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

JUNE 1, 2001
Date of Report (Date of earliest event reported)

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

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

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

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

ITEM 2. ACQUISITION OF ASSETS

White Mountains Insurance Group, Ltd. (the "Registrant") announced on June 1, 2001 that it completed its acquisition of the U.S. property and casualty operations ("CGU") of London-based CGNU plc.

The Stock Purchase Agreement and the press release dated September 25, 2000 were previously filed as Exhibits 99 (a) and 99 (b), respectively, to the Form 8-K dated September 25, 2000. Amendment No.1 to the Stock Purchase Agreement, the Registrant's press release dated October 19, 2000, the Convertible Preferred Stock Term Sheet, the Berkshire Hathaway Preferred Stock and Warrants Term Sheet, the Senior Secured Credit Facilities Commitment and the Amendment to the Senior Secured Credit Facilities Commitment were previously filed as Exhibits 99(c), 99(d), 99(e), 99(f), 99(g) and 99(h), respectively, to the Form 8-K dated October 19, 2000. Amendment No. 2 to the Stock Purchase Agreement, the summary of the terms and conditions of the modified Lehman financing commitment and the Registrant's press release dated February 20, 2001 were previously filed as Exhibits 99(i), 99(j) and 99(k), respectively, to the Form 8-K dated February 20, 2001. The reinsurance contracts with National Indemnity Company and General Re Corporation (and related agreements) and the Registrant's press release dated June 1, 2001 were previously filed as Exhibits 99(m), 99(n), 99(o), 99(p), 99(q) and 99(r), respectively, to the Form 8-K dated June 1, 2001.

The Registrant's Warrant Agreement and Subscription Agreement with Berkshire Hathaway Inc., each dated May 30, 2001, as well as the Registrant's Subordinated Note Due 2002 and Note Purchase Option Agreement with CGU International Holdings Luxembourg S.A. and CGU Holdings LLC, each dated as of June 1, 2001, are attached herewith as Exhibits 99(s), 99(t), 99(u) and 99(v), respectively, and are incorporated by reference in their entirety.

ITEM 7. FINANCIAL STATEMENTS AND EXHIBITS.

(a) Not applicable.

(b) Pro Forma Financial Information. The pro forma financial information required by part (b) of Item 7 relating to the June 1, 2001 acquisition of CGU by the Registrant is not currently available. The Company will provide the requisite financial information, prepared in accordance with Regulation S-X, in an amendment to this report within 60 days of the date of this report.

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

EXHIBIT NO.	DESCRIPTION
99 (s)	Warrant Agreement among the Registrant and Berkshire Hathaway dated May 30, 2001.
99 (t)	Subscription Agreement among Berkshire Hathaway Inc., TACK Acquisition Corp. and the Registrant dated May 30, 2001.
99 (u)	Form of Subordinated Note Due 2002 dated June 1, 2001.
99 (v)	Note Purchase Option Agreement among CGU International Holdings Luxembourg S.A., CGU Holdings LLC and the Registrant dated June 1, 2001.

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: June 8, 2001

By: ______________/s/____________________
J. Brian Palmer
Chief Accounting Officer

Exhibit 99(s)

EXECUTION COPY

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WARRANT AGREEMENT

WHITE MOUNTAINS INSURANCE GROUP, LTD.

AND

BERKSHIRE HATHAWAY INC.

DATED MAY 30, 2001

WARRANTS TO PURCHASE 1,714,285 COMMON SHARES

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Exhibit A	Form of Series A Warrant Certificate
Exhibit B	Form of Series B Warrant Certificate
Exhibit C	Warrant Register
Exhibit D	Definition of "Transactions"
Exhibit E	Registration Rights Agreement

WARRANT AGREEMENT dated May 30, 2001, between WHITE MOUNTAINS INSURANCE GROUP, LTD., a company existing under the laws of Bermuda (the "ISSUER"), and BERKSHIRE HATHAWAY INC., a Delaware corporation ("HOLDER").

WHEREAS Holder is a party to the Subscription Agreement (the "SUBSCRIPTION AGREEMENT") dated as of May 30, 2001, pursuant to which Holder has agreed to purchase 300,000 shares of Series A Preferred Stock of Newco for a purchase price of $225 million; and

WHEREAS the Issuer desires to issue to Holder, and Holder desires to purchase from the Issuer, for a purchase price of $75 million, 1,170,000 Series A Warrants to acquire 1,170,000 Common Shares of Issuer and 544,285 Series B Warrants to acquire 544,285 Common Shares of Issuer, in each case, at an exercise price of $175 per share.

NOW, THEREFORE, in consideration of the foregoing, the parties hereto agree as follows:

SECTION 1. DEFINITIONS. As used in this Warrant Agreement, the following terms shall have the following meanings, unless the context requires otherwise:

"AFFILIATE" of a specified Person means any Person that is a direct or indirect wholly-owned subsidiary of such specified Person.

"BUSINESS DAY" shall mean any day other than a Saturday, Sunday or a day on which banking institutions in the State of New York or Bermuda are authorized or obligated by law or executive order to close.

"CGU" shall mean CGU Corporation, a Delaware corporation and a wholly-owned subsidiary of CGNU plc.

"CLOSING" shall have the meaning given to such term in Section 3.

"CLOSING DATE" shall have the meaning given to such term in Section 3.

"CLOSING PRICE" per Common Share on any date shall be the last sale price, regular way, or, in case no such sale takes place on such day, the average of the closing bid and asked prices, regular way, in either case as reported in the principal consolidated transaction reporting system with respect to securities listed or admitted to trading on the New York Stock Exchange, Inc., or, if the Common Shares are not listed or admitted to trading on the New York Stock Exchange, Inc., as reported in the principal consolidated transaction reporting system with respect to securities listed on the principal national securities exchange on which the Common Shares are listed or admitted to trading or, if the Common Shares are not listed or admitted to trade on any national securities exchange, the last quoted sale price or, if not so quoted, the average of the high bid and low asked prices in the over-the-counter market, as reported by the National Association of Securities Dealers, Inc. Automated Quotations System ("NASDAQ") or such other system then in use, or if on any such date the Common Shares are not quoted by any such organization, the average of the closing bid and asked prices as furnished by a professional market maker making a market in the Common Shares selected by the Board of Directors. If the Common Shares are not publicly held or so listed or publicly traded, "Closing Price" shall mean the fair market value per share as determined in good faith by the Board of Directors of the Issuer in reliance upon an opinion of a nationally recognized investment bank and certified in a resolution sent to the Designated Holder.

"COMMON SHARES" shall mean common shares of the Issuer, par value $1 per share.

"CONVERTIBLE SECURITIES" shall mean any rights, warrants, options or other securities convertible into or exercisable or exchangeable for Common Shares, other than any Permitted Issuances.

"CURRENT MARKET PRICE" per Common Share on any date shall be deemed to be the Closing Price per Common Share on the Trading Day immediately prior to such date.

"DESIGNATED HOLDER" shall mean (a) any Person holding more than 50% of the aggregate Warrants then outstanding or (b) in the event no Person satisfies clause (a) of this definition, one or more Persons who together

hold, in the aggregate, more than 50% of the aggregate Warrants then outstanding.

"EXCHANGE ACT" shall mean the Securities Exchange Act of 1934, as amended, and the rules and regulations promulgated thereunder.

"EXERCISE PRICE" shall mean the exercise price per Warrant Share of a Series A Warrant or a Series B Warrant, which shall initially be $175 per Warrant Share, subject to adjustment as provided in Section 13.

"EXPIRATION DATE" shall mean the seventh anniversary of the Closing Date or, if such day is not a Business Day, the next succeeding Business Day.

"FAIR MARKET VALUE" means, as of any date, with respect to a Common Share (including any Warrant Share), the average of the Closing Prices of a Common Share for the ten consecutive Trading Days immediately prior to the determination date or, if the Common Shares are not listed or admitted to trade on any national securities exchange, the fair market value per share as determined in good faith by the Board of Directors of the Issuer in reliance upon an opinion of a nationally recognized investment bank and certified in a resolution sent to the Designated Holder.

"GOVERNMENTAL AUTHORITY" shall mean any Federal, state, municipal, foreign or other court or governmental or administrative body or agency or any other regulatory or self-regulatory body.

"MATERIAL ADVERSE EFFECT" with respect to any Person means a material adverse effect on (a) the business, financial condition or results of operations of such Person and its subsidiaries, taken as a whole, or (b) the ability of such Person to perform its obligations under this Warrant Agreement.

"NEWCO" shall have the meaning assigned to such term in Exhibit D.

"NOTICE OF TRANSFER" shall have the meaning assigned to such term in Section 9(f)(iii).

"PERMITTED ISSUANCES" shall mean (a) any shares, warrants, options, rights or other securities of the Issuer

outstanding on the date hereof, (b) the Warrants and Warrant Shares, (c) any securities of the Issuer that are issued in connection with, and on terms substantially consistent with, the Transactions, (d) any stock options or other securities of the Issuer granted pursuant to any employee benefit plan or program of the Issuer and any Common Shares or other securities of the Issuer issued upon exercise thereof; PROVIDED, HOWEVER, that in the case of a grant to a director or officer (as defined in Rule 16a-1(f) of the Exchange Act) of the Issuer, such grant shall not be a "Permitted Issuance" if an aggregate of more than 300,000 Common Shares (subject to adjustment in proportion to any adjustment of the number of Warrant Shares pursuant to Section 13(a)) shall have been granted, or shall be subject to be granted on the exercise of other securities that shall have been granted, to directors and officers of the Issuer following the Closing Date pursuant to any employee benefit plan or program of the Issuer, (e) any securities of the Issuer issued in consideration for the acquisition of a business and (f) any public offering of any securities of the Issuer, including pursuant to the Registration Rights Agreement, under the Securities Act.

"PERSON" shall mean any person or entity of any nature whatsoever, specifically including an individual, a firm, a company, a corporation, a partnership, a trust or other entity.

"REQUIRED SHAREHOLDER APPROVAL" shall mean the approval by Issuer's shareholders of the issuance of Warrant Shares upon the exercise of Series B Warrants, in compliance with Section 312.03(c) of the New York Stock Exchange Listed Company Manual.

"SECURITIES ACT" shall mean the Securities Act of 1933, as amended, and the rules and regulations promulgated thereunder.

"SERIES A WARRANT" shall mean each Series A Warrant issued pursuant to this Warrant Agreement, which entitles the record holder thereof to purchase from the Issuer at the Warrant Office one Common Share (subject to adjustment as provided in Section 13), at the Exercise Price at any time before 5:00 p.m., New York City time, on the Expiration Date.

"SERIES B WARRANT" shall mean each Series B Warrant issued pursuant to this Warrant Agreement, which entitles the record holder thereof to (1) purchase from the Issuer at the Warrant Office one Common Share (subject to adjustment as provided in Section 13), at the Exercise Price at any time (i) after the earlier of (A) March 31, 2003, and (B) the date the Required Shareholder Approval is obtained and (ii) prior to 5:00 p.m., New York City time, on the Expiration Date, or (2) after March 31, 2003 and at any time prior to 5:00 p.m., New York City time, on the Expiration Date, if the Required Shareholder Approval has not then been obtained, upon surrender of the Warrant Certificate evidencing such Series B Warrants to the Issuer for cancelation in exchange therefor, receive the cash payment pursuant to Section 9(b) hereof.

"TRADING DAY" means a day on which the principal national securities exchange on which the Common Shares are listed or admitted to trading is open for the transaction of business or, if the Common Shares are not listed or admitted to trading on any national securities exchange, any day other than a Saturday, Sunday, or a day on which banking institutions in the State of New York or Bermuda are authorized or obligated by law or executive order to close.

"TRANSACTIONS" shall have the meaning assigned to such term in Exhibit D.

"WARRANTS" shall mean Series A Warrants and Series B Warrants.

"WARRANT CERTIFICATES" shall mean a certificate evidencing one or more Series A Warrants and/or Series B Warrants, as applicable, substantially in the form of Exhibit A and Exhibit B hereto, respectively, with such changes therein as may be required to reflect any adjustments made pursuant to Section 13.

"WARRANT OFFICE" shall mean the office or agency of the Issuer at which the Warrant Register shall be maintained and where the Warrants may be presented for exercise, exchange, substitution and transfer, which office or agency will be the office of the Issuer, 80 South Main Street, Hanover, New Hampshire 03755, which office or agency may be changed by the Issuer pursuant to notice in writing to the Person(s) named in the Warrant Register as the holder(s) of the Warrants.

"WARRANT REGISTER" shall mean the register, substantially in the form of Exhibit C hereto, maintained by the Issuer at the Warrant Office.

"WARRANT SHARES" shall mean the Common Shares issuable or issued upon exercise of the Series A Warrants or Series B Warrants, as applicable, as the number and/or type of such shares may be adjusted from time to time pursuant to Section 13.

SECTION 2. PURCHASE AND SALE. On the Closing Date, and subject to the terms and conditions of this Warrant Agreement (including Section 7), the Issuer agrees to issue and sell to Holder, and Holder agrees to purchase and accept from the Issuer, for an aggregate purchase price of $75 million (the "PURCHASE PRICE"), (a) Series A Warrants to acquire 1,170,000 Common Shares and (b) Series B Warrants to acquire 544,285 Common Shares, in each case, at the Exercise Price. Subject to the terms and conditions of this Warrant Agreement and in reliance upon the representations, warranties and agreements of Holder hereunder, the Issuer shall deliver to Holder on the Closing Date (against payment of the Purchase Price in immediately available funds by wire transfer to a bank designated by the Issuer) one or more warrant certificate(s) representing Series A Warrants and Series B Warrants in the forms attached as Exhibit A and Exhibit B, respectively, to this Warrant Agreement.

SECTION 3. THE CLOSING. Subject to the terms and conditions of this Warrant Agreement, the purchase and sale provided for herein (the "CLOSING") will take place (a) at the offices of Cravath, Swaine & Moore, 825 Eighth Avenue, New York, NY 10019, at 10:00 a.m., New York City time, on the date on which the Transactions are consummated (the "TRANSACTION CLOSING DATE") or (b) such other time, date and place on or prior to the Transaction Closing Date as shall be fixed by agreement among the parties hereto. The date and time of Closing are herein referred to as the "CLOSING DATE".

SECTION 4. REPRESENTATIONS AND WARRANTIES OF THE ISSUER. The Issuer hereby represents and warrants, as follows:

(a) The Issuer has been duly formed, and is validly existing and in good standing, under the laws of Bermuda. The issuance, sale and delivery by the

Issuer of this Warrant Agreement and the Warrant Certificates, the issuance of the Warrants and the issuance of the Warrant Shares upon exercise of the Warrants have been duly authorized by the Issuer. Upon issuance and delivery and upon payment therefor as contemplated hereby, (i) the Warrants and the Warrant Certificates will constitute legal, valid, binding and enforceable obligations of the Issuer and (ii) the Warrant Shares, when issued upon exercise of the Warrants in accordance with the terms thereof, including payment therefor, will be duly authorized, validly issued, fully paid and nonassessable Common Shares. This Warrant Agreement has been duly and validly executed and delivered by the Issuer and is the legal, valid and binding obligation of the Issuer enforceable against the Issuer in accordance with its terms.

(b) No action, consent or approval by, or filing with a Governmental Authority, is required to be made by the Issuer in connection with the execution and delivery by the Issuer of this Warrant Agreement or the consummation by the Issuer of the transactions contemplated hereby, other than (i) such consents, approvals or filings required in connection with the Transactions, including the filing of premerger notification and report forms under the Hart-Scott- Rodino Antitrust Improvements Act of 1976, as amended (the "HSR ACT"), (ii) the filing of premerger notification and report forms under the HSR Act in connection with Holder's exercise of the Warrants, (iii) filings and notices required under the insurance laws of each jurisdiction in which the Issuer or its subsidiaries or CGU or its subsidiaries conducts business, in each case in connection with Holder's investment in the Issuer and Newco as contemplated by this Warrant Agreement and the Subscription Agreement, (iv) those which may be required solely by reason of Holder's (as opposed to any other third party's) participation in the Transactions or in transactions contemplated hereby and (v) such other consents, approvals and filings, the failure of which to obtain would not have a Material Adverse Effect on the Issuer.

(c) None of the execution, delivery or performance of this Warrant Agreement by the Issuer will (i) result in any violation of or be in conflict

with or constitute a default under any terms of the organizational documents of the Issuer, (ii) result in any material breach of any terms or provisions of, or constitute a material default under, any material contract, agreement or instrument to which the Issuer is a party or by which the Issuer or its property is bound or (iii) violate any judgment, order, decree, statute, law, rule or regulation applicable to the Issuer, other than, in the case of the foregoing clauses (ii) and (iii), any violation, conflict, breach or default that would not have a Material Adverse Effect on the Issuer.

(d) No broker, investment banker, financial advisor or other person other than Lehman Brothers Inc., the fees and expenses of which will be paid by Newco, is entitled to any broker's, finder's, financial advisor's or other similar fee or commission in connection with the transactions contemplated by this Warrant Agreement based upon arrangements made by or on behalf of the Issuer.

(e) The authorized share capital of Issuer consists of (i) 50,000,000 Common Shares and (ii) 20,000,000 preference shares. As of the date hereof, 5,896,115 Common Shares are issued and outstanding, 81,000 Common Shares were subject to employee stock options and 441,400 Common Shares were reserved for issuance pursuant to employee benefit plans of Issuer. Except as set forth above, as of the date hereof, no shares of capital stock or other equity securities of Issuer are issued, reserved for issuance or outstanding.

SECTION 5. REPRESENTATIONS AND WARRANTIES OF HOLDER. Holder represents and warrants to the Issuer as follows:

(a) Holder has been duly formed, and is validly existing and in good standing, under the laws of the State of Delaware. Holder has full right, power and authority to consummate the transactions contemplated herein. This Warrant Agreement has been duly and validly executed and delivered by Holder and is the legal, valid and binding obligation of Holder enforceable against Holder in accordance with its terms.

(b) No action, consent or approval by, or filing with, any Governmental Authority, by reason of authority over the affairs of Holder, is required to be made or obtained by Holder in connection with the execution and delivery by Holder of this Warrant Agreement or the consummation by Holder of the transactions contemplated hereby other than (i) the approvals, filings and notices required under the insurance laws of such jurisdictions in which the Issuer or its subsidiaries, or CGU or its subsidiaries, conducts business, in each case in connection with Holder's investment in the Issuer and Newco as contemplated by this Warrant Agreement and the Subscription Agreement, (ii) the filing of pre-merger notification and report forms under the HSR Act in connection with Holder's exercise of the Warrants and (iii) such other consents, approvals and filings, the failure of which to obtain would not have a Material Adverse Effect on Holder.

(c) None of the execution, delivery or performance of this Warrant Agreement by Holder will (i) result in any violation of or be in conflict with or constitute a default under any terms of the organizational documents of Holder, (ii) result in any material breach of any terms or provisions of, or constitute a material default under, any material contract, agreement or instrument to which Holder is a party or by which Holder or its property is bound or (iii) violate any judgment, order, decree, statute, law, rule or regulation applicable to Holder, other than, in the case of the foregoing clauses (ii) and (iii), any violation, conflict, breach or default that would not have a Material Adverse Effect on Holder.

(d) Holder is acquiring the Warrants hereunder for investment, solely for its own account and not with a view to, or for resale in connection with, the distribution of such Warrants or Warrant Shares.

(e) Holder is an "ACCREDITED INVESTOR" (as such term is defined in Rule 501 of Regulation D promulgated under the Securities Act). The financial situation of Holder is such that it can afford to bear the economic risk of holding the Warrants and Warrant Shares. Holder can afford to suffer the complete loss of its investment in the Warrants and Warrant Shares. The

knowledge and experience of Holder in financial and business matters is such that it is capable of evaluating the risks of the investment in the Warrants and Warrant Shares. Holder acknowledges that no representations, express or implied, are being made with respect to the Issuer, Newco, the Warrants, Warrant Certificates and Warrant Shares, or otherwise, other than those expressly set forth herein or in the Subscription Agreement dated as of May 30, 2001.

(f) No broker, investment banker, financial advisor or other person is entitled to any broker's, finder's, financial advisor's or other similar fee or commission in connection with the transactions contemplated by this Warrant Agreement based upon arrangements made by or on behalf of Holder.

SECTION 6. COVENANTS.

(a) REASONABLE BEST EFFORTS; FURTHER ACTIONS. Each of Issuer and Holder will use its reasonable best efforts to take or cause to be taken all action and to do or cause to be done all things necessary, proper or advisable under applicable laws and regulations to consummate and make effective the transactions contemplated by this Warrant Agreement. If, at any time after the Closing Date, any further action is necessary or desirable to carry out the purposes of this Warrant Agreement or to vest the Holder with full title to the Warrants, the proper officers, directors, partners or duly authorized representatives of each party to this Warrant Agreement shall take all such necessary action.

(b) CONSENTS. Each of the Issuer and Holder will cooperate with each other, and use its reasonable best efforts, in filing any necessary applications, reports or other documents with, giving any notices to, and seeking any consents from, all regulatory bodies and all governmental agencies and authorities (including the filing of any pre- merger notification and report forms under the HSR Act) and all third parties as may be necessary or desirable in connection with the consummation of the transactions contemplated by this Warrant Agreement.

