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DELTA REPORT

10-Q

WTM - WHITE MOUNTAINS INSURANCE

10-Q - MARCH 31, 2024 COMPARED TO 10-Q - SEPTEMBER 30, 2023

The following comparison report has been automatically generated

TOTAL DELTAS	2344
CHANGES	634
DELETIONS	1009
ADDITIONS	701

REFINITIV

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

FORM 10-Q

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

For the period ended September 30, 2023 March 31, 2024

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**
23 South Main Street, Suite 3B	(I.R.S. Employer Identification No.)
Hanover,	**03755-2053**
New Hampshire	(Zip Code)
(Address of principal executive offices)	

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

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

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

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

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

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

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

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

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

As of November 2, 2023 May 6, 2024, 2,560,452 2,565,733 common shares with a par value of $1.00 per share were outstanding (which includes 37,595 34,525 restricted common shares that were not vested at such date).

Table of Contents

Part I. FINANCIAL INFORMATION.

Item 1. Financial Statements

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

Millions, except share and per share amounts	September 30, 2023	December 31, 2022

Assets		
Financial Guarantee (HG Global/BAM)		
Fixed maturity investments, at fair value	**$ 932.2**	$ 909.9
Short-term investments, at fair value	**80.1**	65.9
Total investments	**1,012.3**	975.8
Cash	**4.9**	18.2
Insurance premiums receivable	**5.5**	6.6
Deferred acquisition costs	**38.5**	36.0
Other assets	**22.2**	21.9
Total Financial Guarantee assets	**1,083.4**	1,058.5
P&C Insurance and Reinsurance (Ark/WM Outrigger)		
Fixed maturity investments, at fair value	**775.0**	772.8
Common equity securities, at fair value	**384.9**	334.6
Short-term investments, at fair value	**850.0**	484.6
Other long-term investments	**416.6**	373.6
Total investments	**2,426.5**	1,965.6
Cash	**129.6**	101.5
Reinsurance recoverables	**538.4**	595.3
Insurance premiums receivable	**781.6**	544.1
Deferred acquisition costs	**178.7**	127.2
Goodwill and other intangible assets	**292.5**	292.5
Other assets	**66.9**	65.2
Total P&C Insurance and Reinsurance assets	**4,414.2**	3,691.4
Asset Management (Kudu)		
Short-term investments, at fair value	**17.3**	—
Other long-term investments	**780.7**	695.9
Total investments	**798.0**	695.9
Cash (restricted $0.0 and $12.2)	**5.4**	101.4
Accrued investment income	**15.8**	12.4
Goodwill and other intangible assets	**8.4**	8.6
Other assets	**8.3**	7.6
Total Asset Management assets	**835.9**	825.9
Other Operations		
Fixed maturity investments, at fair value	**270.7**	238.2
Common equity securities, at fair value	**252.1**	333.8
Investment in MediaAlpha, at fair value	**188.8**	168.6
Short-term investments, at fair value	**215.5**	373.6
Other long-term investments	**698.5**	418.5
Total investments	**1,625.6**	1,532.7
Cash	**22.9**	33.9
Goodwill and other intangible assets	**71.2**	91.3
Other assets	**89.6**	155.6
Total Other Operations assets	**1,809.3**	1,813.5
Total assets	**$ 8,142.8**	$ 7,389.3

See Notes to Consolidated Financial Statements

CONSOLIDATED BALANCE SHEETS (CONTINUED)
(Unaudited)

Millions, except share and per share amounts	September 30, 2023	December 31, 2022
Liabilities		
Financial Guarantee (HG Global/BAM)		

