)	Discounted cash flow	**$737.1**	**17% - 25%**	**7x - 22x**
PassportCard/DavidShield	Discounted cash flow	**$150.0**	**24%**	**4%**
Elementum Holdings, L.P.	Discounted cash flow	**$30.0**	**24%**	**4%**
Private debt instruments	Discounted cash flow	**$9.5**	**11%**	**N/A**

(1) Key inputs to the discounted cash flow analysis generally include projections of future revenue and earnings, discount rates and terminal exit multiples or growth rates.
(2) Includes the net unrealized investment gains (losses) associated with foreign currency; foreign currency effects based on observable inputs.
(3) Since Kudu's Participation Contracts are not subject to corporate taxes within Kudu Investment Management, LLC, pre-tax discount rates are applied to pre-tax cash flows in determining fair values. The weighted average discount rate and weighted average terminal cash flow exit multiple applied to Kudu's Participation Contracts was 20% and 13.0x.
(4) In the first six months of 2023, Kudu deployed a total of $81.6 into new and existing Participation Contracts.
(5) Increases (decreases) to the discount rates in isolation would result in lower (higher) fair value measurements, while increases (decreases) to the terminal cash flow exit multiples or terminal revenue growth rates in isolation would result in higher (lower) fair value measurements.

$ in Millions	**December 31, 2022**			
Description	**Valuation Technique(s) (1)**	**Fair Value (2)**	**Unobservable Inputs**	
			Discount Rate (6)	**Terminal Cash Flow Exit Multiple (x) or Terminal Revenue Growth Rate (%) (6)**
Kudu's Participation Contracts (3)(4)(5)	Discounted cash flow	$695.9	18% - 25%	7x - 16x
PassportCard/DavidShield	Discounted cash flow	$135.0	24%	4%
Elementum Holdings, L.P.	Discounted cash flow	$30.0	21%	4%
Private debt instruments	Discounted cash flow	$9.6	11%	N/A

(1) Key inputs to the discounted cash flow analysis generally include projections of future revenue and earnings, discount rates and terminal exit multiples or growth rates.
(2) Includes the net unrealized investment gains (losses) associated with foreign currency; foreign currency effects based on observable inputs.
(3) Since Kudu's Participation Contracts are not subject to corporate taxes within Kudu Investment Management, LLC, pre-tax discount rates are applied to pre-tax cash flows in determining fair values. The weighted average discount rate and weighted average terminal cash flow exit multiple applied to Kudu's Participation Contracts was 21% and 11.8x.
(4) In 2022, Kudu deployed a total of $99.8 into new and existing Participation Contracts.
(5) As of December 31, 2022, two of Kudu's Participation Contracts with a total fair value of $189.0 were valued using a probability weighted expected return method, which takes into account factors such as a discounted cash flow analysis, the expected value to be received in a pending sale transaction and the likelihood that a sales transaction will take place.
(6) Increases (decreases) to the discount rates in isolation would result in lower (higher) fair value measurements, while increases (decreases) to the terminal cash flow exit multiples or terminal revenue growth rates in isolation would result in higher (lower) fair value measurements.

Note 4. Goodwill and Other Intangible Assets

White Mountains accounts for business combinations using the acquisition method. Under the acquisition method, White Mountains recognizes and measures the assets acquired, liabilities assumed and any noncontrolling interest in the acquired entities at their acquisition date fair values. Goodwill represents the excess of the amount paid to acquire businesses over the fair value of identifiable net assets at the date of acquisition. The estimated acquisition date fair values, generally consisting of intangible assets and liabilities for contingent consideration, may be recorded at provisional amounts in circumstances where the information necessary to complete the acquisition accounting is not available at the reporting date. Any such provisional amounts are finalized as measurement period adjustments within one year of the acquisition date.

The following table presents the economic lives, acquisition date fair values, accumulated amortization and net carrying values for other intangible assets and goodwill as of June 30, 2023 and December 31, 2022:

		June 30, 2023			December 31, 2022		
$ in Millions	Weighted Average Economic Life (in years)	Acquisition Date Fair Value	Accumulated Amortization	Net Carrying Value	Acquisition Date Fair Value	Accumulated Amortization	Net Carrying Value
Goodwill:							
Ark	**N/A**	**$ 116.8**	**$ —**	**$ 116.8**	$ 116.8	$ —	$ 116.8
Kudu	**N/A**	**7.6**	**—**	**7.6**	7.6	—	7.6
Other Operations	**N/A**	**44.4**	**—**	**44.4**	52.1	—	52.1
Total goodwill		**168.8**	**—**	**168.8**	176.5	—	176.5
Other intangible assets:							
Ark							
Underwriting capacity	**N/A**	**175.7**	**—**	**175.7**	175.7	—	175.7
Kudu							
Trade names	**7**	**2.2**	**1.4**	**.8**	2.2	1.2	1.0
Other Operations							
Trade names	**13.3**	**13.3**	**3.3**	**10.0**	17.9	3.0	14.9
Customer relationships	**11.0**	**24.8**	**8.5**	**16.3**	29.5	7.5	22.0
Other	**12.1**	**2.8**	**.8**	**2.0**	2.8	.5	2.3
Subtotal		**40.9**	**12.6**	**28.3**	50.2	11.0	39.2
Total other intangible assets		**218.8**	**14.0**	**204.8**	228.1	12.2	215.9
Total goodwill and other intangible assets		**$ 387.6**	**$ 14.0**	**$ 373.6**	$ 404.6	$ 12.2	$ 392.4

Intangible Assets Valuation Methods

The goodwill recognized for the entities shown above is attributed to expected future cash flows. The acquisition date fair values of other intangible assets with finite lives are estimated using income approach techniques, which use future expected cash flows to develop a discounted present value amount.

The multi-period-excess-earnings method estimates fair value using the present value of the incremental after-tax cash flows attributable solely to the other intangible asset over its remaining life. This approach was used to estimate the fair value of other intangible assets associated with the underwriting capacity and customer relationships.

The relief-from-royalty method was used to estimate fair value for other intangible assets that relate to rights that could be obtained via a license from a third-party owner. Under this method, the fair value is estimated using the present value of license fees avoided by owning rather than leasing the asset. This technique was used to estimate the fair value of trade names and other intangible assets.

The with-or-without method estimates the fair value of other intangible assets that provide an incremental benefit. Under this method, the fair value of the other intangible asset is calculated by comparing the value of the entity with and without the other intangible asset. This approach was used to estimate the fair value of favorable lease terms.

On at least an annual basis beginning no later than the interim period included in the one-year anniversary of an acquisition, White Mountains evaluates goodwill and other intangible assets for potential impairment. Between annual evaluations, White Mountains considers changes in circumstances or events subsequent to the most recent evaluation that may indicate an impairment may exist and, if necessary will perform an interim review for potential impairment.

During the three and six months ended June 30, 2023 and 2022, White Mountains did not recognize any impairments to goodwill and other intangible assets.

Rollforward of Goodwill and Other Intangible Assets

The following table presents the change in goodwill and other intangible assets for the three and six months ended June 30, 2023 and 2022:

	Three Months Ended June 30,					
	2023			2022		
Millions	**Goodwill**	**Other Intangible Assets**	**Total Goodwill and Other Intangible Assets**	**Goodwill**	**Other Intangible Assets**	**Total Goodwill and Other Intangible Assets**
Beginning balance	**$ 168.8**	**$ 207.4**	**$ 376.2**	$ 142.3	$ 197.2	$ 339.5
Acquisition of businesses	**—**	**—**	**—**	59.5 [1]	—	59.5
Amortization	**—**	**(2.6)**	**(2.6)**	—	(1.0)	(1.0)
Ending balance	**$ 168.8**	**$ 204.8**	**$ 373.6**	$ 201.8	$ 196.2	$ 398.0

[1] The relative fair values of goodwill and other intangible assets recognized in connection with recent acquisitions within Other Operations had not yet been finalized.

	Six Months Ended June 30,					
	2023			2022		
Millions	**Goodwill**	**Other Intangible Assets**	**Total Goodwill and Other Intangible Assets**	**Goodwill**	**Other Intangible Assets**	**Total Goodwill and Other Intangible Assets**
Beginning balance	**$ 176.5**	**$ 215.9**	**$ 392.4**	$ 142.3	$ 198.2	$ 340.5
Acquisition of businesses	**—**	**—**	**—**	59.5 [1]	—	59.5
Dispositions [2]	**(6.7)**	**(6.9)**	**(13.6)**	—	—	—
Measurement period adjustments [3]	**(1.0)**	**—**	**(1.0)**	—	—	—
Amortization	**—**	**(4.2)**	**(4.2)**	—	(2.0)	(2.0)
Ending balance	**$ 168.8**	**$ 204.8**	**$ 373.6**	$ 201.8	$ 196.2	$ 398.0

[1] The relative fair values of goodwill and other intangible assets recognized in connection with recent acquisitions within Other Operations had not yet been finalized.

[2] Relates to a disposition within Other Operations.

[3] Measurement period adjustments relate to updated information about acquisition date fair values of assets acquired and liabilities assumed. During the six months ended June 30, 2023, adjustments relate to an acquisition within Other Operations.

Note 5. Loss and Loss Adjustment Expense Reserves

P&C Insurance and Reinsurance

The following table summarizes the loss and loss adjustment expense ("LAE") reserve activity of the Ark/WM Outrigger segment for the three and six months ended June 30, 2023 and 2022:

	Three Months Ended June 30,		Six Months Ended June 30,	
Millions	2023	2022	2023	2022
Gross beginning balance	**$ 1,345.6**	$ 999.6	**$ 1,296.5**	$ 894.7
Less: beginning reinsurance recoverable on unpaid losses [1]	**(348.9)**	(396.0)	**(505.0)**	(428.9)
Net loss and LAE reserves	**996.7**	603.6	**791.5**	465.8
Loss and LAE incurred relating to:				
Current year losses	**156.5**	143.2	**295.7**	268.9
Prior year losses	**11.0**	(22.7)	**19.6**	(26.4)
Net incurred losses and LAE	**167.5**	120.5	**315.3**	242.5
Loss and LAE paid relating to:				
Current year losses	**(5.6)**	(14.1)	**(9.6)**	(14.7)
Prior year losses	**(103.0)**	(54.4)	**(190.7)**	(93.8)
Net paid loss and LAE	**(108.6)**	(68.5)	**(200.3)**	(108.5)
Change in TPC Providers' participation [2]	**—**	—	**145.4**	57.5
Foreign currency translation and other adjustments to loss and LAE reserves	**2.7**	(9.0)	**6.4**	(10.7)
Net ending balance	**1,058.3**	646.6	**1,058.3**	646.6
Plus: ending reinsurance recoverable on unpaid losses [3]	**362.7**	375.5	**362.7**	375.5
Gross ending balance	**$ 1,421.0**	$ 1,022.1	**$ 1,421.0**	$ 1,022.1

(1) The beginning reinsurance recoverable on unpaid losses includes amounts attributable to TPC Providers of $0.0 and $207.3 for the three months ended June 30, 2023 and 2022 and $145.4 and $276.8 for the six months ended June 30, 2023 and 2022.

(2) Amount represents the impact to net loss and LAE reserves due to a change in the TPC Providers' participation related to the annual reinsurance to close process.

(3) The ending reinsurance recoverable on unpaid losses includes amounts attributable to TPC Providers of $0.0 and $182.4 as of June 30, 2023 and 2022.

For the three and six months ended June 30, 2023, the Ark/WM Outrigger segment recognized $11.0 million and $19.6 million of net unfavorable prior year loss reserve development at Ark, driven primarily by Winter Storm Elliot and three large claims in the property and marine & energy lines of business. For the three and six months ended June 30, 2022, the Ark/WM Outrigger segment recognized $22.7 million and $26.4 million of net favorable prior year loss reserve development at Ark, driven primarily by the property and specialty lines of business, including favorable claims experience on prior year catastrophe events in the second quarter.

Impact of Third-Party Capital

For the years of account prior to the Ark Transaction, a significant proportion of the Syndicates' underwriting capital was provided by TPC Providers using whole account reinsurance contracts with Ark's corporate member. For the years of account subsequent to the Ark Transaction, Ark is no longer using TPC Providers to provide underwriting capital for the Syndicates.

A reinsurance to close ("RITC") agreement is generally put in place after the third year of operations for a year of account such that the outstanding loss and LAE reserves, including future development thereon, are reinsured into the next year of account. As a result, and in combination with the changing participation provided by TPC Providers, Ark's participation on outstanding loss and LAE reserves reinsured into the next year of account may change, perhaps significantly. During the first quarter of 2023, an RITC agreement was executed such that the outstanding loss and LAE reserves for claims arising out of the 2020 year of account, for which the TPC Providers' participation in the total net results of the Syndicates was 42.8%, were reinsured into the 2021 year of account, for which the TPC Providers' participation in the total net results of the Syndicates was 0.0%. During the first quarter of 2022, an RITC agreement was executed such that the outstanding loss and LAE reserves for claims arising out of the 2019 year of account, for which the TPC Providers' participation in the total net results of the Syndicates was 58.3%, were reinsured into the 2020 year of account, for which the TPC Providers' participation in the total net results of the Syndicates was 42.8%.

Municipal Bond Guarantee Insurance

HG Re and BAM do not have any outstanding loss and LAE reserves related to BAM's municipal bond guarantee insurance business.

Note 6. Third-Party Reinsurance

P&C Insurance and Reinsurance

In the normal course of business, Ark may seek to limit losses that may arise from catastrophes or other events by reinsuring certain risks with third-party reinsurers. Ark remains liable for risks reinsured in the event that the reinsurer does not honor its obligations under reinsurance contracts.

The following table summarizes the effects of reinsurance on written and earned premiums and on losses and LAE for the Ark/WM Outrigger segment for the three and six months ended June 30, 2023 and 2022:

Millions	Three Months Ended June 30,		Six Months Ended June 30,	
	2023	**2022**	**2023**	**2022**
Written premiums:				
Direct	**$ 291.5**	$ 214.3	**$ 537.7**	$ 445.2
Assumed	**314.6**	189.6	**877.8**	591.8
Gross written premiums	**606.1**	403.9	**1,415.5**	1,037.0
Ceded	**(144.9)** [1]	(133.7)	**(340.1)** [1]	(223.0)
Net written premiums	**$ 461.2**	$ 270.2	**$ 1,075.4**	$ 814.0
Earned premiums:				
Direct	**$ 200.6**	$ 160.7	**$ 351.0**	$ 299.4
Assumed	**152.5**	105.7	**314.6**	212.3
Gross earned premiums	**353.1**	266.4	**665.6**	511.7
Ceded	**(59.8)** [2]	(49.1)	**(117.2)** [2]	(100.0)
Net earned premiums	**$ 293.3**	$ 217.3	**$ 548.4**	$ 411.7
Losses and LAE:				
Gross	**$ 195.8**	$ 138.4	**$ 358.2**	$ 321.5
Ceded	**(28.3)** [3]	(17.9)	**(42.9)** [3]	(79.0)
Net losses and LAE	**$ 167.5**	$ 120.5	**$ 315.3**	$ 242.5

[1] The ceded written premiums exclude $58.3 and $102.4 ceded by Ark to WM Outrigger Re for the three and six months ended June 30, 2023, which eliminate in White Mountains's consolidated financial statements.

[2] The ceded earned premiums exclude $9.6 and $14.8 ceded by Ark to WM Outrigger Re for the three months and six ended June 30, 2023, which eliminate in White Mountains's consolidated financial statements.

[3] The ceded loss and LAE exclude $0.4 and $0.6 ceded by Ark to WM Outrigger Re for the three months and six ended June 30, 2023, which eliminate in White Mountains's consolidated financial statements.

The following table presents the Ark/WM Outrigger segment's reinsurance recoverables as of June 30, 2023 and December 31, 2022:

Millions	June 30, 2023		December 31, 2022	
Reinsurance recoverables on unpaid losses	**$ 362.7**	(1)	$ 505.0	(3)
Reinsurance recoverables on paid losses	**23.3**		31.1	
Ceded unearned premiums	**283.7**	(2)	59.2	
Reinsurance recoverables	**$ 669.7**		$ 595.3	

(1) The reinsurance recoverables on unpaid losses exclude $0.6 ceded by Ark to WM Outrigger Re as of June 30, 2023, which eliminate in White Mountains's consolidated financial statements.
(2) The ceded unearned premiums exclude $87.6 ceded by Ark to WM Outrigger Re as of June 30, 2023, which eliminate in White Mountains's consolidated financial statements.
(3) The reinsurance recoverables on unpaid losses include $145.4 attributable to TPC Providers as of December 31, 2022, which are collateralized.

As reinsurance contracts do not relieve Ark of its obligation to its policyholders, Ark seeks to reduce the credit risk associated with reinsurance balances by avoiding over-reliance on specific reinsurers through the application of concentration limits and thresholds. Ark is selective with its reinsurers, placing reinsurance with only those reinsurers having a strong financial condition. Ark monitors the financial strength of its reinsurers on an ongoing basis.

The following table presents the Ark/WM Outrigger segment's gross and net reinsurance recoverables by the reinsurer's A.M. Best Company, Inc ("A.M. Best") ratings as of June 30, 2023:

$ in Millions	As of June 30, 2023			
A.M. Best Rating[1]	Gross	Collateral	Net	% of Total
A+ or better	$ 197.5	$ —	$ 197.5	69.2 %
A- to A	78.3	—	78.3	27.4
B++ or lower and not rated	110.2 (2)	100.5 (2)	9.7	3.4
Total	**$ 386.0**	**$ 100.5**	**$ 285.5**	**100.0 %**

(1) A.M. Best ratings as detailed above are: "A+ or better" (Superior) "A- to A" (Excellent), "B++" (Good).
(2) Excludes $0.6 ceded by Ark to WM Outrigger Re as of June 30, 2023, which eliminates in White Mountains's consolidated financial statements.

Reinsurance Contracts Accounted for as Deposits

Ark has an aggregate excess of loss contract with SiriusPoint Ltd. ("SiriusPoint"), which is accounted for using the deposit method and recorded within other assets. Ark earns an annual crediting rate of 3.0%, which is recorded within other revenue. As of June 30, 2023 and December 31, 2022, the carrying value of Ark's deposit in SiriusPoint, including accrued interest, was $20.1 million and $20.4 million.

Municipal Bond Guarantee Insurance

See **Note 10 — "Municipal Bond Guarantee Insurance"** for third-party reinsurance balances and reinsurance contracts accounted for as deposits related to White Mountains's financial guarantee business.

Note 7. Debt

The following table presents White Mountains's debt outstanding as of June 30, 2023 and December 31, 2022:

$ in Millions	June 30, 2023	Effective Rate [1]	December 31, 2022	Effective Rate [1]
HG Global Senior Notes	**$ 150.0**	**11.5%**	$ 150.0	8.9%
Unamortized discount and issuance cost	**(3.3)**		(3.5)	
HG Global Senior Notes, carrying value	**146.7**		146.5	
Ark 2007 Subordinated Notes, carrying value	**30.0**		30.0	
Ark 2021 Subordinated Notes Tranche 1	**42.6**		41.3	
Ark 2021 Subordinated Notes Tranche 2	**47.0**		47.0	
Ark 2021 Subordinated Notes Tranche 3	**70.0**		70.0	
Unamortized issuance cost	**(4.5)**		(4.6)	
Ark 2021 Subordinated Notes, carrying value	**155.1**		153.7	
Total Ark Subordinated Notes, carrying value	**185.1**	**10.5%**	183.7	7.6%
Kudu Credit Facility	**210.3**	**9.6%**	215.2	6.1%
Unamortized issuance cost	**(6.6)**		(6.9)	
Kudu Credit Facility, carrying value	**203.7**		208.3	
Other Operations debt	**31.2**	**9.1%**	37.4	6.6%
Unamortized issuance cost	**(.6)**		(.7)	
Other Operations debt, carrying value	**30.6**		36.7	
Total debt	**$ 566.1**		$ 575.2	

[1] Effective rate includes the effect of the amortization of debt issuance costs and, where applicable, the original issue discount.

HG Global Senior Notes

On April 29, 2022, HG Global received the proceeds from the issuance of its $150.0 million face value floating rate secured senior notes (the "HG Global Senior Notes"). The HG Global Senior Notes, which mature in April 2032, accrue interest at a floating rate equal to the three-month Secured Overnight Financing Rate ("SOFR") plus 6.3% per annum. Subsequent to the five-year anniversary of the funding date, absent the occurrence of an early amortization trigger event, HG Global will be required to make payments of principal on a quarterly basis totaling $15.0 million annually. Upon the occurrence of an early amortization trigger event, HG Global is required to use all available cash flow to repay the notes. Early amortization trigger events include scenarios in which HG Re is effectively in runoff. HG Global has the option to redeem, in whole or in part, the HG Global Senior Notes after the five-year anniversary of the funding date at the outstanding principal amount plus accrued interest.

On June 16, 2022, HG entered into an interest rate cap agreement, effective on July 25, 2022, to limit its exposure to the risk of interest rate increases on the HG Global Senior Notes. The notional amount of the interest rate cap is $150.0 million and the termination date is July 25, 2025. See **Note 9 — "Derivatives."**

The HG Global Senior Notes require HG Global to maintain an interest reserve account of eight times the interest accrued for the most recent quarterly interest period up to a maximum required balance of $29.2 million. As of June 30, 2023, the fair value of the interest reserve account, which is included in short-term investments, was $29.7 million.

The HG Global Senior Notes are secured by the capital stock and other equity interests of HG Global's subsidiaries, the interest reserve account, and all cash and non-cash proceeds from such collateral. The HG Global Senior Notes contain various affirmative and negative covenants that White Mountains considers to be customary for such borrowings.

If the payment of principal and interest under the HG Global Senior Notes becomes subject to tax withholding on behalf of a relevant governmental authority for certain indemnified taxes, the HG Global Senior Notes require the payment of additional amounts such that the amount received by the noteholders is the same as would have been received absent the tax withholding being imposed. The HG Global Senior Notes require the payment of additional interest of 1.0% per annum if the HG Global Senior Notes receive a non-investment grade rating or are no longer rated. As of June 30, 2023, the HG Global Senior Notes had an investment grade rating.

As of June 30, 2023, the HG Global Senior Notes had an outstanding balance of $150.0 million.

Ark Subordinated Notes

In March 2007, GAIL issued $30.0 million face value of floating rate unsecured junior subordinated deferrable interest notes to Alesco Preferred Funding XII Ltd., Alesco Preferred Funding XIII Ltd. and Alesco Preferred Funding XIV Ltd (the "Ark 2007 Subordinated Notes"). The Ark 2007 Subordinated Notes, which mature in June 2037, accrue interest at a floating rate equal to the three-month U.S. London Inter-Bank Offered Rate ("LIBOR") plus 4.6% per annum. As of June 30, 2023, the Ark 2007 Subordinated Notes had an outstanding balance of $30.0 million.

