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

FORM 10-K

[X] ANNUAL REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934
For the fiscal year ended December 31, 2000

OR

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

For the transition period from ___ to ___

Commission file number 1-8993

WHITE MOUNTAINS INSURANCE GROUP, LTD.

(Exact name of Registrant as specified in its charter)

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

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

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

Title of each class	Name of each exchange on which registered
Common Shares, par value $1.00 per share	New York Stock Exchange

Securities registered pursuant to section 12(g) of the Act:

None

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

Indicate by check mark if disclosure of delinquent filers pursuant to Item 405 of Regulation S-K is not contained herein, and will not be contained, to the best of the Registrant's knowledge, in definitive proxy or information statements incorporated by reference in Part III of this Form 10-K or any amendment to this Form 10-K. [X]

The aggregate market value of voting shares (based on the closing price of those shares listed on the New York Stock Exchange and the consideration received for those shares not listed on a national or regional exchange) held by non-affiliates of the Registrant as of March 23, 2001, was $1,825,187,696.

As of March 23, 2001, 5,880,115 Common Shares, par value of $1.00 per share, were outstanding (excludes 21,000 restricted Common Shares which were not vested as of such date).

DOCUMENTS INCORPORATED BY REFERENCE

None

WHITE MOUNTAINS INSURANCE GROUP, LTD.

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PART I

Item 1. Business

GENERAL

White Mountains Insurance Group, Ltd. (the "Company") was originally formed as a Delaware corporation in 1980 and became a Bermuda corporation during 1999. Within this report, the consolidated organization is referred to as "White Mountains". White Mountains' principal operations are conducted through its subsidiaries and affiliates in the businesses of property and casualty insurance and reinsurance, each of which is described in detail herein. The Company's headquarters is located at Crawford House, 23 Church Street, Hamilton, Bermuda HM11, its principal executive office is located at 80 South Main Street, Hanover, New Hampshire, 03755-2053 and its registered office is located at Clarendon House, 2 Church Street, Hamilton, Bermuda HMDX.

In June 1999 the Company changed its name from "Fund American Enterprises Holdings, Inc." to "White Mountains Insurance Group, Inc."

In October 1999 the Company completed a corporate reorganization whereby it changed its domicile from Delaware to Bermuda (the "Redomestication"). The Redomestication was primarily undertaken to improve the Company's ability to compete in international markets by creating a corporate structure which is more favorable for the formation and growth of internationally-based insurance and reinsurance operations and which has an enhanced ability to pursue business combinations with non-United States entities. In connection with the Redomestication, the Company's name was further changed to "White Mountains Insurance Group, Ltd." to comply with Bermuda law.

In September 2000 White Mountains entered into a definitive agreement with London-based CGNU plc ("CGNU") to purchase its U.S. property and casualty insurance operations ("CGU"). CGU, headquartered in Boston, is a large U.S. property & casualty insurer which operates in all 50 states. Completion of the CGU acquisition is subject to, among other matters, the receipt of regulatory approvals, the completion of financing and the satisfaction of other customary conditions. Further details concerning this pending acquisition are contained herein.

REINSURANCE AND INSURANCE OPERATIONS

Reinsurance Operations

Folksamerica Holding Company, Inc. ("Folksamerica")

Folksamerica, through its wholly-owned subsidiary, Folksamerica Reinsurance Company (a New York-domiciled reinsurance company), is a multi-line broker-market reinsurer which provides reinsurance to insurers of property and casualty and accident and health risks in the United States, Canada, Latin America and the Carribean. Folksamerica is rated "A" (Excellent) by A.M. Best Company. During 2000, 1999 and 1998, Folksamerica had net written premiums of $332.6 million, $201.7 million and $212.6 million, respectively. At December 31, 2000 and 1999, Folksamerica had total assets of $2.8 billion and $1.3 billion, respectively, and shareholder's equity of $339.7 million and $249.4 million, respectively.

In June 1996 White Mountains purchased a 50.0% economic interest in Folksamerica for $79.9 million from a group of European mutual insurance companies (the "European Mutuals") who continued to own the remaining 50.0% interest. In November 1997 White Mountains and the European Mutuals each purchased equal interests in Folksamerica for $20.8 million which maintained White Mountains' 50.0% economic ownership position. In August 1998 White Mountains acquired all of the remaining capital stock of Folksamerica from the European Mutuals for $169.1 million which resulted in Folksamerica becoming a wholly-owned consolidated subsidiary of White Mountains at that time.

In June 1999 Folksamerica acquired USF Re Insurance Co. ("USF Re") from the Centris Group. Significant assets and liabilities acquired through USF Re included $204.1 million of cash and investments and $106.5 million of net loss and loss adjustment expense reserves.

On March 31, 2000, Folksamerica acquired PCA Property & Casualty Insurance Company ("PCA") from Humana Inc. Significant assets and liabilities acquired through PCA included $339.8 million of cash and investments and $253.8 million of net loss and loss adjustment expense reserves.

On May 5, 2000, Folksamerica acquired substantially all the reinsurance operations of Risk Capital Reinsurance Company ("Risk Capital"), a wholly-owned subsidiary of Risk Capital Holdings, Inc. Significant assets and liabilities acquired through the Risk Capital transaction included $249.9 million of cash and investments, $108.6 million of premiums receivable, $312.6 million of net loss and loss adjustment expense reserves and $82.0 million of net unearned reinsurance premiums.

On October 10, 2000, Folksamerica acquired an 80.0% interest in Esurance Inc. ("Esurance") for $9.0 million in cash. Esurance is an internet-based insurance provider which sells personal auto insurance in 26 states.

Reinsurance Overview

Reinsurance is an arrangement in which a reinsurance company (the "reinsurer") agrees to indemnify an insurance company (the "ceding company") for all or a portion of the insurance risks underwritten by the ceding company under one or more insurance policies. Reinsurance can benefit a ceding company in a number of ways, including reducing net liability exposure on individual risks, providing catastrophe protections from large or multiple losses, stabilizing financial results and assisting in maintaining acceptable operating leverage ratios. Reinsurance also provides a ceding company with additional underwriting capacity by permitting it to accept larger risks and underwrite a greater number of risks without a corresponding increase in its capital or surplus. Reinsurers may also purchase reinsurance, known as retrocessional reinsurance, to cover their own risks assumed from primary ceding companies. Reinsurance companies enter into retrocessional agreements for many of the same reasons that ceding companies enter into reinsurance agreements.

Folksamerica writes both treaty and facultative reinsurance. Treaty reinsurance is an agreement whereby the ceding company is obligated to cede, and the reinsurer is obligated to assume, a specified portion or category of risk under all qualifying policies issued by the ceding company during the term of a treaty. In the underwriting of treaty reinsurance, the reinsurer does not evaluate each individual risk assumed and generally accepts the original underwriting decisions made by the ceding insurer. Facultative reinsurance is underwritten on a risk-by-risk basis whereby Folksamerica applies its own pricing to an individual exposure. Facultative reinsurance is normally purchased by insurance companies for individual risks not covered under reinsurance treaties or for amounts in excess of limits on risks covered under reinsurance treaties. The majority of Folksamerica's premiums are derived from treaty reinsurance contracts both on an excess of loss and quota share basis, which in 2000 amounted to 23.2% and 67.1% of its total earned premiums, respectively. Folksamerica derives its business from a spectrum of ceding insurers including national, regional, specialty and excess and surplus lines writers. Folksamerica selects transactions based solely on anticipated underwriting results of the transaction which are evaluated on a variety of factors including the quality of the reinsured, the attractiveness of the reinsured's insurance rates, policy conditions and the adequacy of the proposed reinsurance terms.

A significant period of time normally elapses between the receipt of reinsurance premiums and the disbursement of reinsurance claims ("float"). The claims process generally begins upon the occurrence of an event causing an insured loss followed by: (i) the reporting of the loss to the ceding company; (ii) the reporting of the loss by the ceding company to Folksamerica; (iii) the ceding company's adjustment and payment of the loss; and (iv) the payment to the ceding company by Folksamerica. During this time, Folksamerica earns investment income on the float. Therefore, Folksamerica's combined ratio can generally be higher than that of White Mountains' consolidated property and casualty insurance operations and yet may still earn an equivalent or superior return on equity.

Lines of Business and Geographic Location

Folksamerica's net written premiums by line of business follow:

Millions	Year Ended December 31,				
	2000	1999	1998	1997	1996
Liability	**$ 208.4**	$ 122.6	$122.0	$123.6	$ 79.6
Property	**91.6**	68.9	87.2	104.9	85.9
Accident and Health	**26.4**	—	—	—	—
Other	**6.2**	10.2	3.4	3.9	6.4
Total	**$ 332.6**	$ 201.7	$212.6	$232.4	$171.9

Folksamerica's net written premiums by geographic location follow:

Millions	Year Ended December 31,				
	2000	1999	1998	1997	1996
United States	**$296.7**	$ 172.2	$190.9	$208.6	$155.2
Canada	**21.6**	21.0	13.9	10.1	4.2
Latin America and the Carribean	**14.3**	8.5	7.8	13.7	12.5
Total	**$332.6**	$ 201.7	$212.6	$232.4	$171.9

Underwriting

Folksamerica's primary underwriting objective is to carefully assess reinsurance opportunities to determine the probability of a particular transaction providing an underwriting profit. Those risks that do not provide a reasonable likelihood of delivering an underwriting profit are rejected. Underwriting opportunities presented to Folksamerica are evaluated based on a number of factors including historical analysis of results, estimates of future loss costs, a review of other programs displaying similar exposure characteristics, the primary insurer's underwriting and claims experience and the primary insurer's financial condition. Folksamerica regularly conducts underwriting and claims audits of ceding companies to assist it in evaluating the information submitted by the ceding companies.

Folksamerica's most senior underwriters and executives are responsible for its underwriting policy and quality standards and informing Folksamerica's board of directors of current and anticipated market conditions and underwriting results.

Marketing

Folksamerica generally obtains all its reinsurance business through brokers and reinsurance intermediaries which represent the ceding company in negotiations for the purchase of reinsurance. The process of effecting a brokered reinsurance placement typically begins when a ceding company enlists the aid of a reinsurance broker in structuring a reinsurance program. Often the ceding company and the broker will consult with one or more lead reinsurers as to the pricing and contract terms for the reinsurance protection being sought. Once the ceding company has approved the terms quoted by the lead reinsurer, the broker will offer participations to qualified reinsurers until the program is fully subscribed by reinsurers at terms agreed to by all parties.

Folksamerica pays its reinsurance brokers' commissions based on negotiated percentages of the premium it writes. These commissions, which generally average 5% of premium, constitute a significant portion of Folksamerica's total acquisition costs and are included in its underwriting expenses. During the year ended December 31, 2000, Folksamerica received approximately 56.4% of its gross reinsurance premiums written from three major reinsurance brokers as follows: (i) E.W. Blanch - 21.6%; (ii) Guy Carpenter and affiliates - 17.6%; and (iii) AON Re, Inc. - 17.2%. During the year ended December 31, 2000, Folksamerica received no more than 10% of its gross reinsurance premiums from any individual ceding company.

Loss and Loss Adjustment Expense Reserves

Insurers and reinsurers establish loss and loss adjustment expense reserves representing estimates of future amounts needed to pay claims and related expenses with respect to insured events that have occurred. Loss and loss adjustment expense reserves have two components: case reserves, which are reserves for reported losses, and incurred but not reported ("IBNR") reserves, which are reserves for losses not yet reported. Reserve estimates reflect the judgement of both the ceding company and the reinsurer, based on the experience and knowledge of its claims personnel, regarding the nature and value of the claim. The ceding company may periodically adjust the amount of the case reserves as additional information becomes known or partial payments are made.

Upon notification of a loss from a ceding company, Folksamerica establishes case reserves, including loss adjustment expense reserves, based upon Folksamerica's share of the amount of reserves established by the ceding company and Folksamerica's independent evaluation of the loss. Where appropriate, Folksamerica establishes case reserves in excess of its share of the reserves established by the ceding company.

Folksamerica uses a combination of actuarial methods to determine its IBNR reserves. These methods fall into two general categories: (1) methods by which ultimate claims are estimated based upon historical patterns of paid and reported claim development experienced by Folksamerica, as supplemented by reported industry data, and (2) methods in which the level of Folksamerica's IBNR claim reserves are established based upon the IBNR claim reserves relative to earned premium applied by accident year, line of business and type of reinsurance written by Folksamerica. Due to the inherent uncertainties of estimating claim reserves, actual losses and loss adjustment expenses may deviate, perhaps substantially, from estimates of Folksamerica's reserves reflected in its consolidated financial statements. During the claims settlement period, which may extend over a long period of time, additional facts regarding claims and trends may become known which may cause Folksamerica to adjust its estimates of the ultimate liability. The revised estimates of ultimate liability may prove to be less than or greater than the actual settlement or award amount for which the claim is finally discharged.