(c) REQUIRED SHAREHOLDER APPROVAL. The Issuer shall seek the Required Shareholder Approval not later than its 2001 Annual Meeting.

(d) NO ADDITIONAL COMMON SHARES. The Issuer will not issue any additional Common Shares prior to obtaining the Required Shareholder Approval if and to the extent that such issuance would reduce (after any adjustment as provided in Section 13) the number of Warrant Shares that Issuer would be permitted under Section 312.03(c) of the New York Stock Exchange Listed Company Manual to issue to Holder upon the exercise of any Series A Warrants.

SECTION 7. CONDITIONS TO OBLIGATIONS OF HOLDER. Holder's obligation to purchase the Warrants pursuant to this Warrant Agreement (the "HOLDER INVESTMENT") are subject to the satisfaction or waiver of the following conditions on or prior to the Closing Date:

(a) concurrently with the Closing hereunder, the Transactions shall have been consummated pursuant to the terms and conditions of the Stock Purchase Agreement, the Commitment Letter, the WTM Equity Term Sheet (each as defined in Exhibit D) and the Subscription Agreement, which shall not have been amended and the closing conditions contained therein waived in any material respect without Holder's prior written consent;

(b) after giving effect to the consummation of the Transactions, the corporate and capital structure of the Issuer and its subsidiaries shall be as set forth in Exhibit D, except for such changes as shall not adversely affect in any material respect the Holder;

(c) there shall not exist on the Closing Date any injunction or other order, or statute, rule or regulation, of any Governmental Authority preventing or prohibiting the consummation of the Holder Investment;

(d) there shall have been received all necessary approvals from state insurance regulators (which approvals shall permit exercise of the Warrants without any further approvals other than (i) expiration or termination of any applicable waiting period under the HSR Act and (ii) in the case of the Series B Warrants, the Required Shareholder Approval) with respect to the Holder Investment;

(e) the representations and warranties of the Issuer set forth in this Warrant Agreement that are

qualified as to materiality shall be true and correct and those not so qualified shall be true and correct in all material respects as of the Closing Date as though made on the Closing Date (except to the extent any such representation or warranty speaks as of an earlier date, in which case such representations and warranties qualified as to materiality shall be true and correct, and those not so qualified shall be true and correct in all material respects, on and as of such earlier date);

(f) Issuer shall have performed in all material respects all obligations required to be performed by it under this Warrant Agreement at or prior to the Closing Date;

(g) the Issuer shall have executed and delivered to Holder the Registration Rights Agreement substantially in the form of Exhibit E; and

(h) Issuer shall have delivered to Holder a written notice of the Closing three Business Days prior to the Closing Date, and on the Closing Date, prior to the Holder Investment, an officer's certificate as to the satisfaction, to such officer's knowledge, of all of the conditions to Holder's obligations hereunder (other than as to matters that have been waived by, or are within the knowledge or control of, Holder).

SECTION 8. CONDITIONS TO OBLIGATIONS OF ISSUER. The Issuer's obligations to sell and deliver the Warrants to Holder pursuant to this Warrant Agreement are subject to the satisfaction or waiver of the following conditions on or prior to the Closing Date:

(a) concurrently with the Closing hereunder, the Transactions shall have been consummated;

(b) there shall not exist on the Closing Date any injunction or other order, or statute, rule or regulation, of any Governmental Authority preventing or prohibiting the consummation of the Holder Investment;

(c) there shall have been received all necessary approvals from state insurance regulators (which approvals shall permit exercise of the Warrants without any further approvals other than (i) expiration or termination of any applicable waiting period under the

HSR Act or (ii) in the case of the Series B Warrants, the Required Shareholder Approval) with respect to Holder Investment;

(d) the representations and warranties of Holder set forth in this Warrant Agreement that are qualified as to materiality shall be true and correct and those not so qualified shall be true and correct in all material respects as of the Closing Date as though made on the Closing Date (except to the extent any such representation or warranty speaks as of an earlier date, in which case such representations and warranties qualified as to materiality shall be true and correct, and those not so qualified shall be true and correct in all material respects, on and as of such earlier date);

(e) Holder shall have performed in all material respects all obligations required to be performed by it under this Warrant Agreement at or prior to the Closing Date; and

(f) Holder shall have delivered to the Issuer on the Closing Date, an officer's certificate as to the satisfaction, to such officer's knowledge, of all of the conditions to the Issuer's obligations hereunder (other than as to matters that have been waived by, or are within the knowledge or control of, the Issuer).

SECTION 9. DURATION AND EXERCISE OF WARRANTS.

(a) SERIES A WARRANTS. Subject to the terms and conditions of this Warrant Agreement, the registered holder of Series A Warrants evidenced by a Warrant Certificate shall have the right, at its option, to exercise, in whole or in part, its Series A Warrants on any Business Day at any time on or after the Closing Date and prior to 5:00 p.m., New York City time, on the Expiration Date.

(b) SERIES B WARRANTS. Subject to the terms and conditions of this Warrant Agreement, the registered holder of Series B Warrants evidenced by a Warrant Certificate shall have the right, at its option, to exercise, in whole or in part, its Series B Warrants on any Business Day at any time (i) after the earlier of (A) March 31, 2003, and (B) the date the Required Shareholder Approval is obtained and (ii) prior to 5:00 p.m., New York City time, on the Expiration Date. If the Required Shareholder Approval has not been obtained at or prior to the time of the valid

exercise by a registered holder of any Series B Warrants evidenced by a Warrant Certificate, in lieu of issuing Warrant Shares upon such exercise, the Issuer shall pay such registered holder in cash, for each Warrant Share to which such holder would otherwise be entitled upon exercise of such Series B Warrants, and upon surrender of the Warrant Certificate evidencing such Series B Warrants to the Issuer for cancelation in exchange therefor, an amount equal to the Fair Market Value of such Warrant Share as of the date of such exercise less the Exercise Price for such Warrant Share. Any cash payment due from the Issuer to a registered holder pursuant to this Section 8(b) shall be made by the Issuer not later than 90 days after written notice of the exercise of the applicable Warrants has been given to the Issuer by such registered holder.

(c) EXERCISE OF WARRANTS. Subject to the provisions of this Warrant Agreement (including this Section 9), upon surrender of the Warrant Certificate evidencing Series A Warrants or Series B Warrants to be exercised, with the form of election to purchase on the reverse thereof duly completed and signed by the registered holder thereof, to the Issuer at the Warrant Office, and upon payment of the aggregate Exercise Price for the number of Warrant Shares in respect of which such Warrants are being exercised in lawful money of the United States of America, the Issuer shall issue and cause to be delivered to the registered holder of such Warrants a certificate for the Warrant Shares issued upon such exercise of such Warrants. Such registered holder shall be deemed to have become a holder of record of such Warrant Shares as of the date of exercise of such Warrants; PROVIDED that such registered holder tenders payment of the aggregate Exercise Price for such Warrant Shares not later than the third Business Day following such exercise date. Except as set forth in Section 15(c)(iii) or 15(d), each Warrant Share shall bear the legend set forth in Section 15(c)(iii).

(d) PARTIAL EXERCISE OF WARRANTS. If less than all the Warrants evidenced by a Warrant Certificate are exercised at any time, one or more new Warrant Certificate(s) shall be issued for the remaining number of Warrants evidenced by such Warrant Certificate(s). Each new Warrant Certificate so issued shall bear the legend set forth in Section 15(c) if the Warrant Certificate presented in connection with partial exercise thereof bore such

legend. All Warrant Certificates surrendered upon exercise of Warrants shall be canceled.

(e) NO FRACTIONAL SHARES. The Issuer shall not be required to issue fractional Common Shares upon exercise of any Warrants but may pay for any such fraction of a share an amount in cash equal to the Current Market Price per Common Share as of the exercise date of such Warrants multiplied by such fraction.

(f) HSR ACT.

(i) Any purchase of a Warrant Share upon exercise of a Warrant shall be subject to compliance with the HSR Act, including the expiration or termination of any required waiting periods thereunder.

(ii) Prior to the exercise of any Warrant to purchase Warrant Shares, the registered holder thereof shall file any premerger notification and report forms under the HSR Act required or advisable in connection with the exercise of such Warrant and any required waiting periods thereunder shall have expired or been terminated; PROVIDED that such holder nevertheless may exercise such Warrants without filing such notification and report forms if:

(A) such holder provides a certificate in a form satisfactory to the Issuer representing that such holder is acquiring such Warrants solely for the purpose of investment in reliance upon the exemption provided pursuant to Section 802.9 of the rules promulgated under the HSR Act; and

(B) the number of Common Shares held (after giving effect to the exercise of Warrants pursuant to this clause (ii)) in the aggregate by such holder, its ultimate parent entity (as defined in the rules promulgated under the HSR Act), if any, and all entities (as defined in the rules promulgated under the HSR Act) directly or indirectly controlled (as defined in the rules promulgated under the HSR Act) by such holder and, if applicable, its ultimate parent entity is equal to or less than 10% of the number of Common Shares outstanding at the time of such exercise (after giving effect to the exercise of Warrants pursuant to this clause (ii)).

(iii) In the event that (A) if required, approval under the HSR Act cannot be obtained within 180 days after the filing of the premerger notification and report forms by the registered holder of a Warrant for any reason other than the failure of such holder to use its reasonable best efforts to obtain such approval and (B) such holder has used its reasonable best efforts to exercise all Warrants which may be exercised by it pursuant to the proviso to Section 9(f)(ii) (including the delivery to Issuer of the certificate required pursuant to clause (A) thereof), then such holder shall be permitted, notwithstanding Section 15(a), to transfer such holder's unexercised Warrants to one or more third-parties reasonably acceptable to the Issuer not earlier than 30 days after such holder certifies in writing to the Issuer that such holder has complied with this Section 9(f)(iii) and intends to effect such transfer(s) ("NOTICE OF TRANSFER"); PROVIDED that, in lieu of permitting such transfer(s), the Issuer may purchase, by delivering written notice thereof at any time during the 30 days following the date of such holder's Notice of Transfer, such Warrants proposed to be transferred for a cash purchase price per Warrant Share equal to the Fair Market Value per Warrant Share less the Exercise Price per Warrant Share as of the date such holder gives the Issuer a Notice of Transfer. Any cash payment due from the Issuer to a registered holder pursuant to the proviso of this Section 9(f)(iii) shall be made by the Issuer not later than 90 days after the date of such holder's Notice of Transfer.

SECTION 10. VOTING RIGHTS. The Warrants shall not (prior to exercise thereof) confer upon the holder(s) thereof the right to vote or any other right as stockholder of the Issuer.

SECTION 11. CALL OPTION.

(a) From time to time, and at any time, after the fourth anniversary of the date of the issuance of Warrants and prior to the Expiration Date, upon written notice from the Issuer to each registered holder holding any outstanding Warrants (a "CALL NOTICE"), the Issuer may purchase all or less than all of the Warrants outstanding (the "CALL OPTION"), for cash in an aggregate amount equal to $60 million, assuming the purchase of all Warrants initially issued hereunder, or a pro rata portion of $60 million, assuming the purchase of less than all such

Warrants; PROVIDED that, if less than all of the outstanding Warrants are purchased, the Issuer shall purchase such Warrants from each registered holder on a PRO RATA basis; PROVIDED FURTHER, that following any Call Notice, each holder shall have 30 days following the date of such Call Notice to deliver to the Issuer written notice of its election to exercise any Warrants covered by such Call Notice. Any Call Notice shall state the number of Warrants to be purchased from each registered holder, the price to be paid to each holder, the method of determination of such price, the date of the purchase and that the Issuer has funds available to it in an amount sufficient to make such purchase.

(b) Subject to the rights of each registered holder pursuant to Section 11(d), the Issuer shall purchase the unexercised Warrants from each registered holder not earlier than 31 days and not later than 60 days after the date of the Call Notice; PROVIDED that if the Issuer does not satisfy its obligations in respect of such Call Notice (except as provided in Section 11(d)) at the end of such 60- day period, such Call Notice shall cease to be in effect unless otherwise agreed to by the Designated Holder.

(c) On the date designated, each holder of Warrants subject to a Call Notice shall surrender such Warrants to the Issuer without any representation or warranty (other than that such holder has (i) good and valid title thereto free and clear of liens, claims, encumbrances and restrictions of any kind and (ii) the power and authority to surrender such Warrants), against payment therefor by wire transfer to an account in a bank located in the United States designated by such holder for such purpose.

(d) If within 30 days of the delivery to any holder of the Call Notice referred to in Section 11(a) hereto such holder delivers to the Issuer a notice of its election to exercise any Warrants covered by such Call Notice and, within 15 days thereafter, files any premerger notification and report forms under the HSR Act required for such holder's exercise of the Warrants, to the extent that all of the Warrants cannot be exercised pursuant to the exception provided under Section 802.9 of the HSR Act in accordance with the procedures set forth in Section 9(f)(ii), the Issuer's Call Option shall be tolled to allow such holder either to (i) comply with the HSR Act

within the time period provided in Section 9(f)(iii) or (ii) transfer such holder's unexercised Warrants pursuant to the terms of Section 9(f)(iii); PROVIDED that, in lieu of permitting such transfer, the Issuer may purchase, by delivering written notice thereof at any time during the 30 days following the date of such holder's Notice of Transfer, such Warrants proposed to be transferred for a cash purchase price per Warrant Share equal to the Fair Market Value per Warrant Share less the Exercise Price per Warrant Share as of the date such holder gives the Issuer written notice of such proposed exercise pursuant to Section 11(a). Any cash payment due from the Issuer to a registered holder pursuant to the proviso of this Section 11(d) shall be made by the Issuer not later than 90 days after the date of such holder's Notice of Transfer.

SECTION 12. RESERVATION OF WARRANT SHARES. The Issuer will at all times have authorized, and will reserve and keep available, free from preemptive rights, for the purpose of enabling it to satisfy any obligation to issue Warrant Shares upon the exercise of the Warrants, the number of shares deliverable upon exercise of all outstanding Warrants. The Issuer covenants that all Warrant Shares that may be issued upon the exercise of the Warrants and payment of the Exercise Price therefor, all as set forth in this Warrant Agreement, will be free from all taxes, liens and charges in respect of the issue thereof (other than (i) taxes in respect of any transfer occurring contemporaneously or otherwise specified herein and (ii) any liens imposed or arising from the restrictions on transfer contained in Section 15 of this Warrant Agreement or as a result of actions taken by Holder). The Issuer agrees that its issuance of the Warrants shall constitute full authority to the officers of the Issuer who are charged with the duty of executing stock certificates to execute and issue the necessary certificates for Warrant Shares upon the exercise of the Warrants and surrender of the Warrant Certificate(s) evidencing such Warrants to the Issuer for cancelation in exchange for such Warrant Shares.

SECTION 13. ADJUSTMENT OF EXERCISE PRICE AND NUMBER OF WARRANT SHARES PURCHASABLE. The Exercise Price and the number of Warrant Shares purchasable upon the exercise of each Warrant is subject to adjustment from time to time after the date of issuance of the Warrants and prior to the Expiration Date in the applicable manner, and upon

the occurrence of any of the events, enumerated in this Section 13.

(a) SHARE DIVIDENDS, SUBDIVISIONS, RECLASSIFICATIONS, COMBINATIONS. If the Issuer declares a dividend or makes a distribution on the outstanding Common Shares in Common Shares, or subdivides or reclassifies the outstanding Common Shares into a greater number of Common Shares, or combines the outstanding Common Shares into a smaller number of Common Shares, then, in each such event,

(i) the number of Warrant Shares purchasable upon exercise of each Warrant immediately prior thereto shall be adjusted so that the registered holder of each Warrant shall be entitled to receive, upon the exercise thereof, the number of Common Shares which such holder would have been entitled to receive immediately after the happening of any of the events described above had such Warrant been exercised immediately prior to the happening of such event or the record date therefor, whichever is earlier; and

(ii) an adjustment made pursuant to this clause (a) shall become effective (A) in the case of any such dividend or distribution, immediately after the close of business on the record date for the determination of holders of Common Shares entitled to receive such dividend or distribution or (B) in the case of any such subdivision, reclassification or combination, at the close of business on the day upon which such corporate action becomes effective.

(b) ISSUANCE OF COMMON SHARES OR CONVERTIBLE SECURITIES.

(i) If the Issuer issues any Common Shares or Convertible Securities, other than any Permitted Issuance or issuance to which Section 13(a) or (c) applies, without consideration or at a price per Common Share (or having an exercise or conversion price per Common Share) less than the Current Market Price per Common Share as of the date of such issuance, then in each such event, the number of Warrant Shares purchasable upon exercise of each Warrant immediately prior thereto (the "INITIAL NUMBER") shall be adjusted so that the registered holder thereof shall be entitled to receive, upon the exercise thereof, the number of

Common Shares determined by multiplying the Initial Number by a fraction, of which:

(A) the numerator shall be the sum of (I) the number of Common Shares outstanding on such date and (II) the number of additional Common Shares issued (or into which the Convertible Securities may be exercised or convert), and

(B) the denominator shall be the sum of (I) the number of Common Shares outstanding on such date and (II) the number of Common Shares which the aggregate consideration receivable by the Issuer for the total number of Common Shares so issued (or into which the Convertible Securities may be exercised or convert) would purchase at the Fair Market Value on such date. For purposes of this subparagraph, the aggregate consideration receivable by the Issuer in connection with the issuance of Common Shares or of securities exercisable for or convertible into Common Shares shall be deemed to be equal to the sum of the net offering price (after deduction of any related expenses payable to third parties) of all such securities plus the minimum aggregate amount, if any, payable upon exercise or conversion of any such Convertible Securities into Common Shares.

(ii) an adjustment made pursuant to this clause (b) shall become effective immediately after the date of such issuance.

(iii) upon the expiration or termination of any unexercised Convertible Securities or of conversion or exchange privileges pursuant to any Convertible Securities for which any adjustment was made pursuant to this clause (b), the number of Warrant Shares issuable upon exercise of any as yet unexercised Warrants shall be readjusted and shall thereafter be such number as would have been determined had the number of Common Shares issuable upon exercise of the Warrants been originally adjusted (or had the original adjustment not been required, as the case may be) on the basis of (A) the Common Shares, if any, actually issued or sold upon the exercise of such Convertible Securities or conversion or exchange right of such

Convertible Securities and (B) the consideration actually received by the Issuer upon such exercise, conversion or exchange plus the consideration, if any, actually received by the Issuer for the issuance or sale of all of such Convertible Securities whether or not exercised. No such readjustment shall have the effect of decreasing the number of Warrant Shares issuable upon exercise of the Warrants by an amount in excess of the amount of the adjustment initially made for the issuance or sale of such Convertible Securities.

(c) ISSUANCES UPON MERGER, CONSOLIDATION OR SALE OF ISSUER.

(i) If the Issuer shall be a party to any transaction (including a merger, consolidation, sale of all or substantially all of the Issuer's assets, liquidation or recapitalization of the Common Shares and excluding any transaction to which Section 13(a), (b) or (e) applies) in which the previously outstanding Common Shares shall be changed into or, pursuant to the operation of law or the terms of the transaction to which the Issuer is a party, exchanged for different securities of the Issuer or common shares or other securities of another corporation or interests in a noncorporate entity or other property (including cash) or any combination of any of the foregoing, then, as a condition of the consummation of such transaction, lawful and adequate provision shall be made so that each holder of Warrants shall be entitled, upon exercise, to an amount per Warrant equal to (A) the aggregate amount of stock, securities, cash and/or any other property (payable in kind), as applicable, into which or for which each Common Share is changed or exchanged multiplied by (B) the number of Common Shares for which a Warrant is exercisable (or in the case of Series B Warrants, would be exercisable following March 31, 2003 or receipt of the Required Shareholder Approval) immediately prior to the consummation of such transaction.

(ii) In case the Issuer is a party to a transaction described in paragraph (i) of Section 13(c) resulting in the change or exchange of the Common Shares prior to the earlier of March 31, 2003 or the receipt of the Required Shareholder Approval, then as a condition of the consummation of such transaction, lawful and adequate provision shall be made so that immediately after the consummation of such transaction, all of the Series B Warrants shall become immediately exercisable.

(d) EXERCISE PRICE ADJUSTMENT. Whenever the number of Warrant Shares purchasable upon the exercise of each Warrant is adjusted, the Exercise Price per Warrant Share payable upon exercise of each Warrant shall be adjusted by multiplying such Exercise Price per Warrant Share immediately prior to such adjustment by a fraction, the numerator of which shall be the number of Warrant Shares purchasable upon the exercise of such Warrant immediately prior to such adjustment, and the denominator of which shall be the number of Warrant Shares purchasable immediately after such adjustment.