In the third quarter of 2021, GAIL issued $163.3 million face value floating rate unsecured subordinated notes at par in three separate transactions for proceeds of $157.8 million, net of debt issuance costs (collectively, the "Ark 2021 Subordinated Notes"). The Ark 2021 Subordinated Notes were issued in private placement offerings that were exempt from the registration requirements of the Securities Act of 1933. On July 13, 2021, Ark issued €39.1 million ($46.3 million based upon the foreign exchange spot rate as of the date of the transaction) face value floating rate unsecured subordinated notes ("Ark 2021 Subordinated Notes Tranche 1"). The Ark 2021 Subordinated Notes Tranche 1, which mature in July 2041, accrue interest at a floating rate equal to the three-month Euro Interbank Offered Rate ("EURIBOR") plus 5.75% per annum. On August 11, 2021, Ark issued $47.0 million face value floating rate unsecured subordinated notes ("Ark 2021 Subordinated Notes Tranche 2"). The Ark 2021 Subordinated Notes Tranche 2, which mature in August 2041, accrue interest at a floating rate equal to the three-month U.S. LIBOR plus 5.75% per annum. On September 8, 2021, Ark issued $70.0 million face value floating rate unsecured subordinated notes ("Ark 2021 Subordinated Notes Tranche 3"). The Ark 2021 Subordinated Notes Tranche 3, which mature in September 2041, accrue interest at a floating rate equal to the three-month U.S. LIBOR plus 6.1% per annum. On the ten-year anniversary of the issue dates, the interest rate for the Ark 2021 Subordinated Notes will increase by 1.0% per annum. Ark has the option to redeem, in whole or in part, the Ark 2021 Subordinated Notes ahead of contractual maturity at the outstanding principal amounts plus accrued interest at the ten-year anniversary or any subsequent interest payment date.

All payments of principal and interest under the Ark 2021 Subordinated Notes are conditional upon GAIL's solvency and compliance with the enhanced capital requirements of the Bermuda Monetary Authority ("BMA"). The deferral of payments of principal and interest under these conditions does not constitute a default by Ark and does not give the noteholders any rights to accelerate repayment of the Ark 2021 Subordinated Notes or take any enforcement action under the Ark 2021 Subordinated Notes.

If the payments of principal and interest under the Ark 2021 Subordinated Notes become subject to tax withholding on behalf of Bermuda or any political subdivision there, the Ark 2021 Subordinated Notes require the payment of additional amounts such that the amount received by the noteholders is the same as would have been received absent the tax withholding being imposed. The Ark 2021 Subordinated Notes Tranche 3 require the payment of additional interest of 1.0% per annum upon the occurrence of a premium load event until such event is remedied. Premium load events include the failure to meet payment obligations of the Ark 2021 Subordinated Notes Tranche 3 when due, failure of GAIL to maintain an investment grade credit rating, failure to maintain 120% of GAIL's Bermuda solvency capital requirement, failure of GAIL to maintain a debt to capital ratio below 40%, late filing of GAIL's or Ark's financial information, and making a restricted payment or distribution on GAIL's common stock or other securities that rank junior or pari passu with the Ark 2021 Subordinated Notes Tranche 3 when a different premium load event exists or will be caused by the restricted payment. As of June 30, 2023, there were no premium load events.

As of June 30, 2023, the Ark 2021 Subordinated Notes Tranche 1 had an outstanding balance of €39.1 million ($42.6 million based upon the foreign exchange spot rate as of June 30, 2023), the Ark 2021 Subordinated Notes Tranche 2 had an outstanding balance of $47.0 million, and the Ark 2021 Subordinated Notes Tranche 3 had an outstanding balance of $70.0 million.

The Ark Subordinated Notes contain various affirmative and negative covenants that White Mountains considers to be customary for such borrowings.

Ark Standby Letter of Credit Facilities

In December 2021, Ark entered into two uncommitted secured standby letter of credit facility agreements to support the continued growth and expansion of its GAIL insurance and reinsurance operations. The standby letter of credit facility agreements were executed with ING Bank N.V., London Branch (the "ING LOC Facility") with capacity of $50.0 million on an uncollateralized basis and with Citibank Europe Plc (the "Citibank LOC Facility") with capacity of $100.0 million on a collateralized basis. In September 2022, Ark entered into an additional uncommitted standby letter of credit facility agreement with Lloyds Bank Corporate Markets PLC (the "Lloyds LOC Facility") with capacity of $50.0 million on a collateralized basis.

As of June 30, 2023, the ING LOC Facility was undrawn. As of June 30, 2023, the Citibank LOC Facility had an outstanding balance of $93.7 million and short-term investments pledged as collateral of $107.4 million. As of June 30, 2023, the Lloyds LOC Facility had an outstanding balance of $35.0 million and short-term investments pledged as collateral of $38.1 million. Ark's uncommitted secured standby letter of credit facility agreements contain various representations, warranties and covenants that White Mountains considers to be customary for such borrowings.

Kudu Credit Facility

On March 23, 2021, Kudu entered into a secured revolving credit facility (the "Kudu Credit Facility") with Mass Mutual to repay its prior credit facility and to fund new investments and related transaction expenses. The maximum borrowing capacity of the Kudu Credit Facility is $300.0 million. The Kudu Credit Facility matures on March 23, 2036.

Through June 30, 2023, interest on the Kudu Credit Facility accrued at a floating interest rate equal to the greater of the three month LIBOR or 0.25% plus, in each case, 4.30%. Effective July 1, 2023, the Kudu Credit Facility was amended such that the interest rate is equal to the three month Secured Overnight Financing Rate ("SOFR") plus a credit adjustment spread of 0.26% and a stated margin of 4.30%. The Kudu Credit Facility requires Kudu to maintain an interest reserve account, which is included in restricted cash. As of June 30, 2023, the interest reserve account had a balance of $13.4 million. The Kudu Credit Facility requires Kudu to maintain a ratio of the outstanding balance to the sum of the fair market value of Kudu's Participation Contracts and cash held in certain accounts (the "LTV Percentage") of less than 50% in years 0-3, 40% in years 4-6, 25% in years 7-8, 15% in years 9-10, and 0% thereafter. As of June 30, 2023, Kudu had a 27.9% LTV Percentage.

Kudu may borrow undrawn balances within the initial three-year availability period, subject to customary terms and conditions, to the extent the amount borrowed under the Kudu Credit Facility does not exceed the borrowing base, which is equal to 35% of the fair value of Kudu's qualifying Participation Contracts. When considering the fair value of Kudu's qualifying Participation Contracts as of June 30, 2023, the available undrawn balance was $59.7 million.

The following table presents the change in debt under the Kudu Credit Facility for the three and six months ended June 30, 2023 and 2022:

	Three Months Ended June 30,		Six Months Ended June 30,	
Millions	**2023**	**2022**	**2023**	**2022**
Kudu Credit Facility				
Beginning balance	**$ 198.3**	$ 225.4	**$ 215.2**	$ 225.4
Term loans				
Borrowings	**12.0**	35.0	**12.0**	35.0
Repayments	**—**	—	**(16.9)**	—
Ending balance	**$ 210.3**	$ 260.4	**$ 210.3**	$ 260.4

The Kudu Credit Facility is secured by all property of the loan parties and contains various affirmative and negative covenants that White Mountains considers to be customary for such borrowings.

Other Operations Debt

As of June 30, 2023, White Mountains's Other Operations had debt with an outstanding balance of $31.2 million, which consisted of four secured credit facilities (collectively, "Other Operations debt").

Compliance

At June 30, 2023, White Mountains was in compliance, in all material respects, with all of the covenants under its debt instruments.

Note 8. Income Taxes

The Company and its Bermuda domiciled subsidiaries are not subject to Bermuda income tax under current Bermuda law. In the event there is a change in the current law such that taxes are imposed, the Bermuda Exempted Undertakings Tax Protection Act of 1966 states that the Company and its Bermuda domiciled subsidiaries would be exempt from such tax until March 31, 2035. The Company has subsidiaries and branches that operate in various other jurisdictions around the world and are subject to tax in the jurisdictions in which they operate. As of June 30, 2023, the primary jurisdictions in which the Company's subsidiaries and branches were subject to tax include Ireland, Israel, Luxembourg, the United Kingdom and the United States.

White Mountains's income tax expense related to pre-tax income from continuing operations for the three and six months ended June 30, 2023 represented an effective tax rate of 1.1% and 5.6%. The effective tax rate was different from the U.S. statutory rate of 21.0%, driven primarily by full year forecasted income in jurisdictions with lower tax rates than the United States.

White Mountains's income tax benefit related to pre-tax loss from continuing operations for the three and six months ended June 30, 2022 represented an effective tax rate of 6.9% and 7.6% The effective tax rate was different from the U.S. statutory rate of 21.0%, driven primarily by full year forecasted income in jurisdictions with lower tax rates than the United States, partially offset by an increase in the full valuation allowance on net deferred tax assets in certain U.S. operations within Other Operations, an increase in the full valuation allowance at BAM, as well as state income taxes.

On April 1, 2023, the U.K. corporate tax rate increased from 19.0% to 25.0%.

On August 16, 2022, the U.S. enacted the Inflation Reduction Act (the "IRA"). White Mountains has evaluated the tax provisions of the IRA, the most significant of which relate to the corporate alternative minimum tax and the tax on share repurchases, and does not expect the legislation to have a material impact on the results of its operations.

In arriving at the effective tax rate for the three and six months ended June 30, 2023 and 2022, White Mountains forecasted all income and expense items including the change in unrealized investment gains (losses) and realized investment gains (losses) for the years ending December 31, 2023 and 2022.

White Mountains records a valuation allowance against deferred tax assets if it becomes more likely than not that all or a portion of a deferred tax asset will not be realized. Changes in valuation allowances from period to period are included in income tax expense in the period of change. In determining whether or not a valuation allowance, or change therein, is warranted, White Mountains considers factors such as prior earnings history, expected future earnings, carryback and carryforward periods and strategies that if executed would result in the realization of a deferred tax asset.

With few exceptions, White Mountains is no longer subject to U.S. federal, state, or non-U.S. income tax examinations by tax authorities for years before 2017.

Note 9. Derivatives

HG Global Interest Rate Cap

On June 16, 2022, HG entered into an interest rate cap agreement, effective on July 25, 2022, to limit its exposure to the risk of interest rate increases on the HG Global Senior Notes. The notional amount of the interest rate cap is $150.0 million and the termination date is July 25, 2025.

HG paid initial premiums of $3.3 million for the interest rate cap. Under the terms of the interest rate cap agreement, if the current three-month SOFR rate at the measurement date exceeds 3.5%, HG will receive payments from the counterparty equal to the difference between the three-month SOFR rate on the determination date and 3.5%, multiplied by the notional amount of the cap based on the number of days in the quarter. As of June 30, 2023, the three-month SOFR rate was 5.3%.

HG accounts for the interest rate cap as a derivative at fair value, with changes in fair value recognized in current period earnings within interest expense. For the three and six months ended June 30, 2023, White Mountains recognized a gain of $1.4 million and $0.7 million related to the change in fair value on the interest rate cap within interest expense. For the three and six months ended June 30, 2022, White Mountains recognized a loss of $1.5 million related to the change in fair value on the interest rate cap. For the three and six months ended June 30, 2023, White Mountains received a payment of $0.4 million and $0.6 million related to the periodic settlement of the interest rate cap. As of June 30, 2023 and December 31, 2022, the estimated fair value of the interest rate cap recorded in other assets was $4.8 million and $4.1 million. White Mountains classifies the interest rate cap as a Level 2 measurement.

Note 10. Municipal Bond Guarantee Insurance

HG Global was established to fund the startup of BAM, a mutual municipal bond insurer. HG Global, together with its subsidiaries, provided the initial capitalization of BAM through the purchase of $503.0 million of the BAM Surplus Notes.

Reinsurance Treaties

FLRT

BAM is a party to a first loss reinsurance treaty (“FLRT”) with HG Re under which HG Re provides first loss protection up to 15%-of-par outstanding on each municipal bond insured by BAM. For capital appreciation bonds, par is adjusted to the estimated equivalent par value for current interest paying bonds. In return, BAM cedes approximately 60% of the risk premium charged for insuring the municipal bond, which is net of a ceding commission. The FLRT is a perpetual agreement with terms that can be renegotiated after a specified period of time. During 2021, BAM and HG Re agreed that the terms may be renegotiated at the end of 2024, and each subsequent five-year period thereafter.

Fidus Re

BAM is party to a collateralized financial guarantee excess of loss reinsurance agreement that serves to increase BAM’s claims paying resources and is provided by Fidus Re Ltd. (“Fidus Re”).

In 2018, Fidus Re was initially capitalized by the issuance of $100.0 million of insurance-linked securities (the “Fidus Re 2018 Agreement”), which have an initial term of 12 years and are callable five years after the date of issuance. The proceeds from issuance were placed in a collateral trust supporting Fidus Re’s obligations to BAM. Under the Fidus Re 2018 Agreement, Fidus Re reinsures 90% of aggregate losses exceeding $165.0 million on a portion of BAM’s financial guarantee portfolio (the “2018 Covered Portfolio”) up to a total reimbursement of $100.0 million. The Fidus Re 2018 Agreement does not provide coverage for losses in excess of $276.1 million. The 2018 Covered Portfolio consists of approximately 26% of BAM’s gross par outstanding as of June 30, 2023.

In 2021, Fidus Re issued an additional $150.0 million of insurance-linked securities (the “Fidus Re 2021 Agreement”), which have an initial term of 12 years and are callable five years after the date of issuance. The proceeds from issuance were placed in a collateral trust supporting Fidus Re’s obligations to BAM. Under the Fidus Re 2021 Agreement, Fidus Re reinsures 90% of aggregate losses exceeding $135.0 million on a portion of BAM’s financial guarantee portfolio (the “2021 Covered Portfolio”) up to a total reimbursement of $150.0 million. The Fidus Re 2021 Agreement does not provide coverage for losses in excess of $301.7 million. The 2021 Covered Portfolio consists of approximately 30% of BAM’s gross par outstanding as of June 30, 2023.

In 2022, Fidus Re issued an additional $150.0 million of insurance linked securities (the “Fidus Re 2022 Agreement”), which have an initial term of 12 years and are callable seven years after the date of issuance. The proceeds from issuance were placed in a collateral trust supporting Fidus Re’s obligations to BAM. Under the Fidus Re 2022 Agreement, Fidus Re reinsures 90% of aggregate losses exceeding $110.0 million on a portion of BAM’s financial guarantee portfolio (the “2022 Covered Portfolio”) up to a total reimbursement of $150.0 million. The Fidus Re 2022 Agreement does not provide coverage for losses in excess of $276.7 million. The 2022 Covered Portfolio consists of approximately 31% of BAM’s gross par outstanding as of June 30, 2023.

The Fidus Re agreements are accounted for using deposit accounting and any related financing expenses are recorded in general and administrative expenses as they do not meet the risk transfer requirements necessary to be accounted for as reinsurance.

XOLT

In January 2020, BAM entered into an excess of loss reinsurance agreement (the “XOLT”) with HG Re. Under the XOLT, HG Re provides last dollar protection for exposures on municipal bonds insured by BAM in excess of the New York State Department of Financial Services (“NYDFS”) single issuer limits. As of June 30, 2023, the XOLT is subject to an aggregate limit equal to the lesser of $125.0 million or the assets held in the supplemental collateral trust (the “Supplemental Trust”) at any point in time. The agreement is accounted for using deposit accounting and any related financing expenses are recorded in general and administrative expenses as the agreement does not meet the risk transfer requirements necessary to be accounted for as reinsurance.

Collateral Trusts

HG Re's obligations under the FLRT are subject to an aggregate limit equal to the assets in two collateral trusts, the Supplemental Trust and the Regulation 114 Trust (together, the "Collateral Trusts"), at any point in time.

On a monthly basis, BAM deposits cash equal to ceded premiums, net of ceding commissions, due to HG Re under the FLRT directly into the Regulation 114 Trust. The Regulation 114 Trust target balance is equal to HG Re's unearned premiums and unpaid loss and LAE reserves, if any. If, at the end of any quarter, the Regulation 114 Trust balance is below the target balance, funds will be withdrawn from the Supplemental Trust and deposited into the Regulation 114 Trust in an amount equal to the shortfall. If, at the end of any quarter, the Regulation 114 Trust balance is above 102% of the target balance, funds will be withdrawn from the Regulation 114 Trust and deposited into the Supplemental Trust. The Regulation 114 Trust balance as of June 30, 2023 and December 31, 2022 was $306.8 million and $288.6 million.

The Supplemental Trust target balance is $603.0 million, less the amount of cash and securities in the Regulation 114 Trust in excess of its target balance (the "Supplemental Trust Target Balance"). If, at the end of any quarter, the Supplemental Trust balance exceeds the Supplemental Trust Target Balance, such excess may be distributed to HG Re. The distribution will be made first as an assignment of accrued interest on the BAM Surplus Notes and second in cash and/or fixed income securities.

As the BAM Surplus Notes are repaid over time, the BAM Surplus Notes will be replaced in the Supplemental Trust by cash and fixed income securities. The Supplemental Trust balance as of June 30, 2023 and December 31, 2022 was $585.6 million and $568.3 million.

As of June 30, 2023 and December 31, 2022, the Collateral Trusts held assets of $892.4 million and $856.9 million, which included $525.7 million and $503.3 million of cash and investments, $340.0 million and $340.0 million of BAM Surplus Notes and $26.7 million and $13.6 million of interest receivable on the BAM Surplus Notes.

BAM Surplus Notes

Through 2024, the interest rate on the BAM Surplus Notes is a variable rate equal to the one-year U.S. Treasury rate plus 300 basis points, set annually. During 2023, the interest rate on the BAM Surplus Notes is 7.7%. Beginning in 2025, the interest rate will be fixed at the higher of the then current variable rate or 8.0%. Under its agreements with HG Global, BAM is required to seek regulatory approval to pay principal and interest on the BAM Surplus Notes only to the extent that its remaining qualified statutory capital and other capital resources continue to support its outstanding obligations, its business plan and its "AA/stable" rating from Standard & Poor's. No payment of principal or interest on the BAM Surplus Notes may be made without the approval of the NYDFS.

In December 2022, BAM made a $36.0 million cash payment of principal and interest on the BAM Surplus Notes held by HG Global. Of this payment, $24.6 million was a repayment of principal held in the Supplemental Trust, $1.0 million was a payment of accrued interest held in the Supplemental Trust and $10.4 million was a payment of accrued interest held outside the Supplemental Trust.

During the three and six months ended June 30, 2023 and 2022, BAM made no repayments of the BAM Surplus Notes or accrued interest.

As of June 30, 2023 and December 31, 2022, the principal balance on the BAM Surplus Notes was $340.0 million for both periods, and total interest receivable on the BAM Surplus Notes was $171.0 million and $157.9 million.

Insured Obligations and Premiums

The following table presents a schedule of BAM's insured obligations as of June 30, 2023 and December 31, 2022:

	June 30, 2023	December 31, 2022
Contracts outstanding	**13,835**	13,382
Remaining weighted average contract period (in years)	**10.8**	10.8
Contractual debt service outstanding (in millions):		
Principal	**$ 103,962.3**	$ 99,996.9
Interest	**51,414.9**	48,880.6
Total debt service outstanding	**$ 155,377.2**	$ 148,877.5
Gross unearned insurance premiums (in millions)	**$ 303.7**	$ 298.3

The following table presents a schedule of BAM's future premium revenues as of June 30, 2023:

Millions		June 30, 2023
July 1, 2023 - December 31, 2023	$	14.2
January 1, 2024 - March 31, 2024		6.9
April 1, 2024 - June 30, 2024		6.9
July 1, 2024 - September 30, 2024		6.7
October 1, 2024 - December 31, 2024		6.6
Total 2024		27.1
2025		25.4
2026		23.7
2027		22.1
2028		20.4
2029 and thereafter		170.8
Total gross unearned insurance premiums	**$**	**303.7**

The following table presents a schedule of written premiums and earned premiums included in the HG Global/BAM segment for the three and six months ended June 30, 2023 and 2022:

	Three Months Ended June 30,				Six Months Ended June 30,			
Millions	2023		2022		2023		2022	
Written premiums:								
Direct	**$**	**11.6**	$	17.1	**$**	**20.8**	$	26.5
Assumed		**—**		—		**—**		—
Gross written premiums [1]	**$**	**11.6**	$	17.1	**$**	**20.8**	$	26.5
Earned premiums:								
Direct	**$**	**7.0**	$	7.9	**$**	**14.0**	$	15.5
Assumed		**.7**		2.6		**1.4**		3.4
Gross earned premiums [1]	**$**	**7.7**	$	10.5	**$**	**15.4**	$	18.9

[1] There are no ceded premium amounts in the periods presented, and gross earned premiums are equivalent to net written premiums and net earned premiums.

Note 11. Earnings Per Share

White Mountains calculates earnings per share using the two-class method, which allocates earnings between common shares and unvested restricted common shares. Both classes of shares participate equally in dividends and earnings on a per share basis. Basic earnings per share amounts are based on the weighted average number of common shares outstanding adjusted for unvested restricted common shares.