Reinsurance Industry and Competition

Folksamerica commenced writing business in 1980 as one of a host of newly formed, foreign-owned reinsurers capitalized with minimum surplus. In 1991, recognizing that surplus size would become an increasingly important business issue, Folksamerica launched an aggressive strategy to increase its resources and capacity through the acquisition of select broker-market reinsurance and property and casualty insurance companies. Since 1991, Folksamerica has acquired several other reinsurers which has served to raise Folksamerica's surplus and contributed a number of important business relationships.

In general, competition among primary companies has caused primary insurers to reduce their own premium writings or restructure their reinsurance programs, thereby reducing the amount of reinsurance they purchase. As a result of consolidation within the industry, many ceding companies are now larger and financially stronger, thereby enabling them to retain more risk. In addition, increasingly intense competition in the reinsurance markets has historically driven reinsurance prices on a number of accounts below pricing levels which Folksamerica will accept. Folksamerica's management believes that the reinsurance industry, including the intermediary market, will continue to undergo further consolidation. Management further believes that, although size and financial strength will continue to be factors in selecting reinsurance partners, product pricing has become the most telling competitive factor.

Consolidated Insurance Operations

Over the past several years White Mountains has been acquiring and developing various property and casualty insurance operating companies. These companies are described below:

International American Group ("IAG")

In October 1999 White Mountains completed its acquisition of IAG, a collection of insurance companies for $86.7 million in cash. White Mountains acquired the following subsidiaries through its acquisition of IAG:

Peninsula Insurance Company ("PIC") PIC, which was established in 1960, is a Maryland-domiciled property and casualty insurer which writes both personal and commercial lines, primarily private passenger auto, homeowners, commercial auto and commercial multiple peril. Most of PIC's insurance products are sold in Maryland, Delaware and Virginia. PIC is rated "A" (Excellent) by A.M. Best Company.

In the United States, property and casualty insurance can be obtained through national and regional companies that use an agency distribution system, direct writers, brokers or through self-insurance including the use by corporations of subsidiary captive insurers. PIC markets insurance products principally through independent agents. PIC's primary business focus is to establish strong long-term relationships with its agents and insured customers by focusing on providing quality insurance products to families and small private businesses. PIC pays their independent agents commissions representing negotiated percentages of the premium they write. These commissions, which currently range from 5.0% to 20.0% of premium, depending on the line of business, constitute a significant portion of total acquisition costs and are included in underwriting expenses.

The long-term relationships cultivated by PIC with its agents and insured customers have produced a relatively high level of renewal persistency, particularly in PIC's standard private passenger auto and commercial auto books of business. Renewal persistency can be a significant indicator of an insurance company's long-term prospects for successful underwriting. An insurance company typically incurs more marketing and underwriting costs to write new business (e.g., policies written for new customers) than it does to write "seasoned" business (e.g., policy renewals). Additionally, losses and loss adjustment expenses are typically higher and less predictable for new business than for seasoned business.

The principal competitive factors that affect PIC are: (i) pricing; (ii) underwriting; (iii) quality of claims and policyholder services; (iv) appointing and retaining high quality independent agents; (v) operating efficiencies; (vi) product differentiation and availability; and (vii) increased competition from national direct writers. No single company or group of affiliated companies dominates the insurance industry. The highly competitive environment in the property and casualty insurance market during the past several years has intensified due to increased capacity resulting from growing capital supporting the industry and robust investment returns achieved in recent years. PIC maintains a disciplined approach to pricing and underwriting of insurance risks. Application of this disciplined approach in a highly competitive environment results in a lower volume of insurance premiums than would result from a less disciplined approach, but should produce better overall financial returns from the business over long periods of time.

Selected financial information for PIC is as follows:

	Year Ended December 31,		
Statutory Basis [a] in Millions	2000	1999	1998
Net written premiums, by line of business:			
Private passenger auto	$16.2	$16.9	$20.2
Commercial auto	3.5	2.7	2.2
Commercial multiple peril	1.0	.9	1.0
Homeowners	.9	1.0	1.0
Other	1.1	1.0	1.3
Total net written premiums	$22.7	$22.5	$25.7
Ending total admitted assets	$48.1	$56.4	$57.3
Ending policyholders' surplus	$20.0	$27.5	$24.2

(a) The term "statutory" as contained herein refers to a basis of accounting other than generally accepted accounting principles that is prescribed or permitted by the individual states that an insurance company is domiciled in.

American Centennial Insurance Company ("ACIC") ACIC is a Delaware-domiciled property and casualty insurance company in run-off. ACIC was incorporated in 1970 for the purpose of underwriting primary and excess liability insurance for many large national and international chemical, manufacturing and pharmaceutical companies, as well as for the purpose of underwriting facultative and treaty reinsurance for the same types of risks. In 1983, in response to the poor profitability of these books of business and substantial difficulties in the collection of its reinsurance recoverables due principally to financial problems of its reinsurers, ACIC stopped actively writing insurance and reinsurance and is currently in run-off. Since 1983, ACIC has concentrated its run-off efforts on commuting its loss exposures with its insureds and on settling the ultimate amount of its reinsurance recoverables with its reinsurers. In 1997, ACIC entered into a retrospective excess of loss reinsurance treaty with a highly rated reinsurer whereby substantially all of its remaining loss exposure has been reinsured. At December 31, 2000 and 1999, ACIC had $47.1 million and $51.4 million of total statutory admitted assets, respectively, and $40.5 million and $43.2 million of statutory policyholders' surplus, respectively.

British Insurance Company of Cayman ("BICC") BICC is a Cayman Island-domiciled property and casualty insurance company in run-off. BICC was established in 1997 as a means to improve IAG's ability to recover reinsurance recoverables from insolvent or near insolvent international reinsurers. BICC consists principally of certain reinsurance recoverables and loss reserves assumed from ACIC and invested assets. At December 31, 2000 and 1999, BICC had $22.1 million and $36.1 million of total assets and $4.5 million and $17.2 million of shareholder's equity, respectively.

Waterford Insurance Company ("Waterford")

Waterford is a Kansas-domiciled property and casualty insurance company. Waterford was purchased in 1996 (at which time it was an inactive insurance company) and is licensed to write property and casualty insurance in 48 states. As of December 31, 1999, Waterford ceased writing new business. At December 31, 2000 and 1999, Waterford had $11.6 million and $13.3 million of total statutory admitted assets, respectively, and $11.3 million and $12.2 million of statutory policyholders' surplus, respectively. Waterford was sold to a third party on January 5, 2001 for cash proceeds of $23.8 million.

Valley Group, Inc. ("VGI")

In 1995 White Mountains acquired the Valley Insurance Companies ("Valley") of Albany, Oregon and Charter Group, Inc. ("CGI") of Richardson, Texas for $41.7 million in cash less $3.0 million of purchase price adjustments. In September 1995 White Mountains formed White Mountains Insurance Company ("WMIC"), a New Hampshire-domiciled mid-size commercial property and casualty company. Valley, CGI and WMIC are collectively referred to herein as "VGI".

In June 1999 White Mountains completed the sale of VGI to Unitrin (the "VGI Sale") and received net proceeds of $139.0 million in cash after receiving a special dividend prior to the closing of $76.6 million (net of related tax liabilities) consisting of cash, investment securities and the common stock of Waterford.

Investments in Unconsolidated Insurance Affiliates

White Mountains' investments in unconsolidated insurance affiliates represent operating investments in other insurers in which White Mountains has a significant voting and economic interest but does not own more than 50.0% of the entity.

Main Street America Holdings, Inc. ("MSA")

MSA is a subsidiary of National Grange Mutual Insurance Company ("NGM"), a New Hampshire-domiciled property and casualty insurance company, which insures risks located primarily in New York, Massachusetts, Connecticut, Pennsylvania, New Hampshire, Virginia and Florida. NGM's principal lines of business and approximate percentage of total direct written premiums are personal automobile (41.5%), commercial multi-peril (18.0%), homeowners (14.4%) and commercial automobile (13.9%). MSA, through its subsidiaries, participates in NGM's property and casualty business through a reinsurance agreement. MSA's net written premiums totalled $265.4

million, $242.7 million and $258.5 million in 2000, 1999 and 1998, respectively, and its net income was $3.8 million, $25.8 million and $13.4 million, respectively. MSA's total assets as of December 31, 2000 and 1999 were $608.7 million and $582.3 million, respectively, and its shareholders' equity was $253.8 million and $233.4 million, respectively.

From 1994 to 1997 White Mountains owned 33.1% of the common stock of MSA ("MSA Common Stock"). During that period MSA participated in 40% NGM's property and casualty business through a reinsurance agreement.

In 1998 White Mountains acquired an additional 131,487 shares of MSA Common Stock for $74.4 million (which includes a purchase price adjustment of $4.1 million paid to MSA during 2000) which raised White Mountains ownership of MSA to 50.0%. As a result of White Mountains' additional investment in MSA, MSA's reinsurance pooling agreement was increased from 40.0% to 60.0% and NGM contributed certain of its insurance, reinsurance and financial services subsidiaries to MSA. White Mountains' investment in MSA Common Stock is accounted for using the equity method.

Financial Security Assurance Holdings Ltd. ("FSA")

FSA, through its wholly-owned subsidiary, Financial Security Assurance Inc., guarantees scheduled payments of principal and interest on municipal bonds and asset-backed securities, including residential mortgage-backed securities.

On July 5, 2000 White Mountains concluded the sale of its indirect, wholly-owned subsidiary, White Mountains Holdings, Inc. (which controlled a substantial amount of its holdings of FSA) and all its other holdings of the common stock of FSA ("FSA Common Stock") to Dexia S.A. ("Dexia") for proceeds of $620.4 million (the "Dexia Sale") which resulted in a pretax gain of $391.2 million.

In 1994 White Mountains purchased 2,000,000 shares of FSA Common Stock from MediaOne Capital Corp. ("MediaOne", formerly U S WEST Capital Corp.), a wholly-owned subsidiary of MediaOne Group, Inc. (formerly U S WEST, Inc.). The purchase was part of an initial public offering of FSA Common Stock at the offering price of $20.00 per share.

White Mountains also acquired various fixed price options ("FSA Options") and shares of convertible preferred stock ("FSA Preferred Stock") during 1994 which, in total, gave White Mountains the right to acquire up to 4,560,607 additional shares of FSA Common Stock for aggregate consideration of $125.7 million.

White Mountains purchased an additional 460,200 shares of FSA Common Stock on the open market for $8.8 million during 1995 and an additional 1,000,000 shares of FSA Common Stock in a private transaction for $26.5 million during 1996.

In May 1999, White Mountains exercised FSA Options to acquire 666,667 shares of FSA Common Stock for $15.7 million in cash. In September 1999, White Mountains exercised FSA Options to acquire 1,893,940 shares of FSA Common Stock in exchange for White Mountains' $50.0 million investment in MediaOne preferred stock.

In December 1999, White Mountains purchased an additional 922,509 shares of FSA Common Stock at a price of $54.20 per share in a private transaction with FSA.

Prior to the Dexia Sale, White Mountains' accounted for its investment in FSA Common Stock using the equity method. White Mountains' accounted for its investment in FSA Preferred Stock and FSA Options under the provisions of Statement of Financial Accounting Standards ("SFAS") No. 115 whereby the investment was reported at fair value as of the balance sheet date, with related unrealized investment gains and losses, after tax, reported as a net amount in a separate component of shareholders' equity and reported on the income statement as a component of other comprehensive net income.

DISCONTINUED OPERATIONS

In 1991 White Mountains sold Fireman's Fund Insurance Company ("Fireman's Fund"), a large property and casualty insurance company, to Allianz of America, Inc. Since 1991 the Company has carried a reserve related to various outstanding tax issues involving the sale. In September 2000, the Company was informed that the Internal Revenue Service agreed with the position taken by White Mountains in its 1991 tax return and, on October 19, 2000, the Company received the Technical Advice Memorandum from the Internal Revenue Service's National Office confirming this conclusion. As a result, the Company released a $95.0 million reserve during 2000 to income which is presented as a gain from discontinued insurance operations.

In May 1999 White Mountains concluded the sale of substantially all the mortgage banking assets (the "Mortgage Banking Sale") of White Mountains Services Corporation ("WMSC" formerly Source One Mortgage Services Corporation) and received net proceeds totalling $180.6 million. Mortgage banking assets and liabilities that were not part of the Citibank sale principally included WMSC's investments in derivative instruments (which were fully liquidated in 1999), various residual mortgage assets and preferred stock, each of which were substantially liquidated during 1999. White Mountains recorded a $17.9 million pretax ($11.6 million after tax) gain on the sale of its mortgage banking net assets (which is net of anticipated future liabilities) during 1999. During 2000 WMSC was liquidated and all remaining mortgage banking assets were transferred to White Mountains Services L.L.C., a wholly-owned subsidiary of White Mountains. As a result of White Mountains' decision to dispose of its net mortgage banking assets, these activities are shown as discontinued operations herein.