Unearned insurance premiums	**$ 312.3**	$ 298.3
Debt	**146.8**	146.5
Accrued incentive compensation	**19.9**	28.0
Other liabilities	**40.0**	29.0
Total Financial Guarantee liabilities	**519.0**	501.8
P&C Insurance and Reinsurance (Ark/WM Outrigger)		
Loss and loss adjustment expense reserves	**1,571.8**	1,296.5
Unearned insurance premiums	**984.6**	623.2
Debt	**184.6**	183.7
Reinsurance payable	**146.3**	251.1
Contingent consideration	**62.1**	45.3
Other liabilities	**132.0**	122.3
Total P&C Insurance and Reinsurance liabilities	**3,081.4**	2,522.1
Asset Management (Kudu)		
Debt	**203.7**	208.3
Other liabilities	**53.6**	65.0
Total Asset Management liabilities	**257.3**	273.3
Other Operations		
Debt	**29.6**	36.7
Accrued incentive compensation	**64.0**	86.1
Other liabilities	**27.3**	34.3
Total Other Operations liabilities	**120.9**	157.1
Total liabilities	**3,978.6**	3,454.3
Equity		
White Mountains's common shareholders' equity		
White Mountains's common shares at $1 par value per share—authorized 50,000,000 shares; issued and outstanding 2,560,452 and 2,572,156 shares	**2.6**	2.6
Paid-in surplus	**544.9**	536.0
Retained earnings	**3,404.3**	3,211.8
Accumulated other comprehensive income (loss), after-tax:		
Net unrealized gains (losses) from foreign currency translation and interest rate swap	**(2.7)**	(3.5)
Total White Mountains's common shareholders' equity	**3,949.1**	3,746.9
Noncontrolling interests	**215.1**	188.1
Total equity	**4,164.2**	3,935.0
Total liabilities and equity	**$ 8,142.8**	$ 7,389.3

Millions, except share and per share amounts	March 31, 2024	December 31, 2023
Assets		
P&C Insurance and Reinsurance (Ark/WM Outrigger)		
Fixed maturity investments, at fair value	**$ 946.9**	$ 866.8
Common equity securities, at fair value	**409.9**	400.6
Short-term investments, at fair value	**835.3**	962.8
Other long-term investments	**485.0**	440.9
Total investments	**2,677.1**	2,671.1
Cash (restricted $24.7 and $0.7)	**129.1**	90.5
Reinsurance recoverables	**695.0**	442.0
Insurance premiums receivable	**1,001.5**	612.2
Deferred acquisition costs	**213.3**	145.3
Goodwill and other intangible assets	**292.5**	292.5
Other assets	**140.9**	125.0
Total P&C Insurance and Reinsurance assets	**5,149.4**	4,378.6

Financial Guarantee (HG Global/BAM)		
Fixed maturity investments, at fair value	**1,015.7**	1,012.3
Short-term investments, at fair value	**54.7**	70.6
Total investments	**1,070.4**	1,082.9
Cash	**4.7**	6.7
Insurance premiums receivable	**5.8**	5.5
Deferred acquisition costs	**40.9**	40.1
Other assets	**36.8**	36.8
Total Financial Guarantee assets	**1,158.6**	1,172.0
Asset Management (Kudu)		
Short-term investments, at fair value	**19.8**	29.3
Other long-term investments	**889.9**	896.3
Total investments	**909.7**	925.6
Cash	**6.5**	1.4
Accrued investment income	**22.1**	17.6
Goodwill and other intangible assets	**8.2**	8.3
Other assets	**6.6**	6.5
Total Asset Management assets	**953.1**	959.4
P&C Insurance Distribution (Bamboo)		
Fixed maturity investments, at fair value	**24.6**	—
Short-term investments, at fair value	**18.6**	—
Total investments	**43.2**	—
Cash (restricted $58.3 and $0.0)	**62.0**	—
Premiums, commissions and fees receivable	**43.3**	—
Goodwill and other intangible assets	**367.2**	—
Other assets	**12.4**	—
Total P&C Insurance Distribution assets	**528.1**	—
Other Operations		
Fixed maturity investments, at fair value	**267.4**	230.2
Common equity securities, at fair value	**151.6**	137.8
Investment in MediaAlpha, at fair value	**465.6**	254.9
Short-term investments, at fair value	**126.1**	425.2
Other long-term investments	**617.0**	661.0
Total investments	**1,627.7**	1,709.1
Cash	**23.0**	23.8
Goodwill and other intangible assets	**68.7**	69.8
Other assets	**81.7**	73.2
Total Other Operations assets	**1,801.1**	1,875.9
Total assets	**$ 9,590.3**	$ 8,385.9