The following table presents the Company's computation of earnings per share from continuing operations for the three and six months ended June 30, 2023 and 2022. See **Note 19 — "Held for Sale and Discontinued Operations."**

	Three Months Ended June 30,		Six Months Ended June 30,	
	2023	2022	2023	2022
Basic and diluted earnings per share numerators (in millions):				
Net income (loss) attributable to White Mountains's common shareholders	**$ 19.6**	$ (169.2)	**$ 199.1**	$ (135.8)
Less: total income (loss) from discontinued operations, net of tax [(1)]	**—**	6.4	**—**	10.1
Less: net (income) loss from discontinued operations attributable to noncontrolling interests	**—**	(.5)	**—**	(.6)
Net income (loss) from continuing operations attributable to White Mountains's common shareholders	**19.6**	(175.1)	**199.1**	(145.3)
Allocation of (earnings) losses to participating restricted common shares [(2)]	**(.3)**	2.2	**(2.7)**	1.6
Basic and diluted earnings (losses) per share numerators	**$ 19.3**	$ (172.9)	**$ 196.4**	$ (143.7)
Basic earnings per share denominators (in thousands):				
Total average common shares outstanding during the period	**2,562.4**	2,979.0	**2,566.1**	2,992.5
Average unvested restricted common shares [(3)]	**(37.6)**	(38.3)	**(34.4)**	(33.9)
Basic earnings (losses) per share denominator	**2,524.8**	2,940.7	**2,531.7**	2,958.6
Diluted earnings per share denominator (in thousands):				
Total average common shares outstanding during the period	**2,562.4**	2,979.0	**2,566.1**	2,992.5
Average unvested restricted common shares [(3)]	**(37.6)**	(38.3)	**(34.4)**	(33.9)
Diluted earnings (losses) per share denominator	**2,524.8**	2,940.7	**2,531.7**	2,958.6
Basic and diluted earnings per share (in dollars) - continuing operations:				
Distributed earnings - dividends declared and paid	**$ —**	$ —	**$ 1.00**	$ 1.00
Undistributed earnings (losses)	**7.65**	(58.78)	**76.57**	(49.57)
Basic and diluted earnings (losses) per share	**$ 7.65**	$ (58.78)	**$ 77.57**	$ (48.57)

(1) Includes net income (loss) from discontinued operations, net of tax - NSM Group. See **Note 19 — "Held for Sale and Discontinued Operations."**
(2) Restricted shares issued by White Mountains receive dividends, and therefore, are considered participating securities.
(3) Restricted shares outstanding vest upon a stated date. See **Note 12 — "Employee Share-Based Incentive Compensation Plans."**

The following table presents the undistributed net earnings (losses) from continuing operations for the three and six months ended June 30, 2023 and 2022. See **Note 19 — "Held for Sale and Discontinued Operations."**

	Three Months Ended June 30,		Six Months Ended June 30,	
Millions	2023	2022	2023	2022
Undistributed net earnings - continuing operations:				
Net income (loss) attributable to White Mountains's common shareholders, net of restricted common share amounts	**$ 19.3**	$ (172.9)	**$ 196.4**	$ (143.7)
Dividends declared, net of restricted common share amounts [(1)]	**—**	—	**(2.5)**	(3.0)
Total undistributed net earnings (losses), net of restricted common share amounts	**$ 19.3**	$ (172.9)	**$ 193.9**	$ (146.7)

(1) Restricted shares issued by White Mountains receive dividends, and therefore, are considered participating securities.

Note 12. Employee Share-Based Incentive Compensation Plans

White Mountains's share-based incentive compensation plans are designed to incentivize key employees to maximize shareholder value over long periods of time. White Mountains believes that this is best pursued by utilizing a pay-for-performance program that closely aligns the financial interests of management with those of its shareholders while rewarding appropriate risk taking. White Mountains accomplishes this by emphasizing variable long-term compensation that is contingent on performance over a number of years rather than fixed entitlements. White Mountains expenses all of its share-based compensation. As a result, White Mountains's calculation of its owners' returns includes the expense of all outstanding share-based compensation awards.

White Mountains's Long-Term Incentive Plan (the "WTM Incentive Plan") provides for grants of various types of share-based and non-share-based incentive awards to key employees and directors of White Mountains. As of June 30, 2023 and 2022, White Mountains's share-based incentive compensation awards consist of performance shares and restricted shares.

Performance Shares

Performance shares are designed to reward employees for meeting company-wide performance targets. Performance shares are conditional grants of a specified maximum number of common shares or an equivalent amount of cash. Awards generally vest at the end of a three-year service period, are subject to the attainment of pre-specified performance goals, and are valued based on the market value of common shares at the time awards are paid. Performance shares earned under the WTM Incentive Plan are typically paid in cash but may be paid in common shares. Compensation expense is recognized for the vested portion of the awards over the related service periods. The level of payout ranges from zero to two times the number of shares initially granted, depending on White Mountains's financial performance. Performance shares become payable at the conclusion of a performance cycle (typically three years) if pre-defined financial targets are met. The performance measures used for determining performance share payouts are growth in White Mountains's adjusted book value per share and intrinsic value per share. Intrinsic value per share is generally calculated by adjusting adjusted book value per share for differences between the adjusted book value of certain assets and liabilities and White Mountains's estimate of their underlying intrinsic values.

The following table presents the performance share activity for the three and six months ended June 30, 2023 and 2022 for performance shares granted under the WTM Incentive Plan:

	Three Months Ended June 30,				Six Months Ended June 30,			
	2023		2022		2023		2022	
$ in Millions	**Target Performance Shares Outstanding**	**Accrued Expense**	**Target Performance Shares Outstanding**	**Accrued Expense**	**Target Performance Shares Outstanding**	**Accrued Expense**	**Target Performance Shares Outstanding**	**Accrued Expense**
Beginning of period	**37,031**	**$ 36.4**	39,302	$ 21.9	**39,449**	**$ 67.5**	40,828	$ 42.2
Shares paid [1]	**—**	**—**	—	—	**(13,350)**	**(40.8)**	(14,625)	(26.4)
New grants	**—**	**—**	150	—	**10,895**	**—**	13,225	—
Forfeitures and cancellations [2]	**—**	**(.2)**	(3)	(.4)	**37**	**.2**	21	(.1)
Expense recognized	**—**	**8.4**	—	19.7	**—**	**17.7**	—	25.5
End of period	**37,031**	**$ 44.6**	39,449	$ 41.2	**37,031**	**$ 44.6**	39,449	$ 41.2

[1] WTM performance share payments in 2023 for the 2020-2022 performance cycle, which were paid in March 2023 at 200% of target. WTM performance share payments in 2022 for the 2019-2021 performance cycle, which were paid in March 2022 at 172% of target.

[2] Amounts include changes in assumed forfeitures, as required under GAAP.

During the six months ended June 30, 2023, White Mountains granted 10,895 performance shares for the 2023-2025 performance cycle. During the three and six months ended June 30, 2022, White Mountains granted 150 and 13,225 performance shares for the 2022-2024 performance cycle.

For the 2020-2022 performance cycle, all performance shares earned were settled in cash. For the 2019-2021 performance cycle, the Company issued common shares for 750 performance shares earned, and all other performance shares earned were settled in cash. If the outstanding performance shares had vested on June 30, 2023, the total additional compensation cost to be recognized would have been $37.8 million, based on accrual factors as of June 30, 2023 (common share price and payout assumptions).

The following table presents performance shares outstanding and accrued expense for performance shares awarded under the WTM Incentive Plan as of June 30, 2023 for each performance cycle:

	June 30, 2023	
$ in Millions	**Target Performance Shares Outstanding**	**Accrued Expense**
Performance cycle:		
2021 – 2023	13,475	$ 26.3
2022 – 2024	13,225	17.3
2023 – 2025	10,895	1.8
Sub-total	37,595	45.4
Assumed forfeitures	(564)	(.8)
Total	**37,031**	**$ 44.6**

Restricted Shares

Restricted shares are grants of a specified number of common shares that generally vest at the end of a 34-month service period. The following table presents the unrecognized compensation cost associated with the outstanding restricted share awards under the WTM Incentive Plan for the three and six months ended June 30, 2023 and 2022:

	Three Months Ended June 30,				Six Months Ended June 30,			
	2023		2022		2023		2022	
$ in Millions	**Restricted Shares**	**Unamortized Issue Date Fair Value**	**Restricted Shares**	**Unamortized Issue Date Fair Value**	**Restricted Shares**	**Unamortized Issue Date Fair Value**	**Restricted Shares**	**Unamortized Issue Date Fair Value**
Non-vested,								
Beginning of period	**37,595**	**$ 28.3**	38,200	$ 26.5	**38,350**	**$ 15.5**	37,850	$ 15.9
Issued	**—**	**—**	150	.2	**10,895**	**16.0**	13,225	13.8
Vested	**—**	**—**	—	—	**(11,650)**	**—**	(12,725)	—
Forfeited	**—**	**—**	—	—	**—**	**—**	—	—
Expense recognized	**—**	**(4.0)**	—	(3.7)	**—**	**(7.2)**	—	(6.7)
End of period	**37,595**	**$ 24.3**	38,350	$ 23.0	**37,595**	**$ 24.3**	38,350	$ 23.0

During the six months ended June 30, 2023, White Mountains issued 10,895 restricted shares that vest on January 1, 2026. During the three and six months ended June 30, 2022, White Mountains issued 150 and 13,225 restricted shares that vest on January 1, 2025. The unamortized issue date fair value as of June 30, 2023 is expected to be recognized ratably over the remaining vesting periods.

Note 13. Noncontrolling Interests

Noncontrolling interests consist of the ownership interests of noncontrolling shareholders in consolidated entities and are presented separately on the balance sheet.

The following table presents the balance of noncontrolling interests included in White Mountains's total equity and the related percentage of each consolidated entity's total equity owned by noncontrolling shareholders as of June 30, 2023 and December 31, 2022:

	June 30, 2023		December 31, 2022	
$ in Millions	**Noncontrolling Percentage [1]**	**Noncontrolling Equity**	**Noncontrolling Percentage [1]**	**Noncontrolling Equity**
Noncontrolling interests, excluding BAM				
HG Global	**3.1 %**	**$ (1.3)**	3.1 %	$ (.6)
Ark	**28.0 %**	**263.3**	28.0 %	247.9
Kudu	**10.8 %**	**88.8**	10.8 %	75.1
Other	**various**	**10.1**	various	20.4
Total, excluding BAM		**360.9**		342.8
BAM	**100.0 %**	**(157.2)**	100.0 %	(154.7)
Total noncontrolling interests		**$ 203.7**		$ 188.1

[1] The noncontrolling percentage represents the basic ownership interests held by noncontrolling shareholders with the exception of HG Global, for which the noncontrolling percentage represents the preferred share ownership held by noncontrolling shareholders.

Note 14. Segment Information

As of June 30, 2023, White Mountains conducted its operations through three reportable segments: (1) HG Global/BAM, (2) Ark/WM Outrigger, and (3) Kudu, with our remaining operating businesses, holding companies and other assets included in Other Operations. White Mountains has made its segment determination based on consideration of the following criteria: (i) the nature of the business activities of each of the Company's subsidiaries and affiliates; (ii) the manner in which the Company's subsidiaries and affiliates are organized; (iii) the existence of primary managers responsible for specific subsidiaries and affiliates; and (iv) the organization of information provided to the chief operating decision makers and the Board of Directors. Significant intercompany transactions among White Mountains's segments have been eliminated herein.

During the fourth quarter of 2022, Ark sponsored the formation of Outrigger Re Ltd. to provide reinsurance protection on Ark's Bermuda global property catastrophe excess of loss portfolio written in calendar year 2023. White Mountains consolidates its segregated account of Outrigger Re Ltd., WM Outrigger Re, in its financial statements. WM Outrigger Re's quota share reinsurance agreement with GAIL eliminates in White Mountains's consolidated financial statements. WM Outrigger Re exclusively provides reinsurance protection to Ark. As a result, WM Outrigger Re was aggregated with Ark within the Ark/WM Outrigger segment starting in 2023. See **Note 2 — "Significant Transactions."** As a result of the NSM Transaction, the results of operations for NSM, previously reported as a segment, have been classified as discontinued operations in the statements of operations and comprehensive income through the closing of the transaction. See **Note 19 — "Held for Sale and Discontinued Operations."** Prior period amounts have been reclassified to conform to the current period's presentation.

The following tables present the financial information for White Mountains's segments for the three and six months ended June 30, 2023 and 2022:

	HG Global/BAM		Ark/WM Outrigger				
Millions	**HG Global**	**BAM [1]**	**Ark**	**WM Outrigger Re**	**Kudu**	**Other Operations**	**Total**
Three Months Ended June 30, 2023							
Earned insurance premiums	$ 6.4	$ 1.3	$ 283.7	$ 9.6	$ —	$ —	**$ 301.0**
Net investment income	4.1	3.5	11.2	2.5	14.7	7.0	**43.0**
Net investment income (expense) - BAM Surplus Note interest	6.5	(6.5)	—	—	—	—	**—**
Net realized and unrealized investment gains (losses)	(5.7)	(4.2)	18.0	—	4.6	76.0	**88.7**
Net realized and unrealized investment gains (losses) from investment in MediaAlpha	—	—	—	—	—	(77.3)	**(77.3)**
Commission revenues	—	—	—	—	—	3.2	**3.2**
Other revenues	—	.5	(2.0)	—	—	21.3	**19.8**
Total revenues	11.3	(5.4)	310.9	12.1	19.3	30.2	**378.4**
Loss and loss adjustment expenses	—	—	167.1	.4	—	—	**167.5**
Acquisition expenses	1.8	(.3)	59.4	2.0	—	—	**62.9**
Cost of sales	—	—	—	—	—	11.6	**11.6**
General and administrative expenses	.3	14.6	34.9	—	4.0	48.8	**102.6**
Change in fair value of contingent consideration	—	—	2.2	—	—	—	**2.2**
Interest expense	2.5	—	5.2	—	5.3	1.2	**14.2**
Total expenses	4.6	14.3	268.8	2.4	9.3	61.6	**361.0**
Pre-tax income (loss) from continuing operations	$ 6.7	$ (19.7)	$ 42.1	$ 9.7	$ 10.0	$ (31.4)	**$ 17.4**

[1] BAM manages its affairs on a statutory accounting basis. BAM's statutory surplus includes the BAM Surplus Notes and is not reduced by accruals of interest expense on the BAM Surplus Notes. BAM's statutory surplus is reduced only after a payment of principal or interest has been approved by the NYDFS.

	HG Global/BAM		Ark/WM Outrigger			
Millions	**HG Global**	**BAM [1]**	**Ark**	**Kudu**	**Other Operations**	**Total**
Three Months Ended June 30, 2022						
Earned insurance premiums	$ 8.7	$ 1.8	$ 217.3	$ —	$ —	$ 227.8
Net investment income	2.2	2.6	3.2	13.8	3.3	25.1
Net investment income (expense) - BAM Surplus Note interest	3.0	(3.0)	—	—	—	—
Net realized and unrealized investment gains (losses)	(14.7)	(15.4)	(44.6)	(17.6)	(11.8)	(104.1)
Net realized and unrealized investment gains (losses) from investment in MediaAlpha	—	—	—	—	(113.5)	(113.5)
Commission revenues	—	—	—	—	2.6	2.6
Other revenues	.1	1.5	6.3	—	30.9	38.8
Total revenues	(.7)	(12.5)	182.2	(3.8)	(88.5)	76.7
Losses and loss adjustment expenses	—	—	120.5	—	—	120.5
Acquisition expenses	3.4	1.4	50.2	—	—	55.0
Cost of sales	—	—	—	—	22.4	22.4
General and administrative expenses	.8	16.6	29.7	3.1	51.0	101.2
Change in fair value of contingent consideration	—	—	.1	—	—	.1
Interest expense	3.4	—	3.1	3.3	.3	10.1
Total expenses	7.6	18.0	203.6	6.4	73.7	309.3
Pre-tax income (loss) from continuing operations	$ (8.3)	$ (30.5)	$ (21.4)	$ (10.2)	$ (162.2)	$ (232.6)

[1] BAM manages its affairs on a statutory accounting basis. BAM's statutory surplus includes the BAM Surplus Notes and is not reduced by accruals of interest expense on the BAM Surplus Notes. BAM's statutory surplus is reduced only after a payment of principal or interest has been approved by the NYDFS.

Millions	HG Global/BAM: HG Global	HG Global/BAM: BAM [(1)]	Ark/WM Outrigger: Ark	Ark/WM Outrigger: WM Outrigger Re	Kudu	Other Operations	Total
Six Months Ended June 30, 2023							
Earned insurance premiums	$ 12.8	$ 2.6	$ 533.6	$ 14.8	$ —	$ —	**$ 563.8**
Net investment income	8.1	6.7	19.6	4.7	28.9	14.0	**82.0**
Net investment income (expense) - BAM Surplus Note interest	13.1	(13.1)	—	—	—	—	**—**
Net realized and unrealized investment gains (losses)	2.2	4.9	42.5	—	34.2	117.8	**201.6**
Net realized and unrealized investment gains (losses) from investment in MediaAlpha	—	—	—	—	—	7.9	**7.9**
Commission revenues	—	—	—	—	—	6.5	**6.5**
Other revenues	—	1.3	(4.7)	—	—	51.9	**48.5**
Total revenues	36.2	2.4	591.0	19.5	63.1	198.1	**910.3**
Loss and loss adjustment expenses	—	—	314.7	.6	—	—	**315.3**
Acquisition expenses	3.6	.6	118.3	2.9	—	—	**125.4**
Cost of sales	—	—	—	—	—	25.5	**25.5**
General and administrative expenses	1.4	30.8	70.0	.1	7.8	88.5	**198.6**
Change in fair value of contingent consideration	—	—	(.2)	—	—	—	**(.2)**
Interest expense	7.0	—	10.2	—	10.0	2.0	**29.2**
Total expenses	12.0	31.4	513.0	3.6	17.8	116.0	**693.8**
Pre-tax income (loss) from continuing operations	$ 24.2	$ (29.0)	$ 78.0	$ 15.9	$ 45.3	$ 82.1	**$ 216.5**

(1) BAM manages its affairs on a statutory accounting basis. BAM's statutory surplus includes the BAM Surplus Notes and is not reduced by accruals of interest expense on the BAM Surplus Notes. BAM's statutory surplus is reduced only after a payment of principal or interest has been approved by the NYDFS.

Millions	HG Global/BAM: HG Global	HG Global/BAM: BAM [(1)]	Ark/WM Outrigger: Ark	Kudu	Other Operations	Total
Six Months Ended June 30, 2022						
Earned insurance premiums	$ 15.6	$ 3.3	411.7	$ —	$ —	$ 430.6
Net investment income	4.3	5.1	4.8	26.4	5.1	45.7
Net investment income (expense) - BAM Surplus Note interest	5.9	(5.9)	—	—	—	—
Net realized and unrealized investment gains (losses)	(38.2)	(37.0)	(62.1)	4.7	20.1	(112.5)
Net realized and unrealized investment gains (losses) from investment in MediaAlpha	—	—	—	—	(94.7)	(94.7)
Commission revenues	—	—	—	—	5.5	5.5
Other revenues	.2	2.2	3.5	—	56.6	62.5
Total revenues	(12.2)	(32.3)	357.9	31.1	(7.4)	337.1
Losses and loss adjustment expenses	—	—	242.5	—	—	242.5
Acquisition expenses	6.0	1.8	100.1	—	—	107.9
Cost of sales	—	—	—	—	43.8	43.8
General and administrative expenses	1.5	32.2	50.7	5.9	80.8	171.1
Change in fair value of contingent consideration	—	—	2.2	—	—	2.2
Interest expense	3.4	—	6.9	6.1	.6	17.0
Total expenses	10.9	34.0	402.4	12.0	125.2	584.5
Pre-tax income (loss) from continuing operations	$ (23.1)	$ (66.3)	$ (44.5)	$ 19.1	$ (132.6)	$ (247.4)

(1) BAM manages its affairs on a statutory accounting basis. BAM's statutory surplus includes the BAM Surplus Notes and is not reduced by accruals of interest expense on the BAM Surplus Notes. BAM's statutory surplus is reduced only after a payment of principal or interest has been approved by the NYDFS.

Note 15. Variable Interest Entities

BAM

BAM is owned by and operated for the benefit of its members, the municipalities that purchase BAM's insurance for their debt issuances. However, the equity at risk funded by BAM's members is not sufficient to fund its operations without the additional financial support provided by the BAM Surplus Notes and, accordingly, White Mountains has determined that BAM is a VIE.

Pursuant to the FLRT, BAM's underwriting guidelines may only be amended with the consent of HG Re. In addition, HG Holdings Ltd, a subsidiary of HG Global, has the right to designate two directors for election to BAM's Board of Directors. As a result, we have determined that White Mountains is the primary beneficiary and is required to consolidate BAM's results in its financial statements. Since BAM is owned by its members, its equity and results of operations are included in noncontrolling interests.

HG Re's obligations under the FLRT are subject to an aggregate limit equal to the assets in the Collateral Trusts at any point in time.

WM Outrigger Re

White Mountains has determined that Outrigger Re Ltd. and WM Outrigger Re are VIEs. White Mountains is not the primary beneficiary of Outrigger Re Ltd. or the other segregated accounts. White Mountains is the primary beneficiary of WM Outrigger Re, as it has both the power to direct the activities that most significantly impact WM Outrigger Re's economic performance and the obligation to absorb losses, or the right to receive returns, that could potentially be significant to WM Outrigger Re. As a result, White Mountains consolidates WM Outrigger Re's results in its financial statements. The assets of WM Outrigger Re can only be used to settle the liabilities of WM Outrigger Re, and there is no recourse to the Company for any creditors of WM Outrigger Re.

PassportCard/DavidShield

As of June 30, 2023, White Mountains's ownership interest in PassportCard/DavidShield was 53.8%. White Mountains has determined that both PassportCard and DavidShield are VIEs but that White Mountains is not the primary beneficiary and therefore does not consolidate either PassportCard or DavidShield. The governance structures for both PassportCard and DavidShield were designed to give White Mountains and its co-investor equal power to make the decisions that most significantly impact operations. White Mountains does not have the unilateral power to direct the operations of PassportCard or DavidShield and does not hold a controlling financial interest. White Mountains's ownership interest gives White Mountains the ability to exert significant influence over the significant financial and operating activities of PassportCard/DavidShield. Accordingly, White Mountains's investment in PassportCard/DavidShield meets the criteria to be accounted for under the equity method. White Mountains has taken the fair value option for its investment in PassportCard/DavidShield. Changes in the fair value of PassportCard/DavidShield are recorded in net realized and unrealized investment gains (losses). As of June 30, 2023, White Mountains's maximum exposure to loss on its equity investment in PassportCard/DavidShield and the non-interest-bearing loan to its partner is the total carrying value of $159.5 million.

Elementum

As of June 30, 2023, White Mountains's ownership interest in Elementum was 26.6%. White Mountains has determined that Elementum is a VIE but that White Mountains is not the primary beneficiary and therefore does not consolidate Elementum. White Mountains's ownership interest gives White Mountains the ability to exert significant influence over the significant financial and operating activities of Elementum. Accordingly, Elementum meets the criteria to be accounted for under the equity method. White Mountains has taken the fair value option for its investment in Elementum. Changes in the fair value of Elementum are recorded in net realized and unrealized investment gains (losses). As of June 30, 2023, White Mountains's maximum exposure to loss on its limited partnership interest in Elementum is the carrying value of $30.0 million.