INVESTING OPERATIONS

White Mountains' philosophy is to invest all assets to maximize their after tax total return over extended periods of time. Under this approach, each dollar of after tax investment income, realized gains and unrealized gains is valued equally. Management further believes that the investment assets of its reinsurance and insurance operations should be invested in a "balanced portfolio" consisting of a mixture of fixed income investments, equity securities and occasionally other investments in order to maximize returns over extended periods of time. The Company's Investment Committee, headed by John D. Gillespie and comprised of certain other members of the Company's Board of Directors (the "Board"), key management and investment professionals, oversee the Company's investment activities which are more extensive than in the recent past. The Investment Committee regularly monitors the overall investment results of White Mountains, reviews the results of each of White Mountains' various investment managers, reviews compliance with established investment guidelines, approves all purchases and sales of investment securities and ultimately reports the overall investment results to the Board.

As previously stated, the investment portfolios of White Mountains' reinsurance and insurance operations consist, in part, of common equity securities and other investments. At December 31, 2000, the investment portfolios of White Mountains' reinsurance and insurance operations contained $181.5 million of common equity securities and other investments which represented approximately 14% of their total portfolio, excluding short-term investments. Management believes that modest investments of common equity securities within its investment portfolio will enhance after tax returns without significantly increasing the risk profile of the portfolio when considered over long periods of time.

REGULATION

White Mountains' insurance and reinsurance operations are subject to regulation and supervision in each of the jurisdictions where they are domiciled and licensed to conduct business. Generally, regulatory authorities have broad supervisory and administrative powers over such matters as licenses, standards of solvency, premium rates, policy forms, investments, security deposits, methods of accounting, form and content of financial statements, reserves for unpaid losses and loss adjustment expenses, reinsurance, minimum capital and surplus requirements, dividends and other distributions to shareholders, periodic examinations and annual and other report filings. Over the last several years most states have, and continue to implement, laws which establish standards for current, as well as continued, state accreditation. In addition, the National Association of Insurance Commissioners ("NAIC") has adopted risk-based capital ("RBC") standards for property and casualty companies as a means of monitoring certain aspects affecting the overall financial condition of insurance companies. The RBC ratios for Folksamerica Reinsurance

Company, PIC, ACIC and Waterford at December 31, 2000 and 1999, were above the levels which would require regulatory action.

White Mountains is not aware of any current recommendations by regulatory authorities that would be expected to have a material effect on its results of operations or liquidity or any other matters that would require disclosure herein.

EMPLOYEES

As of December 31, 2000, White Mountains employed approximately 255 persons (consisting of 10 persons at the Company, 150 persons at Folksamerica, 70 persons at PIC, 15 persons at ACIC and BICC and 10 persons at subsidiary holding companies). Management believes that White Mountains' employee relations are good.

FORWARD-LOOKING STATEMENTS

White Mountains relies upon the safe harbor for forward looking statements provided by the Private Securities Litigation Reform Act of 1995. This safe harbor requires that White Mountains specify important factors that could cause actual results to differ materially from those contained in forward-looking statements made by or on behalf of White Mountains. Accordingly, forward-looking statements by the Company and its affiliates are qualified by reference to the following cautionary statements.

In its filings with the Securities and Exchange Commission (the "SEC"), reports to shareholders, press releases and other written and oral communications, White Mountains from time to time makes forward-looking statements. Such forward-looking statements include, but are not limited to, (i) projections of revenues, income (or loss), earnings (or loss) per share, dividends, market share or other financial forecasts, (ii) statements of plans, objectives or goals of White Mountains or its management, including those related to growth in book value and deferred credit per share or return on equity and (iii) expected losses on, and adequacy of loss reserves for, insurance in force. Words such as "believes", "anticipates", "expects", "intends" and "plans" and similar expressions are intended to identify forward-looking statements but are not the exclusive means of identifying such statements.

White Mountains cautions that a number of important factors could cause actual results to differ materially from the plans, objectives, expectations, estimates and intentions expressed in forward-looking statements made by White Mountains. These factors include: (i) competitive forces, including the conduct of other property and casualty insurers and reinsurers, (ii) changes in domestic or foreign laws or regulations applicable to White Mountains, its competitors or its clients, (iii) an economic downturn or other economic conditions (such as a rising interest rate environment) adversely affecting White Mountains' financial position, and (iv) loss reserves established by White Mountains subsequently proving to have been inadequate and (v) the failure of pending transactions to be consummated. White Mountains cautions that the foregoing list of important factors is not exhaustive. In any event, such forward-looking statements made by White Mountains speak only as of the date on which they are made, and White Mountains does not undertake any obligation to update or revise such statements as a result of new information, future events or otherwise.

Item 2. Properties

The Company maintains two small professional offices in Hamilton, Bermuda which serve as its headquarters and registered office. In addition, the Company and certain of its subsidiaries lease 8,600 square feet of office space at 80 South Main Street, Hanover, New Hampshire, under a lease expiring in 2006, which serves as its principal executive office. Folksamerica leases 60,000 square feet of office space in New York, New York, under a lease expiring 2009, which serves as its principal office. Folksamerica also leases 12,000 square feet of office space in Greenwich, Connecticut, under a lease expiring in 2010, which serves as its satellite office. PIC owns a 20,000 square foot office building in Salisbury, Maryland which serves as its principal office. ACIC and BICC lease 8,000 square feet of office space in Wilmington, Delaware, under a lease which expires in 2004, which serves as their principal office. White Mountains leases several other office facilities and operating equipment under cancellable and noncancellable agreements.

Item 3. Legal Proceedings

White Mountains, in common with the insurance and reinsurance industry in general, is subject to litigation and arbitration in the normal course of its business. As of December 31, 2000, White Mountains was not a party to any material litigation or arbitration other than as routinely encountered in claims activity, none of which is expected by management to have a material adverse effect on the Company's financial condition.

Item 4. Submission of Matters to a Vote of Security Holders

There were no matters submitted to a vote of White Mountains' shareholders during the fourth quarter of 2000.

PART II

Item 5. Market for the Company's Common Equity and Related Stockholder Matters

As of March 26, 2001, there were 407 registered holders of common shares of the Company, par value $1.00 per share ("Shares").

During 2000 and 1999 the Company declared and paid cash dividends totalling $1.20 and $1.60 per Share, respectively. Through the third quarter of 2000, dividends were declared and paid on a quarterly basis. In August 2000 the Board announced that, beginning in the 2000 fourth quarter, it would no longer pay quarterly dividends and expected to reduce future dividends to $1.00 per Share, payable annually in the first quarter of each year, dependent on the Company's financial position and the regularity of its cash flows.

The Company's Shares (symbol WTM) are listed on the New York Stock Exchange (the "NYSE"). The quarterly range of the daily closing price for Shares during 2000 and 1999 is presented below:

	2000		1999	
	High	Low	High	Low
Quarter ended:				
December 31	$319	$239	$134 ½	$116
September 30	272 7/8	155	143	130 1/16
June 30	162	126	149	131 3/8
March 31	135 13/16	102	150	120 ½

Item 6. Selected Financial Data

Selected consolidated income statement data and ending balance sheet data for each of the five years ended December 31, 2000, follows:

	Year Ended December 31,				
Millions, except per Share amounts	2000 [a]	1999 [b]	1998 [c]	1997	1996
Income Statement Data:					
Revenues	$ 848	$ 579	$ 390	$ 293	$ 186
Expenses	493	418	311	192	164
Pretax earnings	355	161	79	101	22
Income tax provision	(42)	(53)	(28)	(36)	(9)
Net income from continuing operations	$ 313	$ 108	$ 51	$ 65	$ 13
Net income from continuing operations per Share:					
Basic	$ 53.08	$ 19.25	$ 8.71	$ 9.88	$ 1.74
Diluted	$ 52.84	$ 17.66	$ 7.75	$ 8.93	$ 1.59
Balance Sheet Data:					
Total assets	$ 3,545	$2,049	$2,164	$ 1,156	$1,120
Short-term debt	–	4	52	2	2
Long-term debt	96 [d]	203	186	132	133
Deferred credits	92	101 [e]	37 [f]	–	–
Shareholders' equity [g]	1,046	614	703	659	687
Book value per Share [h]	$ 177.07	$ 103.32	$ 109.68	$ 100.08	$ 90.81
Tangible Book value per Share [h] [i]	$ 187.65	$ 120.23	$ 115.11	$ 100.08	$ 90.81
Share Data:					
Cash dividends paid per Share	$ 1.20	$ 1.60	$ 1.60	$ .80	$ .80
Ending common and equivalent Shares (000's)	5,880	5,946	6,831	6,983	7,908

(a) Includes the acquisitions of PCA and Risk Capital as well as the gain on the Dexia Sale.
(b) Includes gains resulting from the VGI Sale and the Mortgage Banking Sale.
(c) Includes the interim period income statement and ending balance sheet of Folksamerica which was consolidated during 1998.
(d) Reflects a significant repayment of long-term debt by Folksamerica during 2000. See Note 7.
(e) Deferred credits added during 1999 resulted from the purchase of IAG and exercises of FSA Options. See Note 1.
(f) Deferred credits added during 1998 resulted from the consolidation of Folksamerica. See Note 1.
(g) Reflects reductions in shareholders' equity resulting from significant repurchases of Shares from 1996 to 1999.
(h) As adjusted for the dilutive effects of outstanding options and warrants to acquire Shares.
(i) Book value per Share plus unamortized deferred credits less goodwill per Share.

Item 7. Management's Discussion and Analysis of Financial Condition and Results of Operations - Years Ended December 31, 2000, 1999 and 1998

CONSOLIDATED RESULTS

White Mountains reported net income from continuing operations of $312.9 million for the year ended December 31, 2000, which compares to $108.4 million for 1999 and $51.1 million for 1998. Net income from continuing operations for 2000 and 1999 includes $385.8 million and $103.9 million, respectively, in pretax gains from sales of subsidiaries and insurance assets.

Net income was $407.9 million for the year ended December 31, 2000, which compares to $121.0 million for 1999 and $78.5 million for 1998. Net income for 2000, 1999 and 1998 includes income from discontinued operations of $95.0 million, $12.6 million and $27.4 million, respectively.

Comprehensive net income was $447.6 million for 2000, which compares to $3.0 million for 1999 and $69.6 million for 1998. Comprehensive net income for 2000 benefitted by unrealized gains in the fixed maturity investments of the Company's insurance and reinsurance operations. Comprehensive net income for 1999 was adversely affected by unrealized fixed maturity investment losses and an accounting write-down resulting from exercises of FSA Options. Comprehensive net income for 1998 benefitted by modest unrealized gains from both fixed maturity investments and common stocks.

Book value per Share was $177.07 at December 31, 2000, which compares to $103.32 at December 31, 1999. Tangible book value per Share (which includes unamortized deferred credits less goodwill per Share) was $187.65 at December 31, 2000, which compares to $120.23 at December 31, 1999. White Mountains' unamortized deferred credits and goodwill represent the remaining difference between the cost of companies acquired by White Mountains during the periods presented and the fair value of the net identifiable assets acquired.

INSURANCE OPERATIONS

Reinsurance Operations

Folksamerica provided a net loss of $10.5 million during 2000 versus $44.9 million of net income during 1999 and $10.0 million of net income for 1998. Folksamerica's contribution for 1998 included $4.5 million of net income as an unconsolidated insurance affiliate.

Folksamerica's results for the three years ended December 31, 2000, 1999 and 1998 included $312.5 million, $211.0 million and $238.1 million of earned reinsurance premiums, respectively, and $275.9 million, $182.2 million and $170.3 million of losses and loss adjustment expenses, respectively. For 2000 Folksamerica's statutory combined ratio was 126.3% versus a statutory combined ratio of 122.5% and 108.0% for the comparable 1999 and 1998 periods.

A summary of Folksamerica's 2000, 1999 and 1998 underwriting results follows. Folksamerica's underwriting results presented for 1998 reflects activity for the full calendar year which includes activity prior to Folksamerica becoming a consolidated subsidiary of White Mountains.

	Year Ended December 31,		
Dollars in millions	**2000**	1999	1998
Net written premiums	**$ 332.6**	$ 201.7	$ 212.6
Earned premiums	**312.5**	211.0	238.1
Losses and loss adjustment expenses	**270.8**	182.2	170.3
Underwriting expenses	**120.9**	81.4	92.6
Underwriting loss	**$ (79.2)**	$ (52.6)	$ (24.8)
Statutory combined ratios:			
Loss and loss adjustment expense	**88.3 %**	86.5 %	71.5 %
Underwriting expense	**38.0**	36.0	36.5
Combined	**126.3 %**	122.5 %	108.0 %

During 2000 Folksamerica acquired Risk Capital which served to significantly increase its written and earned premiums in that year. During 1999, Folksamerica's written premium volume decreased 5% versus 1998 despite its acquisition of USF Re during mid-1999. The premium volume decrease in 1999 excluding USF Re primarily reflects increased non-renewed business due to deteriorating terms and conditions.