See Notes to Consolidated Financial Statements

CONSOLIDATED BALANCE SHEETS (CONTINUED)
(Unaudited)

Millions, except share and per share amounts	**March 31, 2024**	**December 31, 2023**
Liabilities		
P&C Insurance and Reinsurance (Ark/WM Outrigger)		
Loss and loss adjustment expense reserves	**$ 1,744.5**	$ 1,605.1
Unearned insurance premiums	**1,234.7**	743.6
Debt	**155.4**	185.5
Reinsurance payable	**262.5**	81.1

Contingent consideration	**94.0**	94.0
Other liabilities	**190.1**	166.8
Total P&C Insurance and Reinsurance liabilities	**3,681.2**	2,876.1
Financial Guarantee (HG Global/BAM)		
Unearned insurance premiums	**328.5**	325.8
Debt	**147.0**	146.9
Accrued incentive compensation	**11.9**	27.2
Other liabilities	**31.9**	31.8
Total Financial Guarantee liabilities	**519.3**	531.7
Asset Management (Kudu)		
Debt	**203.8**	203.8
Other liabilities	**61.8**	71.6
Total Asset Management liabilities	**265.6**	275.4
P&C Insurance Distribution (Bamboo)		
Loss and loss adjustment expense reserves	**12.3**	—
Unearned insurance premiums	**25.7**	—
Premiums and commissions payable	**61.7**	—
Other liabilities	**18.6**	—
Total P&C Insurance Distribution liabilities	**118.3**	—
Other Operations		
Debt	**25.9**	28.4
Accrued incentive compensation	**47.6**	87.7
Other liabilities	**41.8**	25.0
Total Other Operations liabilities	**115.3**	141.1
Total liabilities	**4,699.7**	3,824.3
Equity		
White Mountains's common shareholders' equity		
White Mountains's common shares at $1 par value per share—authorized 50,000,000 shares; issued and outstanding 2,565,733 and 2,560,452 shares	**2.6**	2.6
Paid-in surplus	**551.9**	548.7
Retained earnings	**3,917.7**	3,690.8
Accumulated other comprehensive income (loss), after-tax:		
Net unrealized gains (losses) from foreign currency translation	**(1.8)**	(1.6)
Total White Mountains's common shareholders' equity	**4,470.4**	4,240.5
Noncontrolling interests	**420.2**	321.1
Total equity	**4,890.6**	4,561.6
Total liabilities and equity	**$ 9,590.3**	$ 8,385.9

See Notes to Consolidated Financial Statements

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

		Three Months Ended September 30,		**Nine Months Ended September 30,**					
		Three Months Ended March 31,							
		Three Months Ended March 31,							
		Three Months Ended March 31,							
Millions	**Millions**	**2023**	**2022**	**2023**	**2022**	**Millions**	**2024**		**2023**

Revenues:	**Revenues:**				
P&C Insurance and Reinsurance (Ark/WM Outrigger)					
P&C Insurance and Reinsurance (Ark/WM Outrigger)					
P&C Insurance and Reinsurance (Ark/WM Outrigger)					
Earned insurance premiums					
Earned insurance premiums					
Earned insurance premiums					
Net investment income					
Net realized and unrealized investment gains (losses)					
Other revenues					
Total P&C Insurance and Reinsurance revenues					
Financial Guarantee (HG Global/BAM)	***Financial Guarantee (HG Global/BAM)***				
Financial Guarantee (HG Global/BAM)					
Financial Guarantee (HG Global/BAM)					
Earned insurance premiums					
Earned insurance premiums					
Earned insurance premiums	Earned insurance premiums	**$ 7.9**	$ 7.1	**$ 23.3**	$ 26.0
Net investment income	Net investment income	**8.1**	5.7	**22.9**	15.1
Net realized and unrealized investment gains (losses)	Net realized and unrealized investment gains (losses)	**(24.1)**	(38.8)	**(17.0)**	(114.0)
Other revenues	Other revenues	**.7**	1.3	**2.0**	3.7
Total Financial Guarantee revenues	Total Financial Guarantee revenues	**(7.4)**	(24.7)	**31.2**	(69.2)
P&C Insurance and Reinsurance (Ark/WM Outrigger)					