Limited Partnerships

White Mountains's investments in limited partnerships are generally considered VIEs because the limited partnership interests do not have substantive kick-out rights or participating rights. White Mountains does not have the unilateral power to direct the operations of these limited partnerships, and therefore White Mountains is not the primary beneficiary and does not consolidate the limited partnerships. White Mountains has taken the fair value option for its investments in limited partnerships, which are generally measured at NAV as a practical expedient. As of June 30, 2023, White Mountains's maximum exposure to loss on its investments in limited partnerships is the carrying value of $229.7 million.

Note 16. Equity Method Eligible Investments

White Mountains's equity method eligible investments include Kudu's Participation Contracts, White Mountains's investment in MediaAlpha, PassportCard/DavidShield, Elementum Holdings, L.P. and certain other unconsolidated entities, private equity funds and hedge funds in which White Mountains has the ability to exert significant influence over the investee's operating and financial policies.

The following table presents the ownership interests and carrying values of White Mountains's equity method eligible investments as of June 30, 2023 and December 31, 2022:

	June 30, 2023		December 31, 2022	
$ in Millions	**Ownership Interest [(1)]**	**Carrying Value**	**Ownership Interest [(1)]**	**Carrying Value**
Kudu's Participation Contracts [(1)]	**4.1% - 30.0%**	**$ 737.1**	4.1% - 30.0%	$ 695.9
Investment in MediaAlpha	**35.7%**	**235.7**	27.1%	168.6
PassportCard/DavidShield	**53.8%**	**150.0**	53.8%	135.0
Elementum Holdings, L.P.	**26.6%**	**30.0**	29.7%	30.0
Other equity method eligible investments, at fair value	**Under 50.0%**	**263.4**	Under 50.0%	84.4
Other equity method eligible investments, at fair value	**50.0% and over**	**24.9**	50.0% and over	—

(1) Ownership interest generally references basic ownership interest with the exception of Kudu's Participation Contracts, which are noncontrolling equity interests in the form of revenue and earnings participation contracts.

For the three and six months ended June 30, 2023, White Mountains received dividend and income distributions from equity method eligible investments of $22.1 million and $28.5 million, which were recorded within net investment income in the consolidated statements of operations. For the three and six months ended June 30, 2022, White Mountains received dividend and income distributions from equity method eligible investments of $15.6 million and $28.7 million.

For the six months ended June 30, 2022, MediaAlpha was considered a significant subsidiary.

The following tables present summarized financial information for MediaAlpha as of June 30, 2023 and December 31, 2022 and for the three and six months ended June 30, 2023 and 2022:

Millions	**June 30, 2023**	**December 31, 2022**
Balance sheet data:		
Total assets	**$ 140.2**	$ 170.1
Total liabilities	**$ 234.6**	$ 256.2

	Three Months Ended June 30,		Six Months Ended June 30,	
Millions	**2023**	**2022**	**2023**	**2022**
Income statement data:				
Total revenues	**$ 84.8**	$ 103.4	**$ 196.4**	$ 246.0
Total expenses	**$ 104.8**	$ 116.4	**$ 231.0**	$ 268.9
Net income (loss)	**$ (20.0)**	$ (13.0)	**$ (34.6)**	$ (22.9)

Note 17. Fair Value of Financial Instruments

White Mountains records its financial instruments at fair value with the exception of debt obligations, which are recorded as debt at face value less unamortized original issue discount. See **Note 7 — "Debt."**

The following table presents the fair value and carrying value of these financial instruments as of June 30, 2023 and December 31, 2022:

	June 30, 2023		December 31, 2022	
Millions	**Fair Value**	**Carrying Value**	**Fair Value**	**Carrying Value**
HG Global Senior Notes	**$ 159.5**	**$ 146.7**	$ 155.7	$ 146.5
Ark 2007 Subordinated Notes	**$ 29.2**	**$ 30.0**	$ 28.4	$ 30.0
Ark 2021 Subordinated Notes	**$ 166.1**	**$ 155.1**	$ 163.1	$ 153.7
Kudu Credit Facility	**$ 224.9**	**$ 203.7**	$ 223.9	$ 208.3
Other Operations debt	**$ 33.0**	**$ 30.6**	$ 38.2	$ 36.7

The fair value estimates for the HG Global Senior Notes, Ark 2007 Subordinated Notes, Ark 2021 Subordinated Notes, Kudu Credit Facility and Other Operations debt have been determined based on a discounted cash flow approach and are considered to be Level 3 measurements.

For the fair value level measurements associated with White Mountains's investment securities see **Note 3 — "Investment Securities."** For the fair value level measurements associated with White Mountains's derivative instruments see **Note 9 — "Derivatives."**

Note 18. Commitments and Contingencies

Legal Contingencies

White Mountains, and the insurance industry in general, is routinely subject to claims related litigation and arbitration in the normal course of business, as well as litigation and arbitration that do not arise from, nor are directly related to, claims activity. White Mountains's estimates of the costs of settling matters routinely encountered in claims activity are reflected in the reserves for unpaid loss and LAE. See **Note 5 — "Losses and Loss Adjustment Expense Reserves."**

White Mountains considers the requirements of ASC 450 when evaluating its exposure to non-claims related litigation and arbitration. ASC 450 requires that accruals be established for litigation and arbitration if it is probable that a loss has been incurred and it can be reasonably estimated. ASC 450 also requires that litigation and arbitration be disclosed if it is probable that a loss has been incurred or if there is a reasonable possibility that a loss may have been incurred. White Mountains does not have any current non-claims related litigation that may have a material adverse effect on White Mountains's financial condition, results of operations or cash flows.

Note 19. Held for Sale and Discontinued Operations

NSM

On August 1, 2022, White Mountains closed the NSM Transaction. See **Note 2 — "Significant Transactions."** As a result of the NSM Transaction, the assets and liabilities of NSM Group have been presented in the balance sheet as held for sale for periods prior to the closing of the transaction, and the results of operations for NSM Group have been classified as discontinued operations in the statements of operations and comprehensive income through the closing of the transaction. Prior period amounts have been reclassified to conform to the current period's presentation.

Net Income (Loss) from Discontinued Operations

The following table summarizes the results of operations, including related income taxes associated with the businesses classified as discontinued operations for the three and six months ended June 30, 2022:

Millions	Three Months Ended June 30, 2022	Six Months Ended June 30, 2022
Revenues		
Commission revenues	$ 80.2	$ 150.3
Other revenues	22.7	41.1
Total revenues	102.9	191.4
Expenses		
General and administrative expenses	57.1	111.1
Broker commission expenses	24.1	44.7
Change in fair value of contingent consideration	—	.1
Amortization of other intangible assets	—	9.1
Interest expense	8.4	10.5
Total expenses	89.6	175.5
Pre-tax income (loss) from discontinued operations	13.3	15.9
Income tax (expense) benefit	(6.9)	(5.8)
Net income (loss) from discontinued operations, net of tax	6.4	10.1
Net (income) loss from discontinued operations attributable to noncontrolling interests	(.5)	(.6)
Total income (loss) from discontinued operations attributable to White Mountains's common shareholders	5.9	9.5
Other comprehensive income (loss) from discontinued operations, net of tax	(4.0)	(5.9)
Comprehensive income (loss) from discontinued operations	1.9	3.6
Other comprehensive (income) loss from discontinued operations attributable to noncontrolling interests	.2	.3
Comprehensive income (loss) from discontinued operations attributable to White Mountains's common shareholders	$ 2.1	$ 3.9

Net Change in Cash from Discontinued Operations

The following table summarizes the net change in cash associated with the businesses classified as discontinued operations for the six months ended June 30, 2022:

Millions	Six Months Ended June 30, 2022
Net cash provided from (used for) operations	$ 36.7
Net cash provided from (used for) investing activities	7.1
Net cash used from (used for) financing activities	(16.9)
Effect of exchange rate changes on cash	4.2
Net change in cash during the period	31.1
Cash balances at beginning of period (includes restricted cash of $89.2)	111.6
Cash balances at end of period (includes restricted cash of $108.9)	142.7
Supplemental cash flows information:	
Interest paid	$ 10.4
Net income tax payments	$ —

Earnings Per Share from Discontinued Operations

White Mountains calculates earnings per share using the two-class method, which allocates earnings between common and unvested restricted common shares. Both classes of shares participate equally in earnings on a per share basis. Basic earnings per share amounts are based on the weighted average number of common shares outstanding adjusted for unvested restricted common shares. Diluted earnings per share amounts are also impacted by the net effect of potentially dilutive common shares outstanding. The following table presents the Company's computation of earnings per share for discontinued operations for the three and six months ended June 30, 2022:

	Three Months Ended June 30, 2022	Six Months Ended June 30, 2022
Basic and diluted earnings per share numerators (in millions):		
Net income (loss) attributable to White Mountains's common shareholders	$ (169.2)	$ (135.8)
Less: net income (loss) from continuing operations	(216.6)	(228.7)
Less: net (income) loss from continuing operations attributable to noncontrolling interests	41.5	83.4
Total gain (loss) from discontinued operations attributable to White Mountains's common shareholders [1]	5.9	9.5
Allocation of earnings to participating restricted common shares [2]	(.1)	(.1)
Basic and diluted earnings per share numerators [3]	$ 5.8	$ 9.4
Basic earnings per share denominators (in thousands):		
Total average common shares outstanding during the period	2,979.0	2,992.5
Average unvested restricted common shares [4]	(38.3)	(33.9)
Basic earnings per share denominator	2,940.7	2,958.6
Diluted earnings per share denominator (in thousands):		
Total average common shares outstanding during the period	2,979.0	2,992.5
Average unvested restricted common shares [4]	(38.3)	(33.9)
Diluted earnings per share denominator	2,940.7	2,958.6
Basic and diluted earnings (losses) per share (in dollars) - discontinued operations	$ 1.98	$ 3.17

(1) Includes net income (loss) from discontinued operations, net of tax - NSM Group
(2) Restricted shares issued by White Mountains receive dividends, and therefore, are considered participating securities.
(3) Net earnings attributable to White Mountains's common shareholders, net of restricted share amounts, is equal to undistributed earnings for the three and six months ended June 30, 2022.
(4) Restricted shares outstanding vest upon a stated date. See **Note 12 — "Employee Share-Based Incentive Compensation Plans."**

Item 2. Management's Discussion and Analysis of Financial Condition and Results of Operations.

*The following discussion contains "forward-looking statements." White Mountains intends statements that are not historical in nature, which are hereby identified as forward-looking statements, to be covered by the safe harbor provisions of the Private Securities Litigation Reform Act of 1995. White Mountains cannot promise that its expectations in such forward-looking statements will turn out to be correct. White Mountains's actual results could be materially different from and worse than its expectations. See "***FORWARD-LOOKING STATEMENTS***" on page 74 for specific important factors that could cause actual results to differ materially from those contained in forward-looking statements.*

The following discussion also includes five non-GAAP financial measures: (i) adjusted book value per share, (ii) Kudu's earnings before interest, taxes, depreciation and amortization ("EBITDA"), (iii) Kudu's adjusted EBITDA, (iv) total consolidated portfolio returns excluding MediaAlpha, and (v) adjusted capital, that have been reconciled from their most comparable GAAP financial measures on page 72. White Mountains believes these measures to be useful in evaluating White Mountains's financial performance and condition.

RESULTS OF OPERATIONS FOR THE THREE AND SIX MONTHS ENDED JUNE 30, 2023 AND 2022

Overview

White Mountains reported book value per share of $1,532 and adjusted book value per share of $1,576 as of June 30, 2023. Book value per share and adjusted book value per share both increased 1% in the second quarter of 2023 and increased 5% and 6% in the first six months of 2023, including dividends. The increases in book value per share and adjusted book value per share were driven primarily by solid results at the operating companies and positive investment returns. Results in the second quarter of 2023 were partially offset by the impact of mark-to-market losses from the decline in MediaAlpha's share price.

White Mountains reported book value per share of $1,129 and adjusted book value per share of $1,152 as of June 30, 2022. Book value per share decreased 5% and adjusted book value per share decreased 4% in the second quarter of 2022. For the first six months of 2022, book value decreased 4% and adjusted book value decreased 3%, including dividends. Results were driven primarily by mark-to-market losses in White Mountains's fixed income investment portfolio and the decline in MediaAlpha's share price, partially offset by positive results at the operating companies. As of June 30, 2022, book value per share would have been $1,429 and adjusted book value per share would have been $1,452 including the estimated net gain of approximately $300 per share from the NSM Transaction.

In the first six months of 2023, White Mountains repurchased and retired 24,165 of its common shares for $33 million at an average share price of $1,354.88, 88% of White Mountains's June 30, 2023 book value per share and 86% of White Mountains's June 30, 2023 adjusted book value per share. As of June 30, 2023, White Mountains's undeployed capital was approximately $680 million.

In the HG Global/BAM segment, gross written premiums and MSC collected totaled $26 million and $47 million in the second quarter and first six months of 2023 compared to $41 million and $63 million in the second quarter and first six months of 2022. Total pricing was 77 and 75 basis points in the second quarter and first six months of 2023 compared to 70 and 67 basis points in the second quarter and first six months of 2022. BAM insured municipal bonds with par value of $3.4 billion and $6.3 billion in the second quarter and first six months of 2023 compared to $5.9 billion and $9.3 billion in the second quarter and first six months of 2022. BAM's total claims paying resources were $1,451 million as of June 30, 2023 compared to $1,423 million as of December 31, 2022 and $1,228 million as of June 30, 2022. In July 2023, S&P Global Ratings affirmed BAM's AA rating and Stable outlook.

The Ark/WM Outrigger segment's combined ratio was 87% and 89% in the second quarter and first six months of 2023. Ark/WM Outrigger reported gross written premiums of $606 million and $1,416 million, net written premiums of $461 million and $1,075 million and net earned premiums of $293 million and $548 million in the second quarter and first six months of 2023. Ark/WM Outrigger reported pre-tax income of $52 million and $94 million in the second quarter and first six months of 2023.

Ark's combined ratio was 89% and 91% in the second quarter and first six months of 2023 compared to 87% and 93% in the second quarter and first six months of 2022. Ark's combined ratio in the second quarter and first six months of 2023 included four points of unfavorable prior year loss reserve development, primarily due to Winter Storm Elliott and three large claims in the property and marine & energy lines of business, compared to ten points and six points of favorable prior year loss reserve development in the second quarter and first six months of 2022. Ark's combined ratio in the second quarter and first six months of 2023 included five points and three points of catastrophe losses compared to 11 points and 14 points of catastrophe losses, driven primarily by losses from the conflict in Ukraine, in the second quarter and first six months of 2022. Ark reported gross written premiums of $606 million and $1,416 million, net written premiums of $403 million and $973 million and net earned premiums of $284 million and $534 million in the second quarter and first six months of 2023 compared to gross written premiums of $404 million and $1,037 million, net written premiums of $270 million and $814 million and net earned premiums of $217 million and $412 million in the second quarter and first six months of 2022. Ark reported pre-tax income (loss) of $42 million and $78 million in the second quarter and first six months of 2023 compared to $(21) million and $(45) million in the second quarter and first six months of 2022. Ark's results included net realized and unrealized investment gains (losses) of $18 million and $43 million in the second quarter and first six months of 2023 compared to $(45) million and $(62) million in the second quarter and first six months of 2022.

WM Outrigger Re's combined ratio was 25% and 24% in the second quarter and first six months of 2023. WM Outrigger Re reported gross and net written premiums of $58 million and $102 million and net earned premiums of $10 million and $15 million in the second quarter and first six months of 2023.

Kudu reported total revenues of $19 million, pre-tax income of $10 million and adjusted EBITDA of $12 million in the second quarter of 2023 compared to total revenues of $(4) million, pre-tax loss of $10 million and adjusted EBITDA of $11 million in the second quarter of 2022. Kudu's revenues and pre-tax income (loss) included $5 million of net realized and unrealized investment gains in the second quarter of 2023 compared to $18 million of net realized and unrealized investment losses in the second quarter of 2022.

Kudu reported total revenues of $63 million, pre-tax income of $45 million and adjusted EBITDA of $23 million in the first six months of 2023, compared to total revenues of $31 million, pre-tax income of $19 million and adjusted EBITDA of $21 million in the first six months of 2022. Kudu's revenues and pre-tax income in the first six months of 2023 included $34 million of net realized and unrealized gains compared to $5 million in the first six months of 2022.

During the second quarter of 2023, White Mountains completed a tender offer to purchase 5.9 million additional shares of MediaAlpha at a purchase price of $10.00 per share. As of June 30, 2023, White Mountains owns 22.9 million shares of MediaAlpha, representing a 36% basic ownership interest (33% on a fully-diluted/fully-converted basis). As of June 30, 2023, MediaAlpha's closing price was $10.31 per share, which decreased from $14.98 as of March 31, 2022. The carrying value of White Mountains's investment in MediaAlpha was $236 million as of June 30, 2023 compared to $254 million as of March 31, 2023. The $18 million decline in MediaAlpha's carrying value included $79 million of unrealized investment losses attributable to the 16.9 million shares of MediaAlpha owned by White Mountains as of March 31, 2023, partially offset by a $59 million increase in the carrying value attributable to the shares acquired in the tender offer and $2 million of unrealized investment gains attributable to the newly acquired shares. Based on White Mountains's ownership of MediaAlpha as of June 30, 2023, each $1.00 per share increase or decrease in the stock price of MediaAlpha will result in an approximate $9.00 per share increase or decrease in White Mountains's book value per share and adjusted book value per share.

White Mountains's total consolidated portfolio return on invested assets was 0.9% in the second quarter of 2023, which included $77 million of unrealized investment losses from White Mountains's investment in MediaAlpha. Excluding MediaAlpha, the total consolidated portfolio return on invested assets was 3.0% in the second quarter of 2023, driven primarily by net unrealized investment gains from other long-term investments, net realized and unrealized investment gains from common equity securities and net investment income in the fixed income portfolio. White Mountains's total consolidated portfolio return on invested assets was -4.7% in the second quarter of 2022, which included $114 million of unrealized investment losses from White Mountains's investment in MediaAlpha. Excluding MediaAlpha, the total consolidated portfolio return on invested assets was -2.1% in the second quarter of 2022, driven primarily by net unrealized investment losses in the fixed income portfolio due to rising interest rates.

White Mountains's total consolidated portfolio return on invested assets was 5.5% in the first six months of 2023, which included $8 million of unrealized investment gains from White Mountains's investment in MediaAlpha. Excluding MediaAlpha, the total consolidated portfolio return on invested assets was 6.1% in the first six months of 2023, driven primarily by net realized and unrealized investment gains from other long-term investments and common equity securities, as well as net investment income in the fixed income portfolio. White Mountains's total consolidated portfolio return on invested assets was -4.0% in the first six months of 2022, which included $95 million of unrealized investment losses from White Mountains's investment in MediaAlpha. Excluding MediaAlpha, the total consolidated portfolio return on invested assets was -1.9% in the first six months of 2022, driven primarily by net unrealized investment losses in the fixed income portfolio due to rising interest rates, partially offset by favorable other long-term investment results.

Adjusted Book Value Per Share

The following table presents White Mountains's book value per share and reconciles it to adjusted book value per share, a non-GAAP measure as of June 30, 2023, March 31, 2023, December 31, 2022, and June 30, 2022. See **NON-GAAP FINANCIAL MEASURES** on page 72.

Millions	June 30, 2023	March 31, 2023	December 31, 2022	June 30, 2022
Book value per share numerators (in millions):				
White Mountains's common shareholders' equity - GAAP book value per share numerator	**$ 3,922.2**	$ 3,902.4	$ 3,746.9	$ 3,323.3
Time value of money discount on expected future payments on the BAM Surplus Notes (1)	**(91.8)**	(93.4)	(95.1)	(115.9)
HG Global's unearned premium reserve (1)	**246.8**	243.3	242.1	221.6
HG Global's net deferred acquisition costs (1)	**(70.7)**	(69.4)	(69.0)	(62.6)
Adjusted book value per share numerator	**$ 4,006.5**	$ 3,982.9	$ 3,824.9	$ 3,366.4
Book value per share denominators (in thousands of shares):				
Common shares outstanding - GAAP book value per share denominator	**2,560.4**	2,564.5	2,572.1	2,942.9
Unearned restricted common shares	**(19.0)**	(22.3)	(14.1)	(20.9)
Adjusted book value per share denominator	**2,541.4**	2,542.2	2,558.0	2,922.0
GAAP book value per share	**$ 1,531.84**	$ 1,521.73	$ 1,456.74	$ 1,129.27
Adjusted book value per share	**$ 1,576.46**	$ 1,566.73	$ 1,495.28	$ 1,152.12
Year-to-date dividends paid per share	**$ 1.00**	$ 1.00	$ 1.00	$ 1.00

(1) Amount reflects White Mountains's preferred share ownership in HG Global of 96.9%.

Goodwill and Other Intangible Assets

The following table presents goodwill and other intangible assets that are included in White Mountains's adjusted book value as of June 30, 2023, March 31, 2023, December 31, 2022, and June 30, 2022:

Millions	June 30, 2023	March 31, 2023	December 31, 2022	June 30, 2022
Goodwill:				
Ark	**$ 116.8**	$ 116.8	$ 116.8	$ 116.8
Kudu	**7.6**	7.6	7.6	7.6
Other Operations (1)	**44.4**	44.4	52.1	77.4
Total goodwill	**168.8**	168.8	176.5	201.8
Other intangible assets:				
Ark	**175.7**	175.7	175.7	175.7
Kudu	**.8**	.9	1.0	1.1
Other Operations (1)	**28.3**	30.8	39.2	19.4
Total other intangible assets	**204.8**	207.4	215.9	196.2
Total goodwill and other intangible assets (2)	**$ 373.6**	$ 376.2	$ 392.4	$ 398.0
Goodwill and other intangible assets attributed to non-controlling interests	**$ (95.4)**	$ (95.7)	$ (102.7)	$ (103.4)
Goodwill and other intangible assets included in White Mountains's common shareholders' equity	**$ 278.2**	$ 280.5	$ 289.7	$ 294.6

(1) The relative fair values of goodwill and other intangible assets recognized in connection with recent acquisitions within Other Operations had not yet been finalized at June 30, 2022.

(2) See **Note 4 — "Goodwill and Other Intangible Assets"** on page 23 for details of other intangible assets.