Folksamerica's 2000 statutory combined ratio of 126.3% reflects the effects of $111.1 million in premiums ceded in the 2000 fourth quarter to a third party insurer coupled with prior year reserve strengthening and increased loss estimates for the current underwriting year. Prior year reserve strengthening of $22.9 million affected most of Folksamerica's segments including the portfolios acquired with USF Re and Risk Capital. In the fourth quarter of 2000 Folksamerica purchased reinsurance coverage from Imagine Re which was designed to reduce its statutory operating leverage and provide adverse development protection on the run-off of loss and unearned premium reserves acquired in the Risk Capital transaction and any additional premium reported for the 2000 underwriting year, as well as the reserves remaining from the USF Re acquisition and remaining environmental and asbestos exposures. Folksamerica holds a letter of credit and funds held as collateral for amounts due from Imagine Re.

Folksamerica's 1999 statutory combined ratio of 122.5% included approximately $20.1 million in pretax losses associated with USF Re's loss reserves, $4.0 million of pretax property catastrophe losses and higher than anticipated asbestos and environmental losses. These significant 1999 adverse loss developments resulted primarily from business acquired through Folksamerica's prior acquisitions (mainly USF Re).

The structure of Folksamerica's acquisitions often provides effective economic protections to offset potential post-acquisition loss development. Folksamerica's statutory combined ratios do not reflect such protections which are recorded at the holding company level. For 2000 and 1999, Folksamerica recorded $27.8 million and $20.3 million of net after tax benefits, respectively, resulting from favorable purchase structures which mitigate the impact of future adverse loss development from such acquisitions. These benefits for 2000 consisted of a $6.8 million after tax reduction in the USF Re seller note, $10.0 million of various purchase price adjustments and $11.0 million of net after tax deferred credit amortization. These benefits for 1999 consisted of a $14.0 million after tax reduction in the USF Re seller note and $6.3 million of net after tax deferred credit amortization.

Folksamerica's 1998 statutory combined ratio of 108.0% included two property events experienced during the year (Canadian ice storms and Hurricane Georges) and higher than anticipated asbestos and environmental losses.

As previously mentioned, Folksamerica underwrites each reinsurance contract anticipating an element of underwriting profit. The anticipated degree of underwriting profit varies by contract and is based on a variety of factors which can include some degree of float. Despite this expectation on an individual contract basis, Folksamerica's reported results for the years ended December 31, 2000, 1999 and 1998 yielded underwriting losses due to the following: (i) actual results on some accounts or classes have produced higher than anticipated loss costs (considering the highly competitive market conditions, there has been insufficient margin in profitable accounts to absorb higher loss costs produced by other accounts); (ii) higher than anticipated property catastrophe losses and (iii) continued strengthening of reserve portfolios relating to acquired companies. However, as previously mentioned, Folksamerica has various protections into its prior acquisition structures at its holding company which are designed to mitigate such losses but are not recorded in a manner that offsets Folksamerica's underwriting results.

Since reinsurance claims settlement periods generally extend over long periods of time, Folksamerica earns significant amounts of investment income on the float generated by its reinsurance operations. When considering investment income and other comprehensive income items at the Folksamerica holding company level, the Company's reinsurance operations reported comprehensive net income of $24.2 million, $13.4 million and $54.3 million during those periods, respectively. This resulted in an after tax return on Folksamerica's equity of 9.7%, 5.7% and 20.9% for 2000, 1999 and 1998, respectively.

The following table presents the subsequent development of the year-end reinsurance losses for the ten-year period from 1990 to 2000. Section I of the table shows the estimated liabilities that were recorded at the end of each of the indicated years for all current and prior year unpaid losses and loss adjustment expenses ("LAE"). Section II shows the re-estimate of the liabilities made in each succeeding year. Section III shows the cumulative liabilities paid of such previously recorded liabilities. Section IV shows the cumulative deficiency representing the aggregate change in the liability from the original balance sheet dates:

	Reinsurance Losses and Loss Adjustment Expenses [a]										
	Year Ended December 31,										
Dollars in Millions	1990	1991	1992	1993	1994	1995	1996	1997	1998	1999	2000
I. Liability for unpaid losses and LAE	$ 431.8	$ 506.3	$ 758.3	$ 798.4	$ 856.2	$ 981.5	$ 1,578.7	$ 1,461.3	$ 1,437.6	$ 1,210.7	$ 1,500.7
II. Liability re-estimated as of:											
1 year later	466.3	543.4	804.6	850.4	928.4	1,044.3	1,599.7	1,560.9	1,435.8	1,289.8	–
2 years later	494.3	542.9	843.0	910.3	979.3	1,074.4	1,675.5	1,532.3	1,451.0		
3 years later	489.2	567.6	882.9	951.5	1,002.4	1,090.7	1,652.6	1,526.1			
4 years later	508.0	589.2	915.6	975.5	1,015.3	1,104.3	1,646.3				
5 years later	522.9	610.2	943.0	989.7	1,029.1	1,091.1					
6 years later	539.1	623.0	956.3	1,001.2	1,020.9						
7 years later	551.3	630.6	964.6	995.9							
8 years later	559.3	637.1	962.1								
9 years later	567.1	635.7									
10 years later	566.7										
III. Cumulative amount of liability paid through:											
1 year later	113.0	136.7	244.7	263.1	253.1	273.4	396.5	343.5	382.8	128.9	–
2 years later	179.8	202.6	400.3	406.7	411.7	435.7	632.0	597.6	511.5		
3 years later	219.8	290.9	494.2	515.4	522.5	548.1	833.9	733.3			
4 years later	286.3	343.4	572.1	593.2	600.0	655.2	971.2				
5 years later	322.5	382.1	629.4	646.5	674.2	719.4					
6 years later	352.3	415.8	668.7	706.9	713.3						
7 years later	377.4	439.1	718.7	734.1							
8 years later	394.4	468.7	738.5								
9 years later	421.1	488.4									
10 years later	439.1										
IV. Cumulative deficiency	$ 134.9	$ 129.4	$ 203.8	$ 197.5	$ 164.7	$ 109.6	$ 67.6	$ 64.8	$ 13.4	$ 79.1	$ –
Percent deficient	31%	26%	27%	25%	19%	11%	4%	4%	1%	7%	–

(a) For the years 1990 and 1991 liabilities are shown net of reinsurance recoverable. For the years 1992 through 2000 liabilities are shown without regard to reinsurance recoverable in accordance with SFAS No. 113. The table excludes the insurance operations of VGI and IAG whose liability for unpaid losses and LAE totalled $55.6 million, $68.9 million, $88.5 million, $71.9 million and $65.4 million as of December 31, 2000, 1999, 1998, 1997 and 1996, respectively.

The table above has been prepared in accordance with prescribed instructions, however, management believes that this information is not indicative of Folksamerica's actual loss development history for the following reasons: (i) with respect to 1992 through 2000, the information is presented prior to considering the benefit of significant amounts of ceded reinsurance recovered and recoverable from Folksamerica's reinsurers; (ii) the information includes the complete loss development history (whether favorable or unfavorable) for companies acquired by Folksamerica for all periods presented, including periods prior to Folksamerica's acquisition of such companies; and (iii) as previously described, the structure of Folksamerica's acquisitions often provides effective economic protections to offset potential post-acquisition loss development. In consideration of each of these factors, the table presented below is management's attempt to adjust the cumulative deficiencies presented above for the most recent five years:

	Year Ended December 31,				
Percent of deficit to carried reserves:	1996	1997	1998	1999	2000
Deficiency as reported	4%	4%	1%	7%	– %
Deficiency as adjusted for the effects described above	2%	1%	2%	2%	– %

Insurance Operations

On October 15, 1999, the Company concluded its acquisition of the IAG companies (PIC, ACIC and BICC) for $86.7 million in cash. Because the cost of these companies was less than the fair value of their net identifiable assets at October 15, 1999, the Company recorded a $62.0 million deferred credit ($37.0 million and $57.7 million as of December 31, 2000 and 1999, respectively) that will be amortized to income over the estimated period of benefit of three years.

For the year ended December 31, 2000, PIC, ACIC and BICC provided $5.8 million of net income which resulted principally from favorable recoveries on prior years' reinsurance at BICC. For the period from October 15, 1999 to December 31, 1999, PIC, ACIC and BICC provided a $3.6 million net loss which was due primarily to strengthening of prior year reserves at ACIC.

On June 17, 1999, the Company completed the VGI Sale and recorded a pretax gain of $88.1 million ($53.8 million after tax) on the transaction. As part of the VGI Sale, White Mountains has provided Unitrin, Inc. with certain adverse loss development protections that will be settled as of December 31, 2002. During 2000 White Mountains provided $5.4 million in reserves for such adverse loss development protections.

During 2000, Waterford provided a $1.2 million net loss which principally reflects goodwill amortization related to its purchase in 1996. For the 1999 period through the date of VGI Sale, the operations of VGI (which included Waterford) provided $3.6 million of net income which primarily represented realized investment gains during the period. For the year ended December 31, 1998 the operations of VGI (which included Waterford) contributed $5.0 million to net income.

Investment in Unconsolidated Insurance Affiliate(s)

MSA contributed $1.0 million to net income during the year ended December 31, 2000 versus $9.8 million for 1999 and $3.2 million for 1998. MSA's net income for 2000 was adversely impacted by significant realized losses on its investment portfolio whereas MSA's net income for 1999 benefitted by significant realized investment gains.

During 2000 FSA provided a $3.6 million net loss for the interim period though July 5, 2000 which resulted from realized investment losses in FSA's investment portfolio and increased expenses for employee equity-based compensation programs, which rose significantly after FSA's announcement of its acquisition by Dexia. FSA contributed $15.7 million to net income during the year ended December 31, 1999 versus $9.3 million during 1998. The significant increase in FSA-related net income during 1999 resulted from increased equity in earnings resulting from the additional purchase of $50.0 million of FSA Common Stock and the exercise of FSA Options, each occurring during 1999.

INVESTMENT OPERATIONS

Net realized gains on investments and the total net investment return from White Mountains' investment activities (excluding net unrealized investment holding gains from White Mountains' investments in unconsolidated insurance affiliates) are shown below:

	Year Ended December 31,		
Millions	2000	1999	1998
Net realized investment gains (losses), before tax	$ (8.8)	$ 69.6	$ 71.0
Net investment income	$ 85.9	$ 61.9	$ 36.8
Net change in unrealized investment gains (losses) for investments held	65.1	(11.7)	25.0
Total net investment return, before tax	$151.0	$ 50.2	$ 61.8

Net realized investment losses for the year ended December 31, 2000 resulted principally from sales of fixed maturities in preparation for Folksamerica's acquisitions of PCA and Risk Capital during the first quarter of 2000. Net realized investment gains of $69.6 million for 1999 included $23.9 million of pretax gains from sales of San Juan Basin Royalty Trust units and $28.0 million of pretax gains from sales of various other common stocks and other investments in Folksamerica's operating portfolio. In addition, $9.4 million of pretax gains on sales of common stocks and fixed maturity investments were recorded in anticipation of or in connection with the VGI Sale. Net realized investment gains of $71.0 million for 1998 resulted principally from the sale of White Mountains' investment in White River Corporation.

White Mountains' net investment income is comprised primarily of interest income associated with the fixed maturity investments of its consolidated insurance and reinsurance operations and dividend income from its equity investments. The significant increase in net investment income from 1998 to 2000 is mainly attributable to White Mountains' growing portfolio of fixed maturity investments resulting from the consolidation of Folksamerica in August 1998, the 1999 acquisition of USF Re and the 2000 acquisitions of PCA and Risk Capital.

Net unrealized gains for investments held during 2000 of $65.1 million resulted principally from unrealized gains on fixed maturity investments whereby net unrealized investment losses for investments held during 1999 of $11.7 million resulted principally from losses on fixed maturity investments. The fluctuations in net investment gains from fixed maturity investments from 1999 to 2000 principally resulted from the effects of changes in market interest rates on Folksamerica's sizable fixed income portfolio. Net unrealized gains for investments held during 1998 of $25.0 million resulted from unrealized gains on both fixed maturity investments and common stocks.

EXPENSES

Insurance losses and loss adjustment expenses totalled $287.7 million for 2000 versus $242.3 million for 1999 and $174.8 million for 1998. During 2000, 1999 and 1998, losses and loss adjustment expenses relating to prior years developed unfavorably by $23.6 million, $31.9 million and $7.8 million, respectively. Insurance and reinsurance acquisition expenses totalled $101.1 million for 2000 versus $73.4 million for 1999 and $54.8 million for 1998. The increase in these insurance expenses from 1999 to 2000 is primarily attributable to the acquisitions of PCA and Risk Capital during 2000. The increase in these insurance expenses from 1998 to 1999 is primarily attributable to the acquisitions of USF Re and IAG during 1999.

