

**UNITED STATES  
SECURITIES AND EXCHANGE COMMISSION**

Washington, D.C. 20549

**FORM 8-K**

**CURRENT REPORT**

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

January 20, 2007

Date of Report (Date of earliest event reported)

**WHITE MOUNTAINS INSURANCE GROUP, LTD.**

(Exact name of registrant as specified in its charter)

**Bermuda**

(State or other jurisdiction of  
incorporation or organization)

**1-8993**

(Commission file  
number)

**94-2708455**

(I.R.S. Employer  
Identification No.)

**80 South Main Street, Hanover, New Hampshire 03755**

(Address of principal executive offices)

**(603) 640-2200**

(Registrant's telephone number, including area code)

Check the appropriate box below if the Form 8-K filing is intended to simultaneously satisfy the filing obligation of the registrant under any of the following provisions:

- Written communications pursuant to Rule 425 under the Securities Act (17 CFR 230.425)
- Soliciting material pursuant to Rule 14a-12 under the Exchange Act (17 CFR 240.14a-12)
- Pre-commencement communications pursuant to Rule 14d-2(b) under the Exchange Act (17 CFR 240.14d-2(b))
- Pre-commencement communications pursuant to Rule 13e-4(c) under the Exchange Act (17 CFR 240.13e-4(c))

**ITEM 1.01 Entry into a Material Definitive Agreement.**

On January 22, 2007, White Mountains Insurance Group, Ltd. ("the Company") issued a press release announcing that its Board of Directors has elected Raymond Barrette as Chairman and Chief Executive Officer of the Company. The press release furnished herewith is attached as Exhibit 99.1 to this Form 8-K.

As a material inducement to accept his new position, the Company's Compensation Committee and Board of Directors approved Mr. Barrette's compensation package as described below in Item 5.02.

**ITEM 5.02 Departure of Directors or Principal Officers; Election of Directors; Appointment of Certain Officers; Compensatory Arrangements of Certain Officers.**

- (b) On January 20, 2007, Mr. Barrette succeeded John J. Byrne as Chairman and Steven E. Fass as Chief Executive Officer. Mr. Byrne announced his retirement from the Board of Directors and Mr. Fass announced his retirement from active management, both effective immediately. Mr. Fass remains a director and will also serve as an advisor to Mr. Barrette and the senior management team.
- (c) As noted above, Mr. Barrette was elected as the Company's Chief Executive Officer. Mr. Barrette, 56, most recently has served as a director of the Company since August 2006 and was previously a director from 2000 to 2005. He served as President and Chief Executive Officer of the Company from 2003 to 2005, as Chief Executive Officer of OneBeacon Insurance Group LLC, a subsidiary of the Company, from 2001 to 2002, as President of the Company from 2000 to 2001 and as Executive Vice President and Chief Financial Officer of the Company from 1997 to 2000. In addition, Mr. Barrette currently serves as Lead Director of Montpelier Re Holdings Ltd.

Mr. Barrette's compensation arrangements that were approved by the Company's Compensation Committee and Board of Directors are as follows. Mr. Barrette's annual base salary for 2007 was set at \$400,000, which is the Company's maximum base salary, and his annual bonus target was set at 50% of his annual salary, the same as the Company's other executive officers. In addition, as a material inducement to Mr. Barrette, the Committee and Board approved the following equity grants, which are the only grants that are intended to be made to Mr. Barrette over the next seven years: (1) 200,000 seven-year options that vest in equal annual installments over five years and that have an initial exercise price of \$650 per share that escalates each year

by 5% less the annual regular dividend rate, (2) 35,000 restricted shares that vest in equal annual installments over five years, and (3) 15,000 restricted shares that vest in the event of a change of control of the Company within the next five years.

Provisions of Mr. Barrette's equity grants that differ from the terms contained in the Company's Long-term Incentive Plan ("LTIP") include the following: (1) in the event of a change in control of the Company or if Mr. Barrette is terminated without cause, all unvested options and restricted shares will immediately vest, (2) the definition of "change in control" is the same as in the LTIP except that John J. Byrne becoming the beneficial owner of 35% or more of the Company's common shares through an acquisition of shares shall be a change in control, and (3) upon the occurrence of a dilutive event described in Section 15 of the LTIP (such as a stock split, extraordinary dividend or other similar event), Mr. Barrette's option grant shall be required to be adjusted in an equitable manner as determined by the Compensation Committee.

Mr. Barrette does not have an employment contract and has no other severance arrangements with the Company. In the event Mr. Barrette's employment with the Company were to terminate, he will be subject to a customary non-compete agreement.

**ITEM 9.01 Financial Statements and Exhibits**

(d) Exhibits. The following exhibit is furnished herewith:

<u>Exhibit No.</u>	<u>Description</u>
99.1	Press release issued by White Mountains Insurance Group, Ltd., dated January 22, 2007.

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**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.

