

WHITE MOUNTAINS INSURANCE GROUP LTD  
Form DEF 14A  
April 21, 2016  
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UNITED STATES  
SECURITIES AND EXCHANGE COMMISSION  
Washington, D.C. 20549

**SCHEDULE 14A**

Proxy Statement Pursuant to Section 14(a) of  
the Securities Exchange Act of 1934 (Amendment No. )

Filed by the Registrant

Filed by a Party other than the Registrant

Check the appropriate box:

- Preliminary Proxy Statement
- Confidential, for Use of the Commission Only (as permitted by Rule 14a-6(e)(2))
- Definitive Proxy Statement
- Definitive Additional Materials
- Soliciting Material Pursuant to §240.14a-12

WHITE MOUNTAINS INSURANCE GROUP, LTD.  
(Name of Registrant as Specified In Its Charter)

(Name of Person(s) Filing Proxy Statement, if other than the Registrant)

Payment of Filing Fee (Check the appropriate box):

- No fee required.
- Fee computed on table below per Exchange Act Rules 14a-6(i)(1) and 0-11.

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**Notice of 2016  
Annual General Meeting  
Of Members and  
Proxy Statement**



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White Mountains Insurance Group, Ltd. (the Company, Registrant or WTM) is an exempted Bermuda limited liability company whose principal businesses are conducted through its property and casualty insurance and reinsurance subsidiaries. Within this proxy statement, the term White Mountains is used to refer to one or more entities within the consolidated organization, as the context requires.

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White Mountains' s property and casualty insurance and reinsurance operations principally include: (1) OneBeacon Insurance Group, Ltd. ( OB or OneBeacon ), a 76%-owned Bermuda-based company, which through its subsidiaries offers a wide range of specialty property and casualty insurance products in the United States primarily through independent agencies, regional and national brokers, wholesalers and managing general agencies; (2) HG Global, Ltd., a Bermuda-domiciled company, which through its subsidiaries reinsures Build America Mutual Assurance Company ( BAM ), a municipal bond insurer domiciled in New York that provides insurance on bonds issued to support essential U.S. public purposes, and provided the initial capitalization of BAM through the purchase of \$503 million of BAM surplus notes; and (3) White Mountains' s Other Operations segment, which includes White Mountains' s variable annuity reinsurance business, White Mountains Life Reinsurance (Bermuda) Ltd. ( Life Re Bermuda ), which is in runoff with all of its contracts maturing by June 30, 2016, and Life Re Bermuda' s U.S.-based service provider, White Mountains Financial Services LLC (collectively, WM Life Re ), White Mountains' s ownership positions in Tranzact Holdings, LLC (together with its subsidiaries, Tranzact ), QL Holdings, LLC (together with its subsidiaries, MediaAlpha ) and Wobi Insurance Agency Ltd. ( Wobi ), as well as various other entities and investments. The Other Operations segment also includes Star & Shield Services LLC, Star & Shield Risk Management LLC, and Star & Shield Claims Services LLC (collectively, Star & Shield ). Star & Shield provides management services for a fee to Star & Shield Insurance Exchange ( SSIE ), a reciprocal that is owned by its members, who are policyholders. White Mountains' s invested assets are managed by White Mountains Advisors LLC ( WM Advisors ), the Company' s wholly-owned investment management subsidiary. For additional information on our business segments, please refer to the Form 10-K for 2015 which can be found at [www.whitemountains.com](http://www.whitemountains.com).

The 2016 Annual General Meeting will be confined to a Member vote on the proposals set forth in this Proxy Statement and on such other matters properly brought before the meeting.

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**WHITE MOUNTAINS INSURANCE GROUP, LTD.**

**NOTICE OF 2016 ANNUAL GENERAL MEETING OF MEMBERS**

**TO BE HELD MAY 26, 2016**

April 21, 2016

Notice is hereby given that the 2016 Annual General Meeting of Members of White Mountains Insurance Group, Ltd. will be held on Thursday, May 26, 2016 at 8:00 am Atlantic Time at Tucker's Point Hotel, 60 Tucker's Point Drive, Hamilton Parish, Bermuda. At this meeting you will be asked to consider and vote upon the following proposals:

- 1) election of three directors to Class I with a term ending in 2019;
- 2) election of the Board of Directors of HG Re Ltd. ( HG Re ), a wholly-owned reinsurance company organized under the laws of Bermuda;
- 3) election of the Board of Directors of White Mountains Life Reinsurance (Bermuda) Ltd. ( WMLRB ), a wholly-owned reinsurance company organized under the laws of Bermuda;
- 4) election of the Board of Directors of any new designated subsidiary;
- 5) election of the Board of Directors of Split Rock Insurance, Ltd. ( Split Rock ), a reinsurance company organized under the laws of Bermuda that is wholly-owned by OneBeacon Insurance Group;
- 6) election of the Board of Directors of Grand Marais Capital Limited ( Grand Marais ), a reinsurance company organized under the laws of Bermuda that is wholly-owned by OneBeacon Insurance Group;
- 7) election of the Board of Directors of any new designated subsidiary of OneBeacon Insurance Group;
- 8) approval of amendments to the Company's bye-laws to adopt majority voting for uncontested Director elections;
- 9) approval of the advisory resolution on executive compensation;
- 10) approval of the appointment of PricewaterhouseCoopers LLP ( PwC ) as the Company's Independent Registered Public Accounting Firm for 2016.

The Company's audited financial statements for the year ended December 31, 2015, as approved by the Company's Board of Directors, will be presented at this Annual General Meeting.

Members of record of common shares on the record date, Monday, April 4, 2016, (1) who are individuals, may attend and vote at the meeting in person or by proxy or (2) that are corporations or other entities, may have their duly authorized representative attend and vote at the meeting in person or by proxy. A list of all Members entitled to vote at the meeting will be open for public

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examination during regular business hours beginning on or about April 18, 2016 at the Company's registered office located at Clarendon House, 2 Church Street, Hamilton HM 11, Bermuda.

All Members are invited to attend this meeting.

By Order of the Board of Directors,

*Jennifer L. Pitts*  
Corporate Secretary

**Members are invited to complete and sign the accompanying proxy card to be returned to White Mountains Insurance Group, Ltd., c/o Computershare, P.O. Box 8069, Edison, New Jersey, 08818-8069, in the envelope provided, whether or not they expect to attend the meeting. Members may also vote their shares by telephone or via the internet in accordance with the instructions on your proxy card.**



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**WHITE MOUNTAINS INSURANCE GROUP, LTD.**

**PROXY STATEMENT**

This Proxy Statement is being furnished in connection with the solicitation of proxies on behalf of the Company's Board of Directors (the Board) for the 2016 Annual General Meeting of Members (the 2016 Annual Meeting), to be held on Thursday, May 26, 2016 at Tucker's Point Hotel, 60 Tucker's Point Drive, Hamilton Parish, Bermuda. The solicitation of proxies will be made primarily by mail, and the Proxy Statement and related proxy materials will be distributed to registered Members on or about April 22, 2016.

Holders of the Company's common shares (Members), par value \$1.00 per share, as of the close of business on Monday, April 4, 2016, the record date, are entitled to vote at the meeting.

You can ensure that your common shares are properly voted at the meeting by completing, signing, dating and returning the enclosed proxy card in the envelope provided. Members may also vote their shares by telephone or via the internet in accordance with the instructions on your proxy card. A Member has the right to appoint another person (who need not be a Member) to represent the Member at the meeting by completing an alternative form of proxy which can be obtained from the Corporate Secretary or by notifying the Inspectors of Election (see page 37). Every Member entitled to vote has the right to do so either in person or by one or more persons authorized by a written proxy executed by such Member and filed with the Corporate Secretary. Any proxy duly executed will continue in full force and effect unless revoked by the person executing it in writing or by the filing of a subsequent proxy.

Sending in a signed proxy will not affect your right to attend the meeting and vote. If a Member attends the meeting and votes in person, his or her signed proxy is considered revoked.

**IMPORTANT VOTING INFORMATION**

If you hold your shares through a broker, bank or other financial institution, in order for your vote to be counted on any matter other than Proposal 10 (the ratification of the selection of PwC as the Company's auditor for 2016), you must provide specific voting instructions to your broker, bank or financial institution by completing and returning the proxy card or following the instructions provided to you to vote your shares via telephone or the Internet. Voting deadlines vary by institution. Please check with your broker, bank or other financial institution for the voting cut-off date for WTM.

***Your Participation in Voting the Shares You Own Is Important***

Voting your shares is important to ensure that you have a say in the governance of your company. Please review the proxy materials and follow the instructions on the proxy card to vote your shares. We hope you will exercise your rights and fully participate in your company's future.