Compensation and benefits totalled $59.5 million for 2000 versus $67.8 million for 1999 and $51.5 million for 1998. Compensation and benefits expenses for 2000 include increased Share-based contingent compensation accruals resulting from the attainment of above-plan results as well as a significant increase in the market value of Shares during the year. The increase in compensation and benefits from 1998 to 1999 is due both to the inclusion of Folksamerica in the Company's consolidated results for the entire 1999 period and expenses incurred in connection with the Redomestication. See "Liquidity and Capital Resources".

General expenses totalled $28.4 million for 2000 versus $19.5 million for 1999 and $15.9 million for 1998. The increase in general expenses during 2000 is primarily attributable to the acquisitions of PCA and Risk Capital as well as various contingencies and expenditures associated with certain of the Company's acquisition and disposition activities during the period. The increase in general expenses during the 1999 period are primarily attributable to both the inclusion of Folksamerica in the Company's consolidated results for the entire 1999 period and expenses incurred in connection with the Redomestication.

Interest expense totalled $16.1 million for 2000 versus $14.7 million for 1999 and $13.7 million for 1998. The increase in interest expense from 1999 to 2000 reflects higher average levels of indebtedness at Folksamerica for the period. The increase in interest expense from 1998 to 1999 reflects higher average levels of indebtedness at Folksamerica for the period, partially offset by the repayment of $15.0 million of indebtedness in May 1999 in connection with the VGI Sale.

INCOME TAXES

In connection with the Redomestication, the Company and certain of its subsidiaries changed their domicile to either Bermuda or Barbados (the "Offshore Companies") while certain other subsidiaries remained domiciled in the United States (the "Onshore Companies"). As a result, income earned by the Offshore Companies will generally be subject to an effective overall tax rate lower than that imposed by the United States, however, no tax benefits will be attained in the event of net losses incurred by such companies. Prior to the Redomestication, the Company filed a consolidated United States income tax return with its subsidiaries. The Onshore Companies continue to file United States tax returns but may no longer do so on a group-wide consolidated basis. As a result, the aggregate United States Federal income tax liability of the Onshore Companies may be higher than it otherwise would have been if part of a consolidated tax return. These factors may serve to increase or decrease White Mountains' effective tax rate for 1999 and beyond, depending on the events and circumstances occurring during such periods.

The income tax provision related to pretax earnings for 2000, 1999 and 1998 represents an effective tax rate of 12.0%, 32.9% and 35.8%, respectively. The reduction in the effective rate for 1999 and 2000 resulted from an increase in White Mountains' non-United States net earnings to $395.9 million in 2000 versus $9.0 million in 1999.

Deferred income taxes reflect the net tax effects of temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts received for tax purposes. White Mountains recorded a deferred tax asset of $105.1 million (relating primarily to discounting of insurance loss reserves and net operating loss carryforwards) and a deferred tax liability of $2.8 million on its balance sheet as of December 31, 2000. White Mountains recorded a deferred tax asset of $52.5 million (relating primarily to discounting of insurance loss reserves) and a deferred tax liability of $37.5 million (relating primarily to unrealized investment gains) on its balance sheet as of December 31, 1999. Deferred income tax assets and liabilities are shown net in circumstances where a consolidated income tax return is filed.

In 1991, White Mountains sold Fireman's Fund to Allianz of America, Inc. Since 1991 the Company had carried a reserve related to various outstanding tax issues involving the sale. In September 2000, the Company was informed that the Internal Revenue Service agreed with the position taken by White Mountains in its 1991 tax return. On October 19, 2000, the Company received the Technical Advice Memorandum from the Internal Revenue Service's National Office confirming this conclusion. As a result, the Company released a $95.0 million reserve during 2000 which represents a gain from discontinued insurance operations.

LIQUIDITY AND CAPITAL RESOURCES

The Company, Insurance Operations and Other

The primary sources of cash inflows for the Company are investment income, sales of investment securities and dividends received from its operating subsidiaries. Under the insurance laws of the states and countries under which the Company's insurance subsidiaries are domiciled, an insurer is restricted with respect to the amount of dividends it may pay without prior approval by regulatory authorities. Accordingly, there is no assurance regarding the amount of such dividends that may be paid by such subsidiaries in the future.

During 1993 the Company issued $150.0 million in principal amount of medium-term notes. The Company has repurchased certain of its medium-term notes from time to time and during 2000 and 1999 repurchased $.1 million and $15.9 million in principal amount of the notes due in February 2003, respectively. At December 31, 2000 the Company had $96.3 million in principal amount of medium-term notes outstanding which had an average maturity of 2.6 years and an average yield to maturity of 7.87%.

The Company has historically secured revolving credit agreements whereby it could borrow funds at short-term market interest rates. As of December 31, 1999 the Company could borrow up to $50.0 million under a short-term debt facility which the Company let expire in 2000. There were no borrowings outstanding under this facility at December 31, 1999.

During 2000, 1999 and 1998 the Company repurchased 65,838 Shares for $8.3 million, 1,020,150 Shares for $139.5 million and 151,916 Shares for $19.8 million, respectively. In conformance with Bermuda law, the Company retires all Shares repurchased. During 2000 the Company declared and paid cash dividends totalling $1.20 per Share. During 1999 and 1998 the Company declared and paid cash dividends totalling $1.60 per Share. Shares repurchased and dividends paid from 1998 to 2000 represented returns of excess capital to shareholders. White Mountains had typically paid its dividends quarterly but in August 2000 announced that it would pay future dividends annually at an expected rate of $1.00 per Share.

On July 5, 2000 White Mountains concluded the sale of its indirect, wholly-owned subsidiary, White Mountains Holdings, Inc. (which controlled a substantial amount of its holdings of FSA) and all its other holdings of FSA Common Stock to Dexia for proceeds of $620.4 million.

In May 1999, White Mountains exercised FSA Options to acquire 666,667 shares of FSA Common Stock for $15.7 million in cash. In September 1999, White Mountains exercised FSA Options to acquire 1,893,940 shares of FSA Common Stock in exchange for White Mountains' $50.0 million investment in MediaOne preferred stock.

During 1999 White Mountains purchased an additional 922,509 shares of the common stock of FSA at a price of $54.20 per share. The transaction was part of a private offering by FSA pursuant to which it sold a total of $140.0 million of its common stock to White Mountains, XL Capital, Ltd, The Tokio Marine and Fire Insurance Co., Ltd and an FSA management group.

During 1999 White Mountains concluded the Mortgage Banking Sale and recorded an $11.6 million after tax gain on the sale.

During 1999 White Mountains concluded the VGI Sale and received net proceeds of $139.0 million in cash after receiving a special dividend of assets and cash prior to the closing of $76.6 million. In connection with the VGI Sale, White Mountains repaid $15.0 million of indebtedness at VGI during 1999.

During 1999 the Company acquired IAG for $86.7 million in cash.

During 1999 the Company issued a total of 1,137,495 common shares to its Chairman and its key employees in satisfaction of the Chairman's warrant exercise and various employee benefit plan obligations. In order to entice the Chairman to exercise his warrants to acquire Shares early, the Company paid the Chairman $6.0 million to compensate him for the estimated interest cost of borrowing the strike price and the amounts required to prematurely pay his income taxes.

In connection with the Redomestication, White Mountains paid $104.1 million in certain compensation benefits to its current and former employees and Directors in October 1999 at an incremental after tax cost of $14.9 million. In connection with the compensation payments, White Mountains paid cash of $89.8 million (primarily to its former employees) and issued $14.3 million in Shares (primarily to its current employees, Directors and advisors). A significant portion of such compensation paid represented the acceleration of expenses that would have ordinarily been incurred in future periods which resulted in increased tax deductible expenses in 1999.

In connection with the Redomestication, the Company was treated as if it sold all of its directly owned assets in a fully taxable transaction in which gains, but not losses, were recognized. The Company incurred a United States income tax liability upon the Redomestication of approximately $13.5 million.

In September 2000 White Mountains entered into a definitive agreement with CGNU to purchase its U.S. property and casualty insurance operations, CGU. The CGU purchase agreement, which was amended on October 15, 2000 and February 20, 2001, calls for a purchase price of $2.17 billion, subject to certain adjustments, of which $260.0 million will consist of a note payable (which must be paid in eighteen months in cash or Shares valued at $245.00 per Share, at the Company's sole option). In addition, CGU will repay approximately $.5 billion of debt outstanding to its parent at closing.

In connection with the CGU transaction, White Mountains has entered into an $875.0 million Credit Agreement (the "Credit Agreement") with Lehman Brothers Inc. ("Lehman") as well as arranging for up to $741.0 million of new equity commitments from a small group of outside investors. In connection with financing the transaction, White Mountains will contribute Folksamerica, PIC and MSA to CGU.

Completion of the CGU acquisition is subject to, among other matters, the receipt of regulatory approvals, the completion of financing and the satisfaction of other customary conditions. The stock purchase agreement dated September 25, 2000 and subsequent amendments thereto, terms of the note payable to CGNU (as amended on February 20, 2001), terms of the various equity commitments and the Credit Agreement are contained herein as Exhibits 10(a) through 10(f), and are incorporated by reference in their entirety.

On March 15, 2001 White Mountains commenced a cash tender offer (the "Note Offer") for its $96.3 million aggregate principal amount of outstanding medium-term notes. In conjunction with the Note Offer, noteholder consents are being solicited to effect an amendment to the indenture governing these notes, which will facilitate White Mountains' pending acquisition of CGU. The Note Offer is scheduled to expire at 5:00 p.m., New York City time on April 16, 2001, unless extended or terminated.

The total consideration to be paid for each validly tendered and consented note due in 2003 will be based upon a fixed spread of 95 basis points over the yield to maturity on the applicable reference U.S. Treasury Note, and includes a consent payment of $30.00 per $1,000 principal amount of such notes. The total consideration to be paid for each validly tendered and consented note due 2008 will be based upon a fixed spread of 125 basis points over the yield to maturity on the applicable reference U.S. Treasury Note, and includes a consent payment of $30.00 per $1,000 principal amount of such notes. The Note Offer pricing date is expected to be April 11, 2001. Accrued and unpaid interest up to, but not including, the payment date will be paid for notes validly tendered and accepted for purchase.

The Note Offer is conditioned upon, among other things, (i) there being validly tendered and not withdrawn not less than a majority in aggregate principal amount of outstanding notes; (ii) the execution of the supplemental indenture governing the notes and (iii) the consummation of White Mountains' acquisition of CGU.

Reinsurance Operations

Under the insurance laws of New York an insurer is restricted with respect to the amount of dividends it may pay without prior approval by state regulatory authorities. Accordingly, there is no assurance regarding the amount of such dividends that may be paid by Folksamerica Reinsurance Company in the future.

During the 2000 fourth quarter White Mountains provided $259.6 million of capital to Folksamerica through the contribution of ACIC and BICC and through the issuance of a $195.0 million inter-company note. Folksamerica subsequently contributed ACIC and $80.0 million of such cash to Folksamerica Reinsurance Company in order to provide the statutory capital needed to support its recent acquisitions of PCA and Risk Capital. The remaining $115.0 million was used by Folksamerica to repay its outstanding bank indebtedness. White Mountains intends to forgive the inter-company note at the closing of the CGU acquisition.

As part of the Folksamerica acquisition in 1998, White Mountains agreed to repay or refinance Folksamerica's existing long-term indebtedness by utilizing a six-year revolving credit agreement whereby Folksamerica could borrow up to $120.0 million at market interest rates. This facility was repaid and terminated by Folksamerica during 2000 as described above.

In March 2000 Folksamerica acquired PCA for $122.3 million in cash.

In May 2000 Folksamerica acquired Risk Capital for $20.3 million in cash plus related expenses.

In 1999 Folksamerica acquired USF Re for total consideration of $92.5 million. The purchase consideration included the issuance of a $20.8 million, five-year note by Folksamerica (which has been reduced to zero at year-end 2000 due to adverse loss development at USF Re post acquisition) with the balance paid in cash.

MARKET RISK

White Mountains' consolidated balance sheet includes a substantial amount of assets and liabilities whose fair values are subject to market risk. The term market risk refers to the risk of loss arising from adverse changes in: interest rates, foreign currency exchange rates and other relevant market rates and prices such as prices for common equity securities. Due to White Mountains' sizable investments in fixed maturity investments and common equity securities and its use of medium-term and long-term debt financing, market risk can have a significant effect on White Mountains' consolidated financial position.

Interest Rate Risk

Fixed Maturity Portfolio. In connection with the Company's consolidated insurance and reinsurance subsidiaries, White Mountains invests in interest rate sensitive securities, primarily debt securities. White Mountains' strategy is to purchase fixed maturity investments that are attractively priced in relation to perceived credit risks. White Mountains' investments in fixed maturity investments are held as available for sale and, accordingly, White Mountains accepts that realized and unrealized losses on these instruments may occur. White Mountains does not use derivative securities to manage its interest rate risk associated with its fixed maturity investments, rather it manages the average duration of the fixed maturity portfolio in the anticipation of achieving an adequate yield without subjecting the portfolio to an unreasonable level of interest rate risk.