Summary of Consolidated Results

The following table presents White Mountains's consolidated financial results for the three and six months ended June 30, 2023 and 2022:

Millions	Three Months Ended June 30, 2023	Three Months Ended June 30, 2022	Six Months Ended June 30, 2023	Six Months Ended June 30, 2022
Revenues				
Financial Guarantee revenues	**$ 5.9**	$ (13.2)	**$ 38.6**	$ (44.5)
P&C Insurance and Reinsurance revenues	**323.0**	182.2	**610.5**	357.9
Asset Management revenues	**19.3**	(3.8)	**63.1**	31.1
Other Operations revenues	**30.2**	(88.5)	**198.1**	(7.4)
Total revenues	**378.4**	76.7	**910.3**	337.1
Expenses				
Financial Guarantee expenses	**18.9**	25.6	**43.4**	44.9
P&C Insurance and Reinsurance expenses	**271.2**	203.6	**516.6**	402.4
Asset Management expenses	**9.3**	6.4	**17.8**	12.0
Other Operations expenses	**61.6**	73.7	**116.0**	125.2
Total expenses	**361.0**	309.3	**693.8**	584.5
Pre-tax income (loss)				
Financial Guarantee pre-tax income (loss)	**(13.0)**	(38.8)	**(4.8)**	(89.4)
P&C Insurance and Reinsurance pre-tax income (loss)	**51.8**	(21.4)	**93.9**	(44.5)
Asset Management pre-tax income (loss)	**10.0**	(10.2)	**45.3**	19.1
Other Operations pre-tax income (loss)	**(31.4)**	(162.2)	**82.1**	(132.6)
Total pre-tax income (loss) from continuing operations	**17.4**	(232.6)	**216.5**	(247.4)
Income tax (expense) benefit	**(.2)**	16.0	**(12.1)**	18.7
Net income (loss) from continuing operations	**17.2**	(216.6)	**204.4**	(228.7)
Net income (loss) from discontinued operations, net of tax - NSM Group	**—**	6.4	**—**	10.1
Net income (loss)	**17.2**	(210.2)	**204.4**	(218.6)
Net (income) loss attributable to noncontrolling interests	**2.4**	41.0	**(5.3)**	82.8
Net income (loss) attributable to White Mountains's common shareholders	**19.6**	(169.2)	**199.1**	(135.8)
Other comprehensive income (loss), net of tax	**1.4**	(1.1)	**2.6**	(1.5)
Other comprehensive income (loss) from discontinued operations, net of tax - NSM Group	**—**	(4.0)	**—**	(5.9)
Comprehensive income (loss)	**21.0**	(174.3)	**201.7**	(143.2)
Other comprehensive (income) loss attributable to noncontrolling interests	**(.4)**	.5	**(.8)**	.7
Comprehensive income (loss) attributable to White Mountains's common shareholders	**$ 20.6**	$ (173.8)	**$ 200.9**	$ (142.5)

I. SUMMARY OF OPERATIONS BY SEGMENT

As of June 30, 2023, White Mountains conducted its operations through three segments: (1) HG Global/BAM, (2) Ark/WM Outrigger, and (3) Kudu, with our remaining operating businesses, holding companies and other assets included in Other Operations. White Mountains has made its segment determination based on consideration of the following criteria: (i) the nature of the business activities of each of the Company's subsidiaries and affiliates; (ii) the manner in which the Company's subsidiaries and affiliates are organized; (iii) the existence of primary managers responsible for specific subsidiaries and affiliates; and (iv) the organization of information provided to the Company's chief operating decision makers and its Board of Directors. Significant intercompany transactions among White Mountains's segments have been eliminated herein. White Mountains's segment information is presented in **Note 14 — "Segment Information"** to the Consolidated Financial Statements.

During the fourth quarter of 2022, Ark sponsored the formation of Outrigger Re Ltd. to provide reinsurance protection on Ark's Bermuda global property catastrophe excess of loss portfolio written in calendar year 2023. White Mountains consolidates its segregated account of Outrigger Re Ltd., WM Outrigger Re, in its financial statements. WM Outrigger Re's quota share reinsurance agreement with GAIL eliminates in White Mountains's consolidated financial statements. WM Outrigger Re exclusively provides reinsurance protection to Ark. As a result, WM Outrigger Re was aggregated with Ark within the Ark/WM Outrigger segment starting in 2023. See **Note 2 — "Significant Transactions."** As a result of the NSM Transaction, the results of operations for NSM, previously reported as a segment, have been classified as discontinued operations in the statements of operations and comprehensive income through the closing of the transaction. See **Note 19 — "Held for Sale and Discontinued Operations."** Prior period amounts have been reclassified to conform to the current period's presentation.

HG Global/BAM

The following tables present the components of pre-tax income (loss) included in the HG Global/BAM segment related to the consolidation of HG Global, which includes HG Re and its other wholly-owned subsidiaries, and BAM for the three and six months ended June 30, 2023 and 2022:

	Three Months Ended June 30, 2023			
Millions	**HG Global**	**BAM**	**Eliminations**	**Total**
Direct written premiums	$ —	$ 11.6	$ —	$ 11.6
Assumed written premiums	10.0	—	(10.0)	—
Gross written premiums	10.0	11.6	(10.0)	11.6
Ceded written premiums	—	(10.0)	10.0	—
Net written premiums	$ 10.0	$ 1.6	$ —	$ 11.6
Earned insurance premiums	$ 6.4	$ 1.3	$ —	$ 7.7
Net investment income	4.1	3.5	—	7.6
Net investment income - BAM Surplus Notes	6.5	—	(6.5)	—
Net realized and unrealized investment gains (losses)	(5.7)	(4.2)	—	(9.9)
Other revenues	—	.5	—	.5
Total revenues	11.3	1.1	(6.5)	5.9
Acquisition expenses	1.8	(.3)	—	1.5
General and administrative expenses	.3	14.6	—	14.9
Interest expense [(1)]	2.7	—	—	2.7
Interest expense - BAM Surplus Notes	—	6.5	(6.5)	—
Total expenses	4.8	20.8	(6.5)	19.1
Pre-tax income (loss)	$ 6.5	$ (19.7)	$ —	$ (13.2)
Supplemental information:				
MSC collected [(2)]	$ —	$ 14.7	$ —	$ 14.7

(1) Amount includes $0.2 of intercompany interest expense that is eliminated in White Mountains's consolidated financial statements. For segment reporting, HG Global's intercompany interest expense included within the HG Global/BAM segment is eliminated against the offsetting intercompany interest income included within Other Operations.

(2) MSC collected are recorded directly to BAM's equity, which is recorded as noncontrolling interest on White Mountains's balance sheet.

	Three Months Ended June 30, 2022			
Millions	HG Global	BAM	Eliminations	Total
Direct written premiums	$ —	$ 17.1	$ —	$ 17.1
Assumed written premiums	14.7	—	(14.7)	—
Gross written premiums	14.7	17.1	(14.7)	17.1
Ceded written premiums	—	(14.7)	14.7	—
Net written premiums	$ 14.7	$ 2.4	$ —	$ 17.1
Earned insurance premiums	$ 8.7	$ 1.8	$ —	$ 10.5
Net investment income	2.2	2.6	—	4.8
Net investment income - BAM Surplus Notes	3.0	—	(3.0)	—
Net realized and unrealized investment gains	(14.7)	(15.4)	—	(30.1)
Other revenues	.1	1.5	—	1.6
Total revenues	(.7)	(9.5)	(3.0)	(13.2)
Acquisition expenses	3.4	1.4	—	4.8
General and administrative expenses	.8	16.6	—	17.4
Interest expense	3.4	—	—	3.4
Interest expense - BAM Surplus Notes	—	3.0	(3.0)	—
Total expenses	7.6	21.0	(3.0)	25.6
Pre-tax income (loss)	$ (8.3)	$ (30.5)	$ —	$ (38.8)
Supplemental information:				
MSC collected [1]	$ —	$ 24.0	$ —	$ 24.0

[1] MSC collected are recorded directly to BAM's equity, which is recorded as noncontrolling interest on White Mountains's balance sheet.

	Six Months Ended June 30, 2023			
Millions	HG Global	BAM	Eliminations	Total
Direct written premiums	**$ —**	**$ 20.8**	**$ —**	**$ 20.8**
Assumed written premiums	**17.7**	**—**	**(17.7)**	**—**
Gross written premiums	**17.7**	**20.8**	**(17.7)**	**20.8**
Ceded written premiums	**—**	**(17.7)**	**17.7**	**—**
Net written premiums	**$ 17.7**	**$ 3.1**	**$ —**	**$ 20.8**
Earned insurance premiums	**$ 12.8**	**$ 2.6**	**$ —**	**$ 15.4**
Net investment income	**8.1**	**6.7**	**—**	**14.8**
Net investment income - BAM Surplus Notes	**13.1**	**—**	**(13.1)**	**—**
Net realized and unrealized investment gains (losses)	**2.2**	**4.9**	**—**	**7.1**
Other revenues	**—**	**1.3**	**—**	**1.3**
Total revenues	**36.2**	**15.5**	**(13.1)**	**38.6**
Acquisition expenses	**3.6**	**.6**	**—**	**4.2**
General and administrative expenses	**1.4**	**30.8**	**—**	**32.2**
Interest expense [1]	**7.2**	**—**	**—**	**7.2**
Interest expense - BAM Surplus Notes	**—**	**13.1**	**(13.1)**	**—**
Total expenses	**12.2**	**44.5**	**(13.1)**	**43.6**
Pre-tax income (loss)	**$ 24.0**	**$ (29.0)**	**$ —**	**$ (5.0)**
Supplemental information:				
MSC collected [2]	**$ —**	**$ 26.5**	**$ —**	**$ 26.5**

[1] Amount includes $0.2 of intercompany interest expense that is eliminated in White Mountains's consolidated financial statements. For segment reporting, HG Global's intercompany interest expense included within the HG Global/BAM segment is eliminated against the offsetting intercompany interest income included within Other Operations.

[2] MSC collected are recorded directly to BAM's equity, which is recorded as noncontrolling interest on White Mountains's balance sheet.

Millions	Six Months Ended June 30, 2022 HG Global	BAM	Eliminations	Total
Direct written premiums	$ —	$ 26.5	$ —	$ 26.5
Assumed written premiums	22.8	—	(22.8)	—
Gross written premiums	22.8	26.5	(22.8)	26.5
Ceded written premiums	—	(22.8)	22.8	—
Net written premiums	$ 22.8	$ 3.7	$ —	$ 26.5
Earned insurance premiums	$ 15.6	$ 3.3	$ —	$ 18.9
Net investment income	4.3	5.1	—	9.4
Net investment income - BAM Surplus Notes	5.9	—	(5.9)	—
Net realized and unrealized investment gains (losses)	(38.2)	(37.0)	—	(75.2)
Other revenues	.2	2.2	—	2.4
Total revenues	(12.2)	(26.4)	(5.9)	(44.5)
Acquisition expenses	6.0	1.8	—	7.8
General and administrative expenses	1.5	32.2	—	33.7
Interest expense	3.4	—	—	3.4
Interest expense - BAM Surplus Notes	—	5.9	(5.9)	—
Total expenses	10.9	39.9	(5.9)	44.9
Pre-tax income (loss)	$ (23.1)	$ (66.3)	$ —	$ (89.4)
Supplemental information:				
MSC collected [(1)]	$ —	36.3	$ —	$ 36.3

[(1)] MSC collected are recorded directly to BAM's equity, which is recorded as noncontrolling interest on White Mountains's balance sheet.

HG Global/BAM Results—Three Months Ended June 30, 2023 versus Three Months Ended June 30, 2022

Gross written premiums and MSC collected in the HG Global/BAM segment totaled $26 million in the second quarter of 2023 compared to $41 million in the second quarter of 2022. BAM insured $3.4 billion of municipal bonds, $2.9 billion of which were in the primary market, in the second quarter of 2023 compared to $5.9 billion of municipal bonds, $4.1 billion of which were in the primary market, in the second quarter of 2022.

Insured penetration in the primary market increased to 10.1% in the second quarter of 2023, driven primarily by demand from large deals in the period, compared to 9.1% in the second quarter of 2022.

Total pricing, which reflects both gross written premiums and MSC, increased to 77 basis points in the second quarter of 2023 compared to 70 basis points in the second quarter of 2022. The increase in total pricing was driven by higher pricing in both the primary and secondary markets. Pricing in the primary market increased to 56 basis points in the second quarter of 2023 compared to 49 basis points in the second quarter of 2022. Pricing in the secondary market, which is more transaction specific than pricing in the primary market, increased to 200 basis points in the second quarter of 2023 compared to 121 basis points in the second quarter of 2022.

The following table presents the gross par value of primary and secondary market policies issued, the gross written premiums and MSC collected and total pricing for the three months ended June 30, 2023 and 2022:

$ in Millions	Three Months Ended June 30, 2023	2022
Gross par value of primary market policies issued	**$ 2,890.2**	$ 4,123.7
Gross par value of secondary market policies issued	**500.3**	1,743.8
Total gross par value of market policies issued	**$ 3,390.5**	$ 5,867.5
Gross written premiums	**$ 11.6**	$ 17.1
MSC collected	**14.7**	24.0
Total gross written premiums and MSC collected	**$ 26.3**	$ 41.1
Total pricing	**77 bps**	70 bps

HG Global reported pre-tax income (loss) of $7 million in the second quarter of 2023 compared to $(8) million in the second quarter of 2022. HG Global's results included net realized and unrealized investment gains (losses) on its fixed income portfolio of $(6) million in the second quarter of 2023 compared to $(15) million in the second quarter of 2022 as interest rates increased to a lesser extent in the second quarter of 2023 versus the second quarter of 2022. HG Global's results in the second quarter of 2023 included $7 million of interest income on the BAM Surplus Notes compared to $3 million in the second quarter of 2022 as the interest rate increased to 8% in 2023 from 3% in 2022.

On April 29, 2022, HG Global received the proceeds of a $150 million, 10-year term loan credit facility. In turn, on May 2, 2022, HG Global paid a $120 million cash dividend to shareholders, of which $116 million was paid to White Mountains.

BAM is a mutual insurance company that is owned by its members. BAM's results are consolidated into White Mountain's GAAP financial statements and attributed to noncontrolling interests. White Mountains reported $20 million of GAAP pre-tax loss from BAM in the second quarter of 2023 compared to $31 million in the second quarter of 2022. BAM's results included net realized and unrealized investment losses on its fixed income portfolio of $4 million in the second quarter of 2023 compared to $15 million in the second quarter of 2022 as interest rates increased to a lesser extent in the second quarter of 2023 versus the second quarter of 2022. BAM's results in the second quarter of 2023 also included $7 million of interest expense on the BAM Surplus Notes compared to $3 million in the second quarter of 2022.

HG Global/BAM Results—Six Months Ended June 30, 2023 versus Six Months Ended June 30, 2022

Gross written premiums and MSC collected in the HG Global/BAM segment totaled $47 million in the first six months of 2023 compared to $63 million in the first six months of 2022. BAM insured $6.3 billion of municipal bonds, $5.1 billion of which were in the primary market, in the first six months of 2023 compared to $9.3 billion of municipal bonds, $6.9 billion of which were in the primary market, in the first six months of 2022.

Insured penetration in the primary market increased to 9.1% in the first six months of 2023, driven primarily by demand from large deals in the period, compared to 8.6% in the first six months of 2022.

Total pricing, which reflects both gross written premiums and MSC, increased to 75 basis points in the first six months of 2023, compared to 67 basis points in the first six months of 2022. The increase in total pricing was driven by higher pricing in both the primary and secondary markets. Pricing in the primary market increased to 54 basis points in the first six months of 2023 compared to 47 basis points in first six months of 2022. Pricing in the secondary market, which is more transaction specific than pricing in the primary market, increased to 163 basis points in the first six months of 2023 compared to 124 basis points in the first six months of 2022.

The following table presents the gross par value of primary and secondary market policies issued, the gross written premiums and MSC collected and total pricing for the six months ended June 30, 2023 and 2022:

	Six Months Ended June 30,	
$ in Millions	**2023**	**2022**
Gross par value of primary market policies issued	**$ 5,075.6**	$ 6,878.8
Gross par value of secondary market policies issued	**1,204.5**	2,442.9
Total gross par value of market policies issued	**$ 6,280.1**	$ 9,321.7
Gross written premiums	**$ 20.8**	$ 26.5
MSC collected	**26.5**	36.3
Total gross written premiums and MSC collected	**$ 47.3**	$ 62.8
Total pricing	**75 bps**	67 bps

HG Global reported pre-tax income (loss) of $24 million in the first six months of 2023 compared to $(23) million in the first six months of 2022. HG Global's results included net realized and unrealized investment gains (losses) on its fixed income portfolio of $2 million as interest rates increased and spreads tightened modestly in the first six months of 2023 compared to $(38) million in the first six months of 2022 as interest rates increased significantly. HG Global's results in the first six months of 2023 also included $13 million of interest income on the BAM Surplus Notes compared to $6 million in the first six months of 2022 as the interest rate increased to 8% in 2023 from 3% in 2022.

BAM is a mutual insurance company that is owned by its members. BAM's results are consolidated into White Mountains's GAAP financial statements and attributed to noncontrolling interests. White Mountains reported $29 million of GAAP pre-tax loss from BAM in the first six months of 2023, compared to $66 million in the first six months of 2022. BAM's results included net realized and unrealized investment gains (losses) on its fixed income portfolio of $5 million in the first six months of 2023 as interest rates increased and spreads tightened modestly compared to $(37) million in the first six months of 2022 as interest rates increased significantly. BAM's results in the first six months of 2023 also included $13 million of interest expense on the BAM Surplus Notes compared to $6 million in the first six months of 2022.

Claims Paying Resources

BAM's claims paying resources represent the capital and other financial resources BAM has available to pay claims and, as such, is a key indication of BAM's financial strength.

BAM's claims paying resources were $1,451 million as of June 30, 2023 compared to $1,423 million as of December 31, 2022 and $1,228 million as of June 30, 2022. The increase in claims paying resources as of June 30, 2023 compared to December 31, 2022 was driven primarily by an increase in the HG Re Collateral Trusts resulting from deposits of ceded premiums for the first six months of 2023. In the fourth quarter of 2022, BAM completed a reinsurance agreement with Fidus Re that increased BAM's claims paying resources by $150 million.

The following table presents BAM's total claims paying resources as of June 30, 2023, December 31, 2022 and June 30, 2022:

Millions	June 30, 2023	December 31, 2022	June 30, 2022
Policyholders' surplus	**$ 281.5**	$ 283.4	$ 303.4
Contingency reserve	**126.9**	118.2	109.8
Qualified statutory capital	**408.4**	401.6	413.2
Statutory net unearned premiums	**56.9**	55.3	51.1
Present value of future installment premiums and MSC	**12.5**	13.3	13.9
HG Re Collateral Trusts at statutory value	**573.4**	553.1	499.4
Fidus Re collateral trusts at statutory value	**400.0**	400.0	250.0
Claims paying resources	**$ 1,451.2**	$ 1,423.3	$ 1,227.6

HG Global/BAM Balance Sheets

The following tables present amounts from HG Global, which includes HG Re and its other wholly-owned subsidiaries, and BAM that are contained within White Mountains's consolidated balance sheet as of June 30, 2023 and December 31, 2022:

	June 30, 2023			
Millions	**HG Global**	**BAM**	**Eliminations and Segment Adjustments**	**Total**
Assets				
Fixed maturity investments, at fair value	$ 512.5	$ 420.4	$ —	$ 932.9
Short-term investments, at fair value	41.2	26.3	—	67.5
Total investments	553.7	446.7	—	1,000.4
Cash	1.4	1.5	—	2.9
BAM Surplus Notes	340.0	—	(340.0)	—
Accrued interest receivable on BAM Surplus Notes	171.0	—	(171.0)	—
Insurance premiums receivable	4.0	6.4	(4.0)	6.4
Deferred acquisition costs	72.9	37.4	(72.9)	37.4
Other assets	11.0	14.6	(.3)	25.3
Total assets	$ 1,154.0	$ 506.6	$ (588.2)	$ 1,072.4
Liabilities				
BAM Surplus Notes [(1)]	$ —	$ 340.0	$ (340.0)	$ —
Accrued interest payable on BAM Surplus Notes [(2)]	—	171.0	(171.0)	—
Preferred dividends payable to White Mountains [(3)]	369.9	—	—	369.9
Preferred dividends payable to noncontrolling interests	13.6	—	—	13.6
Unearned insurance premiums	254.7	49.0	—	303.7
Debt	146.7	—	—	146.7
Intercompany debt [(4)]	1.5	—	—	1.5
Accrued incentive compensation	.9	13.8	—	14.7
Other liabilities	8.2	90.0	(77.2)	21.0
Total liabilities	795.5	663.8	(588.2)	871.1
Equity				
White Mountains's common shareholders' equity [(3)(4)]	359.8	—	—	359.8
Noncontrolling interests	(1.3)	(157.2)	—	(158.5)
Total equity	358.5	(157.2)	—	201.3
Total liabilities and equity	$ 1,154.0	$ 506.6	$ (588.2)	$ 1,072.4

(1) Under GAAP, the BAM Surplus Notes are classified as debt. Under U.S. Statutory accounting, they are classified as policyholders' surplus.

(2) Under GAAP, interest accrues daily on the BAM Surplus Notes. Under U.S. Statutory accounting, interest is not accrued on the BAM Surplus Notes until it has been approved for payment by insurance regulators.

(3) HG Global's preferred dividends payable to White Mountains are eliminated in White Mountains's consolidated financial statements. For segment reporting, HG Global's preferred dividends payable to White Mountains included within the HG Global/BAM segment are eliminated against the offsetting receivable included within Other Operations.

(4) HG Global's intercompany debt is eliminated in White Mountains's consolidated financial statements. For segment reporting, HG Global's intercompany debt included within the HG Global/BAM segment is eliminated against the offsetting receivable included within Other Operations.

Millions	December 31, 2022 HG Global	BAM	Eliminations and Segment Adjustments	Total Segment
Assets				
Fixed maturity investments, at fair value	$ 489.6	$ 420.3	$ —	$ 909.9
Short-term investments, at fair value	42.0	23.9	—	65.9
Total investments	531.6	444.2	—	975.8
Cash	13.2	5.0	—	18.2
BAM Surplus Notes	340.0	—	(340.0)	—
Accrued interest receivable on BAM Surplus Notes	157.9	—	(157.9)	—
Insurance premiums receivable	4.3	6.6	(4.3)	6.6
Deferred acquisition costs	71.2	36.0	(71.2)	36.0
Other assets	7.0	15.1	(.2)	21.9
Total assets	$ 1,125.2	$ 506.9	$ (573.6)	$ 1,058.5
Liabilities				
BAM Surplus Notes (1)	$ —	$ 340.0	$ (340.0)	$ —
Accrued interest payable on BAM Surplus Notes (2)	—	157.9	(157.9)	—
Preferred dividends payable to White Mountains (3)	341.4	—	—	341.4
Preferred dividends payable to noncontrolling interests	12.5	—	—	12.5
Unearned insurance premiums	249.8	48.5	—	298.3
Debt	146.5	—	—	146.5
Intercompany debt (4)	6.0	—	—	6.0
Accrued incentive compensation	1.3	26.7	—	28.0
Other liabilities	3.7	88.5	(75.7)	16.5
Total liabilities	761.2	661.6	(573.6)	849.2
Equity				
White Mountains's common shareholders' equity (3) (4)	364.6	—	—	364.6
Noncontrolling interests	(.6)	(154.7)	—	(155.3)
Total equity	364.0	(154.7)	—	209.3
Total liabilities and equity	$ 1,125.2	$ 506.9	$ (573.6)	$ 1,058.5

(1) Under GAAP, the BAM Surplus Notes are classified as debt. Under U.S. Statutory accounting, they are classified as policyholders' surplus.