***More Information Is Available***

If you have any questions about this rule or the proxy voting process in general, please contact the broker, bank or other financial institution where you hold your shares. The U.S. Securities and Exchange Commission ( SEC ) has information available on the internet at: [www.sec.gov/investor/alerts/votingrules2010.htm](http://www.sec.gov/investor/alerts/votingrules2010.htm) with more information about your voting rights as a shareholder.

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**PROPOSAL 1 - ELECTION OF THE COMPANY S DIRECTORS**

THE BOARD OF DIRECTORS

The Board is divided into three classes (each a Class ). Each Class serves a three-year term.

At the 2016 Annual General Meeting, Messrs. Morgan W. Davis, Lowndes A. Smith and Gary C. Tolman are nominated to be elected to Class I with a term ending in 2019.

**The Board recommends a vote FOR Proposal 1 which calls for the election of the 2016 nominees.**

The current members of the Board and terms of each Class are set forth below:

Director	Age	Director since
<b><i>Class I - Term ending in 2016*</i></b>		
Morgan W. Davis	65	2006
Lowndes A. Smith	76	2003
Gary C. Tolman	64	2015
<b><i>Class II - Term ending in 2017</i></b>		
Raymond Barrette, Chairman	65	2006
Yves Brouillette	64	2007
<b><i>Class III - Term ending in 2018</i></b>		
A. Michael Frinquelli*	74	2005
Edith E. Holiday	64	2004

\* Nominated to be elected at the 2016 Annual Meeting to Class I with a term ending in 2019.

The Board is comprised of six independent directors and the Chairman/CEO.

The Board believes its members should have a diversity of skills and experience and be willing to devote adequate time and effort to Board responsibilities. In evaluating director candidates, the Nominating and Governance Committee evaluates attributes such as independence, integrity, expertise, breadth of experience, knowledge about the Company s business and industry, and ownership interest in the Company. Key aspects of the directors experiences, qualifications and skills are included in their

individual biographies.

***Class I - To Be Elected to a Term Ending in 2019***

**Morgan W. Davis** has been a director of the Company since 2006. Mr. Davis formerly was a Managing Director of OneBeacon from 2001 to 2005 and served in a variety of capacities for subsidiaries of White Mountains from 1994 to 2001. Prior to 1994, Mr. Davis had 21 years of experience in the insurance business, mostly at Fireman's Fund Insurance Company and INA/Cigna. Mr. Davis also serves as a director of OneBeacon, Endurance Specialty Holdings, where he also serves as a member of the Finance and Compensation Committees, Compare.com (formerly Inspop USA LLC), Valen Analytics, where he also serves as the Chairman of the Compensation Committee, and MediaAlpha. Mr. Davis has extensive executive and board-level experience gained over the course of his forty-five-year career in the property and casualty insurance industry.

**Lowndes A. Smith** has been a director of the Company since 2003. Mr. Smith has served as Managing Partner of Whittington Gray Associates since 2001. Mr. Smith formerly served as Vice Chairman of The Hartford Financial Services Group, Inc. (1989-2001) and President and CEO of Hartford Life Insurance Company (1989-2001). Mr. Smith serves as Chairman of the Board and a member of the Executive and Compensation Committees of OneBeacon. Mr. Smith also served as Chairman of the Board and a member of the Audit, Compensation and Executive Committees of Symetra Financial Corporation from 2007 until its February 2016 merger with Sumitomo Life Insurance Company. Mr. Smith has more than 40 years of experience in the insurance industry as well as broad management and financial experience.

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**Gary C. Tolman** was appointed to the Board of Directors in June 2015. Mr. Tolman served as the President and Chief Executive Officer of Esurance, the direct-to-consumer personal auto insurance company, from 2000 until his retirement in 2015. Mr. Tolman also served as the Chairman of the Board of Directors for Answer Financial, one of the country's largest personal lines insurance agencies. Prior to joining Esurance in 1999, Mr. Tolman served as the President and Treasurer of Talegen Holdings, formerly the property and casualty insurance operations of Xerox Corporation. Before Talegen, Mr. Tolman worked at Fireman's Fund Insurance Company for 15 years, serving in a number of capacities and leaving as Senior Vice President and Chief Financial Officer of its reinsurance company. Mr. Tolman is on the Board of Governors of the International Tennis Hall of Fame and has also served on the boards of a number of insurance and insurance services companies during his 40-year career in the property and casualty insurance industry.