Increases and decreases in prevailing interest rates generally translate into decreases and increases in fair values of fixed maturity investments, respectively. Additionally, fair values of interest rate sensitive instruments may be affected by the credit worthiness of the issuer, prepayment options, relative values of alternative investments, the liquidity of the instrument and other general market conditions. These investments are carried at fair value on the balance sheet with unrealized gains reported net of tax in a separate component of shareholders equity.

The Company's fixed maturity portfolio is comprised of primarily investment grade corporate securities, U.S. government and agency securities, municipal obligations and mortgage-backed securities. Based on ratings by the NAIC, 100% of the Company's total fixed maturity portfolio at December 31, 2000 is considered to be investment grade (i.e., received a rating from the NAIC of 1 or 2).

Indebtedness. White Mountains utilizes debt financing at many levels of its businesses. Increases and decreases in prevailing interest rates generally translate into decreases and increases in fair values of fixed rate indebtedness, respectively, particularly long-term debt. Additionally, fair values of interest rate sensitive instruments may be affected by the credit worthiness of the issuer, prepayment options, relative values of alternative investments, the liquidity of the instrument and other general market conditions.

The table below summarizes the estimated effects of hypothetical increases and decreases in market interest rates on White Mountains' fixed maturity portfolio and long-term fixed rate indebtedness outstanding. Significant variations in market interest rates could produce changes in the timing of repayments due to prepayment options available to the issuer or the holder which are not reflected herein. It is assumed that the changes occur immediately and uniformly to each category of instrument containing interest rate risk.

Dollars in Millions	Fair Value at December 31, 2000	Assumed Change in Interest Rate	Estimated Fair Value after Change in Interest Rate	Percentage Increase (Decrease) to Shareholders' Equity
Fixed maturity investments	**$1,078.6**	50 bp decrease	$ 1,104.2	1.6 %
		50 bp increase	1,053.9	(1.5)
		100 bp increase	1,029.8	(3.0)
		200 bp increase	983.6	(5.9)
Fixed rate indebtedness	**$97.2**	50 bp decrease	$ 98.3	(.1) %
		50 bp increase	96.2	.1
		100 bp increase	95.1	.2
		200 bp increase	93.0	.4

Foreign Currency Exchange Rates

Folksamerica operates a branch office in Toronto, Canada to service its Canadian customers and a portion of BICC's premiums are denominated in a foreign currencies. Net unrealized foreign currency translation gains and losses associated with Folksamerica and BICC are reported, after tax, as a net amount in a separate component of shareholders' equity. Changes in the values of these operations due to currency fluctuations, after tax, are reported on the income statement as a component of other comprehensive net income. At December 31, 2000 and 1999, Folksamerica's and BICC's net assets denominated in foreign currency represented less than one percent of the Company's shareholders' equity, therefore, any significant change in foreign currency rates would not have a material impact on White Mountains' financial position.

Equity Price Risk

The carrying values of White Mountains' common equity securities and a significant portion of its other investments (primarily partnership interests invested in common equity securities) are based on quoted market prices or management's estimates of fair value (which is based, in part, on quoted market prices) as of the balance sheet date. Market prices of common equity securities are subject to fluctuations which could cause the amount to be realized upon sale of the investment to differ significantly from the current reported value. The fluctuations may result from perceived changes in the underlying economic characteristics of the investee, the relative price of alternative investments, general market conditions and supply and demand imbalances for a particular security.

The table below summarizes White Mountains' equity price risks as of December 31, 2000 and shows the effects of a hypothetical 20% increase and a 20% decrease in market prices as of that date.

Dollars in Millions	Fair Value at December 31, 2000	Assumed Price Change	Estimated Fair Value after Assumed Price Change	Percentage Increase (Decrease) to Shareholders' Equity
Common equity securities	**$144.8**	20% increase	$173.8	2.0%
		20% decrease	$115.9	(2.0)%
Other investments	**$142.9**	20% increase	$171.5	2.3%
		20% decrease	$114.3	(2.3)%

OTHER MATTERS

Accounting For FSA Options and FSA Preferred Stock

White Mountains accounted for its investment in FSA Common Stock on the equity method of accounting and accounted for its unexercised stock options and convertible securities to acquire FSA Common Stock at fair value. Upon the exercises of FSA Options during 1999, the Company was required to write its investments in the FSA Options exercised to their original cost in order to transition the investment from fair value accounting to equity accounting. In connection with this accounting transition, the Company reduced its after tax net unrealized gains at the time of exercise by $39.3 million and recorded a deferred credit of $14.2 million that was to be amortized to income over a five-year period. In July 2000 White Mountains sold its investments in FSA as part of the Dexia Sale which resulted in the immediate recognition of the related unamortized deferred credit balance.

Retirement of Common Shares Held in Treasury

In conformance with Bermuda law, the Company retired all Shares held in its treasury at October 1999 and has retired all Shares repurchased thereafter. The retirement of treasury shares in 1999 resulted in a significant reclassification of several of the Company's various shareholders' equity accounts but did not affect total shareholders' equity.

Year 2000 Update

Neither White Mountains nor any of its unconsolidated insurance affiliates experienced any significant Year 2000 disruptions to its business operations. White Mountains' total pretax cost of its Year 2000 remediation, excluding its unconsolidated insurance affiliates, was approximately $3.0 million.

Item 7A. Quantitative and Qualitative Disclosures About Market Risk

See "Market Risk Disclosures" contained in Item 7. Management's Discussion and Analysis of Financial Condition and Results of Operations.

Item 8. Financial Statements and Supplementary Data

The financial statements and supplementary data have been filed as a part of this Annual Report on Form 10-K as indicated in the Index to Financial Statements and Financial Statement Schedules appearing on page 34 of this report.

Item 9. Changes in and Disagreements with Accountants on Accounting and Financial Disclosure

Effective with the 1999 audit, the Audit Committee of the Board appointed PricewaterhouseCoopers LLP ("PwC") as its independent auditors to succeed KPMG LLP ("KPMG").

PwC served as Folksamerica's independent auditors since 1981 and served as FSA's independent auditors since 1989. The Audit Committee recommended that PwC succeed KPMG as the Company's independent auditors in 1999 due to the significance of Folksamerica and FSA to the Company's financial position and results of operations.

In connection with the 1998 audit, there were no disagreements with KPMG on any matter of accounting principles or practices, financial statement disclosure, or auditing scope and procedures which, if not resolved to their satisfaction, would have caused them to make reference in connection with their opinion to the subject matter of the disagreement.

The Company requested KPMG to furnish a letter addressed to the SEC stating whether it agrees with the above statements. A copy of this letter, dated March 25, 1999, is contained herein as Exhibit 16.

PART III

Item 10. Directors and Executive Officers

Directors (as of March 26, 2001)

Name	Class	Term Ending	Age	Director Since
Raymond Barrette	III	2003	50	2000
John J. "Jack" Byrne	II	2002	68	1985
Patrick M. Byrne	I	2001	38	1997
Howard L. Clark, Jr.	III	2003	57	1986
Robert P. Cochran	III	2003	51	1994
Steven E. Fass	I	2001	55	2000
George J. Gillespie, III	II	2002	70	1986
John D. Gillespie	II	2002	42	1999
K. Thomas Kemp	I	2001	60	1994
Gordon S. Macklin	I	2001	72	1987
Frank A. Olson	II	2002	68	1996
Arthur Zankel	III	2003	69	1992

An outline of the principal occupation, business experience, recent business activities involving White Mountains and other affiliations of the Directors follows:

Mr. Barrette was appointed President of the Company in January 2000 and became a Director in February 2000. He joined the Company in 1997 as its Executive Vice President and Chief Financial Officer. He was formerly a consultant with Tillinghast-Towers Perrin from 1994 to 1996 and was with Fireman's Fund from 1973 to 1993. Mr. Barrette is also a director of Folksamerica, PIC, ACIC and BICC.

Mr. Jack Byrne was re-appointed Chief Executive Officer of the Company in January 2000 after a brief retirement. He has served as Chairman of the Board of the Company since 1985 and formerly served as President and Chief Executive Officer from 1990 to 1997, and as Chief Executive Officer from 1985 to 1990. Mr. Byrne is also a director of Markel Corporation and Folksamerica.

Mr. Patrick Byrne has been a director of the Company since 1997. Mr. Byrne serves as President and CEO of Overstock.com, an internet shopping service. Mr. Byrne formerly served as President and CEO of Fecheimer Bros. Co. (a wholly-owned subsidiary of Berkshire Hathaway Inc.), a manufacturer of uniforms and accessories, from 1997 to 1999 and President and CEO of Centricut, LLC, a manufacturer of industrial torch consumable parts, from 1994 to 1999. In addition, since 1991, Mr. Byrne has been the managing general partner of a number of limited partnerships investing in real estate, gaming, insurance and international trade. Mr. Byrne is the son of Mr. Jack Byrne.

Mr. Clark has been a director or advisor to the board since 1986. He is currently Vice Chairman of Lehman and was Chairman and CEO of Shearson Lehman Brothers Inc. from 1990 to 1993. Prior to joining Shearson Lehman Brothers Inc., Mr. Clark was Executive Vice President and Chief Financial Officer of American Express. He is also a director of Lehman, Maytag Corporation, H Power Corp. and Walter Industries, Inc. Lehman provided services to White Mountains during 2000. See "Item 13. Certain Relationships and Related Transactions".

Mr. Cochran has been a director of the Company since 1994. Mr. Cochran was a founding principal of FSA and has served FSA in various capacities since 1985. He has been President and CEO and a director of FSA since 1990 and became Chairman in 1997. He is also Chairman of Financial Security Assurance Inc. and Financial Security Assurance (U.K.) Ltd.

Mr. Fass was appointed to the Board in 2000. Mr. Fass has served as a Director, President and Chief Executive Officer of Folksamerica and its subsidiaries including Folksamerica Reinsurance Company since 1984. He joined Folksamerica as its Vice President, Treasurer and Chief Financial Officer in 1980. Mr. Fass is also a director of Esurance.

Mr. George Gillespie has been a director of the Company since 1986. Mr. Gillespie has been a Partner in the law firm of Cravath, Swaine & Moore ("Cravath") since 1963. He is also a director of The Washington Post Company. Cravath provided legal services to White Mountains during 2000. See "Item 13. Certain Relationships and Related Transactions". Mr. Gillespie's son, Mr. John Gillespie, is also a director of the Company.

Mr. John Gillespie was appointed to the board in August 1999. He is the founder and Managing Partner of his own investment firm, Prospector Partners, LLC, in Hartford, Connecticut. Prior to forming Prospector Partners, Mr. Gillespie was President of the T. Rowe Price Growth Stock Fund and the New Age Media Fund, Inc. White Mountains owns limited partnership investment interests which were managed by Mr. Gillespie during 2000. See "Item 13. Certain Relationships and Related Transactions". Mr. Gillespie's father, Mr. George Gillespie, is also a director of the Company.

Mr. Kemp has served as Deputy Chairman of the Company since 2000 and has been a director since 1994. Mr. Kemp served as the Company's President and CEO from 1997 to 2000 and served as Executive Vice President from 1993 to 1997, Vice President, Treasurer and Secretary from 1991 to 1993 and was formerly a Vice President of Fireman's Fund. Mr. Kemp is also a director of MSA, Eldorado Bancshares, Inc. and Amlin plc.

Mr. Macklin has been a director of the Company since 1987. Mr. Macklin is currently a corporate financial advisor. Mr. Macklin formerly served as Chairman of White River Corporation, an information services company, from 1993 to 1998, as Chairman of Hambrecht and Quist Group, a venture capital and investment banking company, from 1987 until 1992, and as President of the National Association of Securities Dealers, Inc. from 1970 until 1987. He is a director of MCI Worldcom, Inc., Martek Biosciences Corporation, MedImmune Inc., Overstock.com and Spacehab, Inc., and is a trustee, director or managing general partner (as the case may be) of 47 of the investment companies in the Franklin Templeton Group of Funds.

Mr. Olson has been a director of the Company since 1996. He serves as Chairman of The Hertz Corporation ("Hertz"). Mr. Olson served as the CEO of Hertz from 1977 to 1999 and has been with that company since 1964. He is also a director of Becton Dickinson and Company, Amerada Hess Corporation and Warnaco Group, Inc. and was formerly Chairman and CEO of Allegis Corporation and United Airlines.

Mr. Zankel has been a director or advisor to the board since 1992. He served as a General Partner of First Manhattan Co. from 1965 to 1999 and was Co-Managing Partner of First Manhattan from 1979 to 1997. Mr. Zankel is currently Managing Member of Zankel Capital Advisors, LLC which provided investment services to the Company during 2000. See "Item 13. Certain Relationships and Related Transactions". Mr. Zankel is also a director of Citigroup, Inc., Travelers Property Casualty Corp. and VICORP Restaurants, Inc.