(e) LIQUIDATION. In the event of an order being made or an effective resolution being passed for the dissolution, liquidation or winding-up, whether voluntary or involuntary, of the Issuer, or if any other dissolution of the Issuer by operation of law is to be effected, then each registered holder of a then outstanding Warrant shall be entitled to receive distributions with respect to such Warrant on an equal basis with the holders of Common Shares, as if such Warrant had been exercised immediately prior to such event, less the aggregate Exercise Price per such Warrant. Nothing in this Section 13(e) shall have the effect of requiring a holder of Warrants to make any actual payment to the Issuer.

(f) ADJUSTMENT TO WARRANT CERTIFICATE. Irrespective of any adjustments in the Exercise Price or the number or kind of shares purchasable upon exercise of the Warrants, Warrant Certificates theretofore or thereafter issued may continue to express the same Exercise Price per share and number and kind of shares as are stated on the Warrant Certificates initially issuable pursuant to this Warrant Agreement, but such Exercise Price and number and kind of shares shall be understood to be adjusted as provided herein.

(g) NOTICES OF ADJUSTMENT.

(i) Upon any adjustment of the Exercise Price or number of Warrant Shares issuable upon exercise pursuant to Section 13, the Issuer shall promptly, but in any event within 10 days thereafter, cause to be given to each registered holder of a Warrant, at its address appearing on the Warrant Register by registered mail, postage prepaid, a certificate signed by an executive officer setting forth the Exercise Price as so adjusted and/or the

number of Common Shares or other securities or assets issuable upon the exercise of each Warrant as so adjusted and describing in reasonable detail the facts accounting for such adjustment and the method of calculation used. Where appropriate, such certificate may be given in advance and included as a part of the notice required to be mailed under the other provisions of this Section 14.

(ii) In the event the Issuer proposes to take (or receives notice of) any action which would require an adjustment of the Exercise Price or number of Warrant Shares issuable upon exercise pursuant to Section 13, then the Issuer shall cause to be given to each registered holder of Warrants at its address appearing on the Warrant Register, at least 10 days prior to the applicable record date or effective date for such action (or as expeditiously as possible after the occurrence of any involuntary dissolution, liquidation or winding up referred to in Section 13(e)), a written notice in accordance with Section 13: (A) stating such record date or effective date, (B) describing such action in reasonable detail and (C) stating the date as of which it is expected that holders of record of Common Shares shall be entitled to receive any applicable dividends or distributions or to exchange their shares for securities or other property, if any, deliverable upon such action. The failure to give the notice required by this Section 13(g) or any defect therein shall not affect the legality or validity of any such action or the vote upon any such action.

SECTION 14. REGISTRATION, TRANSFER AND EXCHANGE OF CERTIFICATES.

(a) REGISTRATION. The Issuer shall maintain at the Warrant Office the Warrant Register for registration of the Warrants and Warrant Certificates and transfers thereof. On the Closing Date the Issuer shall register the outstanding Warrants and Warrant Certificates in the name of Holder. The Issuer may deem and treat the registered holder(s) of the Warrant Certificates as the absolute owner(s) thereof and the Warrants represented thereby (notwithstanding any notation of ownership or other writing on the Warrant Certificates made by any Person) for the purpose of any exercise thereof or any distribution to the holder(s) thereof, and for all other purposes, and the Issuer shall not be affected by any notice to the contrary.

(b) TRANSFER. Subject to Section 15, the Issuer shall register the transfer of any outstanding Warrants in the Warrant Register upon surrender of the Warrant Certificate(s) evidencing such Warrants to the Issuer at the Warrant Office, accompanied (if so required by it) by a written instrument of transfer in form satisfactory to it, duly executed by the registered holder thereof or by the duly appointed legal representative thereof. Upon any such registration of transfer, new Warrant Certificate(s) evidencing such transferred Warrants shall be issued to the transferee and the surrendered Warrant Certificate(s) shall be canceled. If less than all the Warrants evidenced by Warrant Certificate(s) surrendered for transfer are to be transferred, new Warrant Certificate(s) evidencing such remaining number of Warrants shall be issued to the holder surrendering such Warrant Certificate(s).

(c) EXCHANGE. Warrant Certificates may be exchanged at the option of the holder(s) thereof, when surrendered to the Issuer at the Warrant Office, for another Warrant Certificate or other Warrant Certificates of like series and tenor and representing in the aggregate a like number of Warrants. Warrant Certificates surrendered for exchange shall be canceled.

(d) NO CHARGE; LEGEND. No charge shall be made for any such transfer or exchange except for any tax or other governmental charge imposed in connection therewith. Except as provided in Sections 15(c) and (d), each Warrant Certificate issued upon transfer or exchange shall bear the legend set forth in Section 15(c) if the Warrant Certificate presented for transfer or exchange bore such legend.

(e) MUTILATED OR MISSING WARRANT CERTIFICATES. If any Warrant Certificate shall be mutilated, lost, stolen or destroyed, the Issuer shall issue, in exchange and substitution for and upon cancelation of the mutilated Warrant Certificate, or in lieu of and substitution for the Warrant Certificate lost, stolen or destroyed, a new Warrant Certificate of like series and tenor and representing an equivalent number of Warrants, but only upon receipt of evidence satisfactory to the Issuer of such loss, theft or destruction of such Warrant Certificate and, if requested, indemnity satisfactory to it. No service charge shall be made for any such substitution, but all expenses and reasonable charges associated with procuring such indemnity and all stamp, tax and other governmental duties that may be

imposed in relation thereto shall be borne by the holder of such Warrant Certificate. Each Warrant Certificate issued in any such substitution shall bear the legend set forth in Section 15(c) if the Warrant Certificate for which such substitution is made bore such legend.

SECTION 15. RESTRICTIONS ON TRANSFER.

(a) Subject to Section 9(f)(iii), the Warrants shall not be transferable, except to one or more Affiliates of Holder after the Closing.

(b) Holder acknowledges that the Warrants and the Warrant Shares issuable upon exercise thereof have not been registered under the Securities Act and agrees that it will not resell, assign, distribute or otherwise transfer any of its Warrants or Warrant Shares except in compliance with the registration requirements of the Securities Act and applicable state securities laws or pursuant to an available exemption therefrom.

(c) (i) Holder agrees, and each subsequent transferee pursuant to Section 15(a) shall agree by written instrument reasonably satisfactory to the Issuer, that it will not transfer any Warrants or Warrant Shares except in compliance with this Warrant Agreement.

(ii) Each Warrant Certificate issued to Holder or to a subsequent transferee pursuant to Section 15(a) shall include a legend in substantially the following form:

THE WARRANTS AND UNDERLYING SHARES REPRESENTED BY THIS CERTIFICATE HAVE NOT BEEN REGISTERED UNDER THE SECURITIES ACT OF 1933 AND MAY NOT BE SOLD OR TRANSFERRED EXCEPT PURSUANT TO AN EXEMPTION FROM, OR OTHERWISE IN A TRANSACTION NOT SUBJECT TO, THE REGISTRATION REQUIREMENTS OF THE SECURITIES ACT AND APPLICABLE STATE SECURITIES LAWS.

IN ADDITION, THE WARRANTS MAY BE TRANSFERRED ONLY IN COMPLIANCE WITH THE CONDITIONS SPECIFIED IN THE WARRANT AGREEMENT DATED MAY 30, 2001, BETWEEN THE ISSUER AND THE INITIAL HOLDER OF THE WARRANTS NAMED THEREIN, A COMPLETE AND CORRECT COPY OF WHICH IS AVAILABLE FOR INSPECTION AT THE PRINCIPAL

OFFICE OF THE ISSUER AND WILL BE FURNISHED TO THE HOLDER HEREOF UPON WRITTEN REQUEST AND WITHOUT CHARGE.

(iii) Each Warrant Share issued to Holder or to a subsequent transferee of the Warrants pursuant to Section 15(a) (unless the legal opinion reasonably acceptable to the Issuer delivered in connection therewith is to the effect that such legend is not required in order to ensure compliance with the Securities Act) shall include a legend in substantially the following form:

THE SHARES REPRESENTED BY THIS CERTIFICATE HAVE NOT BEEN REGISTERED UNDER THE SECURITIES ACT OF 1933 AND MAY NOT BE SOLD OR TRANSFERRED EXCEPT PURSUANT TO AN EXEMPTION FROM, OR OTHERWISE IN A TRANSACTION NOT SUBJECT TO, THE REGISTRATION REQUIREMENTS OF THE SECURITIES ACT AND APPLICABLE STATE SECURITIES LAWS.

(d) The restrictions set forth in Section 15(b) shall terminate and cease to be effective with respect to any Warrant Shares transferred in a transaction (i) registered under the Securities Act and (ii) without registration pursuant to the exemption provided by Rule 144 promulgated under the Securities Act. Whenever such restrictions shall so terminate, each holder of such Warrant Shares shall be entitled to receive from the Issuer, without expense (other than transfer taxes, if any), Warrant Certificates or certificates for such Warrant Shares not bearing the legend set forth in Section 15(c)(iii) at which time the Issuer will rescind any transfer restrictions relating thereto.

SECTION 16. PAYMENT OF TAXES; EXPENSES.

(a) PAYMENT OF TAXES. The Issuer will pay all taxes (other than any applicable income or similar taxes payable by the holders of the Warrants or Warrant Shares) attributable to the initial issuance of Warrant Shares upon the exercise of the Warrants; PROVIDED that the Issuer shall not be required to pay any tax which may be payable in respect of any transfer involved in the issue of any Warrant Certificate or any certificate for Warrant Shares in a name other than that of the registered holder of a Warrant Certificate surrendered upon the exercise of a Warrant, and the Issuer

shall not be required to issue or deliver such certificates unless or until the Person(s) requesting the issuance thereof shall have paid to the Issuer the amount of such tax or shall have established to the satisfaction of the Issuer that such tax has been paid.

(b) EXPENSES. Whether or not the transactions contemplated in this Warrant Agreement are consummated, each party hereto shall pay its own fees and expenses incident to preparing for, entering into and carrying out this Warrant Agreement and the consummation of the transactions contemplated hereby.

SECTION 17. MISCELLANEOUS.

(a) AMENDMENT AND WAIVER. This Warrant Agreement may not be amended or supplemented except by an instrument in writing signed by the Issuer and the Designated Holder, and any term or provision of this Warrant Agreement may be waived, but only in writing by the party which is entitled to the benefit thereof PROVIDED, that (i) the Exercise Price may not be increased, (ii) the number of Warrant Shares issuable upon exercise of the Warrants may not be reduced (except pursuant to Section 13 hereof), (iii) the Expiration Date may not be changed to an earlier date and (iv) this Section 17(a) may not be amended except, in each case with the unanimous written consent of the registered holders of any affected outstanding Warrants and/or Warrant Shares, as the case may be. The waiver by any party hereto of a breach of any provision of this Warrant Agreement shall not operate or be construed as a waiver of any preceding or succeeding breach and no failure by either party to exercise any right or privilege hereunder shall be deemed a waiver of such party's rights or privileges hereunder or shall be deemed a waiver of such party's rights to exercise the same at any subsequent time or times hereunder.

(b) COUNTERPARTS. This Warrant Agreement may be executed in one or more counterparts, each of which shall be deemed an original but all of which together shall constitute one instrument. It shall not be necessary for each party to sign each counterpart so long as every party has signed at least one counterpart.

(c) NOTICES. All notices and other communications hereunder shall be in writing and shall be deemed to have been given if delivered personally or sent by registered or certified mail (return receipt requested),

postage prepaid, or by telecopy to the parties to this Warrant Agreement at the following addresses or at such other address for a party as shall be specified by like notice:

If to Issuer, at the Warrant Office.

If to any registered holder of Warrants, to such holder's name and address as shall appear on the Warrant Register.

If to any registered holder of Warrant Shares, to such holder's name and address as shall appear on the Common Shares registry of the Issuer.

All such notices and communications shall be deemed to have been received on the date of delivery, on the date that the telecopy is confirmed as having been received or on the third business day in New York after the mailing thereof, as the case may be.

(d) ASSIGNMENT. Neither this Warrant Agreement nor any right, remedy, obligation or liability arising hereunder or by reason hereof shall be assignable by any party to this Warrant Agreement (except to a permitted transferee pursuant to Section 9(f)(iii) or Section 15(a) following the Closing) without the prior written consent of the other parties, and any attempt to assign any right, remedy, obligation or liability arising hereunder without such consent shall be void.

(e) ENTIRE AGREEMENT. This Warrant Agreement constitutes the entire agreement between the parties with respect to the subject matter hereof and supersedes all prior agreements and undertakings, written and oral.

(f) BINDING EFFECT. This Warrant Agreement shall be binding upon and inure to the sole and exclusive benefit of the Issuer, its successors and assigns, and the registered holders from time to time of the Warrants and the Warrant Shares.

(g) EXPENSES; INDEMNIFICATION.

(i) Whether or not the purchase and sale of the Warrants is consummated, each party hereto shall pay its own fees and expenses incident to preparing for, entering into

and carrying out this Warrant Agreement and the consummation of the transactions contemplated hereby.

(ii) A party in material breach of this Warrant Agreement shall, on demand, indemnify and hold harmless the other party for and against all reasonable out-of-pocket expenses, including legal fees, incurred by the other party by reason of the enforcement and protection of its rights under this Warrant Agreement. The payment of such expenses is in addition to any other relief to which such other party may be entitled.

(h) APPLICABLE LAW AND JURISDICTION; SERVICE OF PROCESS; WAIVER OF JURY TRIAL.

(i) This Warrant Agreement shall be governed by and construed in accordance with the laws of the State of New York without reference to any applicable principles of conflict of laws to the extent that the application of the laws of another jurisdiction would be required thereby. Any and all suits, legal actions or proceedings against any party hereto arising out of this Warrant Agreement shall be brought in the United States Federal court sitting in the Southern District of New York, or, if such court shall not have jurisdiction, in the Supreme Court of the State of New York sitting in the County of New York, and each party hereby submits to and accepts the exclusive jurisdiction of such courts for the purpose of such suits, legal action or proceedings. Each party hereto hereby irrevocably waives any objection which it may now or hereafter have to the laying of venue of any such suit, legal action or proceeding in any such court and hereby further waives any claim that any suit, legal action or proceeding brought in any such court has been brought in an inconvenient forum. The parties hereto agree that service of process in connection with any suit, legal action or proceeding brought hereunder or in connection herewith may be made in accordance with the provisions of this Section 17(h) in addition to any other means of service of process permitted by law.

(ii) Each party waives, to the fullest extent permitted by applicable law, any right it may have to a trial by jury in respect of any litigation arising out of or relating to this Warrant Agreement. Each party (i) certifies that no representative, agent or attorney

of another party has represented, expressly or otherwise, that such other party would not, in the event of litigation, seek to enforce the foregoing waiver and (ii) acknowledges that it has been induced to enter into this Warrant Agreement by, among other things, the mutual waivers and certifications set forth in this Section 17(h).

(i) ARTICLE AND SECTION HEADINGS. The article, section and other headings contained in this Warrant Agreement are for reference purposes only and shall not affect the meaning or interpretation of this Warrant Agreement.

(j) TERMINATION.

(i) This Warrant Agreement may be terminated at any time prior to the Closing (A) by the mutual consent of the Issuer and Holder, (B) by the Issuer or Holder if the Stock Purchase Agreement (as such term is defined in Exhibit D hereto) is terminated or (C) by Holder or Issuer, if the Closing has not occurred on or prior to March 31, 2001 (the "Drop-Dead Date"); PROVIDED, HOWEVER, that the Drop-Dead Date may be extended by the Issuer to the date to which the Termination Date (as defined in the Stock Purchase Agreement) is extended pursuant to the terms of Section 10.1(b) of the Stock Purchase Agreement.

(ii) This Warrant Agreement shall terminate and be of no further force and effect at the earlier of the close of business on the Expiration Date or the date following the Closing Date on which none of the Warrants shall be outstanding (whether by reason of the exercise thereof or the redemption thereof by the Issuer).

(iii) This Warrant Agreement may be terminated at any time prior to the Closing by Holder, upon written notice to the Issuer, if (A) any of the conditions to Holder's obligation hereunder set forth in Section 7 shall have become incapable of fulfillment prior to June 30, 2001, and shall not have been waived by Holder, or (B) there shall be any order, injunction or decree of any Governmental Entity which prohibits consummation of Holder's purchase of the Warrants and such order, injunction or decree shall have become final and nonappealable; PROVIDED, HOWEVER, that Holder is not then in material breach of any of its

representations, warranties, covenants or agreements contained in this Warrant Agreement.

(iv) If this Warrant Agreement is terminated and the transactions contemplated herein are abandoned as described in this Section 17(j), this Warrant Agreement shall become null and void and of no further force and effect, without any liability on the part of any party, other than this Section 17, which provisions shall survive termination and except to the extent that such termination results from the breach by any party of any representation, warranty or covenant set forth in this Warrant Agreement. Nothing in this Section 17(j)(iv) shall be deemed to release any party from any liability for any breach by such party of the terms and provisions of this Warrant Agreement.

(k) BENEFITS OF THIS WARRANT AGREEMENT. Nothing in this Warrant Agreement shall be construed to give to any Person other than the Issuer and the registered holders of the Warrants and the Warrant Shares any legal or equitable right, remedy or claim under this Warrant Agreement.

IN WITNESS WHEREOF, the parties hereto have caused this Warrant Agreement to be duly executed and delivered by their proper and duly authorized officers, as of the date and year first above written.

WHITE MOUNTAINS INSURANCE GROUP, LTD.,

by

Name:
Title:

BERKSHIRE HATHAWAY INC.,

by

Name:
Title:

Exhibit A

WARRANT CERTIFICATE

THE WARRANTS AND UNDERLYING SHARES REPRESENTED BY THIS CERTIFICATE HAVE NOT BEEN REGISTERED UNDER THE SECURITIES ACT OF 1933 AND MAY NOT BE SOLD OR TRANSFERRED EXCEPT PURSUANT TO AN EXEMPTION FROM, OR OTHERWISE IN A TRANSACTION NOT SUBJECT TO, THE REGISTRATION REQUIREMENTS OF SUCH ACT.

IN ADDITION, THE WARRANTS MAY BE TRANSFERRED ONLY IN COMPLIANCE WITH THE CONDITIONS SPECIFIED IN THE WARRANT AGREEMENT DATED MAY 30, 2001, BETWEEN THE ISSUER AND THE INITIAL HOLDER OF THE WARRANTS NAMED THEREIN, A COMPLETE AND CORRECT COPY OF WHICH IS AVAILABLE FOR INSPECTION AT THE PRINCIPAL OFFICE OF THE ISSUER AND WILL BE FURNISHED TO THE HOLDER HEREOF UPON WRITTEN REQUEST AND WITHOUT CHARGE.

WARRANT CERTIFICATE
evidencing Warrants to purchase
Common Stock of
WHITE MOUNTAINS INSURANCE GROUP, LTD.

No. A-1 1,170,000 Warrants

This Warrant Certificate certifies that Berkshire Hathaway Inc., its affiliate, or registered assigns, is the registered holder of Series A Warrants (the "SERIES A WARRANTS") to purchase Common Shares, par value $1 per share, of WHITE MOUNTAINS INSURANCE GROUP, LTD., a company existing under the laws of Bermuda (the "ISSUER"). Each Warrant entitles the holder, subject to the conditions set forth herein and in the Warrant Agreement referred to below, to purchase from the Issuer at any time prior to 5:00 P.M., local time of the Warrant Office, on May 30, 2008 or, if such day is not a Business Day, the next succeeding Business Day (the "EXPIRATION DATE"), 1,170,000 fully paid and nonassessable Common Shares of the Issuer (the "WARRANT SHARES") at a price (the "EXERCISE PRICE") of $175 per Warrant Share payable in lawful money of the United States of America, upon surrender of this Warrant Certificate, execution of the annexed Form of Election to Purchase and

payment of the Exercise Price at the office of the Issuer at 80 South Main Street, Hanover, New Hampshire 03755 or such other address as the Issuer may specify in writing to the registered holder of the Warrants evidenced hereby (the "WARRANT OFFICE"). The Exercise Price and number of Warrant Shares purchasable upon exercise of the Warrants are subject to adjustment upon the occurrence of certain events as set forth in the Warrant Agreement referred to below.

The Issuer may deem and treat the registered holder(s) of the Warrants evidenced hereby as the absolute owner(s) thereof (notwithstanding any notation of ownership or other writing thereon made by anyone), for the purpose of any exercise hereof and of any distribution to the holder(s) hereof, and for all other purposes, and the Issuer shall not be affected by any notice to the contrary.

Warrant Certificates, when surrendered at the Warrant office by the registered holder hereof in person or by a legal representative duly authorized in writing, may be exchanged, in the manner and subject to the limitations provided in the Warrant Agreement, but without payment of any service charge, for another Warrant Certificate or Warrant Certificates of like tenor evidencing in the aggregate a like number of Warrants.

Upon due presentment for registration of transfer of this Warrant Certificate at the Warrant Office, a new Warrant Certificate or Warrant Certificates of like series and tenor and evidencing in the aggregate a like number of Warrants shall be issued in exchange for this Warrant Certificate to the transferee(s) and, if less than all the Warrants evidenced hereby are to be transferred, to the registered holder hereof, subject to the limitations provided in the Warrant Agreement, without charge except for any tax or other governmental charge imposed in connection therewith.