***Class II - Term Ending in 2017***

**Raymond Barrette** has served as Chairman and CEO of the Company since January 2007 and has been a director since August 2006. He previously served as a director of the Company (2000-2005), as President and CEO of the Company (2003-2005), as CEO of OneBeacon (2001-2002), as President of the Company (2000-2001), and as Executive Vice President and Chief Financial Officer of the Company (1997-2000). Prior to joining the Company in 1997, Mr. Barrette had 23 years of experience in the insurance business. Mr. Barrette serves as a director of OneBeacon and BAM. Mr. Barrette is an actuary and has significant experience in all facets of the property and casualty insurance industry.

**Yves Brouillette** has been a director of the Company since 2007. He has been the President of Beluca Investment, Inc. since 2005. Previously, Mr. Brouillette had been with ING since 1989, serving in many leadership positions at ING companies, including most recently as the CEO for ING Latin America operations in Mexico, Brazil, Chile and Peru (2002-2005). Mr. Brouillette is a director of Intact Financial Corporation (formerly ING Canada), where he serves on the Audit and Risk Committees, and was the Chairman of the Board (2003-2007). Mr. Brouillette is an actuary and has over 30 years of experience in the property and casualty insurance industry in North and South America.

***Class III Term Ending in 2018***

**A. Michael Frinquelli** has been a director of the Company since June 2005. Mr. Frinquelli is co-founder and Manager of Renaissance Fund Advisors, Inc. Until 2004, Mr. Frinquelli was a general partner of Renaissance Executive Partners, which he co-founded in April 1997. Prior to that, he was a managing director at Merrill Lynch and a managing director at Salomon Brothers. Mr. Frinquelli also served as a director for Primus Financial Products, LLC, a wholly-owned subsidiary of Primus Guaranty, Ltd., from 2004 until 2010. Mr. Frinquelli is a Chartered Financial Analyst and has extensive insurance industry expertise, serving as an insurance industry equity analyst for almost 35 years.

**Edith E. Holiday** has been a director of the Company since 2004. Ms. Holiday formerly served as Operating Trustee for TWE Holdings I and II Trusts from 2002 to 2007. Ms. Holiday was also the President, Secretary and Treasurer of Comcast TW Holdings, Inc. from 2006 to 2007. From 1990 to 1993 Ms. Holiday served as Assistant to the President of the United States and Secretary of the Cabinet. From 1989 to 1990 she was General Counsel to the United States Treasury Department. Ms. Holiday also holds directorships at Canadian National Railway Company (since 2001), where she also serves on the Audit Committee, and Hess Corporation (since 1993), and is a director or trustee of 42 investment companies in the Franklin Templeton Group of Mutual Funds (since 1996). Ms. Holiday also served as a Director for the H. J. Heinz Company (from 1995 until its sale in 2013) and RTI

International Metals Inc. (from 1999 until its sale in 2015). Ms. Holiday has extensive board-level experience across diverse industries and significant experience with the U.S. Federal government.

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CORPORATE GOVERNANCE

Corporate governance is the system by which companies are directed and controlled and involves the distribution of rights and responsibilities among the Board, management and the Company's Members. The Company has established Corporate Governance Guidelines that spell out its overall approach towards corporate governance.

The Company also has a Code of Business Conduct that applies to all directors, officers and employees in carrying out their responsibilities to, and on behalf of, the Company. No waivers of the Code of Business Conduct were requested of, or granted by, the Board for any director or executive officer during 2015.

The Company's Corporate Governance Guidelines and Code of Business Conduct are available at our website, [www.whitemountains.com](http://www.whitemountains.com). These documents are available in print, free of charge, to any Member upon request.

***The Board***

The day-to-day management of the Company, including preparation of financial statements and short-term and long-term strategic planning, is the responsibility of management. The primary responsibility of the Board is to oversee and review management's performance of these functions in order to advance the long-term interests of the Company and its Members.

In fulfilling this responsibility, directors must exercise common sense business judgment and act in what they reasonably believe to be in the best interests of the Company and its Members. Directors are entitled to rely on the honesty and integrity of senior management and the Company's outside advisors and auditors. However, it is the Board's responsibility to establish that they have a reasonable basis for such reliance by ensuring that they have a strong foundation for trusting the integrity, honesty and undivided loyalty of the senior management team upon whom they are relying and the independence and expertise of outside advisors and auditors.

Mr. Barrette serves as