Executive Officers (as of March 26, 2001)

Name	Position	Age	Executive Officer Since
Raymond Barrette	President	50	1997
John J. Byrne	Chairman and Chief Executive Officer	68	1985
Reid T. Campbell	Vice President and Director of Finance	33	1996
K. Thomas Kemp	Deputy Chairman	60	1991
Michael S. Paquette	Senior Vice President and Controller	37	1993
James J. Ritchie	Chief Financial Officer of TACK Acquisition Corp.	46	2001
David G. Staples	Vice President	40	1997

All Executive Officers are elected by the Board for a term of one year or until their successors have been elected and have duly qualified. Information relating to Messrs. Barrette, Byrne and Kemp has been previously provided (see "Directors" above). An outline of the principal occupation and relevant business experiences of the other Executive Officers follows:

Mr. Campbell was elected Vice President and Director of Finance in 1998 and previously served as Assistant Controller from 1996 to 1998 and Director of Accounting from 1995 to 1996. Mr. Campbell has been with White Mountains since 1994. Mr. Campbell is a director of PIC.

Mr. Paquette was appointed Senior Vice President and Controller in 1997. Mr. Paquette previously served as Vice President and Controller since 1995 and as Vice President and Chief Accounting Officer from 1993 to 1995. Mr. Paquette has been with White Mountains since 1989.

Mr. Ritchie was appointed Chief Financial Officer of TACK Acquisition Corp. (the intended acquisition company for the CGU transaction) on March 1, 2001. Prior to joining White Mountains in 2001, Mr. Ritchie served as Senior Vice President and Chief Financial Officer of CIGNA Corporation's International Division. Mr. Ritchie was with CIGNA since 1986.

Mr. Staples was elected Vice President in 1997 and has been with White Mountains since 1996. Prior to joining White Mountains, Mr. Staples served as Vice President for Crum & Forster Holdings, Inc. from 1993 to 1996.

Filings under Section 16

Pursuant to SEC rules relating to the reporting of changes in beneficial ownership of Shares, the Company's Executive Officers, Directors and greater than 10% shareholders are believed to have filed all reports required under Section 16 on a timely basis during 2000.

Item 11. Executive Compensation

COMPENSATION OF EXECUTIVE OFFICERS

The following tables set forth certain information regarding the salary, incentive compensation and benefits paid by White Mountains to its Chairman and CEO, its four most highly compensated Executive Officers and one former Executive Officer (collectively, the "Named Executive Officers").

		Annual Compensation			Long-Term Compensation			
					Awards		Payouts	
Name and Principal Position	Year	Salary($)	Bonus ($)	Other Annual Compen-sation ($)	Restricted Stock Awards ($)	Securities Underlying Options (#)	LTIP Payouts ($)	All Other Compen-sation ($) (a)
Jack Byrne	2000	$ 282,692	$ 350,000	$ 0	$ 0	0	$ 0	$ 9,100
Chairman and CEO (b)								
Raymond Barrette	2000	333,654	350,000	0	0	9,000	0	15,627
President	1999	262,692	1,278,776	0	0	0	1,105,000	462,291
	1998	250,000	217,000	0	0	0	0	294,175
David G. Staples	2000	147,308	150,000	0	0	9,000	0	5,169
Vice President	1999	135,077	1,081,313	0	0	0	520,000	19,489
	1998	128,769	106,000	0	0	0	399,000	15,330
Reid T. Campbell	2000	108,077	150,000	0	0	9,000	0	6,177
Vice President and	1999	99,077	129,918	0	0	0	520,000	14,816
Director of Finance	1998	91,769	84,000	0	0	0	399,000	12,326
K. Thomas Kemp	2000	182,000	75,000	0	0	0	0	129,900
Deputy Chairman	1999	400,000	1,308,809	0	0	0	2,600,000	269,490
(former CEO)	1998	386,923	304,000	0	0	0	1,995,000	275,185
Terry L. Baxter	2000	156,039	80,000	0	0	0	0	66,862
Former Executive Officer (b)	1999	262,692	738,853	0	0	0	1,625,000	475,451
	1998	247,692	180,000	0	0	0	931,000	758,588

(a) Amounts include, when applicable, 401(k) Savings Plan matching contributions (which did not exceed $10,200 per individual), principal credited to a former non-qualified deferred compensation plan, director fees and retainers paid by companies for which White Mountains is entitled to board representation and certain other compensation. The amounts for 2000, 1999 and 1998, respectively, relating to director fees and retainers of affiliates include: $9,100, $0, and $0 for Mr. Byrne; $9,685; $22,450 and $15,475 for Mr. Barrette; $119,700, $71,650 and $75,100 for Mr. Kemp and $57,500, $41,342 and $21,700 for Mr. Baxter. The 1999 and 1998 amounts for Mr. Barrette also include $42,545 and $249,646, respectively, in reimbursements principally associated with a Company-sponsored relocation. The 1999 amounts for Messrs. Barrette and Baxter also include $351,917 in phantom stock awards resulting from the sale of WMSC. The 1998 amount for Mr. Baxter also includes $665,000 in incentive compensation as interim Chairman of WMSC.

(b) In January 2000 Mr. Byrne replaced Mr. Kemp as CEO of the Company and Mr. Baxter retired from full-time service. The table above reflects Messrs. Byrne and Baxter's total compensation for 2000.

Option Grants in Last Fiscal Year

The following table summarizes, for the Named Executive Officers, options to acquire Shares ("Options") granted during 2000.

Name	Number of Securities Underlying Options Granted (#)	% of Total Options Granted to Employees in Fiscal Year	Exercise Price or Base Price ($/Sh)	Expiration Date	Potential Realizable Value at Assumed Annual Rates of Stock Price Appreciation for Option Term 5% ($)	10% ($)
John J. Byrne	0	0%	$ -	-	$ 0	$ 0
Raymond Barrette	9,000	11.1%	106.19(a)	December 2009	0	704,567
David G. Staples	9,000	11.1%	106.19(a)	December 2009	0	704,567
Reid T. Campbell	9,000	11.1%	106.19(a)	December 2009	0	704,567
K. Thomas Kemp	0	0%	-	-	0	0
Terry L. Baxter	0	0%	-	-	0	0

(a) Represents the closing market value of Shares on the grant date of February 28, 2000. The exercise price of the Options increases by 6% annually on a pro rata basis. Options vest 10% per year through 2009. The Options are considered to be Incentive Stock Options for income tax purposes.

Aggregated Option Exercises in Last Fiscal Year and Fiscal Year-End Option Values

The following table summarizes, for the Named Executive Officers, Options exercised during the Company's latest fiscal year, and the number and in-the-money value of Options outstanding as of December 31, 2000.

			As of December 31, 2000			
			Number of Securities Underlying Unexercised Options at Fiscal Year-End (#)		Value of Unexercised In-the-Money Options at Fiscal Year-End ($)	
Name	Shares Acquired on Exercise (#)	Value Realized ($)	Exercisable	Unexercisable	Exercisable	Unexercisable
John J. Byrne	0	$ 0	0	0	$ 0	$ 0
Raymond Barrette	0	0	900	8,100	186,737	1,680,634
David G. Staples	0	0	900	8,100	186,737	1,680,634
Reid T. Campbell	0	0	900	8,100	186,737	1,680,634
K. Thomas Kemp	0	0	0	0	0	0
Terry L. Baxter	0	0	0	0	0	0

Long-Term Incentive Plans - Awards in Last Fiscal Year

The following table summarizes the Incentive Plan awards made to the Named Executive Officers during 2000. Such awards consisted of performance shares.

Name	Number of Performance Shares (#)	Performance Period for Payout	Estimated Future Payouts (a)		
			Threshold (#)	Target (#)	Maximum (#)
John J. Byrne	10,000	3 yrs.	0	10,000	20,000
Raymond Barrette	10,000	3 yrs.	0	10,000	20,000
David G. Staples	2,000	3 yrs.	0	2,000	4,000
Reid T. Campbell	2,000	3 yrs.	0	2,000	4,000
K. Thomas Kemp	2,000	3 yrs.	0	2,000	4,000
Terry L. Baxter	2,000	3 yrs.	0	2,000	4,000

(a) Such performance shares are payable upon completion of pre-defined business goals and are payable in cash based on the market value of Shares at the time of payment or Shares. The "Target" performance for the 2000 performance share award is the attainment of a corporate annualized return on equity ("ROE") of 13% after tax. The determination of ROE is generally based on the economic value of Shares with dividends reinvested. At an ROE of 6% or less ("Threshold") the percentage of performance shares payable will be 0% and at an ROE of 25% or more ("Maximum") the percentage of performance shares payable will become 200% of Target.

Other Compensation Arrangements

Pursuant to the Incentive Plan, under some circumstances such as a "Change in Control" followed by a termination without cause, constructive termination or an "Adverse Change" in the Incentive Plan, stock options will generally become fully exercisable and performance shares will become partially or fully payable. Such circumstances are more fully described in the Incentive Plan.

The Company does not provide pension benefits to its Executive Officers under a defined benefit or actuarial plan. The Company has previously provided non-qualified pension benefits to its Executive Officers under a deferred benefit plan but did not provide such benefits during 2000.

COMPENSATION OF DIRECTORS

Messrs. Patrick Byrne, Clark, Cochran, George Gillespie, John Gillespie, Kemp, Macklin, Olson and Zankel each received a retainer of $50,000 during 2000 and fees of $1,000 for each Board meeting and Committee meeting attended. The annual retainer relates to the twelve month period from May 2000 to May 2001. Messrs. Clark, John Gillespie and Macklin also received additional retainers of $3,000, $100,000 and $6,000 during 2000 for their roles as Chairman of the Audit Committee, Chairman of the Investment Committee and Chairman of the Compensation and Human Resources Committees, respectively. Mr. Fass was granted 9,000 Options and 2,000 performance shares during 2000 on the same terms as Options and performance shares granted to other Executive Officers. Messrs. Jack Byrne and Barrette did not receive compensation for their role as a Director during 2000.

Item 12. Security Ownership of Certain Beneficial Owners and Management

Principal Holders of Shares

To the knowledge of the Company, there was no person or entity beneficially owning more than 5% of Shares outstanding as of March 26, 2001, except as shown below:

Name and address of beneficial owner	Number of Shares beneficially owned	Percent of Class (a)
Jack Byrne 80 South Main Street, Hanover, NH 03755 (b)	1,182,959	20.1%
Franklin Mutual Advisers LLC 51 JFK Parkway, Short Hills, NJ 07078 (c)	750,271	12.8%
Alliance Asset Accumulation Plan 777 San Marin Drive, Novato, CA 94998 (d)	367,014	6.2%

(a) Represents beneficial ownership of Shares as opposed to voting power.
(b) Does not include 65,913 Shares donated to charitable foundations for which Mr. Byrne disclaims beneficial ownership, but for which his spouse retains voting power.
(c) According to filings by such holders with the SEC, the Shares beneficially owned by Franklin Mutual Advisers LLC were acquired solely for investment purposes on behalf of client investment advisory accounts of such holders.
(d) Represents Shares beneficially owned by employees of Fireman's Fund pursuant to an employee incentive savings plan. The trustee for such plan generally votes the Shares held by the plan in accordance with directions given by the participating Fireman's Fund employees to whose accounts Shares have been allocated.

Beneficial Stock Ownership of Directors and Executive Officers

The following table sets forth, as of March 26, 2001, beneficial ownership of Shares by each director of the Company, by each of the current Executive Officers, and by all Directors and Executive Officers as a group.

	Number of Shares owned	
Directors and Executive Officers	Beneficially (a)(b)	Economically (c)
Raymond Barrette	29,433	79,867
Jack Byrne (d)	1,182,959	1,207,959
Patrick M. Byrne	236,008	236,008
Reid T. Campbell	4,902	20,502
Howard L. Clark, Jr.	1,000	1,000
Robert P. Cochran	0	0
Steven E. Fass	4,415	16,515
George J. Gillespie, III	1,000	1,000
John D. Gillespie	1,676	1,676
K. Thomas Kemp	81,690	107,779
Gordon S. Macklin	15,000	15,000
Frank A. Olson	3,000	3,000
David G. Staples	5,183	21,283
Arthur Zankel	11,600	11,600
All Directors and Executive Officers as a group (16 persons) (d)	1,591,189	1,759,612

(a) The Shares beneficially owned by Messrs Jack Byrne, Patrick Byrne, Kemp and all Directors and Executive Officers as a group represent 20.1%, 4.0%, 1.4% and 27.0% of the total Shares outstanding at March 26, 2001, respectively. All other Directors and Executive Officers beneficially owned less than 1% of the total Shares outstanding at that date. Represents beneficial ownership of Shares as opposed to voting power.
(b) Includes vested Options to acquire 900 Shares for each of Messrs. Barrette, Fass, Campbell and Staples.
(c) Incremental Shares shown as economically owned by Directors and Executive Officers represent unvested performance share awards, unvested Option awards, unvested restricted stock awards and earned phantom shares on compensation deferred.
(d) Does not include 65,913 Shares donated to charitable foundations for which Mr. Byrne disclaims beneficial ownership, but for which his spouse retains voting power.