This Warrant Certificate is one of the Warrant Certificates referred to in the Warrant Agreement dated May 30, 2001, between the Issuer and Berkshire Hathaway Inc. (the "WARRANT AGREEMENT"). Said Warrant Agreement is hereby incorporated by reference in and made a part of this Warrant Certificate and is hereby referred to for a description of the rights, limitation of rights, obligations, duties and immunities thereunder of the Issuer and the holders.

IN WITNESS WHEREOF, the Issuer has caused this Warrant Certificate to be signed by its duly authorized officers.

WHITE MOUNTAINS INSURANCE GROUP, LTD.

by

Name:
Title:

ELECTION TO PURCHASE

(To be executed upon exercise of Warrant)

The undersigned hereby irrevocably elects to exercise the right, represented by this Warrant Certificate, to purchase _________ Warrant Shares and herewith tenders payment for such Warrant Shares to the order of the Issuer in the amount of $_______ in accordance with the terms hereof. The undersigned requests that a certificate for such Warrant Shares be registered in the name of ____________________ whose address is _____________________ and that such certificate be delivered to _________________ whose address is _____________________. If said number of Warrant Shares is less than all of the Warrant Shares purchasable hereunder, the undersigned requests that a new Warrant Certificate representing the remaining balance of the Warrant Shares be registered in the name of ___________________ whose address is _____________________ and that such Warrant Certificate be delivered to ___________________ whose address is _____________________.

Signature: _______________________
(Signature must conform in all respects to name of holder as specified on the face of the Warrant Certificate.)

Date: ____________________

Exhibit B

WARRANT CERTIFICATE

THE WARRANTS AND UNDERLYING SHARES REPRESENTED BY THIS CERTIFICATE HAVE NOT BEEN REGISTERED UNDER THE SECURITIES ACT OF 1933 AND MAY NOT BE SOLD OR TRANSFERRED EXCEPT PURSUANT TO AN EXEMPTION FROM, OR OTHERWISE IN A TRANSACTION NOT SUBJECT TO, THE REGISTRATION REQUIREMENTS OF SUCH ACT.

IN ADDITION, THE WARRANTS MAY BE TRANSFERRED ONLY IN COMPLIANCE WITH THE CONDITIONS SPECIFIED IN THE WARRANT AGREEMENT DATED MAY 30, 2001, BETWEEN THE ISSUER AND THE INITIAL HOLDER OF THE WARRANTS NAMED THEREIN, A COMPLETE AND CORRECT COPY OF WHICH IS AVAILABLE FOR INSPECTION AT THE PRINCIPAL OFFICE OF THE ISSUER AND WILL BE FURNISHED TO THE HOLDER HEREOF UPON WRITTEN REQUEST AND WITHOUT CHARGE.

WARRANT CERTIFICATE
evidencing Warrants to purchase
Common Shares of
WHITE MOUNTAINS INSURANCE GROUP, LTD.

No. B-1 544,285 Warrants

This Warrant Certificate certifies that Berkshire Hathaway Inc., or registered assigns, is the registered holder of Series B Warrants (the "SERIES B WARRANTS") to purchase Common Shares, par value $1 per share, of WHITE MOUNTAINS INSURANCE GROUP, LTD., a company existing under the laws of Bermuda (the "ISSUER"). Each Warrant entitles the holder, subject to the conditions set forth herein and in the Warrant Agreement referred to below, to purchase from the Issuer at any time (a) after the earlier of (i) March 31, 2003 and (ii) the date the Required Shareholder Approval is obtained and (b) prior to 5:00 P.M., local time of the Warrant Office, on May 30, 2008 or, if such day is not a Business Day, the next succeeding Business Day (the "EXPIRATION DATE"), 544,285 fully paid and nonassessable Common Shares of the Issuer (the "WARRANT SHARES") at a price (the "EXERCISE PRICE") of $175 per Warrant Share payable in lawful money of the United States of America,

upon surrender of this Warrant Certificate, execution of the annexed Form of Election to Purchase and payment of the Exercise Price at the office of the Issuer at 80 South Main Street, Hanover, New Hampshire 03755 or such other address as the Issuer may specify in writing to the registered holder of the Warrants evidenced hereby (the "WARRANT OFFICE"). The Exercise Price and number of Warrant Shares purchasable upon exercise of the Warrants are subject to adjustment upon the occurrence of certain events as set forth in the Warrant Agreement referred to below.

If after March 31, 2003, the Required Shareholder Approval has not been obtained at the time of the exercise by the registered holder hereof of any Series B Warrants, in lieu of issuing Common Shares, the Issuer shall pay such registered holder in cash, for each Common Share to which such registered holder would otherwise be entitled upon exercise of such Series B Warrants, and upon surrender of such Series B Warrants to the Issuer for cancelation in exchange therefor, an amount equal to the Fair Market Value of such Warrant Share as of the date of such exercise less the Exercise Price for such Warrant Share. Any cash payment due from the Issuer to a registered holder pursuant to this provision shall be made by the Issuer not later than 90 days after written notice of the exercise of the applicable Warrants has been given to the Issuer by such registered holder.

The Issuer may deem and treat the registered holder(s) of the Warrants evidenced hereby as the absolute owner(s) thereof (notwithstanding any notation of ownership or other writing thereon made by anyone), for the purpose of any exercise hereof and of any distribution to the holder(s) hereof, and for all other purposes, and the Issuer shall not be affected by any notice to the contrary.

Warrant Certificates, when surrendered at the Warrant office by the registered holder hereof in person or by a legal representative duly authorized in writing, may be exchanged, in the manner and subject to the limitations provided in the Warrant Agreement, but without payment of any service charge, for another Warrant Certificate or Warrant Certificates of like tenor evidencing in the aggregate a like number of Warrants.

Upon due presentment for registration of transfer of this Warrant Certificate at the Warrant Office, a new

Warrant Certificate or Warrant Certificates of like series and tenor and evidencing in the aggregate a like number of Warrants shall be issued in exchange for this Warrant Certificate to the transferee(s) and, if less than all the Warrants evidenced hereby are to be transferred, to the registered holder hereof, subject to the limitations provided in the Warrant Agreement, without charge except for any tax or other governmental charge imposed in connection therewith.

This Warrant Certificate is one of the Warrant Certificates referred to in the Warrant Agreement dated May 30, 2001, between the Issuer and Berkshire Hathaway, Inc. (the "WARRANT AGREEMENT"). Said Warrant Agreement is hereby incorporated by reference in and made a part of this Warrant Certificate and is hereby referred to for a description of the rights, limitation of rights, obligations, duties and immunities thereunder of the Issuer and the holders.

IN WITNESS WHEREOF, the Issuer has caused this Warrant Certificate to be signed by its duly authorized officers.

WHITE MOUNTAINS INSURANCE GROUP, LTD.

by

Name: John J. Byrne
Title: Chairman and Chief Executive Officer

ELECTION TO PURCHASE

(To be executed upon exercise of Warrant)

The undersigned hereby irrevocably elects to exercise the right, represented by this Warrant Certificate, to purchase ____________ Warrant Shares and herewith tenders payment for such Warrant Shares to the order of the Issuer in the amount of $_______ in accordance with the terms hereof. The undersigned requests that a certificate for such Warrant Shares be registered in the name of _____________________ whose address is ___________________ and that such certificate be delivered to _________________ whose address is ________________. If said number of Warrant Shares is less than all of the Warrant Shares purchasable hereunder, the undersigned requests that a new Warrant Certificate representing the remaining balance of the Warrant Shares be registered in the name of ___________________ whose address is ______________________ and that such Warrant Certificate be delivered to _______________ whose address is __________________________.

Signature: _______________________
(Signature must conform in all respects to name of holder as specified on the face of the Warrant Certificate.)

Date: ____________________

ELECTION TO PURCHASE

(To be executed upon exercise of Warrant
for cash in the event of no Required Shareholder Approval)

The undersigned hereby irrevocably elects to exercise the right, represented by this Warrant Certificate, to purchase ____________ Warrant Shares. Because the Required Shareholder Approval has not been obtained by the Issuer, the undersigned hereby irrevocably elects to receive, in lieu of Warrant Shares and upon surrender of the Warrant Certificate evidencing such Series B Warrants being exercised by the undersigned hereunder to the Issuer for cancelation in exchange therefor, an amount in cash equal to the Fair Market Value as of the date hereof of such Warrant Shares subject to the exercise hereof less the Exercise Price for such Warrant Shares to be delivered to the undersigned not later than ninety (90) days after the date hereof.

Signature: _______________________
(Signature must conform in all respects to name of holder as specified on the face of the Warrant Certificate.)

Date: ____________________

Exhibit C

WARRANT REGISTER

WARRANT CERTIFICATE NO.	ORIGINAL NUMBER OF WARRANTS AND WARRANT SHARES	NAMES AND ADDRESS OF WARRANT HOLDERS
A-1	1,170,000	Berkshire Hathaway Inc. 1440 Kiewit Plaza Omaha, NE 68131
B-1	544,285	Berkshire Hathaway Inc. 1440 Kiewit Plaza Omaha, NE 68131

Exhibit 99(t)

EXECUTION COPY

SUBSCRIPTION AGREEMENT dated as of May 30, 2001, between Berkshire Hathaway Inc., a Delaware corporation (the "PURCHASER"), TACK Acquisition Corp., a Delaware corporation ("NEWCO"), and White Mountains Insurance Group, Ltd., a company existing under the laws of Bermuda ("WTM").

WHEREAS the Purchaser is a party to the Warrant Agreement (the "WARRANT AGREEMENT"), dated as of May 30, 2001, pursuant to which the Purchaser has agreed to purchase for an aggregate of $75 million Series A Warrants to acquire 1,170,000 Common Shares of WTM and Series B Warrants to acquire 544,285 Common Shares of WTM (collectively, the "WARRANTS").

WHEREAS Newco desires to sell to the Purchaser, and the Purchaser desires to purchase from Newco, 300,000 shares of Series A Preferred Stock, no par value, of Newco (the "SERIES A PREFERRED STOCK" or "SECURITIES") upon the terms and subject to the conditions set forth in this agreement (the "AGREEMENT");

WHEREAS the Series A Preferred Stock shall have the voting powers, preferences and relative, participating, optional and other special rights and the qualifications, limitations and restrictions set forth in Exhibit A to this Agreement; and

WHEREAS, pursuant to this Agreement and upon the terms and subject to the conditions hereof, the parties desire to set forth certain rights and obligations of the Purchaser with respect to the Securities acquired by the Purchaser pursuant hereto, and Newco and the Purchaser wish to make various additional agreements, all as expressly set forth below.

NOW, THEREFORE, in consideration of the premises and the respective agreements hereinafter set forth, the parties hereto agree as follows:

ARTICLE I

DEFINITIONS

"AFFILIATE" of a specified Person means any Person that is a direct or indirect wholly-owned subsidiary of such specified Person.

"BUSINESS DAY" shall mean any day other than a Saturday, Sunday or a day on which banking institutions in the State of New York or Bermuda are authorized or obligated by law or executive order to close.

"CLOSING" shall have the meaning given to such term in Article IV of this Agreement.

"CLOSING DATE" shall have the meaning given to such term in Article IV of this Agreement.

"COMMITMENT LETTER" shall have the meaning assigned to such term in Exhibit B to this Agreement.

"EXCLUDED LIENS" means Liens imposed by or arising from the transfer restriction contained in Article IX of this Agreement or as a result of any action by the Purchaser.

"LIENS" means liens, security interests, claims, pledges and encumbrances of any kind.

"MATERIAL ADVERSE EFFECT" with respect to any person means a material adverse effect on (a) the business, financial condition or results of operations of such person and its subsidiaries, taken as a whole, or (b) the ability of such person to perform its obligations under this Agreement.

"PERSON" means any individual, corporation, general or limited partnership, limited liability company, joint venture, estate, trust, or other entity.

"SECURITIES ACT" means the Securities Act of 1933, as amended, and the rules and regulations promulgated thereunder.

"STOCK PURCHASE AGREEMENT" shall have the meaning assigned to such term in Exhibit B to this Agreement.

"TRANSACTIONS" shall have the meaning assigned to such term in Exhibit B to this Agreement.

"WTM EQUITY TERMSHEET" shall have the meaning assigned to such term in Exhibit B to this Agreement.

ARTICLE II

PURCHASE AND SALE

On the Closing Date, and upon the terms and subject to the conditions herein set forth, Newco agrees to issue and sell to the Purchaser, free and clear of all Liens other than any Excluded Liens, and the Purchaser hereby agrees to purchase and accept from Newco, the Securities for a purchase price of $225.0 million (the "PURCHASE PRICE"). Subject to the terms and conditions of this Agreement and in reliance upon the representations, warranties and agreements of the Purchaser hereunder, Newco shall deliver to the Purchaser on the Closing Date (against payment of the Purchase Price) certificates representing the Securities registered in the name of the Purchaser or a designated wholly-owned subsidiary thereof.

ARTICLE III

PURCHASE PRICE

On the Closing Date, the Purchaser shall pay to Newco the Purchase Price for the purchase of the Securities. The Purchase Price shall be paid in immediately available funds by wire transfer to a bank account designated by Newco.

ARTICLE IV

THE CLOSING

SECTION 4.01. CLOSING DATE. Upon the terms and subject to the conditions herein set forth, the purchase and sale provided for herein (the "CLOSING") will take place (a) at the offices of Cravath, Swaine & Moore, 825 Eighth Avenue, New York, NY 10019, at 10:00 a.m., New York City time, on the date on which the Transactions close (the "TRANSACTIONS CLOSING DATE"), or (b) at such other time, date and place on or prior to the Transactions Closing Date as shall be fixed by agreement among the parties hereto. The date and time of Closing are herein referred to as the "CLOSING DATE".

ARTICLE V

REPRESENTATIONS AND WARRANTIES OF NEWCO

Newco represents and warrants to the Purchaser as follows:

SECTION 5.01. AUTHORITY OF SELLER. Newco has been duly formed, and is validly existing and in good standing, under the laws of Delaware. The issuance, sale and delivery by Newco of the Securities has been duly authorized by Newco. Upon issuance and delivery as contemplated by Article II of this Agreement and upon payment therefor as contemplated by Article III of this Agreement, the Securities will be duly authorized, validly issued, fully paid and nonassessable. This Agreement has been duly and validly executed and delivered by Newco and is the legal, valid and binding obligation of Newco enforceable against Newco in accordance with its terms. No action, consent or approval by, or filing with, any Federal, state, municipal, foreign or other court or governmental or administrative body or agency, or any other regulatory or self-regulatory body (a "GOVERNMENTAL AUTHORITY"), is required to be made by Newco in connection with the execution and delivery by Newco of this Agreement or the consummation by Newco of the transactions contemplated hereby, other than (a) such consents, approvals or filings required in connection with the acquisition of CGU Corporation, a Delaware corporation ("CGU"), by Newco and the other Transactions, including the filing of pre-merger notification and report forms under the Hart-Scott-Rodino Antitrust Improvements Act of 1976, as amended (the "HSR ACT"), (b) the filing of premerger notification and report forms under the HSR Act in connection with Purchaser's exercise of any Warrants pursuant to the Warrant Agreement and (c) the approval, filings and notices required under the insurance laws of each jurisdiction in which Newco or its subsidiaries or CGU or its subsidiaries conduct business, in each case in connection with the Purchaser's investment in Newco and WTM as contemplated by this Agreement and the Warrant Agreement, (d) those which may be required solely by reason of the Purchaser's (as opposed to any other third party's) participation in the Transactions or in the transaction contemplated hereby and (e) such other consents, approvals and filings, the failure of which to obtain would not have a Material Adverse Effect on Newco (after giving effect to the Transactions).

SECTION 5.02. NO CONFLICTS; NO VIOLATIONS. None of the execution, delivery or performance of this Agreement by Newco will (a) result in any violation of or be in

conflict with or constitute a default under any term of the organizational documents of Newco, (b) result in any material breach of any terms or provisions of, or constitute a material default under, any material contract, agreement or instrument to which Newco is a party or by which Newco or its property is bound or (c) violate any judgment, order, decree, statute, law, rule or regulation applicable to Newco except for, in the case of the foregoing clauses (b) and (c), any violation, conflict, breach or default which would not have a Material Adverse Effect on Newco (after giving effect to the Transactions).

SECTION 5.03. CAPITALIZATION. The authorized capital stock of Newco consists of (a) 1,000 shares of common stock, par value $1.00 per share ("COMMON STOCK"), and (b) 300,000 shares of preferred stock, par value $1.00 per share ("PREFERRED STOCK"). As of the date hereof, 1 share of Common Stock is issued and outstanding and no shares of Preferred Stock are issued and outstanding.

SECTION 5.04. BROKERS. No broker, investment banker, financial advisor or other person other than Lehman Brothers Inc., the fees and expenses of which will be paid by Newco, is entitled to any broker's, finder's, financial advisor's or other similar fee or commission in connection with the transactions contemplated by this Agreement based upon arrangements made by or on behalf of WTM or Newco.

ARTICLE VI

REPRESENTATIONS AND WARRANTIES OF THE PURCHASER

The Purchaser represents and warrants to Newco as follows:

SECTION 6.01. AUTHORITY OF PURCHASER. The Purchaser has been duly formed, and is validly existing and in good standing, under the laws of the State of Delaware. The Purchaser has full right, power and authority to consummate the transactions contemplated herein. This Agreement has been duly and validly executed and delivered by the Purchaser and is the legal, valid and binding obligation of the Purchaser enforceable against the Purchaser in accordance with its terms. No action, consent or approval by, or filing with, any Governmental Authority is required to be made or obtained by the Purchaser in connection with the execution and delivery by the Purchaser of this Agreement or the consummation by the Purchaser of the transactions contemplated hereby other than (a) the approvals, filings and notices required under the insurance

laws of such jurisdictions in which Newco or its subsidiaries or CGU or its subsidiaries conduct business, in each case in connection with the Purchaser's investment in Newco and WTM as contemplated by this Agreement and the Warrant Agreement, (b) the filing of premerger notification and report forms under the HSR Act in connection with Purchaser's exercise of any Warrants pursuant to the Warrant Agreement and (c) such other consents, approvals and filings, the failure of which to obtain would not have a Material Adverse Effect on the Purchaser.

SECTION 6.02. NO CONFLICTS; NO VIOLATIONS. None of the execution, delivery or performance of this Agreement by the Purchaser will (a) result in any violation of or be in conflict with or constitute a default under any term of organizational documents of the Purchaser, (b) result in any material breach of any terms or provisions of, or constitute a material default under, any material contract, agreement or instrument to which the Purchaser is a party or by which the Purchaser or its property is bound or (c) violate any judgment, order, decree, statute, law, rule or regulation applicable to the Purchaser, except for, in the case of the foregoing clauses (b) and (c), any violation, conflict, breach or default which would not have a Material Adverse Effect on the Purchaser.

SECTION 6.03. INVESTMENT INTENTION; NO RESALES. The Purchaser is acquiring the Securities hereunder for investment, solely for its own account and not with a view to, or for resale in connection with, the distribution thereof. The Purchaser will not resell, transfer, assign or distribute the Securities except in compliance with this Agreement and the registration requirements of the Securities Act and applicable state securities laws or pursuant to an available exemption therefrom.

SECTION 6.04. ACCREDITED INVESTOR; ABILITY TO BEAR RISK; EVALUATION OF RISKS. The Purchaser is an "ACCREDITED INVESTOR" (as such term is defined in Rule 501 of Regulation D promulgated under the Securities Act). The financial situation of the Purchaser is such that it can afford to bear the economic risk of holding the Securities. The Purchaser can afford to suffer the complete loss of its investment in the Securities. The knowledge and experience of the Purchaser in financial and business matters is such that it is capable of evaluating the risks of the investment in the Securities. The Purchaser acknowledges that no representations, express or implied, are being made with respect to Newco, the Securities, or otherwise, other than those expressly set forth herein or in the Warrant Agreement.

SECTION 6.05. SECURITIES UNREGISTERED. The Purchaser has been advised by Newco that (i) the offer and sale of the Securities have not been registered under the Securities Act; (ii) the offering and sale of the Securities is intended to be exempt from registration under the Securities Act pursuant to Section 4(2) of the Securities Act; and (iii) there is no established market for the Securities and it is not anticipated that there will be any public market for the Securities in the foreseeable future.

SECTION 6.06. BROKERS. No broker, investment banker, financial advisor or other person is entitled to any broker's, finder's, financial advisor's or other similar fee or commission in connection with the transactions contemplated by this Agreement based upon arrangements made by or on behalf of the Purchaser.