(2) Under GAAP, interest accrues daily on the BAM Surplus Notes. Under U.S. Statutory accounting, interest is not accrued on the BAM Surplus Notes until it has been approved for payment by insurance regulators.

(3) HG Global's preferred dividends payable to White Mountains are eliminated in White Mountains's consolidated financial statements. For segment reporting, HG Global's preferred dividends payable to White Mountains included within the HG Global/BAM segment are eliminated against the offsetting receivable included within Other Operations.

(4) HG Global's intercompany debt is eliminated in White Mountains's consolidated financial statements. For segment reporting, HG Global's intercompany debt included within the HG Global/BAM segment is eliminated against the offsetting receivable included within Other Operations.

Ark/WM Outrigger

The following table presents the components of pre-tax income (loss) included in the Ark/WM Outrigger segment for the three and six months ended June 30, 2023 and 2022:

	Three Months Ended June 30,				
	2023				2022
Millions	Ark	WM Outrigger Re	Eliminations	Total	Ark
Direct written premiums	$ 291.5	$ —	$ —	$ 291.5	$ 214.3
Assumed written premiums	314.6	58.3	(58.3)	314.6	189.6
Gross written premiums	606.1	58.3	(58.3)	606.1	403.9
Ceded written premiums	(203.2)	—	58.3	(144.9)	(133.7)
Net written premiums	$ 402.9	$ 58.3	$ —	$ 461.2	$ 270.2
Earned insurance premiums	$ 283.7	$ 9.6	$ —	$ 293.3	$ 217.3
Net investment income	11.2	2.5	—	13.7	3.2
Net realized and unrealized investment gains (losses)	18.0	—	—	18.0	(44.6)
Other revenues	(2.0)	—	—	(2.0)	6.3
Total revenues	310.9	12.1	—	323.0	182.2
Losses and LAE	167.1	.4	—	167.5	120.5
Acquisition expenses	59.4	2.0	—	61.4	50.2
General and administrative expenses - other underwriting	25.5	—	—	25.5	18.6
General and administrative expenses - all other	9.4	—	—	9.4	11.1
Change in fair value of contingent consideration	2.2	—	—	2.2	.1
Interest expense	5.2	—	—	5.2	3.1
Total expenses	268.8	2.4	—	271.2	203.6
Pre-tax income (loss)	$ 42.1	$ 9.7	$ —	$ 51.8	$ (21.4)

	Six Months Ended June 30,				
	2023				2022
Millions	Ark	WM Outrigger Re	Eliminations	Total	Ark
Direct written premiums	$ 537.7	$ —	$ —	$ 537.7	$ 445.2
Assumed written premiums	877.8	102.4	(102.4)	877.8	591.8
Gross written premiums	1,415.5	102.4	(102.4)	1,415.5	1,037.0
Ceded written premiums	(442.5)	—	102.4	(340.1)	(223.0)
Net written premiums	$ 973.0	$ 102.4	$ —	$ 1,075.4	$ 814.0
Earned insurance premiums	$ 533.6	$ 14.8	$ —	$ 548.4	$ 411.7
Net investment income	19.6	4.7	—	24.3	4.8
Net realized and unrealized investment gains (losses)	42.5	—	—	42.5	(62.1)
Other revenues	(4.7)	—	—	(4.7)	3.5
Total revenues	591.0	19.5	—	610.5	357.9
Losses and LAE	314.7	.6	—	315.3	242.5
Acquisition expenses	118.3	2.9	—	121.2	100.1
General and administrative expenses - other underwriting	53.0	—	—	53.0	40.7
General and administrative expenses - all other	17.0	.1	—	17.1	10.0
Change in fair value of contingent consideration	(.2)	—	—	(.2)	2.2
Interest expense	10.2	—	—	10.2	6.9
Total expenses	513.0	3.6	—	516.6	402.4
Pre-tax income (loss)	$ 78.0	$ 15.9	$ —	$ 93.9	$ (44.5)

For the years of account subsequent to the Ark Transaction, Ark is no longer using TPC Providers to provide underwriting capital for the Syndicates. During the first quarter of 2023, an RITC agreement was executed such that the outstanding loss and LAE reserves for claims arising out of the 2020 year of account, for which the TPC Providers' participation in the total net results of the Syndicates was 43%, were reinsured into the 2021 year of account, for which the TPC Providers' participation in the total net results of the Syndicates was 0%. Captions within Ark's results of operations for the three and six months ended June 30, 2022 are shown net of amounts relating to TPC Providers' share of the Syndicates' results, including investment results.

Ark/WM Outrigger Results—Three Months Ended June 30, 2023 versus Three Months Ended June 30, 2022

The Ark/WM Outrigger segment's combined ratio was 87% in the second quarter of 2023. The Ark/WM Outrigger segment reported gross written premiums of $606 million, net written premiums of $461 million and net earned premiums of $293 million in the second quarter of 2023. The Ark/WM Outrigger segment reported pre-tax income of $52 million in the second quarter of 2023.

Ark's combined ratio was 89% in the second quarter of 2023 compared to 87% in the second quarter of 2022. Ark's combined ratio in the second quarter of 2023 included four points of unfavorable prior year loss reserve development, primarily due to three large claims in the property and marine & energy lines of business. This compared to ten points of favorable prior year loss reserve development in the second quarter of 2022, driven primarily by the property and specialty lines of business, including favorable claims experience on prior year catastrophe events. Ark's combined ratio in the second quarter of 2023 included five points of catastrophe losses compared to 11 points of catastrophe losses, driven primarily by losses from the conflict in Ukraine, in the second quarter of 2022.

Ark reported gross written premiums of $606 million, net written premiums of $403 million and net earned premiums of $284 million in the second quarter of 2023 compared to gross written premiums of $404 million, net written premiums of $270 million and net earned premiums of $217 million in the second quarter of 2022. Ark reported pre-tax income (loss) of $42 million in the second quarter of 2023 compared to $(21) million in second quarter of 2022. Ark's results included net realized and unrealized investment gains (losses) of $18 million in the second quarter of 2023 compared to $(45) million in the second quarter of 2022.

WM Outrigger Re's combined ratio was 25% in the second quarter of 2023. WM Outrigger Re reported gross and net written premiums of $58 million and net earned premiums of $10 million in the second quarter of 2023. WM Outrigger Re's catastrophe premiums are earned in proportion to the insurance protection provided.

The following table presents the Ark/WM Outrigger segment's insurance premiums, insurance expenses and insurance ratios for the three months ended June 30, 2023 and 2022:

	Three Months Ended June 30,				
	2023				2022
$ in Millions	**Ark**	**WM Outrigger Re**	**Eliminations**	**Total**	**Ark**
Insurance premiums:					
Gross written premiums	**$ 606.1**	**$ 58.3**	**$ (58.3)**	**$ 606.1**	$ 403.9
Net written premiums	**$ 402.9**	**$ 58.3**	**$ —**	**$ 461.2**	$ 270.2
Net earned premiums	**$ 283.7**	**$ 9.6**	**$ —**	**$ 293.3**	$ 217.3
Insurance expenses:					
Loss and loss adjustment expenses	**$ 167.1**	**$ .4**	**$ —**	**$ 167.5**	$ 120.5
Acquisition expenses	**59.4**	**2.0**	**—**	**61.4**	50.2
Other underwriting expenses [(1)]	**25.5**	**—**	**—**	**25.5**	18.6
Total insurance expenses	**$ 252.0**	**$ 2.4**	**$ —**	**$ 254.4**	$ 189.3
Insurance ratios:					
Loss and loss adjustment expense	**58.9 %**	**4.2 %**	**— %**	**57.1 %**	55.5 %
Acquisition expense	**20.9**	**20.8**	**—**	**20.9**	23.1
Other underwriting expense	**9.0**	**—**	**—**	**8.7**	8.6
Combined Ratio	**88.8 %**	**25.0 %**	**— %**	**86.7 %**	87.2 %

(1) Included within general and administrative expenses

Gross Written Premiums

Gross written premiums increased 50% to $606 million in the second quarter of 2023 compared to the second quarter of 2022, with risk adjusted rate change up approximately 21% year over year. The increase in gross written premiums was driven primarily by the property line of business for both insurance and reinsurance across London and Bermuda, reflecting the additional capacity provided by Outrigger Re Ltd., as well as the marine & energy line of business. The risk adjusted rate change on the Outrigger Re Ltd. portfolio of global property reinsurance was 35% in the second quarter of 2023. The following table presents the Ark/WM Outrigger segment's gross written premiums by line of business for the three months ended June 30, 2023 and 2022:

	Three Months Ended June 30,	
Millions	**2023**	**2022**
Property	**$ 405.8**	$ 245.6
Marine & Energy	**88.5**	57.2
Specialty	**74.2**	66.5
Casualty	**26.7**	25.9
Accident & Health	**10.9**	8.7
Total Gross Written Premium	**$ 606.1**	$ 403.9

Ark Results— Six Months Ended June 30, 2023 versus Six Months Ended June 30, 2022

The Ark/WM Outrigger segment's combined ratio was 89% in the first six months of 2023. The Ark/WM Outrigger segment reported gross written premiums of $1,416, net written premiums of $1,075 and net earned premiums of $548 in the first six months of 2023. The Ark/WM Outrigger segment reported pre-tax income of $94 million in the first six months of 2023.

Ark's combined ratio was 91% in the first six months of 2023, compared to 93% in the first six months of 2022. Ark's combined ratio in the first six months of 2023 included four points of unfavorable prior year loss reserve development, primarily due to Winter Storm Elliott and three large claims in the property and marine & energy lines of business. This compared to six points of favorable prior year loss reserve development in the first six months of 2022, driven primarily by the property and specialty lines of business, including favorable claims experience on prior year catastrophe events in the second quarter. Ark's combined ratio in the first six months of 2023 included three points of catastrophe losses compared to 14 points of catastrophe losses, driven primarily by losses from the conflict in Ukraine, in the first six months of 2022.

Ark reported gross written premiums of $1,416 million, net written premiums of $973 million and net earned premiums of $534 million in the first six months of 2023, compared to gross written premiums of $1,037 million, net written premiums of $814 million and net earned premiums of $412 million in the first six months of 2022. Ark reported pre-tax income (loss) of $78 million in the first six months of 2023 compared to $(45) million in the first six months of 2022. Ark's results included net realized and unrealized investment gains (losses) of $43 million in the first six months of 2023, compared to $(62) million in the first six months of 2022.

WM Outrigger Re's combined ratio was 24% in the first six months of 2023. WM Outrigger Re reported gross and net written premiums of $102 million and net earned premiums of $15 million in the first six months of 2023.

The following table presents the Ark/WM Outrigger segment's insurance premiums, insurance expenses and insurance ratios for the six months ended June 30, 2023 and 2022:

	Six Months Ended June 30,				
	2023				2022
$ in Millions	**Ark**	**WM Outrigger Re**	**Eliminations**	**Total**	**Ark**
Insurance premiums:					
Gross written premiums	**$ 1,415.5**	**$ 102.4**	**$ (102.4)**	**$ 1,415.5**	$ 1,037.0
Net written premiums	**$ 973.0**	**$ 102.4**	**$ —**	**$ 1,075.4**	$ 814.0
Net earned premiums	**$ 533.6**	**$ 14.8**	**$ —**	**$ 548.4**	$ 411.7
Insurance expenses:					
Loss and loss adjustment expenses	**$ 314.7**	**$ .6**	**$ —**	**$ 315.3**	$ 242.5
Acquisition expenses	**118.3**	**2.9**	**—**	**121.2**	100.1
Other underwriting expenses (1)	**53.0**	**—**	**—**	**53.0**	40.7
Total insurance expenses	**$ 486.0**	**$ 3.5**	**$ —**	**$ 489.5**	$ 383.3
Insurance ratios:					
Loss and loss adjustment expense	**59.0 %**	**4.1 %**	**— %**	**57.5 %**	58.9 %
Acquisition expense	**22.2**	**19.6**	**—**	**22.1 %**	24.3
Other underwriting expense	**9.9**	**—**	**—**	**9.7 %**	9.9
Combined Ratio	**91.1 %**	**23.7 %**	**— %**	**89.3 %**	93.1 %

Gross Written Premiums

Gross written premiums increased 36% to $1,416 million in the first six months of 2023 compared to the first six months of 2022, with risk adjusted rate change up approximately 15% year over year. The increase in gross written premiums was driven primarily by the property line of business for both insurance and reinsurance across London and Bermuda, reflecting the additional capacity provided by Outrigger Re Ltd., as well as the specialty and marine & energy lines of business. The risk adjusted rate change on the Outrigger Re Ltd. portfolio of global property reinsurance was 37% in the first six months of 2023. The following table presents the Ark/WM Outrigger segment's gross written premiums by line of business for the six months ended June 30, 2023 and 2022:

	Six Months Ended June 30,	
Millions	**2023**	**2022**
Property	**$ 685.6**	$ 419.1
Specialty	**342.7**	283.7
Marine & Energy	**283.3**	235.2
Casualty	**56.9**	50.8
Accident & Health	**47.0**	48.3
Total Gross Written Premium	**$ 1,415.5**	$ 1,037.1

Ark/WM Outrigger Balance Sheets

The following tables present amounts from Ark and WM Outrigger Re that are contained within White Mountains's consolidated balance sheet as of June 30, 2023 and December 31, 2022:

	June 30, 2023			
Millions	**Ark**	**WM Outrigger Re**	**Eliminations and Segment Adjustments**	**Total**
Assets				
Fixed maturity investments, at fair value	$ **755.8**	$ **—**	$ **—**	$ **755.8**
Common equity securities, at fair value	**382.6**	**—**	**—**	**382.6**
Short-term investments, at fair value	**428.9**	**211.4**	**—**	**640.3**
Other long-term investments	**410.7**	**—**	**—**	**410.7**
Total investments	**1,978.0**	**211.4**	**—**	**2,189.4**
Cash	**101.5**	**.2**	**—**	**101.7**
Reinsurance recoverables	**757.9**	**—**	**(88.2)**	**669.7**
Insurance premiums receivable	**1,077.2**	**80.8**	**(80.8)**	**1,077.2**
Deferred acquisition costs	**216.3**	**15.8**	**—**	**232.1**
Goodwill and other intangible assets	**292.5**	**—**	**—**	**292.5**
Other assets	**69.4**	**—**	**—**	**69.4**
Total assets	$ **4,492.8**	$ **308.2**	$ **(169.0)**	$ **4,632.0**
Liabilities				
Loss and loss adjustment expense reserves	$ **1,421.0**	$ **.6**	$ **(.6)**	$ **1,421.0**
Unearned insurance premiums	**1,376.5**	**87.6**	**(87.6)**	**1,376.5**
Debt	**185.1**	**—**	**—**	**185.1**
Reinsurance payable	**327.8**	**—**	**(80.8)**	**247.0**
Contingent consideration	**45.1**	**—**	**—**	**45.1**
Other liabilities	**116.6**	**—**	**—**	**116.6**
Total liabilities	**3,472.1**	**88.2**	**(169.0)**	**3,391.3**
Equity				
White Mountains's common shareholders' equity	**757.4**	**220.0**	**—**	**977.4**
Noncontrolling interests	**263.3**	**—**	**—**	**263.3**
Total equity	**1,020.7**	**220.0**	**—**	**1,240.7**
Total liabilities and equity	$ **4,492.8**	$ **308.2**	$ **(169.0)**	$ **4,632.0**

Millions	December 31, 2022 Ark	WM Outrigger Re [1]	Eliminations and Segment Adjustments	Total
Assets				
Fixed maturity investments, at fair value	$ 772.8	$ —	$ —	$ 772.8
Common equity securities, at fair value	334.6	—	—	334.6
Short-term investments, at fair value	280.9	203.7	—	484.6
Other long-term investments	373.6	—	—	373.6
Total investments	1,761.9	203.7	—	1,965.6
Cash	100.0	1.5	—	101.5
Reinsurance recoverables	595.3	—	—	595.3
Insurance premiums receivable	544.1	—	—	544.1
Deferred acquisition costs	127.2	—	—	127.2
Goodwill and other intangible assets	292.5	—	—	292.5
Other assets	65.2	—	—	65.2
Total assets	$ 3,486.2	$ 205.2	$ —	$ 3,691.4
Liabilities				
Loss and loss adjustment expense reserves	$ 1,296.5	$ —	$ —	$ 1,296.5
Unearned insurance premiums	623.2	—	—	623.2
Debt	183.7	—	—	183.7
Reinsurance payable	251.1	—	—	251.1
Contingent consideration	45.3	—	—	45.3
Other liabilities	121.1	1.2	—	122.3
Total liabilities	2,520.9	1.2	—	2,522.1
Equity				
White Mountains's common shareholders' equity	717.4	204.0	—	921.4
Noncontrolling interests	247.9	—	—	247.9
Total equity	965.3	204.0	—	1,169.3
Total liabilities and equity	$ 3,486.2	$ 205.2	$ —	$ 3,691.4

[1] Amounts as of December 31, 2022 for WM Outrigger Re have been reclassified from Other Operations to the Ark/WM Outrigger segment to conform to the presentation as of June 30, 2023.

Kudu

As of June 30, 2023, Kudu had deployed a total of $795 million, including transaction costs, in 22 asset and wealth management firms globally, including three that have been exited. As of June 30, 2023, the asset and wealth management firms had combined assets under management of approximately $75 billion, spanning a range of asset classes, including real estate, wealth management, hedge funds, private equity and alternative credit strategies.

The following table presents the components of GAAP net income, EBITDA and adjusted EBITDA included in the Kudu segment for the three and six months ended June 30, 2023 and 2022:

	Three Months Ended June 30,		Six Months Ended June 30,	
Millions	**2023**	**2022**	**2023**	**2022**
Net investment income	**$ 14.7**	$ 13.8	**$ 28.9**	$ 26.4
Net realized and unrealized investment gains (losses)	**4.6**	(17.6)	**34.2**	4.7
Total revenues	**19.3**	(3.8)	**63.1**	31.1
General and administrative expenses	**4.0**	3.1	**7.8**	5.9
Interest expense	**5.3**	3.3	**10.0**	6.1
Total expenses	**9.3**	6.4	**17.8**	12.0
GAAP pre-tax income (loss)	**10.0**	(10.2)	**45.3**	19.1
Income tax (expense) benefit	**(1.8)**	1.6	**(9.3)**	(4.5)
GAAP net income (loss)	**8.2**	(8.6)	**36.0**	14.6
Add back:				
Interest expense	**5.3**	3.3	**10.0**	6.1
Income tax expense (benefit)	**1.8**	(1.6)	**9.3**	4.5
General and administrative expenses - depreciation	**—**	—	**—**	—
Amortization of other intangible assets	**.2**	.1	**.2**	.2
EBITDA (2)	**15.5**	(6.8)	**55.5**	25.4
Exclude:				
Net realized and unrealized investment (gains) losses	**(4.6)**	17.6	**(34.2)**	(4.7)
Non-cash equity-based compensation expense	**—**	—	**—**	.1
Transaction expenses	**.8**	.2	**1.3**	.2
Adjusted EBITDA (2)	**$ 11.7**	$ 11.0	**$ 22.6**	$ 21.0

(1) Net investment income includes revenues from participation contracts and income from short-term investments.

(2) See **"NON-GAAP FINANCIAL MEASURES"** on page 72.

The following table presents the changes the fair value of Kudu's Participation Contracts:

	Three Months Ended June 30,		Six Months Ended June 30,	
Millions	**2023**	**2022**	**2023**	**2022**
Beginning balance of Kudu's Participation Contracts	**$ 683.2**	$ 691.8	**$ 695.9**	$ 669.5
Contributions to Participation Contracts	**50.7**	52.8	**117.4** (1)	52.8
Proceeds from Participation Contracts sold	**(1.4)**	—	**(110.4)** (1)	—
Net realized and unrealized investment gains (losses) on Participation Contracts sold and pending sale (2)	**.9**	20.9	**(1.2)**	24.4
Net unrealized investment gains (losses) on Participation Contracts - all other (3)	**3.7**	(38.5)	**35.4**	(19.7)
Ending balance of Kudu's Participation Contracts	**$ 737.1**	$ 727.0	**$ 737.1**	$ 727.0

(1) Includes $35.8 of non-cash contributions to (proceeds from) Participation Contracts.

(2) Includes realized and unrealized investment gains (losses) recognized from Participation Contracts beginning in the quarter a contract is classified as pending sale.

(3) Includes unrealized investment gains (losses) recognized from (i) ongoing Participation Contracts and (ii) Participation Contracts prior to classification as pending sale.

Kudu Results—Three Months Ended June 30, 2023 versus Three Months Ended June 30, 2022

Kudu reported total revenues of $19 million, pre-tax income of $10 million and adjusted EBITDA of $12 million in the second quarter of 2023 compared to total revenues of $(4) million, pre-tax loss of $10 million and adjusted EBITDA of $11 million in the second quarter of 2022. Total revenues, pre-tax income (loss) and adjusted EBITDA included $15 million of net investment income in the second quarter of 2023 compared to $14 million in the second quarter of 2022. The increase in net investment income in the second quarter of 2023 compared to the second quarter of 2022 was driven primarily by higher dividends from Participation Contracts, due to growth in assets under management, as well as the impact of new deployments made subsequent to June 30, 2022, partially offset by a decrease in dividends as a result of recent sale transactions. Total revenues and pre-tax income (loss) also included $5 million of net realized and unrealized investment gains (losses) in the second quarter of 2023 compared to $(18) million in the second quarter of 2022. The increase in net realized and unrealized investment gains (losses) in the second quarter of 2023 compared to the second quarter of 2022 was driven primarily by good market performance from several Participation Contracts, partially offset by an unrealized loss from a publicly listed security, which was received by Kudu in a prior sale transaction.