Item 13. Certain Relationships and Related Transactions

Mr. Clark is Vice Chairman of Lehman. Lehman has, for a number of years, provided investment banking services to White Mountains. Lehman is the arranger, the administrative agent and a lender under the Credit Facility.

Mr. George Gillespie is a Partner in Cravath. Cravath has, for many years, provided legal services to White Mountains.

White Mountains owns a limited partnership investment interest which was managed by Mr. John Gillespie during 2000.

White Mountains owns a limited partnership interest and an investment portfolio which was managed by Mr. Zankel during 2000.

White Mountains believes that all the above transactions were on terms that were reasonable and competitive. Additional transactions of this nature may be expected to take place in the ordinary course of business in the future.

PART IV

Item 14. Exhibits, Financial Statement Schedules, and Reports on Form 8-K

a. Documents Filed as Part of the Report

The financial statements and financial statement schedules and reports of independent auditors have been filed as part of this Annual Report on Form 10-K as indicated in the Index to Financial Statements and Financial Statement Schedules appearing on page 34 of this report. A listing of exhibits filed as part of the report appear on pages 30 through 32 of this report.

b. Reports on Form 8-K

During the fourth quarter of 2000 the Company filed two Reports on Form 8-K. The first, dated October 19, 2000, announced that the Company amended its Stock Purchase Agreement with CGNU to purchase CGU. The second, dated October 20, 2000, announced that the Company had received a favorable tax ruling from the Internal Revenue Service regarding issues related to its 1991 sale of Fireman's Fund.

c. **Exhibits**

Exhibit number	Name
2	Plan of Reorganization (incorporated by reference herein to the Company's Registration Statement on S-4 (No. 333-87649) dated September 23, 1999)
3 (a)	Memorandum of Continuance of the Company (incorporated by reference herein to the Company's Registration Statement on S-4 (No. 333-87649) dated September 23, 1999)
3 (b)	Bye-Laws of the Company (incorporated by reference herein to the Company's Registration Statement on S-4 (No. 333-87649) dated September 23, 1999)
4	Indenture dated January 1, 1993, with The First National Bank of Chicago, as trustee, pursuant to the Company's offering of $150 million of medium-term notes (incorporated by reference herein to the Company's Registration Statement on S-3 (No. 33-54006) dated October 30, 1992)
10 (a)	Stock Purchase Agreement among CGU International Holdings Luxembourg S.A., CGU Holdings LLC, CGNU PLC, the Company, Tack Holding Corp. and Tack Acquisition Corp. dated as of September 24, 2000 (incorporated by reference herein to Exhibit 99(a) of the Company's Report on Form 8-K dated September 24, 2000)
10 (b)	Amendment No. 1 dated October 15, 2000 to the Stock Purchase Agreement among CGU International Holdings Luxembourg S.A., CGU Holdings LLC, CGNU PLC, the Company, Tack Holding Corp. and Tack Acquisition Corp. dated as of September 24, 2000 (incorporated by reference herein to Exhibit 99(c) of the Company's Report on Form 8-K dated October 19, 2000)
10 (c)	Amendment No. 2 dated February 20, 2001 to the Stock Purchase Agreement among CGU International Holdings Luxembourg S.A., CGU Holdings LLC, CGNU PLC, the Company, Tack Holding Corp. and Tack Acquisition Corp. dated as of September 24, 2000 (incorporated by reference herein to Exhibit 99(i) of the Company's Report on Form 8-K dated February 20, 2001)
10 (d)	Convertible Preferred Stock Term Sheet relating to the Company's acquisition of CGU (incorporated by reference herein to Exhibit 99(e) of the Company's Report on Form 8-K dated October 19, 2000)
10 (e)	Berkshire Hathaway Preferred Stock and Warrants Term Sheet relating to the Company's acquisition of CGU (incorporated by reference herein to Exhibit 99(f) of the Company's Report on Form 8-K dated October 19, 2000)
10 (f)	$875 million Credit Agreement among TACK Holding Corp., TACK Acquisition Corp. and the Company (as borrowers), Lehman (as arranger) and the several lenders as parties thereto relating to the Company's acquisition of CGU dated March 16, 2001 (*)
10 (g)	Stock Purchase and Indemnity Agreement by and among the Company and Dexia S.A. for all of the outstanding capital stock of White Mountains Holdings, Inc. and indirectly for certain of the outstanding capital stock of FSA (incorporated by reference herein to Exhibit 99.1 of the Company's Report on Form 8-K dated March 10, 2000)
10 (h)	Asset Purchase Agreement, as of January 10, 2000, by and between Risk Capital Holdings, Inc., Risk Capital Reinsurance Company, Folksamerica Holding Company, Inc. and Folksamerica Reinsurance Company (incorporated by reference herein to Exhibit 10(a) of the Company's Report on Form 8-K dated January 10, 2000)
10 (i)	Stock Purchase Agreement as of December 30, 1999, by and among Humana Inc., Physician Corporation of America and Folksamerica Holding Company, Inc. (incorporated by reference herein to Exhibit 10(a) of the Company's Report on Form 8-K dated December 30, 1999)
10 (j)	Amended and Restated Management Contract by and between PCA and Humana Workers Compensation Services, Inc. (incorporated by reference herein to Exhibit 10(a) of the Company's Report on Form 8-K dated December 30, 1999)
10 (k)	Stock Purchase Agreement by and among the Company, Consolidated International Group, Inc. and The Sellers Named Therein (incorporated by reference herein to Exhibit 10(a) of the Company's Report on Form 8-K dated June 1, 1999)

Exhibit number	Name
10 (l)	Stock Purchase Agreement dated March 31, 1999, by and Between the Centris Group, Inc. and Folksamerica Holding Company, Inc. (incorporated by reference herein to Exhibit 10(a) of the Company's Report on Form 8-K dated June 29, 1999)
10 (m)	Source One Asset Purchase Agreement dated March 25, 1999 between the Company, Source One and Citicorp Mortgage Inc. (incorporated by reference herein to Exhibit 10(p) of the Company's 1998 Annual Report on Form 10-K)
10 (n)	Transition Services Agreement dated March 25, 1999 between Source One and Citicorp Mortgage, Inc. (incorporated by reference herein to Exhibit 10(o) of the Company's 1998 Annual Report on Form 10-K)
10 (o)	VGI Stock Acquisition Agreement dated February 10, 1999 between Unitrin, Inc. and the Company (incorporated by reference herein to Exhibit 10(n) of the Company's 1998 Annual Report on Form 10-K)
10 (p)	Second Amended and Restated Credit Agreement dated February 24, 1999 among the Company, the Lenders (as named therein) and The First National Bank of Chicago (incorporated by reference herein to Exhibit 10(a) of the Company's 1999 Annual Report on Form 10-K)
10 (q)	Amendment No. 1 dated March 23, 1999 to the Second Amended and Restated Credit Agreement dated February 24, 1999 among the Company, the Lenders (as named therein) and The First National Bank of Chicago (incorporated by reference herein to Exhibit 10(b) of the Company's 1999 Annual Report on Form 10-K)
10 (r)	Amendment No. 2 dated July 30, 1999 to the Second Amended and Restated Credit Agreement dated February 24, 1999 among the Company, the Lenders (as named therein) and The First National Bank of Chicago (incorporated by reference herein to Exhibit 10(c) of the Company's 1999 Annual Report on Form 10-K)
10 (s)	Amendment No. 3 dated October 29, 1999 to the Second Amended and Restated Credit Agreement dated February 24, 1999 among the Company, the Lenders (as named therein) and The First National Bank of Chicago (incorporated by reference herein to Exhibit 10(d) of the Company's 1999 Annual Report on Form 10-K)
10 (t)	Credit Agreement dated February 24, 1999 among Folksamerica Holding Company, Inc., the Lenders (as named therein) and The First National Bank of Chicago (incorporated by reference herein to Exhibit 10(e) of the Company's 1999 Annual Report on Form 10-K)
10 (u)	Amendment No.1 dated June 29, 1999 to the Credit Agreement dated February 24, 1999 among Folksamerica Holding Company, Inc., the Lenders (as named therein) and The First National Bank of Chicago (incorporated by reference herein to Exhibit 10(f) of the Company's 1999 Annual Report on Form 10-K)
10 (v)	Amendment No. 2 dated October 29, 1999 to the Credit Agreement dated February 24, 1999 among Folksamerica Holding Company, Inc., the Lenders (as named therein) and The First National Bank of Chicago (incorporated by reference herein to Exhibit 10(g) of the Company's 1999 Annual Report on Form 10-K)
10 (w)	Guaranty, dated February 28, 1997, by the Company to and for the benefit of Chemical Mortgage Company (incorporated by reference herein to Exhibit 10(y) of the Company's 1996 Annual Report on Form 10-K)
10 (x)	The Company's Long-Term Incentive Plan, as amended, (incorporated by reference to Appendix I of the Company's Notice of 1995 Annual Meeting of Shareholders and Proxy Statement) (**)
11	Statement Re Computation of Per Share Earnings (***)

Exhibit number	Name
16	Letter of KPMG LLP dated March 25, 1999, (incorporated by reference herein to Exhibit 16 of the Company's 1998 Annual Report on Form 10-K)
21	Subsidiaries of the Registrant (*)
23 (a)	Consent of PricewaterhouseCoopers dated March 26, 2001 (*)
23 (b)	Consent of KPMG LLP dated March 26, 2001 (*)
23 (c)	Consent of PricewaterhouseCoopers LLP dated March 26, 2001 relating to Folksamerica and FSA (*)
24	Powers of Attorney (*)
99 (a)	Report of PricewaterhouseCoopers LLP dated February 2, 1999 relating to Folksamerica (incorporated by reference herein to Exhibit 99(a) of the Company's 1998 Annual Report on Form 10-K)
99 (b)	The Consolidated Financial Statements of FSA and the related Report of Independent Accountants as of December 31, 1999 and 1998 and for each of the three years in the period ended December 31, 1999 (incorporated by reference herein to Exhibit 99(b) of the Company's 1999 Annual Report on Form 10-K)

(*) Included herein.

(**) Management contracts or compensation plans/arrangements required to be filed as an exhibit pursuant to Item 14(a)3 of Form 10-K.

(***) Not included herein as the information is contained elsewhere within report. See Note 1 of the Notes to Consolidated Financial Statements.

d. Financial Statement Schedules

The financial statement schedules and report of independent auditors have been filed as part of this Annual Report on Form 10-K as indicated in the Index to Financial Statements and Financial Statement Schedules appearing on page 34 of this report.

SIGNATURES

Pursuant to the requirements of Section 13 or 15(d) of the Securities Exchange Act of 1934, the Company has duly caused this report to be signed on its behalf by the undersigned, thereunto duly authorized.

WHITE MOUNTAINS INSURANCE GROUP, LTD.

Date: March 26, 2001

By: /s/ MICHAEL S. PAQUETTE
Senior Vice President and Controller

Pursuant to the requirements of the Securities Exchange Act of 1934, this report has been signed below by the following persons on behalf of the Company and in the capacities and on the dates indicated.

Signature	Title	Date
RAYMOND BARRETTE Raymond Barrette	President and Director (Principal Financial Officer)	March 26, 2001
JOHN J. BYRNE John J. Byrne	Chairman and Chief Executive Officer (Principal Executive Officer)	March 26, 2001
PATRICK M. BYRNE* Patrick M. Byrne	Director	March 26, 2001
HOWARD L. CLARK, JR.* Howard L. Clark, Jr.	Director	March 26, 2001
ROBERT P. COCHRAN* Robert P. Cochran	Director	March 26, 2001
STEVEN E. FASS* Steven E. Fass	Director	March 26, 2001
GEORGE J. GILLESPIE, III* George J. Gillespie, III	Director	March 26, 2001
JOHN D. GILLESPIE* John D. Gillespie	Director	March 26, 2001
K. THOMAS KEMP K. Thomas Kemp	Director	March 26, 2001
GORDON S. MACKLIN* Gordon S. Macklin	Director	March 26, 2001
FRANK A. OLSON* Frank A. Olson	Director	March 26, 2001
MICHAEL S. PAQUETTE Michael S. Paquette	Senior Vice President and Controller (Principal Accounting Officer)	March 26, 2001
ARTHUR ZANKEL* Arthur Zankel	Director	March 26, 2001

*By: K. THOMAS KEMP
K. Thomas Kemp, Attorney-in-Fact

WHITE MOUNTAINS INSURANCE GROUP, LTD.
Index to Consolidated Financial Statements and Financial Statement Schedules

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VI. Supplemental information concerning property and casualty insurance underwriters	FS-7