ARTICLE VII

CONDITIONS

SECTION 7.01. CONDITIONS TO OBLIGATIONS OF PURCHASER. The obligations of the Purchaser to perform under this Agreement are subject to the satisfaction or waiver by the Purchaser of each of the following conditions on or prior to the Closing Date:

(a) concurrently with the Closing hereunder, the Transactions shall have been consummated pursuant to the terms and conditions of the Stock Purchase Agreement, the Commitment Letter, the WTM Equity Term Sheet and the Warrant Agreement, which shall not have been amended and the closing conditions therein waived in any material respect without the Purchaser's prior written consent;

(b) after giving effect to the consummation of the Transactions, the corporate and capital structure of WTM and its subsidiaries shall be as set forth in Exhibit B except for such changes as shall not adversely affect in any material respect the Purchaser;

(c) there shall not exist on the Closing Date any injunction or other order, or statute, rule or regulation, of any Governmental Authority preventing or prohibiting the consummation of the sale and purchase of the Securities hereunder;

(d) there shall have been received all necessary approvals from state insurance regulators with respect to the sale and purchase of the Securities;

(e) the acceptance of the filing with the Secretary of State of Delaware of the certificate of designation for the Series A Preferred Stock substantially in the form of Exhibit A;

(f) the representations and warranties of Newco set forth in this Agreement that are qualified as to materiality shall be true and correct and those not so qualified shall be true and correct in all material respects as of the Closing Date as though made on the Closing Date (except to the extent any such representation or warranty speaks as of an earlier date, in which case such representations and warranties qualified as to materiality shall be true and correct and those not so qualified shall be true and correct in all material respects on and as of such earlier date);

(g) Newco shall have performed in all material respects all obligations required to be performed by it under this Agreement at or prior to the Closing Date; and

(h) Newco shall have delivered to the Purchaser a written notice of the Closing three Business Days prior to the Closing Date, and on the Closing Date, prior to the sale and purchase of the Securities hereunder, an officer's certificate as to the satisfaction, to such officer's knowledge, of all of the conditions to the Purchaser's obligations hereunder (other than as to matters that have been waived by, or are within the knowledge or control of, the Purchaser).

SECTION 7.02. CONDITIONS TO OBLIGATIONS OF NEWCO. The obligations of Newco to perform under this Agreement are subject to the satisfaction or waiver by Newco of each of the following conditions on or prior to the Closing Date:

(a) concurrently with the Closing hereunder, the Transactions shall have been consummated;

(b) there shall not exist on the Closing Date any injunction or other order, or statute, rule or regulation, of any Governmental Authority preventing or the prohibiting the consummation of the sale and purchase of the Securities hereunder;

(c) there shall have been received all necessary approvals from state insurance regulators with respect to the sale and purchase of the Securities;

(d) the representations and warranties of the Purchaser set forth in this Agreement that are qualified as to materiality shall be true and correct and those not so qualified shall be true and correct in all material respects as of the Closing Date as though made on the Closing Date (except to the extent any such representation or warranty speaks as of an earlier date, in which case such representations and warranties qualified as to materiality shall be true and correct and those not so qualified shall be true and correct in all material respects on and as of such earlier date),

(e) the Purchaser shall have performed in all material respects all obligations required to be performed by it under this Agreement at or prior to the Closing Date; and

(f) the Purchaser shall have delivered to Newco on the Closing Date, prior to the sale and purchase of the Securities hereunder, an officer's certificate as to the satisfaction, to such officer's knowledge, of all of the conditions to Newco's obligations hereunder (other than as to matters that have been waived by, or are within the knowledge or control of, Newco).

ARTICLE VIII

MAKE WHOLE PROVISION

SECTION 8.01. MAKE WHOLE PROVISION. (a) If the dividends paid or deemed paid to the Purchaser on the Securities do not qualify for the 70% dividends-received deduction of Section 243 of the Internal Revenue Code of 1986, as amended, as a result of Newco's lack of available earnings and profits, Newco shall reimburse the Purchaser an amount equal, on an after-tax basis, to any additional taxes, interest and penalties paid by the Purchaser as a result of such failure to qualify and as a result of such reimbursement payment by Newco.

(b) If the dividends paid or deemed paid to the Purchaser on the Securities are extraordinary dividends within the meaning of Section 1059 of the Internal Revenue Code of 1986, as amended, Newco shall reimburse the Purchaser an amount equal, on an after-tax basis, to any

additional taxes, interest and penalties paid by the Purchaser (x) as a result of such dividend being an extraordinary dividend, either with respect to receipt of such extraordinary dividend or on the Purchaser's disposition of the Securities, and (y) as a result of such reimbursement payment by Newco.

ARTICLE IX

RESTRICTION OF TRANSFER

SECTION 9.01. TRANSFER TO AFFILIATE. The Securities shall not be transferable, except to one or more Affiliates of the Purchaser. The Purchaser agrees, and each subsequent transferee pursuant to this Section 9.01 shall agree by written instrument reasonably satisfactory to Newco, that it will not transfer any Securities except in compliance with this Agreement and the registration requirements of the Securities Act and applicable state securities laws or pursuant to an available exemption therefrom.

SECTION 9.02. LEGEND. Each certificate representing Securities issued to the Purchaser or to a subsequent transferee pursuant to Section 9.01 (unless the legal opinion reasonably satisfactory to Newco is delivered in connection therewith to the effect that the first paragraph of such legend is not required in order to ensure compliance with the Securities Act) shall include a legend in substantially the following form:

> THE SECURITIES REPRESENTED BY THIS CERTIFICATE HAVE NOT BEEN REGISTERED UNDER THE SECURITIES ACT OF 1933 AND MAY NOT BE SOLD OR TRANSFERRED EXCEPT PURSUANT TO AN EXEMPTION FROM, OR OTHERWISE IN A TRANSACTION NOT SUBJECT TO, THE REGISTRATION REQUIREMENTS OF THE SECURITIES ACT AND APPLICABLE STATE SECURITIES LAWS.
>
> IN ADDITION, THE SECURITIES MAY BE TRANSFERRED ONLY IN COMPLIANCE WITH THE CONDITIONS SPECIFIED IN THE SUBSCRIPTION AGREEMENT DATED MAY 30, 2001, BETWEEN NEWCO AND THE INITIAL PURCHASER OF THE SECURITIES NAMED THEREIN, A COMPLETE AND CORRECT COPY OF WHICH IS AVAILABLE FOR INSPECTION AT 80 SOUTH MAIN STREET, HANOVER, NH 03755 AND WILL BE FURNISHED TO THE HOLDER HEREOF UPON WRITTEN REQUEST AND WITHOUT CHARGE.

ARTICLE X

AGREEMENTS

SECTION 10.01. REASONABLE BEST EFFORTS; FURTHER ACTIONS. Each of Newco and the Purchaser will use its reasonable best efforts to take or cause to be taken all action and to do or cause to be done all things necessary, proper or advisable under applicable laws and regulations to consummate and make effective the transactions contemplated by this Agreement. If, at any time after the Closing Date, any further action is necessary or desirable to carry out the purposes of this Agreement or to vest the Purchaser with full title to the Securities, the proper officers, directors, partners or duly authorized representatives of each party to this Agreement shall take all such necessary action.

SECTION 10.02. CONSENTS. Each of Newco and the Purchaser will cooperate with each other, and use its reasonable best efforts, in filing any necessary applications, reports or other documents with, giving any notices to, and seeking any consents from, all regulatory bodies and all governmental agencies and authorities (including the filing of any pre-merger notification and report forms under the HSR Act) and all third parties (including any other equityholders) as may be necessary or desirable in connection with the consummation of the transactions contemplated by this Agreement.

SECTION 10.03. GUARANTEED INDEBTEDNESS. WTM covenants with Newco and Purchaser that, to the extent Newco has guaranteed, whether jointly, severally, fully or unconditionally, the payment of any indebtedness of WTM or of any subsidiary of WTM that is intermediate between WTM and Newco, WTM shall pay, to the extent WTM has financial resources sufficient to do so, any and all amounts subject to any such guarantee by Newco (plus accrued interest and other related charges) due to be paid in connection with any demand for payment with respect to any such guarantee. WTM agrees to repay Newco (to the extent WTM has financial resources sufficient to do so) any amounts paid by Newco on any guarantee by Newco of any indebtedness of WTM or any subsidiary of WTM that is intermediate between WTM and Newco.

ARTICLE XI

MISCELLANEOUS

SECTION 11.01. AMENDMENT AND WAIVER. This Agreement may not be amended or supplemented except by an instrument in writing signed by the Purchaser and Newco. Any term or provision of this Agreement may be waived, but only in writing by the party which is entitled to the benefit thereof. The waiver by any party hereto of a breach of any provision of this Agreement shall not operate or be construed as a waiver of any preceding or succeeding breach and no failure by either party to exercise any right or privilege hereunder shall be deemed a waiver of such party's rights or privileges hereunder or shall be deemed a waiver of such party's rights to exercise the same at any subsequent time or times hereunder.

SECTION 11.02. COUNTERPARTS. This Agreement may be executed in one or more counterparts, each of which shall be deemed an original but all of which together shall constitute one instrument. It shall not be necessary for each party to sign each counterpart so long as every party has signed at least one counterpart.

SECTION 11.03. NOTICES. All notices and other communications hereunder shall be in writing and shall be deemed to have been given if delivered personally or sent by registered or certified mail (return receipt requested), postage prepaid, or by telecopy to the parties to this Agreement at the following addresses or at such other address for a party as shall be specified by like notice:

If to Newco, at:

c/o White Mountains Insurance Group, Ltd.
80 South Main Street
Hanover, NH 03755
Attention: Corporate Secretary
Telecopy: (603) 643-4562

with a copy to:

Cravath, Swaine & Moore
825 Eighth Avenue
New York, NY 10019
Attention: Philip A. Gelston, Esq.
Telecopy: (212) 474-3700

If to the Purchaser, at:

Berkshire Hathaway Inc.
1440 Kiewit Plaza
Omaha, NE 68131
Attention: Marc Hamburg
Telecopy: (402) 346-3375

with a copy to:

Munger, Tolles & Olson LLP
355 South Grand Avenue
35th Floor
Los Angeles, CA 90071
Attention: Robert E. Denham, Esq.
Telecopy: (213) 687-3702

All such notices and communications shall be deemed to have been received on the date of delivery, on the date that the telecopy is confirmed as having been received or on the third business day in New York after the mailing thereof, as the case may be.

SECTION 11.04. ASSIGNMENT. Neither this Agreement nor any right, remedy, obligation or liability arising hereunder or by reason hereof shall be assignable by any party to this Agreement without the prior written consent of the other parties, and any attempt to assign any right, remedy, obligation or liability arising hereunder without such consent shall be void, except Purchaser may assign any or all of its rights hereunder to one or more of its Affiliates following the Closing.

SECTION 11.05. ENTIRE AGREEMENT. This Agreement constitutes the entire agreement between the parties with respect to the subject matter hereof and supersedes all prior agreements and undertakings, written and oral.

SECTION 11.06. BINDING EFFECT; PARTIES IN INTEREST. This Agreement shall be binding upon and inure to the benefit of the parties to this Agreement and their respective successors and permitted assigns, and nothing in this Agreement, express or implied, is intended to or shall confer upon any other person any rights, benefits or remedies of any nature whatsoever under or by reason of this Agreement.

SECTION 11.07. EXPENSES; INDEMNIFICATION. (a) Whether or not the purchase and sale of the Securities is consummated, each party hereto shall pay its own fees and expenses incident to preparing for, entering into and

carrying out this Agreement and the consummation of the transactions contemplated hereby.

(b) A party in material breach of this Agreement shall, on demand, indemnify and hold harmless the other party for and against all reasonable out-of-pocket expenses, including legal fees, incurred by the other party by reason of the enforcement and protection of its rights under this Agreement. The payment of such expenses is in addition to any other relief to which such other party may be entitled.

SECTION 11.08. APPLICABLE LAW AND JURISDICTION; SERVICE OF PROCESS; WAIVER OF JURY TRIAL.

(a) This Agreement shall be governed by and construed in accordance with the laws of the State of New York without reference to any applicable principles of conflict of laws to the extent that the application of the laws of another jurisdiction would be required thereby. Any and all suits, legal actions or proceedings against any party hereto arising out of this Agreement shall be brought in the United States Federal court sitting in the Southern District of New York, or, if such court shall not have jurisdiction, in the Supreme Court of the State of New York sitting in the County of New York, and each party hereby submits to and accepts the exclusive jurisdiction of such courts for the purpose of such suits, legal action or proceedings. Each party hereto hereby irrevocably waives any objection which it may now or hereafter have to the laying of venue of any such suit, legal action or proceeding in any such court and hereby further waives any claim that any suit, legal action or proceeding brought in any such court has been brought in an inconvenient forum. The parties hereto agree that service of process in connection with any suit, legal action or proceeding brought hereunder or in connection herewith may be made in accordance with the provisions of this Section 11.08 in addition to any other means of service of process permitted by law.

(b) Each party waives, to the fullest extent permitted by applicable law, any right it may have to a trial by jury in respect of any litigation arising out of or relating to this Agreement. Each party (i) certifies that no representative, agent or attorney of another party has represented, expressly or otherwise, that such other party would not, in the event of litigation, seek to enforce the foregoing waiver and (ii) acknowledges that it has been induced to enter into this Agreement by, among other things, the mutual waivers and certifications set forth in this Section 11.08.

SECTION 11.09. ARTICLE AND SECTION HEADINGS. The article, section and other headings contained in this Agreement are for reference purposes only and shall not affect the meaning or interpretation of this Agreement.

SECTION 11.10. TERMINATION; EFFECT OF TERMINATION. (a) This Agreement may be terminated at any time prior to the Closing (i) by the mutual consent of the Purchaser and Newco, (ii) by Newco or the Purchaser if the Stock Purchase Agreement (as such term is defined in Exhibit B hereto) is terminated and (iii) by Newco or Purchaser, if the Closing has not occurred on or prior to March 31, 2001 (the "DROP-DEAD DATE"); PROVIDED, HOWEVER, that the Drop-Dead Date may be extended by Newco to the date to which the Termination Date (as defined in the Stock Purchase Agreement) is extended pursuant to the terms of Section 10.1(b) of the Stock Purchase Agreement.

(b) This Agreement may be terminated at any time prior to the Closing by the Purchaser, upon written notice to Newco, if (i) any of the conditions to Purchaser's obligation hereunder set forth in Section 7.01 shall have become incapable of fulfillment prior to June 30, 2001, and shall not have been waived by the Purchaser, or (ii) there shall be any order, injunction or decree of any Governmental Entity which prohibits consummation of Purchaser's purchase of the Securities and such order, injunction or decree shall have become final and nonappealable.

(c) If this Agreement is terminated and the transactions contemplated herein are abandoned as described in this Section 11.10, this Agreement shall become null and void and of no further force and effect, without any liability on the part of any party, other than this Article XI, which provisions shall survive termination and except to the extent that such termination results from the breach by any party of any representation, warranty or covenant set forth in this Agreement. Nothing in this Section 11.10(c) shall be deemed to release any party from any liability for any breach by such party of the terms and provisions of this Agreement.

SECTION 11.11. SPECIFIC ENFORCEMENT. Each of the parties hereto acknowledges and agrees that in the event of any breach of this Agreement, the non-breaching party would be irreparably harmed and could not be made whole by monetary damages. It is accordingly agreed that the parties hereto will waive the defense in any action for specific performance that a remedy at law would be adequate and that the parties hereto, in addition to any other remedy to which they may be entitled at law or in equity, shall be entitled

to an injunction or injunctions to prevent breaches of the provisions of this Agreement and to enforce specifically the terms and provisions hereof without the necessity of proving actual damage or securing or posting any bond or providing prior notice.

IN WITNESS WHEREOF, each party hereto has executed this Agreement as of the day and year first above written.

TACK ACQUISITION CORP.,

by

Name: John J. Byrne
Title: President

BERKSHIRE HATHAWAY INC.,

by

Name:
Title:

WHITE MOUNTAINS INSURANCE GROUP, LTD.,

by

Name: John J. Byrne
Title: Chairman and Chief Executive Officer

EXHIBIT B

Transactions: WTM is proposing to acquire the outstanding capital stock of CGU Corporation, a Delaware corporation ("CGU") and an indirect wholly owned subsidiary of CGNU plc, for approximately $2.17 billion of which approximately $1.96 billion is payable in cash and $210 million is payable with a seller's note (see below). In addition, at the time of the acquisition, an approximately $500 million note between CGU and CGNU plc will be outstanding, after the reduction of the note by the proceeds from the sale of Pilot, CGU's life insurance subsidiaries and certain other assets to CGNU plc, as described below.

WTM has formed TACK Holding Corp., a Delaware corporation ("HOLDCO"), to hold all the equity interests in TACK Acquisition Corp., a Delaware corporation ("NEWCO"), which was formed by WTM to acquire CGU. At the closing, the following transactions (the "TRANSACTIONS") shall occur:

- Newco will acquire CGU on substantially the terms of the Stock Purchase Agreement in the form attached hereto as Exhibit B (the "STOCK PURCHASE AGREEMENT");

- CGU will sell Pilot to CGNU for approximately $285 million;

- CGU will sell CGU Life Insurance of America and CGU Annuity Service Corporation to CGNU for approximately $128 million;

- CGU will sell all the shares of Societe Generale and Munich Re held by it to CGNU for approximately $253 million;

- CGU will sell certain other assets to CGNU for approximately $3.8 million;

- Newco will issue Newco common stock to Holdco, and Holdco will issue Holdco common stock to WTM, for $725 million in cash contributed by WTM to Holdco and by Holdco to Newco;

- WTM will issue not less than $300 million face amount of WTM convertible preferred stock on substantially the terms set forth in Exhibit C (the "WTM EQUITY TERM SHEET");

- Newco will issue Newco common stock to Holdco, and Holdco will issue Holdco common stock to WTM, for approximately $725 million in net tangible assets (FolksAmerica, Peninsula, Main Street America, American Centennial Insurance Company and British Insurance Company of Cayman) contributed by WTM to Holdco and by Holdco to Newco; these assets then will be contributed by Newco to CGU;

- Newco will borrow $1 billion pursuant to the terms and conditions of a commitment letter (the "COMMITMENT LETTER") from Lehman Brothers Inc. substantially in the form attached hereto as Exhibit C (the "FINANCING");

- Holdco will issue a seller's note for $210 million (the "SELLER'S NOTE") on the terms set forth in the term sheet attached hereto as Exhibit D to be repaid in cash or in WTM Common Stock, at Holdco's option, six months after closing; if repaid in WTM Common Stock, the stock will be priced at $174.50 per share; and

- In exchange for a purchase price of $225 million, Berkshire Hathaway, Inc. will purchase Newco preferred stock; in addition, for a purchase price of $75 million Berkshire Hathaway Inc. will purchase a warrant to purchase WTM common stock.

EXHIBIT 99(u)

SUBORDINATED NOTE DUE 2002

THE SECURITY REPRESENTED BY THIS INSTRUMENT HAS NOT BEEN REGISTERED UNDER THE SECURITIES ACT OF 1933. THIS SECURITY CANNOT BE SOLD OR OTHERWISE TRANSFERRED UNLESS THIS SECURITY IS REGISTERED UNDER THE SECURITIES ACT OF 1933 OR THE COMPANY IS FURNISHED WITH AN ACCEPTABLE OPINION OF COUNSEL THAT AN EXEMPTION FROM REGISTRATION IS AVAILABLE.

THIS NOTE IS SUBJECT TO THE PROVISIONS OF A NOTE PURCHASE OPTION AGREEMENT DATED AS OF JUNE 1, 2001 AMONG WHITE MOUNTAINS INSURANCE GROUP, LTD., THE HOLDER OF THIS NOTE AND OTHERS (THE "NOTE PURCHASE OPTION AGREEMENT"). A COPY OF THE NOTE PURCHASE OPTION AGREEMENT MAY BE OBTAINED FROM THE COMPANY UPON REQUEST.

Subordinated Note Due 2002

$260,000,000 June 1, 2001

SECTION 1. GENERAL.

(a) TACK Holding Corp., a Delaware corporation (the "Company"), for value received, hereby promises to pay, subject to the further provisions hereof (including, without limitation, the subordination provisions set forth herein), to CGU International Insurance plc (the "Payee"), or its registered assigns, the aggregate principal amount of TWO HUNDRED SIXTY MILLION DOLLARS ($260,000,000), on November 29, 2002 (such date being the "Payment Date"), in such coin or currency of the United States of America as at the time of payment shall be legal tender therein for the payment of public and private debts.

(b) The Company further agrees to pay, subject to the subordination provisions set forth herein, interest on the unpaid principal amount hereof from time to time from the date hereof at the Interest Rate, payable on the Payment Date. Interest shall be calculated on the basis of the actual number of days elapsed over a year of 360 days.

(c) All payments of principal and interest on this Note shall be made on the Payment Date by wire transfer of immediately available funds to an account designated in writing by the holder of this Note or in such other manner or at such other place as may be mutually agreed by the Company and the holder of this Note.

(d) If all or a portion of the principal of or interest on this Note shall not be paid when due (whether at its stated maturity, by acceleration or otherwise), such overdue amount shall bear interest from and including the due date to but excluding the date such amount is paid in full at the Interest Rate plus 2.00% per annum.