Kudu Results—Six Months Ended June 30, 2023 versus Six Months Ended June 30, 2022

Kudu reported total revenues of $63 million, pre-tax income of $45 million and adjusted EBITDA of $23 million in the first six months of 2023, compared to total revenues of $31 million, pre-tax income of $19 million and adjusted EBITDA of $21 million in the first six months of 2022. Total revenues, pre-tax income and adjusted EBITDA included $29 million of net investment income first six months of 2023 compared to $26 million in the first six months of 2022. The increase in net investment income in the first six months of 2023 compared to the first six months of 2022 was driven primarily by amounts earned from new deployments made during 2022 and 2023, partially offset by a decrease in dividends as a result of recent sale transactions. Total revenues and pre-tax income also included $34 million of net realized and unrealized investment gains in the first six months of 2023 compared to $5 million in the first six months of 2022. Net realized and unrealized gains in the first six months of 2023 were positively impacted by two recent sale transactions.

Other Operations

The following table presents the components of pre-tax income (loss) included in White Mountains's Other Operations for the three and six months ended June 30, 2023 and 2022:

	Three Months Ended June 30,		Six Months Ended June 30,	
Millions	**2023**	**2022**	**2023**	**2022**
Net investment income	**$ 7.0**	$ 3.3	**$ 14.0**	$ 5.1
Net realized and unrealized investment gains (losses)	**76.0**	(11.8)	**117.8**	20.1
Net realized and unrealized investment gains (losses) from investment in MediaAlpha	**(77.3)**	(113.5)	**7.9**	(94.7)
Commission revenues	**3.2**	2.6	**6.5**	5.5
Other revenues	**21.3**	30.9	**51.9**	56.6
Total revenues	**30.2**	(88.5)	**198.1**	(7.4)
Cost of sales	**11.6**	22.4	**25.5**	43.8
General and administrative expenses	**48.8**	51.0	**88.5**	80.8
Interest expense	**1.2**	.3	**2.0**	.6
Total expenses	**61.6**	73.7	**116.0**	125.2
Pre-tax income (loss)	**$ (31.4)**	$ (162.2)	**$ 82.1**	$ (132.6)

Other Operations Results—Three Months Ended June 30, 2023 versus Three Months Ended June 30, 2022

White Mountains's Other Operations reported pre-tax loss of $31 million in the second quarter of 2023 compared to $162 million in the second quarter of 2022. White Mountains's Other Operations reported net unrealized investment losses from its investment in MediaAlpha of $77 million in the second quarter of 2023 compared to $114 million in the second quarter of 2022. Excluding MediaAlpha, White Mountains's Other Operations reported net realized and unrealized investment gains (losses) of $76 million in the second quarter of 2023 compared to $(12) million in the second quarter of 2022. The results in the second quarter of 2023 were driven primarily by gains from other long-term investments and common equity securities, while the results in the second quarter of 2022 were driven primarily by unfavorable returns from other long-term investments. White Mountains's Other Operations reported net investment income of $7 million in the second quarter of 2023 compared to $3 million in the second quarter of 2022, driven primarily by the increase in invested assets resulting from the sale of NSM in the third quarter of 2022. See **Summary of Investment Results** on page 66.

White Mountains's Other Operations reported $21 million of other revenues in the second quarter of 2023 compared to $31 million in the second quarter of 2022. White Mountains's Other Operations reported $12 million of cost of sales in the second quarter of 2023 compared to $22 million in the second quarter of 2022. The decreases in other revenues and cost of sales was driven primarily by a recent sale within Other Operations.

White Mountains's Other Operations reported general and administrative expenses of $49 million in the second quarter of 2023 compared to $51 million in the second quarter of 2022.

Other Operations Results—Six Months Ended June 30, 2023 versus Six Months Ended June 30, 2022

White Mountains's Other Operations reported pre-tax income (loss) of $82 million in the first six months of 2023, compared to $(133) million in the first six months of 2022. White Mountains's Other Operations results included unrealized investment gains (losses) from its investment in MediaAlpha of $8 million in the first six months of 2023, compared to $(95) million in the first six months of 2022. Excluding MediaAlpha, White Mountains's Other Operations results included net realized and unrealized investment gains of $118 million in the first six months of 2023 compared to $20 million in the first six months of 2022. The results for the first six months of 2023 were driven primarily by gains from other long-term investments and common equity securities, while the results for the first six month of 2022 were driven primarily by favorable returns from other long-term investments, partially offset by losses in the fixed income portfolio due to rising interest rates. White Mountains's Other Operations results included net investment income of $14 million in the first six months of 2023 compared to $5 million in the first six months of 2022, driven primarily by the increase in invested assets resulting from the sale of NSM in the third quarter of 2022. See **Summary of Investment Results** on page 66.

White Mountains's Other Operations reported $52 million of other revenues in the first six months of 2023 compared to $57 million in the first six months of 2022. Other revenues in the first six months of 2023 included a transaction gain from a recent sale within Other Operations, which was more than offset by a reduction in operating revenues for the sold entity. White Mountains's Other Operations reported $26 million of cost of sales in the first six months of 2023, compared to $44 million in the first six months of 2022. The decrease in cost of sales was driven primarily by the recent sale within Other Operations.

White Mountains's Other Operations reported general and administrative expenses of $89 million in the first six months of 2023, compared to $81 million in the first six months of 2022. The increase in general and administrative expenses in the first six months of 2023 compared to the first six months of 2022 was driven primarily by two acquisitions within Other Operations in the second half of 2022, partially offset by a decrease due to the recent sale within Other Operations.

II. Summary of Investment Results

White Mountains's total investment results include results from all segments. For purposes of discussing rates of return, percentages are presented gross of management fees and trading expenses. For 2022 returns, percentages are calculated before any adjustments for TPC Providers in order to produce a better comparison to benchmark returns.

Gross Investment Returns and Benchmark Returns

The following table presents the pre-tax investment returns for White Mountains's consolidated portfolio for the three and six months ended June 30, 2023 and 2022:

	Three Months Ended June 30,		Six Months Ended June 30,	
	2023	**2022**	**2023**	**2022**
Fixed income investments	**0.5 %**	(2.4)%	**2.4 %**	(5.5)%
Bloomberg Barclays U.S. Intermediate Aggregate Index	***(0.7) %***	*(2.9)%*	***1.6 %***	*(7.5)%*
Common equity securities	**4.8 %**	(4.0)%	**9.6 %**	(3.8)%
Investment in MediaAlpha	**(31.3)%**	(40.5)%	**3.4 %**	(36.2)%
Other long-term investments	**4.9 %**	(1.3)%	**9.3 %**	4.6 %
Total common equity securities, investment in MediaAlpha and other long-term investments	**1.4 %**	(7.2)%	**9.1 %**	(2.2)%
Total common equity securities and other long-term investments	**4.9 %**	(1.8)%	**9.5 %**	3.1 %
S&P 500 Index (total return)	***8.7 %***	*(16.1)%*	***16.9 %***	*(20.0)%*
Total consolidated portfolio	**0.9 %**	(4.7)%	**5.5 %**	(4.0)%
Total consolidated portfolio - excluding MediaAlpha	**3.0 %**	(2.1)%	**6.1 %**	(1.9)%

Investment Returns—Three and Six Months Ended June 30, 2023 versus Three and Six Months Ended June 30, 2022

White Mountains's total consolidated portfolio return on invested assets was 0.9% in the second quarter of 2023, which included $77 million of unrealized investment losses from White Mountains's investment in MediaAlpha. Excluding MediaAlpha, the total consolidated portfolio return on invested assets was 3.0% in the second quarter of 2023, driven primarily by net unrealized investment gains from other long-term investments, net realized and unrealized investment gains from common equity securities and net investment income in the fixed income portfolio. White Mountains's total consolidated portfolio return on invested assets was -4.7% in the second quarter of 2022, which included $114 million of unrealized investment losses from White Mountains's investment in MediaAlpha. Excluding MediaAlpha, the total consolidated portfolio return on invested assets was -2.1% in the second quarter of 2022, driven primarily by net unrealized investment losses in the fixed income portfolio due to rising interest rates.

White Mountains's total consolidated portfolio return on invested assets was 5.5% in the first six months of 2023, which included $8 million of unrealized investment gains from White Mountains's investment in MediaAlpha. Excluding MediaAlpha, the total consolidated portfolio return on invested assets was 6.1% in the first six months of 2023, driven primarily by net realized and unrealized investment gains from other long-term investments and common equity securities, as well as net investment income in the fixed income portfolio. White Mountains's total consolidated portfolio return on invested assets was -4.0% in the first six months of 2022, which included $95 million of unrealized investment losses from White Mountains's investment in MediaAlpha. Excluding MediaAlpha, the total consolidated portfolio return on invested assets was -1.9% in the first six months of 2022, driven primarily by net unrealized investment losses in the fixed income portfolio due to rising interest rates, partially offset by favorable other long-term investment results.

Fixed Income Results

White Mountains's fixed income portfolio, including short-term investments, was $2.9 billion and $2.8 billion as of June 30, 2023 and December 31, 2022, which represented 52% and 55% of total invested assets. The duration of White Mountains's fixed income portfolio, including short-term investments, was 2.2 years and 2.3 years as of June 30, 2023 and December 31, 2022. White Mountains's fixed income portfolio includes fixed maturity and short-term investments held on deposit or as collateral. See **Note 3 — "Investment Securities."**

White Mountains's fixed income portfolio returned 0.5% in the second quarter of 2023, compared to -2.4% in the second quarter of 2022, outperforming the Bloomberg Barclays U.S. Intermediate Aggregate Index returns of -0.7% and -2.9% for the comparable periods. The results in the second quarter of 2023 were driven primarily by higher net investment income, partially offset by net unrealized investment losses due to the increase in interest rates on White Mountains's short duration portfolio. The results in the second quarter of 2022 were driven primarily by net unrealized investment losses from White Mountains's short duration positioning as interest rates increased in the period.

White Mountains's fixed income portfolio returned 2.4% in the first six months of 2023, compared to -5.5% in the first six months of 2022, outperforming the Bloomberg Barclays U.S. Intermediate Aggregate Index returns of 1.6% and -7.5% for the comparable periods. The results in the first six months of 2023 were driven primarily by net investment income as shorter-term interest rates moved higher in the period. The results in the first six months of 2022 were driven primarily by net unrealized investment losses from White Mountains's short duration positioning as interest rates increased significantly in the period.

Common Equity Securities, Investment in MediaAlpha and Other Long-Term Investments Results

White Mountains's portfolio of common equity securities, its investment in MediaAlpha and other long-term investments was \$2.7 billion and \$2.3 billion as of June 30, 2023 and December 31, 2022, which represented 48% and 45% of total invested assets. See **Note 3 — "Investment Securities."**

White Mountains's portfolio of common equity securities, its investment in MediaAlpha and other long-term investments returned 1.4% in the second quarter of 2023, which included \$77 million of unrealized investment losses from MediaAlpha. White Mountains's portfolio of common equity securities and other long-term investments returned 4.9% in the second quarter of 2023. White Mountains's portfolio of common equity securities, its investment in MediaAlpha and other long-term investments returned -7.2% in the second quarter of 2022, which included \$114 million of unrealized investment losses from MediaAlpha. White Mountains's portfolio of common equity securities and other long-term investments returned -1.8% in the second quarter of 2022.

White Mountains's portfolio of common equity securities, its investment in MediaAlpha and other long-term investments returned 9.1% in the first six months of 2023, which included \$8 million of unrealized investment gains from MediaAlpha. White Mountains's portfolio of common equity securities and other long-term investments returned 9.5% in the first six months of 2023. White Mountains's portfolio of common equity securities, its investment in MediaAlpha and other long-term investments returned -2.2% in the first six months of 2022, which included \$95 million of unrealized investment losses from MediaAlpha. White Mountains's portfolio of common equity securities and other long-term investments returned 3.1% in the first six months of 2022.

White Mountains's portfolio of common equity securities consists of international listed equity funds, as well as passive ETFs that seek to provide investment results generally corresponding to the performance of the S&P 500 Index. White Mountains's portfolio of common equity securities was \$655 million and \$668 million as of June 30, 2023 and December 31, 2022.

White Mountains's portfolio of common equity securities returned 4.8% in the second quarter of 2023 compared to -4.0% in the second quarter of 2022, underperforming and outperforming the S&P 500 Index returns of 8.7% and -16.1% for the comparable periods. White Mountains's portfolio of common equity securities returned 9.6% in the first six months of 2023, compared to -3.8% in the first six months of 2022, underperforming and outperforming the S&P 500 Index returns of 16.9% and -20.0% for the comparable periods. The results in the second quarter and first six months of 2023 and 2022 were driven primarily by relative underperformance and outperformance in White Mountains's international listed equity funds as compared to the S&P 500 Index.

White Mountains maintains a portfolio of other long-term investments that consists primarily of unconsolidated entities, including Kudu's Participation Contracts, private equity funds and hedge funds, a bank loan fund, Lloyd's trust deposits, ILS funds and private debt instruments. White Mountains's portfolio of other long-term investments was \$1.8 billion and \$1.5 billion as of June 30, 2023 and December 31, 2022.

White Mountains's other long-term investments portfolio returned 4.9% in the second quarter of 2023 compared to -1.3% in the second quarter of 2022. Investment returns for the second quarter of 2023 were driven primarily by net unrealized investment gains from private equity funds and net investment income from Kudu's Participation Contracts. Investment returns for the second quarter of 2022 were driven primarily by net investment income, net realized and unrealized investment losses from private equity funds and hedge funds, as well as net unrealized losses from foreign currency.

White Mountains's other long-term investments portfolio returned 9.3% in the first six months of 2023 compared to 4.6% in the first six months of 2022. Investment returns for the first six months of 2023 were driven primarily by net investment income and net realized and unrealized investment gains from Kudu's Participation Contracts, as well as net unrealized investment gains from private equity funds. Investment returns for the first six months of 2022 were driven primarily by net investment income and net realized and unrealized investment gains from private equity funds and hedge funds, as well as net investment income and net unrealized investment gains from Kudu's Participation Contracts.

Foreign Currency Exposure

As of June 30, 2023, White Mountains had foreign currency exposure on $216 million of net assets primarily related to Ark/WM Outrigger's non-U.S. business, Kudu's non-U.S. Participation Contracts, and certain other foreign consolidated and unconsolidated entities.

The following table presents the fair value of White Mountains's foreign denominated net assets (liabilities) by segment as of June 30, 2023:

$ in Millions Currency	Ark/WM Outrigger	Kudu	Other Operations	Total Fair Value	% of Total Shareholders' Equity
CAD	$ 72.4	$ 76.1	$ —	$ 148.5	3.6 %
AUD	21.2	36.1	—	57.3	1.4 %
GBP	41.0	—	—	41.0	1.0 %
EUR	(46.4)	—	13.2	(33.2)	(.8) %
All other	—	—	2.0	2.0	— %
Total	**$ 88.2**	**$ 112.2**	**$ 15.2**	**$ 215.6**	**5.2 %**

III. Income Taxes

The Company and its Bermuda domiciled subsidiaries are not subject to Bermuda income tax under current Bermuda law. In the event there is a change in the current law and taxes are imposed, the Bermuda Exempted Undertakings Tax Protection Act of 1966 states that the Company and its Bermuda domiciled subsidiaries would be exempt from such tax until March 31, 2035. The Company has subsidiaries and branches that operate in various other jurisdictions around the world that are subject to tax in the jurisdictions in which they operate. As of June 30, 2023, the primary jurisdictions in which the Company's subsidiaries and branches were subject to tax include Ireland, Israel, Luxembourg, the United Kingdom and the United States.

White Mountains's income tax expense related to pre-tax income from continuing operations for the three and six months ended June 30, 2023 represented an effective tax rate of 1% and 6%. The effective tax rate was different from the U.S. statutory rate of 21%, driven primarily by full year forecasted income in jurisdictions with lower tax rates than the United States.

White Mountains's income tax benefit related to pre-tax loss from continuing operations for the three and six months ended June 30, 2022 represented an effective tax rate of 7% and 8%. The effective tax rate was different from the U.S. statutory rate of 21%, driven primarily by full year forecasted income in jurisdictions with lower tax rates than the United States, partially offset by an increase in the full valuation allowance on net deferred tax assets in certain U.S. operations within Other Operations, an increase in the full valuation allowance at BAM and state income taxes.

On April 1, 2023, the U.K. corporate tax rate increased from 19% to 25%.

IV. Discontinued Operations

NSM

On August 1, 2022, White Mountains closed the NSM Transaction. White Mountains received $1.4 billion in net cash proceeds at closing and recognized a net gain of $876 million, which was comprised of $887 million of net gain from sale of discontinued operations and $3 million of comprehensive income related to the recognition of foreign currency translation gains (losses) from the sale, partially offset by $14 million of compensation and other costs related to the transaction recorded in Other Operations. See **Note 2 — "Significant Transactions."**

White Mountains reported net income from discontinued operations, net of tax, for NSM Group of $6 million and $10 million for the three and six months ended June 30, 2022. See **Note 19 — "Held for Sale and Discontinued Operations."**

LIQUIDITY AND CAPITAL RESOURCES

Operating Cash and Short-term Investments

Holding Company Level

The primary sources of cash for the Company and certain of its intermediate holding companies are expected to be distributions from its insurance, reinsurance and other operating subsidiaries, net investment income, proceeds from sales, repayments and maturities of investments, capital raising activities and, from time to time, proceeds from sales of operating subsidiaries. The primary uses of cash are expected to be general and administrative expenses, purchases of investments, payments to tax authorities, payments on and repurchases/retirements of debt obligations, dividend payments to holders of the Company's common shares, distributions to noncontrolling interest holders of consolidated subsidiaries, contributions to operating subsidiaries and, from time to time, purchases of operating subsidiaries and repurchases of the Company's common shares.

Operating Subsidiary Level

The primary sources of cash for White Mountains's insurance, reinsurance and other operating subsidiaries are expected to be premium and fee collections, commissions, net investment income, proceeds from sales, repayments and maturities of investments, contributions from holding companies and capital raising activities. The primary uses of cash are expected to be claim payments, policy acquisition costs, general and administrative expenses, broker commission expenses, cost of sales, purchases of investments, payments to tax authorities, payments on and repurchases/retirements of debt obligations, distributions to holding companies, distributions to noncontrolling interest holders and, from time to time, purchases of operating subsidiaries.

Both internal and external forces influence White Mountains's financial condition, results of operations and cash flows. Premium and fee collections, investment returns, claim payments and cost of sales may be impacted by changing rates of inflation and other economic conditions. Some time may lapse between the occurrence of an insured loss, the reporting of the loss to White Mountains's insurance and reinsurance operating subsidiaries and the settlement of the liability for that loss. The exact timing of the payment of losses cannot be predicted with certainty. White Mountains's insurance and reinsurance operating subsidiaries maintain portfolios of invested assets with varying maturities and a substantial amount of cash and short-term investments to provide adequate liquidity for the payment of claims.

Management believes that White Mountains's cash balances, cash flows from operations and routine sales and maturities of investments are adequate to meet expected cash requirements for the foreseeable future at both a holding company and insurance, reinsurance and other operating subsidiary level.

Dividend Capacity

Following is a description of the dividend capacity of White Mountains's insurance and reinsurance and other operating subsidiaries:

HG Global/BAM

As of June 30, 2023, HG Global had $619 million face value of preferred shares outstanding, of which White Mountains owned 96.9%. Holders of the HG Global preferred shares are entitled to receive cumulative dividends at a fixed annual rate of 6.0% on a quarterly basis, when and if declared by HG Global. As of June 30, 2023, HG Global has accrued $384 million of dividends payable to holders of its preferred shares, $370 million of which is payable to White Mountains and is eliminated in consolidation. As of June 30, 2023, HG Global and its subsidiaries had less than $1 million of net unrestricted cash outside of HG Re.

HG Re is a special purpose insurer subject to regulation and supervision by the BMA. HG Re does not require regulatory approval to pay dividends, however, its dividend capacity is limited to amounts held outside of the Collateral Trusts pursuant to the FLRT with BAM. As of June 30, 2023, HG Re had $1 million of net unrestricted cash and investments and $112 million of accrued interest on the BAM Surplus Notes held outside the Collateral Trusts. As of June 30, 2023, HG Re had $753 million of statutory capital and surplus and $892 million of assets held in the Collateral Trusts.

On a monthly basis, BAM deposits cash equal to ceded premiums, net of ceding commissions, due to HG Re under the FLRT directly into the Regulation 114 Trust. The Regulation 114 Trust target balance is equal to HG Re's unearned premiums and unpaid loss and LAE reserves, if any. If, at the end of any quarter, the Regulation 114 Trust balance is below the target balance, funds will be withdrawn from the Supplemental Trust and deposited into the Regulation 114 Trust in an amount equal to the shortfall. If, at the end of any quarter, the Regulation 114 Trust balance is above 102% of the target balance, funds will be withdrawn from the Regulation 114 Trust and deposited into the Supplemental Trust.

The Supplemental Trust Target Balance is $603 million, less the amount of cash and securities in the Regulation 114 Trust in excess of its target balance. If, at the end of any quarter, the Supplemental Trust balance exceeds the Supplemental Trust Target Balance, such excess may be distributed to HG Re. The distribution will be made first as an assignment of accrued interest on the BAM Surplus Notes and second in cash and/or fixed income securities. As the BAM Surplus Notes are repaid over time, the BAM Surplus Notes will be replaced in the Supplemental Trust by cash and fixed income securities. The Supplemental Trust balance as of June 30, 2023 was $586 million.

As of June 30, 2023, the Collateral Trusts held assets of $892 million, which included $526 million of cash and investments, $340 million of BAM Surplus Notes and $26 million of interest receivable on the BAM Surplus Notes.

Through 2024, the interest rate on the BAM Surplus Notes is a variable rate equal to the one-year U.S. Treasury rate plus 300 basis points, set annually. During 2023, the interest rate on the BAM Surplus Notes is 7.7%. Beginning in 2025, the interest rate will be fixed at the higher of the then current variable rate or 8.0%. Under its agreements with HG Global, BAM is required to seek regulatory approval to pay principal and interest on the BAM Surplus Notes only to the extent that its remaining qualified statutory capital and other capital resources continue to support its outstanding obligations, its business plan and its "AA/stable" rating from Standard & Poor's. No payment of principal or interest on the BAM Surplus Notes may be made without the approval of the NYDFS.