DATED: January 22, 2007

By: /s/ J. BRIAN PALMER  
J. Brian Palmer  
*Chief Accounting Officer*



## PRESS RELEASE

### CONTACTS:

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### RAY BARRETTE ELECTED CHAIRMAN AND CEO OF WHITE MOUNTAINS

**HAMILTON, Bermuda, January 22, 2007** — White Mountains Insurance Group, Ltd. (NYSE: WTM) today announced the election of Ray Barrette as Chairman and Chief Executive Officer, effective immediately. Mr. Barrette succeeds Jack Byrne as Chairman and Steve Fass as CEO. In addition, Mr. Byrne retired from the Board of the Company.

Jack Byrne said, "With great regret, I must retire completely at this time. What a wonderful adventure it has been! From the Fireman's Fund public offering twenty two years ago to today, I cherish the confidence and support I have received from my fellow directors, our talented managers and, importantly, from our owners."

Mr. Byrne continued, "I have no doubt that Ray Barrette is the right person to lead the Company going forward. In fact, Mrs. Byrne and I have given Ray a full proxy to vote our shares. The Board is excited about Ray's return to full time management and has great confidence in the future of the Company under his leadership."

Jack added, "Steve has made strong contributions over many years. I asked him to stay. I am disappointed that he has elected to retire from active management but pleased that he will remain as a director and advisor. The Company is in terrific shape. We finished 2006 on a strong note."

Mr. Barrette was CEO and a director of the Company until his retirement in October 2005. He returned as a director of the Company in August 2006. Mr. Barrette originally joined the Company in 1973.

Mr. Barrette said, "I am excited about rejoining a strong management team and to assume leadership of the Board. I appreciate the Board's confidence and support. I will strive to always deserve both. The Company has some terrific opportunities and I can't wait to get started. Some tactics may change but we remain focused on our mission of delivering superior returns to our owners."

Mr. Barrette added, "On behalf of myself, the rest of the Board, our employees and our owners, I want to thank Jack for his dedication to this Company for the past 22 years. All of us who have had the privilege of being associated with Jack are humbled by his energy and talent. Thank you, Jack, and please take care of Dorothy and yourself and enjoy a long retirement."

As a material inducement to accept his position, the Compensation Committee and the Board of the Company approved the following equity grants to Mr. Barrette: (1) 200,000 seven-year options that vest in equal annual installments over five years and that have an initial exercise price of \$650 per share that escalates each year by 5% less the annual regular dividend rate, (2) 35,000 restricted shares that vest in

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equal annual installments over five years, and (3) 15,000 restricted shares that vest in the event of a change of control of the Company within the next five years. These grants are the only equity awards that are intended to be granted to Mr. Barrette over the next seven years.

In the event of a change in control of the Company or if Mr. Barrette is terminated without cause, all unvested options and restricted shares will vest. Mr. Barrette does not have an employment contract and has no other severance arrangements with the Company.

### ADDITIONAL INFORMATION

White Mountains is a Bermuda-domiciled financial services holding company traded on the New York Stock Exchange and the Bermuda Stock Exchange under the symbol WTM. Additional financial information and other items of interest are available at the Company's web site located at [www.whitemountains.com](http://www.whitemountains.com).

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

The press release may contain "forward-looking statements" within the meaning of Section 27A of the Securities Act of 1933 and Section 21E of the Securities Exchange Act of 1934. All statements, other than statements of historical facts, included or referenced in this release which address activities, events or developments which we expect or anticipate will or may occur in the future are forward-looking statements. The words "will," "believe," "intend," "expect," "anticipate," "project," "estimate," "predict" and similar expressions are also intended to identify forward-looking statements. These forward-looking statements include, among others, statements with respect to White Mountains':

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

*These statements are based on certain assumptions and analyses made by White Mountains in light of its experience and perception of historical trends, current conditions and expected future developments, as well as other factors believed to be appropriate in the circumstances. However, whether actual results and developments will conform to our expectations and predictions is subject to a number of risks and uncertainties that could cause actual results to differ materially from expectations, including:*

- *the risks associated with Item 1A of White Mountains' 2005 Annual Report on Form 10-K and third quarter 2006 Form 10Q;*
- *claims arising from catastrophic events, such as hurricanes, earthquakes, floods or terrorist attacks;*
- *the continued availability of capital and financing;*
- *general economic, market or business conditions;*
- *business opportunities (or lack thereof) that may be presented to it and pursued;*
- *competitive forces, including the conduct of other property and casualty insurers and reinsurers;*
- *changes in domestic or foreign laws or regulations, or their interpretation, applicable to White Mountains, its competitors or its clients;*
- *an economic downturn or other economic conditions adversely affecting its financial position;*
- *recorded loss reserves subsequently proving to have been inadequate;*
- *other factors, most of which are beyond White Mountains' control.*

*Consequently, all of the forward-looking statements made in this press release are qualified by these cautionary statements, and there can be no assurance that the actual results or developments anticipated by White Mountains will be realized or, even if substantially realized, that they will have the expected consequences to, or effects on, White Mountains or its business or operations. White Mountains assumes no obligation to update publicly any such forward-looking statements, whether as a result of new information, future events or otherwise.*

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