(e) Any and all payments by the Company on this Note shall be made free and clear of and without deduction for any and all present or future taxes, levies, imposts, deductions, charges or withholdings, and all liabilities with respect thereto. The Payee (and/or registered assigns) shall in good faith cooperate with the Company in claiming or

securing the right to any reduction in withholding tax or otherwise pursuant to any applicable tax treaty including, but not limited to, providing the Company with any form(s) or other documentation required to support such reduction.

SECTION 2. THE NOTE.

This Note is one of the duly authorized issue of subordinated promissory notes of the Company (the "Notes") referred to in the Stock Purchase Agreement, dated as of September 24, 2000, as amended by Amendment No. 1 thereto, dated as of October 15, 2000, and by Amendment No. 2 thereto, dated as of February 20, 2001, by and among the Company and the parties thereto, as the same may be further amended or modified (the "SPA"). Reference herein to the term "Note" also refers to any Note executed and delivered by the Company in replacement hereof pursuant to Section 5 hereof. Unless the context otherwise requires, the term "holder" is used herein to mean the person in whose name this Note is at the time registered in the register maintained by the Company pursuant to Section 9(a) hereof.

SECTION 3. PREPAYMENTS.

The Company may, at its sole option, at any time prepay this Note, without penalty, in whole or in part, on three (3) days' prior written notice to the holder hereof, at a prepayment price equal to the principal amount so to be prepaid together with interest on the principal amount so prepaid to the date of such prepayment. Any prepayment of the Notes shall be made pro rata to all holders of the Notes in proportion to the outstanding principal amount of the Notes held by them.

SECTION 4. SUBORDINATION.

(a) AGREEMENT TO SUBORDINATE. The Company agrees, and the holder of this Note by accepting this Note agrees, that the indebtedness and other obligations evidenced by this Note are subordinated in right of payment, to the extent and in the manner provided in this Section 4, to the prior payment in full of all Senior Debt and that the subordination is for the benefit of and enforceable by the holders of such Senior Debt (the "Senior Debtholders").

(b) LIQUIDATION, DISSOLUTION, BANKRUPTCY. Upon any payment or distribution of the assets of the Company to creditors upon a total or partial liquidation or a total or partial dissolution of the Company or in a bankruptcy, reorganization, insolvency, receivership or similar proceeding relating to the Company or its property:

(i) the Senior Debtholders shall be entitled to receive payment in full of the Senior Debt before the holder of this Note shall be entitled to receive any payment of principal of or interest on this Note; and

(ii) until the Senior Debt of the Company is paid in full, any payment or distribution to which the holder of this Note would be entitled but for this Section 4 shall be made to the Senior Debtholders as their interests may appear, except that the holder of this Note may receive equity securities and any debt securities that are subordinated to the Senior Debt to at least the same extent as this Note.

(c) DEFAULT ON SENIOR DEBT. The Company may not pay the principal of, premium (if any) or interest on this Note and may not repurchase, redeem or otherwise retire this Note (collectively, "pay the Note") if (i) any Senior Debt is not paid when due or (ii) any other default on Senior Debt occurs and the maturity of such Senior Debt is accelerated in accordance with its terms unless, in either case, (x) the default has been cured or waived and any such acceleration has been rescinded or (y) such Senior Debt has been paid in full; PROVIDED, HOWEVER, that the Company may pay the Note without regard to the foregoing if the Company receives written notice approving such payment from the representative of such Senior Debt with respect to which either of the events set forth in clause (i) or (ii) has occurred and is continuing. During the continuance of any default (other than a default described in clause (i) or (ii) of the preceding sentence) with respect to any Designated Senior Debt pursuant to which the maturity thereof may be accelerated immediately without further notice (except such notice as may be required to effect such acceleration) or the expiration of any applicable grace periods, the Company may not pay the Note for a period (a "Payment Blockage Period") commencing upon the receipt by the Company of written notice (a "Blockage Notice") (a copy of which notice the Company shall promptly forward to the holder of this Note) of such default from the representative of such Designated Senior Debt or from the holders of such Designated Senior Debt specifying an election to effect a Payment Blockage Period and ending 179 days thereafter (or earlier if such Payment Blockage Period is terminated (i) by written notice to the Company from the Person or Persons who gave such Blockage Notice, (ii) because the default giving rise to such Blockage Notice is no longer continuing or (iii) because such Designated Senior Debt has been repaid in full). Notwithstanding the provisions described in the immediately preceding sentence (but subject to the provisions contained in the first sentence of this clause (c)), unless the holders of such Designated Senior Debt or the representative of such holders shall have accelerated the maturity of such Designated Senior Debt, the Company may resume payments on the Note after termination of such Payment Blockage Period. Not more than one Blockage Notice may be given in any consecutive 360-day period, irrespective of the number of defaults with respect to Designated Senior Debt during such period.

(d) WHEN DISTRIBUTION MUST BE PAID OVER. In the event that any payment by, or on behalf of, or distribution of the assets of, the Company of any kind or character, whether in cash, property or securities, and whether directly, by purchase, redemption or otherwise (but not including any payment or distribution that may be deemed to be made as a result of any waiver of principal or interest on this Note pursuant to the final sentence of Section 8.1(a) of the SPA), shall be received by or on behalf of the holder of this Note at a time when such payment is prohibited by the provisions of this Section 4, such payment or distribution shall be held by the holder of this Note in trust (segregated from other property of the holder of this Note) for the benefit of the Senior Debtholders, and shall forthwith be paid over directly to the Senior Debtholders or their representative or representatives or to the trustee or trustees under any indenture under which any instruments evidencing any such Senior Debt may have been issued, ratably according to the aggregate amounts remaining unpaid on account of the Senior Debt or represented by each of such instruments, to the extent necessary to make payment in full of all Senior Debt remaining unpaid after giving effect to any concurrent payment or distribution (or provision therefor) by the Company or any guarantor of the Senior Debt or any other Person to or for the Senior Debtholders.

(e) PROOF OF CLAIMS. If the Company is subject to any proceeding under any Bankruptcy Law and the holder of this Note has not filed any proof of claim

permitted to be filed in such proceeding with respect to this Note, then any representative of any Senior Debt may file such proof of claim no earlier than 30 days preceding the last day permitted to file such claim.

(f) SUBROGATION; RELATIVE RIGHTS. After all Senior Debt is paid in full and until the Notes are paid in full, the holder of this Note shall be subrogated to the rights of holders of Senior Debt to receive payments or distributions applicable to Senior Debt. No payments or distributions to the Senior Debtholders of any cash, property or securities to which the holder of this Note would be entitled except for the provisions of this Section 4 shall, as between the Company, its creditors, other than the Senior Debtholders, and the holder of this Note, be deemed to be a payment by the Company to or on account of the Senior Debt. The subordination provisions of this Note are intended solely for the purpose of defining the relative rights of the holder of this Note, on the one hand, and the Senior Debtholders, on the other hand. Nothing contained herein shall impair, as between the Company and the holder of this Note, the obligation of the Company, which is unconditional, to pay to the holder of this Note the principal hereof and interest hereon as and when the same shall become due and payable in accordance with the terms hereof, or prevent the holder of this Note from exercising all rights, powers and remedies otherwise permitted by applicable law or pursuant to the terms hereof upon an Event of Default hereunder, all subject to the rights of the Senior Debtholders as set forth herein to receive cash, securities or other property otherwise payable or deliverable to the holder of this Note.

(g) PAYMENT OVER. The holder of this Note agrees that, in the event that all or any part of any payment made on account of the Senior Debt is recovered from the Senior Debtholders as a preference or similar payment under any bankruptcy, insolvency or similar law, any payment or distribution received by the holder of this Note on account of this Note at any time after the date of the payment so recovered, including payments received pursuant to a right of subrogation, shall be deemed to have been received by the holder of this Note in trust as the property of the Senior Debtholders, and the holder of this Note shall forthwith deliver the same to any representative on behalf of the Senior Debtholders for the equal and ratable benefit of the Senior Debtholders for application to payment of all Senior Debt in full.

(h) CHANGES IN SENIOR DEBT NOT TO AFFECT SUBORDINATION. No right of any holder of Senior Debt to enforce the subordination provisions of this Note shall be impaired by any extension, renewal, modification, waiver or amendment to the terms of such Senior Debt or by the exercise by any such holder of its rights under the terms of any such Senior Debt.

(i) No present or future Senior Debtholder shall be prejudiced in its right to enforce the subordination provisions contained herein in accordance with the terms hereof by any act or failure to act on the part of the Company or the holder of this Note. The subordination provisions contained herein are for the benefit of the Senior Debtholders from time to time and, so long as any Senior Debt is outstanding under any agreement, or any commitment to extend Senior Debt is in effect, may not be rescinded, canceled or modified in any way without the prior written consent thereto of all Senior Debtholders.

(j) The subordination and other provisions of this Section 4 shall be binding upon any holder of this Note and upon the successors and assigns of any holder

of this Note; and all references herein to the holders of this Note shall be deemed to include any successor or successors or assigns, whether immediate or remote, to the holder of this Note.

(k) The failure to make a payment pursuant to this Note by reason of any provision in this Section 4 shall not in any way be construed as preventing the occurrence of an Event of Default. Nothing in this Section 4 shall have any effect on the right of the holder of this Note to accelerate the maturity of this Note.

(l) The Company agrees, and each holder of this Note by accepting this Note agrees, that the obligations of the Company evidenced by this Note shall rank PARI PASSU with the obligations of the Company evidenced by (i) each other Note issued by the Company as contemplated by the SPA and (ii) each other Note issued by the Company in replacement or upon transfer of any Note described in clause (i) above.

SECTION 5. REPLACEMENT OF NOTE.

At the request of the holder hereof upon receipt by the Company of evidence satisfactory to it of the loss, theft, destruction or mutilation of this Note and, in case of loss, theft or destruction, of indemnity reasonably satisfactory to it, or, in the case of mutilation, upon surrender and cancellation of this Note, and in all cases upon reimbursement to the Company of all reasonable expenses incidental thereto, the Company shall make and deliver a new Note of like tenor in lieu of this Note. Any Note made and delivered in accordance with the provisions of this Section 5 shall be dated as of the date through which interest has been paid on this Note.

SECTION 6. AMENDMENTS AND WAIVERS.

(a) With the written consent of the holder of this Note, any covenant, agreement or condition contained in this Note may be waived (either generally or in a particular instance and either retroactively or prospectively), or such holder and the Company may from time to time enter into written agreements for the purpose of amending any covenant, agreement or condition of this Note or changing in any manner the rights of the holder of this Note; PROVIDED, HOWEVER, that neither the provisions of Section 4 nor the provisions of this Section 6 of this Note may be amended or modified without the prior written consent of all the Senior Debtholders. Any such amendment or waiver shall be binding upon each future holder of this Note and upon the Company. Upon the request of the Company, the holder hereof shall submit this Note to the Company so that this Note be marked to indicate such amendment or waiver, and any Note issued thereafter shall bear a similar notation referring to any such amendment or continuing waiver.

(b) No failure or delay by the holder of this Note in exercising any power or right under this Note shall operate as a waiver thereof, nor shall any single or partial exercise of any such right or power, or any abandonment or discontinuance of steps to enforce such a right or power, preclude any other or further exercise thereof or the exercise of any other right or power. The rights and remedies of the holder of this Note are cumulative and are not exclusive of any rights or remedies which it would otherwise have. No waiver of any provision of this Note or consent to any departure by the Company therefrom shall in any event be effective unless permitted in accordance with clause (a) above, and then such waiver or consent shall be effective only in the specific

instance and for the purpose for which given. No notice to or demand on the Company in any case shall entitle the Company to any other or further notice or demand in similar or other circumstances.

SECTION 7. EVENTS OF DEFAULT.

(a) An "Event of Default" occurs if:

(i) default shall be made in the payment of the principal of or interest on this Note, when and as the same shall become due and payable, whether at the due date thereof or by acceleration thereof or otherwise, and whether or not such payment is prohibited by Section 4;

(ii)(A) the Company or any of its subsidiaries shall commence any case, proceeding or other action (x) under any existing or future law of any jurisdiction, domestic or foreign, relating to bankruptcy, insolvency, reorganization or relief of debtors ("Bankruptcy Laws"), seeking to have an order for relief entered with respect to it, or seeking to adjudicate it a bankrupt or insolvent, or seeking reorganization, arrangement, adjustment, winding-up, liquidation, dissolution, composition or other relief with respect to it or its debts, or (y) seeking appointment of a receiver, trustee, custodian, conservator or other similar official for it or for all or any substantial part of its assets, or the Company or any of its subsidiaries shall make a general assignment for the benefit of its creditors; or (B) there shall be commenced against the Company or any of its subsidiaries any case, proceeding or other action of a nature referred to in clause (A) above that (x) results in the entry of an order for relief or any such adjudication or appointment or (y) remains undismissed, undischarged or unbonded for a period of 60 days; or (C) there shall be commenced against the Company or any of its subsidiaries any case, proceeding or other action seeking issuance of a warrant of attachment, execution, distraint or similar process against all or any substantial part of its assets that results in the entry of an order for any such relief that shall not have been vacated, discharged, stayed or bonded pending appeal within 60 days from the entry thereof; or (D) the Company or any of its subsidiaries shall take any action in furtherance of, or indicating its consent to, approval of, or acquiescence in, any of the acts set forth in clause (A), (B), or (C) above; or (E) the Company or any of its subsidiaries generally shall not, or shall be unable to, or shall admit in writing its inability to, pay its debts as they become due; or

(iii) any event or condition occurs that results in any Material Indebtedness becoming due prior to its scheduled maturity, PROVIDED that this clause (iii) shall not apply to secured Indebtedness that becomes due as a result of a sale or transfer of the property or assets securing such Indebtedness which does not constitute a default under such Indebtedness.

(b) If an Event of Default (other than with respect to an Event of Default specified in clause (a)(ii) above) occurs, then the holder of this Note may, by written notice to the Company, declare this Note to be forthwith due and payable, whereupon this Note shall, subject to the provisions of Section 4 hereof, become forthwith due and payable, both as to principal and interest, without presentment, demand, protest or other notice of any kind, all of which are hereby expressly waived by the Company. If any Event of Default specified in clause (a)(ii) above occurs, the principal of and accrued

interest on this Note shall automatically forthwith become due and payable without presentment, demand, protest or notice of any kind, all of which are hereby expressly waived by the Company. If payment of this Note is accelerated because of an Event of Default, the Company shall promptly notify holders of Designated Senior Debt (if any) of the acceleration. If any Designated Senior Debt is outstanding, the Company may not pay this Note until five days after such notice is received and, thereafter, may pay this Note only if Section 4 otherwise permits the payment at that time.

(c) If any Event of Default occurs and is continuing, the holder of this Note may pursue any available remedy to collect the payment of principal of or interest on this Note or to enforce the performance of any provision of this Note. If an Event of Default occurs and is continuing, the holder of this Note may proceed to protect and enforce its rights by an action at law, suit in equity or other appropriate proceeding. No course of dealing and no delay on the part of the holder of this Note in exercising any right, power or remedy shall operate as a waiver thereof or otherwise prejudice such holder's rights, powers or remedies. No right, power or remedy conferred by this Note upon the holder hereof shall be exclusive of any other right, power or remedy referred to herein or now or hereafter available at law, in equity, by statute or otherwise.

SECTION 8. EXTENSION OF MATURITY.

Should the principal of and interest on this Note become due and payable on other than a Business Day, the maturity hereof shall be extended to the next succeeding Business Day, and interest shall be payable at the rate per annum herein specified during such extension.

SECTION 9. TRANSFER AND EXCHANGE; SUCCESSORS AND ASSIGNS.

(a) The Company will keep at its principal office a register in which the Company will provide for the registration of the Notes and the registration of transfers of the Notes. The holder of this Note shall have the right to inspect such register during normal business hours upon reasonable prior notice to the Company and shall have the right to made copies of and take extracts from such register during any such inspection. The Company may treat the person in whose name any Note is registered as the owner thereof for the purpose of receiving payment of the principal of and interest on such Note and for all the other purposes, whether or not such Note shall be overdue, and the Company shall not be affected by any notice to the contrary.

(b) Subject to the provisions of this Section 9, the holder of this Note (or any portion hereof) or any securities (or portion thereof) issued in respect of this Note may, prior to maturity or prepayment hereof or thereof, surrender this Note or such securities at the principal office of the Company for transfer or exchange. Within five Business Days after surrender of this Note to the Company and without expense (other than transfer taxes, if any) to such holder, and provided that the holder of this Note and the transferee, concurrently with or prior to the consummation of such transfer, shall have complied with the provisions of Section 4.2 of the Note Purchase Option Agreement, the Company shall, subject to this Section 9, issue in exchange therefor another Note or Notes, in such denominations as requested by the holder, for the same aggregate principal amount, as of the date of such issuance, as the unpaid principal amount of the Note or Notes so surrendered and having the same maturity and rate of interest, containing the same provisions and subject to the same terms and conditions as the Note or Notes so

surrendered. Each new Note shall be made payable to such Person or Persons, or assigns, as the holder of such surrendered Note or Notes may designate, and such transfer or exchange shall be made in such a manner that no gain or loss of principal or interest shall result therefrom.

(c) By its acceptance of this Note, the holder of this Note agrees and acknowledges that the Company has informed such holder that:

(i) this Note has not been registered under the Securities Act and this Note, and any securities issued in respect of this Note, must be held indefinitely unless they are subsequently registered under the Securities Act or such sale is permitted pursuant to an available exemption from such registration requirement;

(ii) the offering and sale of this Note is intended to be exempt from registration under the Securities Act by virtue of the provisions of Section 4(2) of the Securities Act; and

(iii) there is no existing public or other market for this Note and there can be no assurance that any holder will be able to sell or dispose of this Note.

(d) By its acceptance of this Note, the holder of this Note represents and warrants to the Company that:

(i) this Note is being acquired for its own account not as a nominee or agent for any other person and without a view to the distribution thereof or any interest therein in violation of the Securities Act;

(ii) the holder is an "Accredited Investor" as such term is defined in Regulation D under the Securities Act and has such knowledge and experience in financial and business matters so as to be capable of evaluating the merits and risks of its investment in the Notes, and such holder is capable of bearing the economic risks of such investment; and

(iii) the holder has been provided, to its satisfaction, the opportunity to ask questions concerning the terms and conditions of the offering and sale of this Note, has had all such questions answered to its satisfaction and has been supplied all additional information deemed necessary by it to verify the accuracy of the information furnished to it.

(e) The holder of this Note agrees and acknowledges that the Company will not issue or transfer this Note (or any portion hereof) or any securities (or portion thereof) issued in respect of this Note unless the person or entity to whom they are being issued or transferred shall first agree in a writing deposited with the Secretary of the Company to be bound by the provisions of this Section 9.

(f) The provisions of this Note shall be binding upon and inure to the benefit of the Company and its successors and permitted assigns and the holder of this Note and its successors and permitted assigns.

SECTION 10. RESTRICTION ON MERGERS.

(a) The Company shall not consolidate with or merge with or into any other Person or convey, lease, transfer or otherwise dispose of its properties and assets substantially as an entirety to any Person, unless:

(i) either (A) in the case of a merger, the Company shall be the continuing corporation or (B) the Person formed by such consolidation or into which the Company is merged or the Person that acquires by conveyance, lease, transfer or other disposition the properties and assets of the Company substantially as an entirety shall be a corporation organized and existing under the laws of the United States of America, any State thereof or the District of Columbia, and shall expressly assume, by an instrument in writing satisfactory to the holder of this Note, the due and punctual payment of the principal of and interest on all the Notes then outstanding and the performance of all other obligations contained herein to be observed or performed on the part of the Company; and

(ii) immediately after giving effect to such transaction no Event of Default, and no event which, after the giving of notice or the lapse of time or both, would become an Event of Default, shall have occurred and be continuing.

(b) Upon any consolidation of the Company with or merger by the Company into any other Person or any conveyance, lease, transfer or other disposition of properties and assets of the Company substantially as an entirety in accordance with clause (a) of this Section 10, the successor Person formed by such consolidation or into which the Company is merged or to which such conveyance, lease, transfer or other disposition is made shall succeed to, and be substituted for, and may exercise every right and power of, the Company under this Note with the same effect as if such successor Person had been named as the Company herein, and thereafter, except in the case of a lease, the predecessor Person shall be relieved of all obligations under this Note.

SECTION 11. NOTICES TO EQUITY SECURITY HOLDERS. So long as any principal of or interest on this Note is outstanding, the Company shall provide to the holder of this Note copies of all notices, financial statements and other documents that White Mountains Insurance Group, Ltd. provides to any holder of its equity securities, concurrently with the provision of such notices, financial statements or documents to such equity security holders.

SECTION 12. DEFINED TERMS.

The following terms, as used herein, have the following respective meanings:

"Affiliate" shall have the meaning set forth in the SPA.

"Applicable Margin", "Eurodollar Loans", "Revolving Credit Loans", "Tranche A Term Loans" and "Tranche B Term Loans" each shall have the meaning set forth in the Credit Agreement as in effect as of June 1, 2001, without regard to any subsequent amendment or modification thereof, and the Applicable Margin for Revolving Credit Loans and Tranche A Term Loans that are Eurodollar Loans and Applicable

Margin for Tranche B Term Loans that are Eurodollar Loans each shall be determined as set forth in the Credit Agreement as of such date.