During the six months ended June 30, 2023, BAM made no repayments of the BAM Surplus Notes or accrued interest. See **Note 10 — "Municipal Bond Guarantee Insurance."**

Ark/WM Outrigger

During any 12-month period, GAIL, a class 4 licensed Bermuda insurer, has the ability to (i) make capital distributions of up to 15% of its total statutory capital per the previous year's statutory financial statements, or (ii) make dividend payments of up to 25% of its total statutory capital and surplus per the previous year's statutory financial statements, without prior approval of Bermuda regulatory authorities. Accordingly, GAIL will have the ability to make capital distributions of up to $113 million during 2023, which is equal to 15% of its December 31, 2022 statutory capital of $755 million, subject to meeting all appropriate liquidity and solvency requirements. During the six months ended June 30, 2023, GAIL paid a $15 million dividend to its immediate parent.

During the six months ended June 30, 2023, Ark paid a $24 million dividend to its shareholders, including $17 million to White Mountains. As of June 30, 2023, Ark and its intermediate holding companies had $1 million of net unrestricted cash and short-term investments outside of its regulated and unregulated insurance and reinsurance operating subsidiaries.

WM Outrigger Re is a special purpose insurer subject to regulation and supervision by the BMA. WM Outrigger Re does not require regulatory approval to pay dividends, however, its dividend capacity is limited to amounts held outside of the collateral trust pursuant to the reinsurance agreement with GAIL. As of June 30, 2023, WM Outrigger Re had less than $1 million of net unrestricted cash and investments held outside the collateral trust. As of June 30, 2023, WM Outrigger Re had $220 million of statutory capital and surplus and $211 million of assets held in the collateral trusts pursuant to the reinsurance agreement with GAIL.

Kudu

During the six months ended June 30, 2023, Kudu distributed $69 million to unitholders, substantially all of which was paid to White Mountains. As of June 30, 2023, Kudu had $16 million of net unrestricted cash and short-term investments.

Other Operations

During the six months ended June 30, 2023, White Mountains paid a $3 million common share dividend. As of June 30, 2023, the Company and its intermediate holding companies had $546 million of net unrestricted cash, short-term investments and fixed maturity investments, $236 million of MediaAlpha common stock, $273 million of common equity securities and $393 million of private equity and hedge funds, ILS funds and certain unconsolidated entities.

Financing

The following table presents White Mountains's capital structure as of June 30, 2023 and December 31, 2022:

$ in Millions	June 30, 2023	December 31, 2022
HG Global Senior Notes [1]	**$ 146.7**	$ 146.5
Ark 2007 Subordinated Notes [1]	**30.0**	30.0
Ark 2021 Subordinated Notes [1][2]	**155.1**	153.7
Kudu Credit Facility [1][2]	**203.7**	208.3
Other Operations debt [1][2]	**30.6**	36.7
Total debt	**566.1**	575.2
Noncontrolling interests—excluding BAM	**360.9**	342.8
Total White Mountains's common shareholders' equity	**3,922.2**	3,746.9
Total capital	**4,849.2**	4,664.9
Time-value discount on expected future payments on the BAM Surplus Notes [3]	**(91.8)**	(95.1)
HG Global's unearned premium reserve [3]	**246.8**	242.1
HG Global's net deferred acquisition costs [3]	**(70.7)**	(69.0)
Total adjusted capital	**$ 4,933.5**	$ 4,742.9
Total debt to total adjusted capital	**11.5 %**	12.1 %

[1] See **Note 7 — "Debt"** for details of debt arrangements.
[2] Net of unamortized issuance costs.
[3] Amount reflects White Mountains's preferred share ownership in HG Global of 96.9%.

Management believes that White Mountains has the flexibility and capacity to obtain funds externally through debt or equity financing on both a short-term and long-term basis. However, White Mountains can provide no assurance that, if needed, it would be able to obtain additional debt or equity financing on satisfactory terms, if at all.

It is possible that, in the future, one or more of the rating agencies may lower White Mountains's existing ratings. If one or more of its ratings were lowered, White Mountains could incur higher borrowing costs on future borrowings and its ability to access the capital markets could be impacted.

Covenant Compliance

As of June 30, 2023, White Mountains was in compliance in all material respects with all of the covenants under its debt instruments.

Share Repurchase Programs

White Mountains's Board of Directors has authorized the Company to repurchase its common shares from time to time, subject to market conditions. The repurchase authorizations do not have a stated expiration date. As of June 30, 2023, White Mountains may repurchase an additional 301,014 shares under these Board authorizations. In addition, from time to time, White Mountains has also repurchased its common shares through self-tender offers that were separately approved by its Board of Directors.

During the six months ended June 30, 2023, White Mountains repurchased and retired 24,165 of its common shares for $33 million at an average share price of $1,355, which was approximately 86% of White Mountains's adjusted book value per share as of June 30, 2023. Of the shares White Mountains repurchased in the first three months of 2023, 4,629 were to satisfy employee income tax withholding pursuant to employee benefit plans, which do not reduce the amount available under the Board repurchase authorizations.

During the six months ended June 30, 2022, White Mountains repurchased and retired 90,535 of its common shares for $102 million at an average share price of $1,122, which was approximately 97% of White Mountains's adjusted book value per share as of June 30, 2022. The average share price was approximately 77% of White Mountains's adjusted book value per share as of June 30, 2022 including the estimated net gain from the NSM Transaction. Of the shares White Mountains repurchased in the first six months of 2022, 4,011 were to satisfy employee income tax withholding pursuant to employee benefit plans, which do not reduce the board authorizations.

Cash Flows

Detailed information concerning White Mountains's cash flows from continuing operations during the six months ended June 30, 2023 and 2022 follows:

Cash flows from operations for the six months ended June 30, 2023 and June 30, 2022

Net cash provided from (used for) operations was $157 million for the six months ended June 30, 2023 compared to $3 million for the six months ended June 30, 2022. The increase in cash provided from operations was driven primarily by cash provided from Ark's operations in 2023. As of June 30, 2023, the Company and its intermediate holding companies had $546 million of net unrestricted cash, short-term investments and fixed maturity investments, $236 million of MediaAlpha common stock, $273 million of common equity securities and $393 million of private equity funds, hedge funds, ILS funds and unconsolidated entities.

Cash flows from investing and financing activities for the six months ended June 30, 2023

Financing and Other Capital Activities

During the six months ended June 30, 2023, the Company declared and paid a $3 million cash dividend to its common shareholders.

During the six months ended June 30, 2023, White Mountains repurchased and retired 24,165 of its common shares for $33 million. Of the shares White Mountains repurchased in the first three months of 2023, 4,629 were to satisfy employee income tax withholding pursuant to employee benefit plans.

During the six months ended June 30, 2023, BAM received $27 million in MSC.

During the six months ended June 30, 2023, Kudu borrowed $12 million in term loans under the Kudu Credit Facility.

During the six months ended June 30, 2023, Kudu repaid $17 million in term loans under the Kudu Credit Facility.

Cash flows from investing and financing activities for the six months ended June 30, 2022

Financing and Other Capital Activities

During the six months ended June 30, 2022, the Company declared and paid a $3 million cash dividend to its common shareholders.

During the six months ended June 30, 2022, White Mountains repurchased and retired 90,535 of its common shares for $102 million, 4,011 of which were repurchased and retired to satisfy employee income tax withholding pursuant to employee benefit plans.

During the six months ended June 30, 2022, HG Global received net proceeds of $147 million from the issuance of the HG Global Senior Notes.

During the six months ended June 30, 2022, BAM received $36 million in MSC.

During the six months ended June 30, 2022, Kudu borrowed $35 million in term loans under the Kudu Credit Facility.

Acquisitions and Dispositions

On May 26, 2022, Kudu raised $115 million of equity capital from the Kudu Transaction. Mass Mutual, White Mountains and Kudu management contributed $64 million, $50 million and $1 million in the Kudu Transaction.

NON-GAAP FINANCIAL MEASURES

This report includes five non-GAAP financial measures that have been reconciled with from their most comparable GAAP financial measures.

Adjusted book value per share

Adjusted book value per share is a non-GAAP financial measure, which is derived by adjusting (i) the GAAP book value per share numerator and (ii) the common shares outstanding denominator, as described below.

The GAAP book value per share numerator is adjusted (i) to include a discount for the time value of money arising from the modeled timing of cash payments of principal and interest on the BAM Surplus Notes and (ii) to add back the unearned premium reserve, net of deferred acquisition costs, at HG Global.

Under GAAP, White Mountains is required to carry the BAM Surplus Notes, including accrued interest, at nominal value with no consideration for time value of money. Based on a debt service model that forecasts operating results for BAM through maturity of the BAM Surplus Notes, the present value of the BAM Surplus Notes, including accrued interest and using an 8% discount rate, was estimated to be $95 million, $96 million, $98 million and $120 million less than the nominal GAAP carrying values as of June 30, 2023, March 31, 2023, December 31, 2022 and June 30, 2022, respectively.

The value of HG Global's unearned premium reserve, net of deferred acquisition costs, was $182 million, $179 million, $179 million and $164 million as of June 30, 2023, March 31, 2023, December 31, 2022 and June 30, 2022, respectively.

White Mountains believes these adjustments are useful to management and investors in analyzing the intrinsic value of HG Global, including the value of the BAM Surplus Notes and the value of the in-force business at HG Re, HG Global's reinsurance subsidiary.

The denominator used in the calculation of adjusted book value per share equals the number of common shares outstanding, adjusted to exclude unearned restricted common shares, the compensation cost of which, at the date of calculation, has yet to be amortized. Restricted common shares are earned on a straight-line basis over their vesting periods. The reconciliation of GAAP book value per share to adjusted book value per share is included on page 48.

Kudu's EBITDA and adjusted EBITDA

Kudu's EBITDA and adjusted EBITDA are non-GAAP financial measures. EBITDA is a non-GAAP financial measure that excludes interest expense on debt, income tax (expense) benefit, depreciation and amortization of other intangible assets from GAAP net income (loss). Adjusted EBITDA is a non-GAAP financial measure that excludes certain other items in GAAP net income (loss) in addition to those excluded from EBITDA. The adjustments relate to (i) net realized and unrealized investment gains (losses) on Kudu's Participation Contracts, (ii) non-cash equity-based compensation expense and (iii) transaction expenses. A description of each adjustment follows:

- *Net realized and unrealized investment gains (losses)* - Represents net unrealized investment gains and losses on Kudu's Participation Contracts, which are recorded at fair value under GAAP, and realized investment gains and losses on Kudu's Participation Contracts sold during the period.
- *Non-cash equity-based compensation expense* - Represents non-cash expenses related to Kudu's management compensation that are settled with equity units in Kudu.
- *Transaction expenses* - Represents costs directly related to Kudu's mergers and acquisitions activity, such as external lawyer, banker, consulting and placement agent fees, which are not capitalized and are expensed under GAAP.

White Mountains believes that these non-GAAP financial measures are useful to management and investors in evaluating Kudu's performance. The reconciliation of Kudu's GAAP net income (loss) to EBITDA and adjusted EBITDA is included on page 63.

Total consolidated portfolio return excluding MediaAlpha

Total consolidated portfolio return excluding MediaAlpha is a non-GAAP financial measure that removes the net investment income and net realized and unrealized investment gains (losses) from White Mountains's investment in MediaAlpha. White Mountains believes this measure to be useful to management and investors by showing the underlying performance of White Mountains's investment portfolio without regard to MediaAlpha.

The following tables present reconciliations from GAAP to the reported percentages for three and six months ended June 30, 2023 and 2022:

	Three Months Ended June 30, 2023			**Three Months Ended June 30, 2022**		
	GAAP Return	**Remove MediaAlpha**	**Return - Excluding MediaAlpha**	**GAAP Return**	**Remove MediaAlpha**	**Return - Excluding MediaAlpha**
Total consolidated portfolio return	**0.9 %**	**2.1 %**	**3.0 %**	(4.7)%	2.6 %	(2.1)%

	Six Months Ended June 30, 2023			**Six Months Ended June 30, 2022**		
	GAAP Return	**Remove MediaAlpha**	**Return - Excluding MediaAlpha**	**GAAP Return**	**Remove MediaAlpha**	**Return - Excluding MediaAlpha**
Total consolidated portfolio return	**5.5 %**	**0.6 %**	**6.1 %**	(4.0)%	2.1 %	(1.9)%

Total adjusted capital

Total capital at White Mountains is comprised of White Mountains's common shareholders' equity, debt and noncontrolling interests other than noncontrolling interests attributable to BAM. Total adjusted capital is a non-GAAP financial measure, which is derived by adjusting total capital (i) to include a discount for the time value of money arising from the expected timing of cash payments of principal and interest on the BAM Surplus Notes and (ii) to add back the unearned premium reserve, net of deferred acquisition costs, at HG Global. The reconciliation of total capital to total adjusted capital is included on page 71.

CRITICAL ACCOUNTING ESTIMATES

Refer to the Company's 2022 Annual Report on Form 10-K for a complete discussion regarding White Mountains's critical accounting estimates.

FORWARD-LOOKING STATEMENTS

This report 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 report 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 "could", "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's:

- change in book value per share, adjusted book value per share or return on equity;
- business strategy;
- financial and operating targets or plans;
- incurred loss and LAE and the adequacy of its loss and LAE reserves and related reinsurance;
- projections of revenues, income (or loss), earnings (or loss) per share, EBITDA, adjusted EBITDA, dividends, market share or other financial forecasts of White Mountains or its businesses;
- 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 to its expectations and predictions is subject to risks and uncertainties that could cause actual results to differ materially from expectations, including:

- the risks that are described from time to time in White Mountains's filings with the Securities and Exchange Commission, including but not limited to White Mountains's Annual Report on Form 10-K for the fiscal year ended December 31, 2022;
- claims arising from catastrophic events, such as hurricanes, windstorms, earthquakes, floods, wildfires, tornadoes, tsunamis, severe winter weather, public health crises, terrorist attacks, war and war-like actions, explosions, infrastructure failures or cyber attacks;
- recorded loss reserves subsequently proving to have been inadequate;
- the market value of White Mountains's investment in MediaAlpha;
- the trends and uncertainties from the COVID-19 pandemic, including judicial interpretations on the extent of insurance coverage provided by insurers for COVID-19 pandemic related claims;
- business opportunities (or lack thereof) that may be presented to it and pursued;
- actions taken by rating agencies, such as financial strength or credit ratings downgrades or placing ratings on negative watch;
- the continued availability of capital and financing;
- deterioration of general economic, market or business conditions, including due to outbreaks of contagious disease (including the COVID-19 pandemic) and corresponding mitigation efforts;
- competitive forces, including the conduct of other insurers;
- changes in domestic or foreign laws or regulations, or their interpretation, applicable to White Mountains, its competitors or its customers; and
- other factors, most of which are beyond White Mountains's control.

Consequently, all of the forward-looking statements made in this report 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.

Item 3. Quantitative and Qualitative Disclosures About Market Risk.

Refer to White Mountains's 2022 Annual Report on Form 10-K and in particular **Item 7A. - "Quantitative and Qualitative Disclosures About Market Risk."**

Item 4. Controls and Procedures.

The Principal Executive Officer ("PEO") and the Principal Financial Officer ("PFO") of White Mountains have evaluated the effectiveness of its disclosure controls and procedures (as defined in Rule 13a-15(e) of the Exchange Act) as of June 30, 2023. Based on that evaluation, the PEO and PFO have concluded that White Mountains's disclosure controls and procedures are adequate and effective.

There were no changes to White Mountains's internal control over financial reporting that occurred during the second quarter of 2023 that have materially affected, or are reasonably likely to materially affect White Mountains's internal control over financial reporting.

Part II. OTHER INFORMATION

Item 1. Legal Proceedings.

None.

Item 1A. Risk Factors.

There have been no material changes to any of the risk factors previously disclosed in the Registrant's 2022 Annual Report on Form 10-K.

Item 2. Issuer Purchases of Equity Securities.

Months	Total Number of Shares Purchased	Average Price Paid per Share	Total Number of Shares Purchased as Part of Publicly Announced Plans [(1)]	Maximum Number of Shares that May Yet Be Purchased Under the Plans [(1)]
April 1 - April 30, 2023	994	$ 1,349.61	994	305,562
May 1 - May 31, 2023	4,548	$ 1,333.85	4,548	301,014
June 1 - June 30, 2023	—	$ —	—	301,014
Total	**5,542**	**$ 1,336.68**	**5,542**	**301,014**

[(1)] White Mountains's Board of Directors has authorized the Company to repurchase its common shares, from time to time, subject to market conditions. The repurchase authorizations do not have a stated expiration date.

Item 3. Defaults Upon Senior Securities.

None.

Item 4. Mine Safety Disclosures.

None.

Item 5. Other Information.

None.

Item 6. Exhibits.

(a)

Exhibit number		Name
2.1	—	Plan of Reorganization (incorporated by reference herein to the Company's Registration Statement on S-4 (No. 333-87649) dated September 23, 1999)
3.1	—	Memorandum of Continuance of the Company (incorporated by reference herein to Exhibit (3)(i) of the Company's Current Report on Form 8-K dated November 1, 1999)
3.2	—	Amended and Restated Bye-Laws of the Company (incorporated by reference herein to Exhibit 3 of the Company's Report on Form 10-Q dated May 2, 2017)
10.1	—	Third Amended and Restated Surplus Note Purchase Agreement between Build America Mutual Assurance Company, as Issuer and HG Holdings Ltd. and HG Re Ltd. as Purchasers, dated January 15, 2020. (*)
10.2	—	Third Amended and Restated Supplemental Trust Agreement by and among Build America Mutual Assurance Company, HG Re Ltd. and The Bank of New York Mellon, dated January 15, 2020. (*)
10.3	—	First Amendment to Loan and Servicing Agreement dated as of June 28, 2023 among Kudu Investment Management, LLC, Kudu Investment Holdings, LLC, Kudu Investments US, LLC, KFO Holdings, Ltd., KWCP Holdings UK, Ltd., Massachusetts Mutual Life Insurance Company and Alter Domus. (*) (**)
31.1	—	Principal Executive Officer Certification Pursuant to Rule 13a-14 (a) of the Securities Exchange Act of 1934, as Amended. (*)
31.2	—	Principal Financial Officer Certification Pursuant to Rule 13a-14 (a) of the Securities Exchange Act of 1934, as Amended. (*)
32.1	—	Principal Executive Officer Certification Pursuant to 18 U.S.C. Section 1350, as Adopted Pursuant to Section 906 of the Sarbanes-Oxley Act of 2002. (*)
32.2	—	Principal Financial Officer Certification Pursuant to 18 U.S.C. Section 1350, as Adopted Pursuant to Section 906 of the Sarbanes-Oxley Act of 2002. (*)
101	—	XBRL Instance Document - the instance document does not appear in the Interactive Data File because its XBRL tags are embedded within the Inline XBRL document.

(*) Included herein

(**) Portions of this exhibit are redacted pursuant to Item 601(b)(10)(iv) of Regulation S-K.

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, LTD.
(Registrant)

Date: August 7, 2023

By: /s/ Michaela J. Hildreth
Michaela J. Hildreth
Managing Director and Chief Accounting Officer

Exhibit 31.1

**PRINCIPAL EXECUTIVE OFFICER CERTIFICATION PURSUANT TO RULE 13a-14(a)
OF THE SECURITIES EXCHANGE ACT OF 1934**

I, G. Manning Rountree, certify that:

1. I have reviewed this quarterly report on Form 10-Q of White Mountains Insurance Group, Ltd.;

2. Based on my knowledge, this quarterly report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;

3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;

4. The registrant's other certifying officer and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and we have:

(a) Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this quarterly report is being prepared;

(b) Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;

(c) Evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and

(d) Disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and

5. The registrant's other certifying officer and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's board of directors (or persons performing the equivalent functions):

(a) All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and

(b) Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

August 7, 2023
By:

/s/ G. Manning Rountree
Chief Executive Officer
(Principal Executive Officer)

Exhibit 31.2

PRINCIPAL FINANCIAL OFFICER CERTIFICATION PURSUANT TO RULE 13a-14(a) OF THE SECURITIES EXCHANGE ACT OF 1934

I, Liam P. Caffrey, certify that:

1. I have reviewed this quarterly report on Form 10-Q of White Mountains Insurance Group, Ltd.;

2. Based on my knowledge, this quarterly report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;

3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;

4. The registrant's other certifying officer and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and we have:

(a) Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this quarterly report is being prepared;

(b) Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;

(c) Evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and

(d) Disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and

5. The registrant's other certifying officer and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's board of directors (or persons performing the equivalent functions):

(a) All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and

(b) Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

August 7, 2023

By:

/s/ Liam P. Caffrey
Executive Vice President and Chief Financial Officer
(Principal Financial Officer)

Exhibit 32.1

PRINCIPAL EXECUTIVE OFFICER
CERTIFICATION PURSUANT TO
18 U.S.C. SECTION 1350,
AS ADOPTED PURSUANT TO
SECTION 906 OF THE SARBANES-OXLEY ACT OF 2002

In connection with the quarterly report on Form 10-Q of White Mountains Insurance Group, Ltd. (the “Company”), for the period ending June 30, 2023 as filed with the Securities and Exchange Commission on the date hereof (the “Report”), I, G. Manning Rountree, Chief Executive Officer of the Company, certify, pursuant to 18 U.S.C. §1350, as adopted pursuant to §906 of the Sarbanes-Oxley Act of 2002, that to my knowledge:

- The Report fully complies with the requirements of Section 13(a) or 15(d) of the Securities Exchange Act of 1934; and,

- The information contained in the Report fairly presents, in all material respects, the financial condition and results of operations of the Company as of and for the periods presented in the Report.

/s/ G. Manning Rountree

Chief Executive Officer
(Principal Executive Officer)

August 7, 2023

Exhibit 32.2

PRINCIPAL FINANCIAL OFFICER
CERTIFICATION PURSUANT TO
18 U.S.C. SECTION 1350,
AS ADOPTED PURSUANT TO
SECTION 906 OF THE SARBANES-OXLEY ACT OF 2002

In connection with the quarterly report on Form 10-Q of White Mountains Insurance Group, Ltd. (the “Company”), for the period ending June 30, 2023 as filed with the Securities and Exchange Commission on the date hereof (the “Report”), I, Liam P. Caffrey, Executive Vice President and Chief Financial Officer of the Company, certify, pursuant to 18 U.S.C. §1350, as adopted pursuant to §906 of the Sarbanes-Oxley Act of 2002, that to my knowledge:

- The Report fully complies with the requirements of Section 13(a) or 15(d) of the Securities Exchange Act of 1934; and,

- The information contained in the Report fairly presents, in all material respects, the financial condition and results of operations of the Company as of and for the periods presented in the Report.

/s/ Liam P. Caffrey

Executive Vice President and Chief Financial Officer
(Principal Financial Officer)

August 7, 2023