"Business Day" means any day that is not a Saturday, Sunday or other day on which banking institutions are not required by law or regulation to be open in the State of New York or in Bermuda.

"Credit Agreement" means the Credit Agreement dated as of March 16, 2001, among the Company, TACK Acquisition Corp., White Mountains Insurance Group, Ltd., Lehman Brothers Inc., as Arranger, and the several lenders from time to time party thereto, together with the related documents thereto (including the term loans and revolving loans thereunder, any guarantees and security documents), as amended, extended, renewed, restated, supplemented or otherwise modified (in whole or in part, including as to amount, terms, conditions, covenants and other provisions) from time to time, and any agreement (and related document) governing Senior Debt incurred to refund or refinance, in whole or in part, the borrowings and commitments then outstanding or permitted to be outstanding under such Credit Agreement or a successor Credit Agreement, whether by the same or any other lender or group of lenders.

"Designated Senior Debt" means (i) the Credit Agreement and (ii) any other Senior Debt issued at one time or under a common agreement and in an aggregate outstanding principal amount of at least $25 million.

"Indebtedness" of any person means, without duplication, whether now existing or hereafter created, (a) all obligations of such person for borrowed money, (b) all obligations of such person evidenced by bonds, debentures, notes or similar instruments, (c) all obligations of such person upon which interest charges are customarily paid, (d) all obligations of such person under conditional sale or other title retention agreements relating to property acquired by such person, (e) all obligations of such person in respect of the deferred purchase price of property or services (excluding current accounts payable incurred in the ordinary course of business), (f) all Indebtedness of others secured by (or for which the holder of such Indebtedness has an existing right, contingent or otherwise, to be secured by) any lien on property owned or acquired by such person, whether or not the Indebtedness secured thereby has been assumed, (g) all guarantees by such person of Indebtedness of others, (h) all capital lease obligations of such Person, (i) all obligations, contingent or otherwise, of such person as an account party in respect of letters of credit and letters of guaranty and (j) all obligations, contingent or otherwise, of such person in respect of bankers' acceptances.

"Interest Rate" means a rate per annum equal to (i) during the period from and including June 1, 2001 to but excluding November 30, 2001, the sum of the LIBO Rate and the Note Margin in respect of such period, (ii) during the period from and including November 30, 2001 to but excluding May 31, 2002, the sum of the LIBO Rate and the Note Margin in respect of such period, and (iii) during the period from and including May 31, 2002 to but excluding the Payment Date, the sum of the LIBO Rate and the Note Margin in respect of such period; PROVIDED, that if principal and interest on this Note are not paid in full in accordance with the terms of this Note on or prior to the Payment Date, the Interest Rate shall reset in the foregoing manner on each November 30 and May 31, commencing November 30, 2002, with respect to each succeeding six- month period until such principal and interest are paid in full.

"LIBO Rate" means, in respect of each of the periods described in clauses (i), (ii) and (iii) of the definition of "Interest Rate" (and in any subsequent period described in the proviso to such definition), the rate appearing on Page 3750 of the Telerate Service (or any successor or substitute page of such Service providing rate quotations comparable to those currently provided on such page of such Service as may be reasonably agreed upon by the Company and the holder of this Note) as of 11:00 a.m., London time, on the day that is two Business Days (which, solely for this purpose, shall have the meaning set forth in the Credit Agreement as in effect as of June 1, 2001, without regard to any subsequent amendment or other modification thereof) prior to the first day of such period, as the rate for U.S. dollar deposits with a maturity of six months.

"Material Indebtedness" means Indebtedness of the Company or any of its subsidiaries in an aggregate principal amount exceeding $25,000,000.

"Note Margin" means, in respect of each of the periods described in clauses (i), (ii) and (iii) of the definition of "Interest Rate" (and in any subsequent period described in the proviso to such definition), the sum of (i) 0.5% and (ii) the weighted average, on the first day of the applicable period, of (x) the Applicable Margin for Revolving Credit Loans and Tranche A Term Loans that are Eurodollar Loans and (y) the Applicable Margin for Tranche B Term Loans that are Eurodollar Loans. The "weighted average" of (x) and (y) with respect to any period described in the preceding sentence shall be determined based on the relative outstanding principal balances of Revolving Credit Loans and Tranche A Term Loans on the one hand and Tranche B Term Loans on the other hand on the first day of such period (in each case, whether or not such loans are Eurodollar Loans). If, as of such first day, (i) only Revolving Credit Loans and/or Tranche A Term Loans are outstanding, "Note Margin" shall mean the Applicable Margin for Revolving Credit Loans and Tranche A Term Loans that are Eurodollar Loans as of such day plus 0.5%, (ii) only Tranche B Term Loans are outstanding, "Note Margin" shall mean the Applicable Margin for Tranche B Term Loans that are Eurodollar Loans as of such day plus 0.5%, or (iii) no Revolving Credit Loans, Tranche A Term Loans or Tranche B Term Loans are outstanding "Note Margin" shall mean the simple unweighted average of (x) and (y) above calculated as of such day plus 0.5%.

"Person" shall mean any individual, limited liability company, corporation, general partnership, limited partnership, limited liability partnership, joint venture, association, joint-stock company, trust, unincorporated organization, government or any agency or political subdivision thereof or any other entity.

"Senior Debt" means the principal of, premium (if any) and accrued and unpaid interest on (including interest accruing at rates set forth in the instrument governing such indebtedness on or after the filing of any petition in bankruptcy or for reorganization of the Company regardless of whether or not a claim for post-filing interest is allowed in such proceedings), and fees and other amounts owing in respect of, indebtedness of the Company, or guarantees by the Company of indebtedness of other Persons, for money borrowed, in each case whether outstanding on the date hereof or thereafter incurred, unless in the instrument creating or evidencing the same or pursuant to which the same is outstanding it is provided that such obligations are subordinated or PARI PASSU in right of payment to this Note; PROVIDED, HOWEVER, that "Senior Debt" of the Company shall not include (i) trade debt of the Company, which shall rank PARI PASSU with this Note, (ii) any liability for Federal, state, local or other Taxes owed or owing by the Company, (iii) any Indebtedness incurred in violation of the instruments or

agreements governing the Senior Debt or (iv) any obligations of the Company to White Mountains Insurance Group, Ltd. or any direct or indirect subsidiary of White Mountains Insurance Group, Ltd.

"Taxes" means any and all taxes, levies, imposts, duties, deductions, charges or withholdings imposed by any governmental authority.

SECTION 13. GOVERNING LAW.

THIS NOTE SHALL BE GOVERNED BY, AND CONSTRUED IN ACCORDANCE WITH, THE LAWS OF THE STATE OF NEW YORK WITHOUT GIVING EFFECT TO APPLICABLE PRINCIPLES OF CONFLICTS OF LAW TO THE EXTENT THAT THE APPLICATION OF THE LAW OF ANOTHER JURISDICTION WOULD BE REQUIRED THEREBY.

SECTION 14. NOTICES.

All notices, requests, claims, demands and other communications under this Note shall be in writing and shall be delivered personally, by facsimile (which is confirmed as provided below) or by overnight courier (providing proof of delivery). Notice given by personal delivery or overnight courier shall be effective upon actual receipt. Notice given by facsimile shall be confirmed by appropriate answer back and shall be effective upon actual receipt if received during the recipient's normal business hours, or at the beginning of the recipient's next business day if not received during the recipient's normal business hours. All notices by facsimile shall be confirmed promptly after transmission in writing by personal delivery or overnight courier.

If to the Company:

TACK Holding Corp.
80 South Main Street
Hanover, New Hampshire 03755
Facsimile: 603-643-4562
Attention: Ray Barrette

If to the holder of this Note, to it at its address on the register for the Notes maintained by the Company in accordance with Section 9(a).

The Company or the holder of this Note may from time to time change its address for communications under this Section 14(a) by giving at least 5 days' notice of such changed address to the other.

SECTION 15. INTEREST RATE LIMITATION. Notwithstanding anything in this Note to the contrary, if at any time the applicable interest rate, together with all fees and charges which are treated as interest under applicable law, as provided for in this Note shall exceed the maximum lawful rate (the "Maximum Rate") which may be received by the holder of this Note in accordance with applicable law, the rate of interest payable under this Note shall be limited to the Maximum Rate.

SECTION 16. HEADINGS. Section headings used in this Note are for convenience of reference only, are not part of this Note and are not to affect the construction of, or to be taken into consideration in interpreting, this Note.

SECTION 17. SEVERABILITY. If any provision of this Note is held by a court of competent jurisdiction to be invalid, void or unenforceable, the remainder of the provisions of this Note shall remain in full force and effect. The Company and the Holder shall endeavor in good faith to replace any invalid, illegal or unenforceable provisions with a valid, legal and enforceable provision, the economic effect of which comes as close as possible to that of the invalid, illegal or unenforceable provision.

SECTION 18. NO RIGHT OF SET-OFF. The obligations of the Company hereunder to pay the Note shall not be subject to or affected by any set-off, claim, defense to payment or other right that the Company may have at any time against the holder of this Note or any prior holder.

IN WITNESS WHEREOF, the Company has duly executed and delivered this Note as of the date first written above.

TACK HOLDING CORP.,

By:_________________________
Name: James J. Ritchie
Title: Chief Financial Officer

EXHIBIT 99(v)

NOTE PURCHASE OPTION AGREEMENT, dated as of June 1, 2001 (this "Agreement"), among CGU International Holdings Luxembourg S.A., a Luxembourg corporation, CGU Holdings LLC, a Delaware limited liability company (each a "Noteholder," which term shall include any person who becomes a Noteholder in accordance with Section 4.2 hereof) and White Mountains Insurance Group, Ltd., a company existing under the laws of Bermuda (the "Optionee").

WHEREAS, pursuant to a Stock Purchase Agreement dated as of September 24, 2000 by and among CGU International Holdings Luxembourg S.A., CGU Holdings LLC (each a "Seller"), CGNU plc, the Optionee, TACK Holding Corp. (the "Note Issuer") and TACK Acquisition Corp., as amended by Amendment No. 1 thereto dated as of October 15, 2000 and by Amendment No. 2 thereto dated as of February 20, 2001 (as amended, the "Stock Purchase Agreement"), the Note Issuer issued to the Sellers subordinated promissory notes due November 29, 2002 (the "Maturity Date") (such promissory notes and any other like promissory note that may be issued by the Note Issuer in replacement or upon transfer (whether in whole or in part) of any of them, or of any such other promissory note, and that shall be outstanding are each referred to herein as a "Note") in the aggregate principal amount of $260,000,000.00;

WHEREAS, Exhibit G to the Stock Purchase Agreement contemplates that each of the Sellers would grant the Optionee an option to purchase the Notes issued to such Seller from such Seller (or any person to whom such Seller or any transferee of such Seller may transfer such Note) on the terms and subject to the conditions set forth in such Exhibit G; and

WHEREAS, in accordance with their respective obligations undertaken in the Stock Purchase Agreement, including Exhibit G thereto, each Seller desires to grant to the Optionee, and the Optionee desires to accept from each Seller, an option to purchase such Seller's Note on the terms and subject to the conditions set forth herein;

NOW, THEREFORE, in consideration of the covenants and agreements contained in this Agreement, the parties hereto agree as follows:

ARTICLE I
THE OPTION

SECTION 1.1 OBLIGATION TO SELL. On the terms and subject to the conditions of this Agreement, each Noteholder hereby grants the Optionee an option to purchase the Notes held by such Noteholder. On the Maturity Date, if the Optionee shall have delivered an Exercise Notice (as defined below) to the Noteholders in accordance with Section 1.2 hereof, then subject to satisfaction of the conditions set forth in Article III hereof, each Noteholder shall sell to the Optionee, and the Optionee shall purchase from each Noteholder, for the consideration specified in Section 1.3 hereof, the Notes held by such Noteholder specified in such Exercise Notice or such lesser portion thereof as may be determined pursuant to Section 1.5 hereof.

SECTION 1.2 EXERCISE NOTICE. If the Optionee desires to purchase the Notes as provided in this Agreement, the Optionee shall deliver to each Noteholder a notice (the "Exercise

Notice") not less than 10 days before the Maturity Date and not more than 90 days before the Maturity Date, specifying (i) that the Optionee has elected to purchase the Notes in accordance with this Agreement and (ii) the amount of consideration that is payable by the Optionee.

SECTION 1.3 CONSIDERATION. The consideration payable by the Optionee upon purchase of any Note shall consist of a number of common shares of the Optionee ("Common Shares") equal to the Number of Shares Issuable (as defined below). Such Common Shares when issued shall be validly issued, fully paid and non-assessable and free and clear of all liens. The "Number of Shares Issuable" shall be a number (rounded to the nearest whole number) determined by dividing the principal amount of the Note to be purchased, plus accrued and unpaid interest thereon calculated in accordance with the provisions of the Notes, by the Per Share Price as of the Maturity Date; PROVIDED, HOWEVER, that any calculation of Number of Shares Issuable shall be made without any reduction for any and all present or future taxes, levies, imposts, deductions, charges or withholdings, and all liabilities with respect thereto. The "Per Share Price" initially shall be $245 per share, subject to adjustment pursuant to Article II hereof.

SECTION 1.4 PARTIAL PURCHASES PRO RATA; NO RIGHT OF SET-OFF.

(a) Except as may be required or permitted by Section 1.5 hereof or as may be agreed by the Optionee and any Noteholder with respect to such Noteholder's Notes, the Optionee must purchase the same proportion of Notes from each Noteholder if it elects to purchase any Notes hereunder.

(b) Without the prior written consent of a Noteholder, the Optionee shall not be entitled to set-off its obligation to pay the consideration payable by it to such Noteholder in accordance with Section 1.3 hereof against any amount that such Noteholder may owe or be alleged to owe the Optionee.

SECTION 1.5 LIMITATION ON AMOUNT OF NOTES TO BE PURCHASED.

(a) Notwithstanding anything in this Agreement to the contrary, the Optionee shall not be permitted to purchase from any Noteholder or group of Noteholders ("Control Noteholders") an aggregate principal amount of Notes that is greater than the aggregate principal amount (the "Note Limit") that would require the Optionee to deliver to such Control Noteholders, in consideration for their Notes (including accrued and unpaid interest thereon in accordance with Section 1.3), an aggregate number of Common Shares equal to the Share Limit. The "Share Limit" means the greatest number of Common Shares that could as of the Maturity Date be acquired by such Control Noteholders without any of them or any parent company thereof being required to file a "Form A" or other request for approval of the acquisition by such Noteholder or parent company of control of any direct or indirect insurance company subsidiary of Optionee with any U.S. insurance regulator. If, pursuant to the first sentence of this Section 1.5(a), the Optionee is not permitted to purchase the full aggregate principal amount of the Notes held by Control Noteholders sought to be purchased by the Optionee, the Optionee shall purchase from such Control Noteholders an aggregate principal amount of Notes equal to the Note Limit, with the amount to be purchased allocated among such Control Noteholders as they shall direct in a notice delivered to the Optionee at least three business days prior to the Maturity Date (or, if no such notice is delivered, pro rata according to the principal amount of Notes held by them). Any partial purchase pursuant to this Section 1.5 shall not affect the rights of any Noteholder to

receive repayment from the Note Issuer of the principal and accrued interest on such Noteholder's Notes that are not purchased by the Optionee.

(b) If requested by the Optionee in the Exercise Notice, each Noteholder shall use its commercially reasonable efforts prior to the Maturity Date to file and seek and to cause its affiliates to file and seek approval of a disclaimer of control or other exemptive relief from the appropriate insurance regulators permitting the Optionee to purchase all of the Notes held by such Noteholder in exchange for Common Shares without such Noteholder or any affiliate being required to file a request for approval of acquisition of control as described in Section 1.5(a). Any such approval that may be in effect as of the Maturity Date shall be taken into consideration in determining the Share Limit with respect to such Noteholder or group of Noteholders; PROVIDED that any such approval shall not be considered for the foregoing purpose if it contains any materially adverse condition, restriction or requirement (not including any such condition, restriction or requirement customarily imposed by the issuing insurance regulator in connection with similar transactions).

SECTION 1.6 CLOSING. If the Optionee has validly delivered an Exercise Notice, then on the terms and subject to the conditions of this Agreement, the closing of the purchase and sale of the Notes (the "Closing") shall be held at 9:00 a.m. (New York City time) on the Maturity Date at the offices of LeBoeuf, Lamb, Greene & MacRae, L.L.P., 125 West 55th Street, New York, New York 10019. At the Closing, (i) each Noteholder shall deliver to the Optionee a Note, registered in the name of the Optionee, in the principal amount equal to the aggregate principal amount of the Notes to be purchased by the Optionee from such Noteholder, (ii) the Optionee shall issue and deliver to each Noteholder a certificate or certificates, registered in the name of such Noteholder, representing such number of validly issued, fully paid and non- assessable Common Shares, free and clear of all liens, as shall be issuable to such Noteholder in accordance with Section 1.3 hereof, (iii) the Noteholders and the Optionee shall deliver cross- receipts in appropriate form, (iv) the Optionee shall be deemed to make to the Noteholder the representations, warranties, covenants and agreements required by Sections 9(c), (d) and (e) of the Note and (v) the Noteholders and the Optionee shall execute and deliver a registration rights agreement substantially in the form of Exhibit 2 hereto.

ARTICLE II
ANTI-DILUTION

SECTION 2.1 ADJUSTMENT OF PER SHARE PRICE; NUMBER OF SHARES ISSUABLE. The Per Share Price shall be subject to adjustment from time to time from and after the date of this Agreement through the Maturity Date in the applicable manner, and upon the occurrence of any of the events, enumerated in this Section 2.1.

(a) SHARE DIVIDENDS, SUBDIVISIONS, RECLASSIFICATIONS, COMBINATIONS. If the Optionee declares a dividend or makes a distribution on its outstanding Common Shares in Common Shares, or subdivides or reclassifies its outstanding Common Shares into a greater number of Common Shares, or combines its outstanding Common Shares into a smaller number of Common Shares, then, in each such event,

(i) the then applicable Per Share Price shall be adjusted so that the Noteholders shall be entitled to receive, upon the exercise by the Optionee of its option hereunder, the number of Common Shares which such Noteholder would have been entitled to receive immediately after the happening of any of the events described above had such option been exercised immediately prior to the happening of such event or the record date therefor, whichever is earlier; and

(ii) an adjustment to the Per Share Price made pursuant to this clause (a) shall become effective (A) in the case of any such dividend or distribution, immediately after the close of business on the record date for the determination of holders of Common Shares entitled to receive such dividend or distribution or (B) in the case of any such subdivision, reclassification or combination, at the close of business on the day upon which such corporate action becomes effective.

(b) ISSUANCE OF COMMON SHARES OR CONVERTIBLE SECURITIES.

(i) If the Optionee issues or sells any Common Shares or Convertible Securities, other than any Permitted Issuance or issuance of Common Shares to which Section 2.1(a) or (c) applies, without consideration or at a price per Common Share (or having an exercise, exchange or conversion price per Common Share) less than the closing price per Common Share on the trading day immediately preceding (x) the Determination Date, if one exists in connection with such event, or (y) in all other cases, the date of such issuance, then in each such event, the Per Share Price shall be adjusted to equal the then applicable Per Share Price multiplied by a fraction, of which:

(A) the numerator shall be the sum of (I) the number of Common Shares outstanding on such date and (II) the number of Common Shares which the aggregate consideration receivable by the Optionee for the total number of Common Shares so issued (or into which the Convertible Securities may be exercised, exchanged or converted) would purchase at the Fair Market Value on the date specified in clause (x) or (y) above, as applicable. For purposes of this subparagraph, the aggregate consideration receivable by the Optionee in connection with the issuance of Common Shares or of securities exercisable or exchangeable for or convertible into Common Shares shall be deemed to be equal to the sum of the net offering price (after deduction of any related expenses payable to third parties), if any, of all such securities plus the minimum aggregate amount, if any, payable upon exercise or conversion of any such Convertible Securities into Common Shares, and

(B) the denominator shall the sum of (I) the number of Common Shares outstanding on such date and (II) the number of additional Common Shares issued (or into which the Convertible Securities may be exercised, exchanged or converted).

(ii) an adjustment to the Per Share Price made pursuant to this clause (b) shall become effective immediately after the Determination Date, if applicable, or if not applicable then the date of such issuance.

(iii) upon the expiration or termination of any unexercised Convertible Securities or of conversion or exchange privileges pursuant to any Convertible Securities for which any adjustment to the Per Share Price was made pursuant to this clause (b), the then applicable Per Share Price shall be readjusted and shall thereafter be such number as would have been determined had the Per Share Price been originally adjusted (or had the original adjustment not been required, as the case may be) on the basis of (A) the Common Shares, if any, actually issued or sold upon the exercise of such Convertible Securities or conversion or exchange right of such Convertible Securities and (B) the consideration, if any, actually received by the Optionee upon such exercise or conversion plus the consideration, if any, actually received by the Optionee for the issuance or sale of all of such Convertible Securities whether or not exercised, converted or exchanged. No such readjustment shall have the effect of decreasing the Per Share Price by an amount in excess of the amount of the adjustment initially made for the issuance or sale of such Convertible Securities.

(c) ISSUANCES UPON MERGER, CONSOLIDATION OR SALE OF OPTIONEE. If the Optionee shall be a party to any transaction (including a merger, consolidation, sale of all or substantially all of the Optionee's assets, liquidation or recapitalization of the Common Shares and excluding any transaction to which Section 2.1(a), (b) or (f) applies) in which the previously outstanding Common Shares shall be changed into or, pursuant to the operation of law or the terms of the transaction to which the Optionee is a party, exchanged for different securities of the Optionee or common shares or other securities of another corporation or interests in a noncorporate entity or other property (including cash) or any combination of any of the foregoing, then the Noteholders shall be entitled to receive, upon the exercise by the Optionee of its option hereunder, the number of common shares or other securities of the Optionee or other corporation or interests in a noncorporate entity or other property (including cash) or any combination of the foregoing equal to (A) the aggregate amount of stock, securities, cash and/or any other property (payable in kind), as applicable, into which or for which each Common Share is changed or exchanged multiplied by (B) the Number of Shares Issuable in effect immediately prior to the consummation of such transaction. If any transaction described in this Section 2.1(c) is effected and any stock, securities and/or other property becomes deliverable upon exercise of the option hereunder the Optionee shall be obligated to make future adjustments to the amount of stock, securities and/or other property deliverable upon exercise of the option in the circumstances and amounts set forth in this Section 2.1 as if such stock, securities and/or other property were Common Shares.

(d) DIVIDENDS OF CASH, SECURITIES, ASSETS. If the Optionee shall distribute, by dividend or otherwise, to all holders of outstanding Common Shares evidences of its indebtedness, shares of capital stock, cash or other property or assets (but excluding any dividend or distribution paid exclusively in cash and any dividend or distribution referred to in paragraphs (a) or (b) of this Section), then, in each such event, the Per Share Price shall be adjusted so that the same shall equal the price determined by multiplying the Per Share Price in effect

immediately prior to the close of business on the date fixed for the determination of stockholders entitled to receive such dividend or distribution by a fraction, of which the numerator shall be the Fair Market Value per Common Share on the Determination Date less the then fair market value (as reasonably determined in good faith by the Board of Directors of the Optionee, whose determination shall be conclusive and described in a board resolution) of the portion of the evidences of indebtedness, shares of capital stock, cash, or other property or assets so distributed applicable to one Common Share and the denominator shall be such Fair Market Value per Common Share, such adjustment to become effective immediately prior to the opening of business on the Determination Date.

(e) CASH DIVIDENDS. In case the Optionee shall (I) by dividend or otherwise, make a distribution to all holders of outstanding Common Shares exclusively in cash (excluding any cash that is distributed as part of a distribution referred to in paragraph (d) of this Section) in an aggregate amount that, combined together with (II) the aggregate amount of any other dividends to all holders of Common Shares made exclusively in cash within the 12 months preceding the date of payment of such distribution and in respect of which no adjustment pursuant to this paragraph (e) or paragraph (f) of this Section has been made and (III) the aggregate of any cash plus the fair market value, as of the expiration of the applicable tender or exchange offer referred to below (as reasonably determined in good faith by the Board of Directors, whose determination shall be conclusive and described in a board resolution), of consideration payable in respect of any tender or exchange offer (other than consideration payable in respect of any odd-lot tender offer) by the Optionee or any of its subsidiaries for all or any portion of the Common Shares concluded within the 12 months preceding the date of payment of the distribution described in clause (I) above and in respect of which no adjustment pursuant to this paragraph (e) or paragraph (f) of this Section has been made, exceeds 10% of the product of the Fair Market Value per Common Share on the Determination Date times the number of Common Shares outstanding on such Determination Date (the "Dividend Threshold"), then, and in each such case, immediately after the close of business on such Determination Date, the Per Share Price shall be adjusted so that the same shall equal the price determined by multiplying the Per Share Price in effect immediately prior to the close of business on the date fixed for determination of the stockholders entitled to receive such distribution by a fraction (i) the numerator of which shall be equal to the Fair Market Value per Common Share on the Determination Date less an amount equal to the quotient of (x) the combined amount distributed or payable in the transactions described in clauses (I), (II) and (III) above less the Dividend Threshold and (y) the number of Common Shares outstanding on such Determination Date and (ii) the denominator of which shall be equal to the Fair Market Value per Common Share on such Determination Date.

(f) TENDER OR EXCHANGE OFFERS. In case (I) a tender or exchange offer made by the Optionee or any subsidiary of the Optionee for all or any portion of the Common Shares is consummated and such tender or exchange offer (as amended upon the expiration thereof) shall require the payment to stockholders (based on the Common Shares accepted for payment in such tender or exchange offer) of an aggregate consideration having a fair market value (as reasonably determined in good faith by the Board of Directors, whose determination shall be conclusive and described in a board resolution) at the last time (the "Expiration Time") tenders or exchanges may be made pursuant to such tender or exchange offer (as it may be amended) that, combined

together with (II) the aggregate of the cash plus the fair market value (as reasonably determined in good faith by the Board of Directors, whose determination shall be conclusive and described in a board resolution), as of the expiration of such tender or exchange offer, of consideration payable in respect of any other tender or exchange offer (other than consideration payable in respect of any odd-lot tender offer) by the Optionee or any subsidiary of the Optionee for all or any portion of the outstanding Common Shares consummated within the 12 months preceding the expiration of such tender or exchange offer and in respect of which no adjustment pursuant to paragraph (e) of this Section or this paragraph (f) has been made and (III) the aggregate amount of any dividends to all holders of the Optionee's Common Shares made exclusively in cash within the 12 months preceding the expiration of such tender or exchange offer and in respect of which no adjustment pursuant to paragraph (e) of this Section or this paragraph (f) has been made, exceeds 10% of the product of the Fair Market Value per Common Share as of the Expiration Time times the number of Common Shares outstanding (including any tendered shares) on the Expiration Time, then, and in each such case, immediately prior to the opening of business on the day after the date of the Expiration Time, the Per Share Price shall be reduced (but not increased) so that the same shall equal the price determined by multiplying the Per Share Price immediately prior to the close of business as of the Expiration Time by a fraction (i) the numerator of which shall be equal to (A) the product of (x) the Fair Market Value per Common Share as of the Expiration Time and (y) the number of Common Shares outstanding (including any tendered shares) as of the Expiration Time less (B) the amount of cash plus the fair market value (determined as aforesaid) of the aggregate consideration payable to stockholders based on the transactions described in clauses (I), (II) and (III) above (based on, in the case of clause (I), the Common Shares accepted for payment in such tender or exchange offer), and (ii) the denominator of which shall be equal to the product of (A) the Fair Market Value per Common Share as of the Expiration Time and (B) the number of Common Shares outstanding (including any tendered shares) as of the Expiration Time less the number of Common Shares accepted for payment in such tender or exchange offer.

(g) NOTICES OF ADJUSTMENT.

(i) Upon any adjustment of the Per Share Price pursuant to this Section 2.1, the Optionee shall promptly, but in any event within 10 days thereafter, cause to be given to each Noteholder, in accordance with Section 5.1, by registered mail, postage prepaid, a certificate signed by an executive officer setting forth the Per Share Price and/or the kind of shares of other securities or assets issuable upon the exercise by the Optionee of its option hereunder as so adjusted and describing in reasonable detail the facts accounting for such adjustment and the method of calculation used. Where appropriate, such certificate may be given in advance and included as a part of the notice required to be mailed under the other provisions of this Section 2.1.

(ii) In the event the Optionee proposes to take (or receives notice of) any action which would require an adjustment of the Per Share Price pursuant to Section 2.1, then the Optionee shall cause to be given to each Noteholder, in accordance with Section 5.1, at least 10 days prior to the applicable record date or effective date for such action, a written notice in accordance with Section 2.1: (A) stating such record date or effective date, (B) describing such action in reasonable detail and (C) stating the date as of which it

is expected that holders of record of Common Shares shall be entitled to receive any applicable dividends or distributions or to exchange their shares for securities or other property, if any, deliverable upon such action. The failure to give the notice required by this Section 2.1(d) or any defect therein shall not affect the legality or validity of any such action or the vote upon any such action.

(h) ADJUSTMENTS. No adjustments in the Per Share Price shall be made unless such adjustment would result in an adjustment of more than 1% in the Per Share Price; PROVIDED, HOWEVER, that any adjustments that by reason of this paragraph (h) are not made shall be carried forward and taken into account in any subsequent adjustment.

(i) DEFINED TERMS. As used in this Section 2.1, the following terms shall have the following meanings:

"CONVERTIBLE SECURITIES" means any rights, warrants, options or other securities directly or indirectly convertible into or exercisable or exchangeable for Common Shares, other than any Permitted Issuances.

"DETERMINATION DATE" means, with respect to the making of any issuance, dividend or distribution as to which a record or other date is fixed for the determination of holders of Common Shares entitled to receive or participate in such issuance, dividend or distribution, the earlier of (i) such record or other date and (ii) the first date on which the Common Shares trade regular way on the principal securities exchange or market on which they are traded without the right to receive such issuance, dividend or distribution.

"FAIR MARKET VALUE" means, as of any date, with respect to a Common Share, the average of the closing prices of a Common Share for the ten consecutive trading days immediately prior to the determination date or, if the Common Shares are not listed or admitted to trade on any national securities exchange, the fair market value per share as determined in good faith by the Board of Directors of the Optionee in reliance upon an opinion of a nationally recognized investment bank and certified in a resolution sent to each Noteholder.

"PERMITTED ISSUANCE" means (a) any shares, warrants, options, rights or other securities of the Optionee outstanding on the date hereof (and the issuance of any Common Shares upon the exercise or conversion thereof), (b) any Common Shares issued upon exercise of the Warrants, (c) any share options or other securities of the Optionee granted pursuant to any employee benefit plan or program of the Optionee and any Common Shares or other securities of the Optionee issued upon exercise thereof, (d) any securities of the Optionee issued in consideration for the acquisition of a business and (e) any public offering of any securities of the Optionee, other than pursuant to or in connection with an issuance of rights, options or warrants to all holders of Common Shares of the Optionee entitling them to subscribe for or purchase Common Shares.

"WARRANTS" means the warrants to purchase 1,714,285 Common Shares sold pursuant to the Warrant Agreement among the Optionee and Berkshire Hathaway Inc., dated as of May 31, 2001.

ARTICLE III
CONDITIONS TO PURCHASE RIGHT

SECTION 3.1 CONDITIONS TO PURCHASE RIGHT. The obligations of each Noteholder to sell its Notes to the Optionee pursuant to this Agreement are subject to the satisfaction or waiver by such Noteholder on or prior to the Maturity Date of the following conditions:

(a) NO EVENT OF DEFAULT. No Event of Default under such Noteholder's Notes shall have occurred and be continuing.

(b) HSR. If filing under the Hart-Scott-Rodino Antitrust Improvements Act of 1976, as amended (the "HSR Act") is required in connection with sale of such Noteholder's Notes to the Optionee hereunder, then any waiting period (and any extension thereof) applicable to the transactions contemplated hereby under the HSR Act shall have been terminated or shall have otherwise expired; PROVIDED, that this condition shall only apply to a Noteholder if such Noteholder shall have used its commercially reasonable efforts to pursue such termination or expiration.

(c) NYSE. The Common Shares (or other common equity securities to be issued pursuant to Section 2.1(c)) to be issued at the Closing shall have been approved for listing on the New York Stock Exchange, subject to official notice of issuance.

ARTICLE IV
ASSIGNMENT; NOVATION

SECTION 4.1 ASSIGNMENT. Except for assignments (i) by the Optionee in connection with any transaction described in Section 2.1(c) pursuant to which an adjustment is made in the kind and amount of consideration payable to the Noteholders upon exercise of the option granted hereby or (ii) by the Noteholder that occur in accordance with Section 4.2, neither this Agreement nor any of the rights, interests or obligations under this Agreement shall be assigned, in whole or in part, by operation of law or otherwise by any of the parties without the prior written consent of the other parties, and any such assignment that is not consented to shall be null and void. Subject to the preceding sentence, this Agreement will be binding upon, inure to the benefit of, and be enforceable by, the parties and their respective successors and assigns.

SECTION 4.2 NOVATION. In connection with any transfer by a Noteholder (a "Transferring Noteholder") of all or any portion of any Note (other than a purchase of a Note by the Optionee pursuant to Article I hereof), by operation of law or otherwise, that is permitted under the Note, the transferee shall execute and deliver to the Optionee a novation agreement in the form of Exhibit 1 hereto (a "Novation Agreement"). Execution and delivery to the Optionee of a Novation Agreement shall, with effect from and after the consummation of the transfer of the Note to the transferee, effect a novation of this Agreement and shall have the following consequences, in addition to those provided by law: (A) the Transferring Noteholder shall be discharged and released from all of its obligations hereunder with respect to such portion of the Note transferred by it to the transferee; and (B) the transferee shall become a Noteholder for all

purposes hereunder with respect to the Note transferred to it. Each of the Optionee and each Noteholder agrees, by its execution and delivery of this Agreement or of a Novation Agreement, that any such novation of this Agreement shall be binding upon the Optionee or such Noteholder without the need for further action by the Optionee or such Noteholder. Upon a transferee's execution and delivery to the Optionee of a Novation Agreement, the Optionee shall deliver to such transferee a copy of any Exercise Notice theretofore delivered by the Optionee. If an Exercise Notice has been delivered by the Optionee prior to any transfer of a Note, the Transferring Noteholder shall, prior to the consummation of such transfer, deliver a copy of the Exercise Notice to the transferee. Any Exercise Notice delivered to the transferring Noteholder prior to a transfer of a Note shall be binding upon the transferee.

ARTICLE V
GENERAL PROVISIONS

SECTION 5.1 NOTICES. All notices, requests, claims, demands and other communications under this Agreement shall be in writing and shall be delivered personally, by facsimile (which is confirmed as provided below) or by overnight courier (providing proof of delivery) to the parties at the following addresses (or at such other address for a party as shall be specified by like notice):

(i) if to the Optionee, to

White Mountains Insurance Group, Ltd.
12 Church Street
Suite 22A
Hamilton HM11
Bermuda
Fax: 441-296-9904
Attention: Tom Kemp

with a copy to:

White Mountains Insurance Group, Ltd.
80 South Main Street
Hanover, NH 03755
Fax: 603-643-4562
Attention: Tom Kemp

(ii) if to the Noteholder, to the address shown opposite its name on Schedule 1 to this Agreement or on the relevant Novation Agreement, as applicable, or such other address as the Noteholder shall provide to the Optionee.

Notice given by personal delivery or overnight courier shall be effective upon actual receipt. Notice given by facsimile shall be confirmed by appropriate answer back and shall be effective upon actual receipt if received during the recipient's normal business hours, or at the beginning of

the recipient's next business day if not received during the recipient's normal business hours. All notices by facsimile shall be confirmed promptly after transmission in writing by personal delivery or overnight courier.

SECTION 5.2 INTERPRETATION. When a reference is made in this Agreement to a Section, Schedule or Exhibit, such reference shall be to a Section of, or a Schedule or Exhibit to, this Agreement unless otherwise indicated. The headings contained in this Agreement are for reference purposes only and shall not affect in any way the meaning or interpretation of this Agreement. Whenever the words "include", "includes" or "including" are used in this Agreement, they shall be deemed to be followed by the words "without limitation". Whenever the singular is used herein, the same shall include the plural, and whenever the plural is used herein, the same shall include the singular, where appropriate.

SECTION 5.3 ENTIRE AGREEMENT; THIRD-PARTY BENEFICIARIES. This Agreement (including all exhibits and schedules hereto) constitutes the entire agreement, and supersedes all prior agreements, understandings, representations and warranties, both written and oral, among the parties with respect to the subject matter of this Agreement. This Agreement is not intended to confer upon any person other than the parties hereto any rights or remedies.

SECTION 5.4 GOVERNING LAW. This Agreement shall be governed by, and construed in accordance with, the laws of the State of New York, regardless of the laws that might otherwise govern under applicable principles of conflicts of laws thereof.

SECTION 5.5 ENFORCEMENT. The parties agree that irreparable damage would occur in the event that any of the provisions of this Agreement were not performed in accordance with their specific terms or were otherwise breached. It is accordingly agreed that the parties shall be entitled to an injunction or injunctions to prevent breaches of this Agreement and to enforce specifically the terms and provisions of this Agreement in any court of the United States or any state court which in either case is located in the City of New York (any such federal or state court, a "New York Court"), in addition to any other remedy to which they are entitled at law or in equity. In addition, each of the parties hereto (i) consents to submit itself exclusively to the personal jurisdiction of any New York Court in the event any dispute arises out of this Agreement or any of the transactions contemplated by this Agreement and (ii) agrees that it will not attempt to deny or defeat such personal jurisdiction or venue by motion or other request for leave from any such New York Court. Each party further agrees that service of any process, summons, notice or document by U.S. registered mail to such party's respective address set forth above shall be effective service of process for any action, suit or proceeding in New York with respect to any matters to which it has submitted to jurisdiction in this Section 5.5.

SECTION 5.6 SEVERABILITY; AMENDMENT; WAIVER.

(a) Whenever possible, each provision or portion of any provision of this Agreement will be interpreted in such manner as to be effective and valid under applicable law, but if any provision or portion of any provision of this Agreement is held to be invalid, illegal or unenforceable in any respect under any applicable law or rule in any jurisdiction, such invalidity, illegality or unenforceability will not affect any other provision or portion of any provision in such jurisdiction, and this Agreement will be

reformed, construed and enforced in such jurisdiction as if such invalid, illegal or unenforceable provision or portion of any provision had never been contained herein.

(b) Except for novations pursuant to Section 4.2 hereof, this Agreement may be amended only by a written instrument signed by each of the parties.

(c) No delay on the part of any party in exercising any right, power or privilege hereunder shall operate as a waiver thereof, nor shall any waiver on the part of any party of any right, power or privilege, nor any single or partial exercise of any such right, power or privilege, preclude any further exercise thereof or the exercise of any other such right, power or privilege.

SECTION 5.7 COUNTERPARTS. This Agreement may be executed in one or more counterparts, all of which shall be considered one and the same agreement and shall become effective when one or more counterparts have been signed by each of the parties and delivered to the other parties.

IN WITNESS WHEREOF, the Noteholders and the Optionee have caused this Agreement to be signed by their respective officers thereunto duly authorized, all as of the date first written above.

CGU INTERNATIONAL HOLDINGS
LUXEMBOURG S.A.

By
Name:
Title:

CGU HOLDINGS LLC

By
Name:
Title:

WHITE MOUNTAINS INSURANCE
GROUP, LTD.

By
Name:
Title:

SCHEDULE 1

Addresses for Notices to the Noteholders

CGU INTERNATIONAL HOLDINGS LUXEMBOURG S.A.
Galerie Kons
4th Floor
26 Place de la Gare
L-1616 LUXEMBOURG
Fax:
Attention: William Gilson

With a copy to:
CGNU plc
St. Helens
1 Undershaft
20th Floor
London, ENGLAND
EC3P 3DQ
Fax: 020 7662 7700
Attention: Group Company Secretary

CGU HOLDINGS LLC
St. Helens
1 Undershaft
20th Floor
London, ENGLAND
EC3P 3DQ
Fax: 020 7662 7700
Attention: Richard Whitaker

With a copy to:
CGNU plc
St. Helens
1 Undershaft
20th Floor
London, ENGLAND
EC3P 3DQ
Fax: 020 7662 7700
Attention: Group Company Secretary

EXHIBIT 1

NOVATION AGREEMENT

[date]

White Mountains Insurance Group, Ltd.
80 South Main Street
Hanover, NH 03755
Attention: Michael Paquette

Re: Novation of Note Purchase Option Agreement

Ladies and Gentlemen:

The undersigned proposes to acquire from [name of Noteholder] (the "Transferring Noteholder") one or more subordinated promissory notes due ________, 2002 ("Notes") of TACK Holding Corp. in an aggregate principal amount of $___________. The undersigned has been advised that the Notes are subject to a Note Purchase Option Agreement dated as of ______, 2001, among White Mountains Insurance Group, Ltd. (the "Optionee"), the Transferring Noteholder and the other holders of Notes (the "Note Purchase Option Agreement"), pursuant to which the Optionee has an option to purchase Notes from the holders thereof on the terms and subject to the conditions set forth in such Agreement. By this letter, the undersigned agrees that, with effect from and after the consummation of the acquisition of the Notes to be acquired by the undersigned from the Transferring Noteholder, the undersigned shall become a party to the Note Purchase Option Agreement as a Noteholder (as defined in the Note Purchase Option Agreement) for all purposes under the Note Purchase Option Agreement with respect to the Notes acquired by it.

Very truly yours,

[Name of transferee]

By:____________________________________
Name:
Title:
Address for Notices:

EXHIBIT 2

FORM OF REGISTRATION RIGHTS AGREEMENT