Earned insurance premiums		**498.9**	346.1	**1,047.3**	757.8
Asset Management (Kudu)					
Asset Management (Kudu)					
Asset Management (Kudu)					
Net investment income	Net investment income	**16.9**	4.9	**41.2**	9.7
Net realized and unrealized investment gains (losses)		**(6.6)**	(14.4)	**35.9**	(76.5)
Other revenues		**3.6**	6.6	**(1.1)**	10.1
Total P&C Insurance and Reinsurance revenues		**512.8**	343.2	**1,123.3**	701.1
Asset Management (Kudu)					
Net investment income					
Net investment income	Net investment income	**15.1**	14.8	**44.0**	41.2
Net realized and unrealized investment gains (losses)	Net realized and unrealized investment gains (losses)	**11.2**	41.1	**45.4**	45.8
Total Asset Management revenues	Total Asset Management revenues	**26.3**	55.9	**89.4**	87.0
P&C Insurance Distribution (Bamboo)					
P&C Insurance Distribution (Bamboo)					
P&C Insurance Distribution (Bamboo)					
Commission and fee revenues					
Commission and fee revenues					
Commission and fee revenues					
Earned insurance premiums					
Other revenues					
Total P&C Insurance Distribution revenues					
Other Operations	***Other Operations***				
Other Operations					
Other Operations					
Net investment income					
Net investment income					
Net investment income	Net investment income	**8.0**	8.5	**22.0**	13.6
Net realized and unrealized investment gains (losses)	Net realized and unrealized investment gains (losses)	**8.0**	(17.3)	**125.8**	2.8

Net realized and unrealized investment gains (losses) from investment in MediaAlpha	Net realized and unrealized investment gains (losses) from investment in MediaAlpha	**(46.8)**	(18.6)	**(38.9)**	(113.3)
Commission revenues	Commission revenues	**3.5**	3.2	**10.0**	8.7
Other revenues	Other revenues	**15.2**	33.0	**67.1**	89.6
Total Other Operations revenues	Total Other Operations revenues	**(12.1)**	8.8	**186.0**	1.4
Total revenues	**Total revenues**	**$ 519.6**	$ 383.2	**$ 1,429.9**	$ 720.3

See Notes to Consolidated Financial Statements

CONSOLIDATED STATEMENTS OF OPERATIONS (CONTINUED)
(Unaudited)

		Three Months Ended September 30,		**Nine Months Ended September 30,**				
		Three Months Ended March 31,						
		Three Months Ended March 31,						
		Three Months Ended March 31,						
Millions	**Millions**	**2023**	**2022**	**2023**	**2022**	**Millions**	**2024**	**2023**
Expenses:	**Expenses:**							
Financial Guarantee (HG Global/BAM)								
Acquisition expenses		**$ 2.1**	$ 1.7	**$ 6.3**	$ 9.5			
General and administrative expenses		**17.5**	15.8	**49.7**	49.5			
Interest expense		**3.8**	2.0	**10.8**	5.4			
Total Financial Guarantee expenses		**23.4**	19.5	**66.8**	64.4			
P&C Insurance and Reinsurance (Ark/WM Outrigger)	***P&C Insurance and Reinsurance (Ark/WM Outrigger)***							
P&C Insurance and Reinsurance (Ark/WM Outrigger)								
P&C Insurance and Reinsurance (Ark/WM Outrigger)								
Loss and loss adjustment expenses								
Loss and loss adjustment expenses								

Loss and loss adjustment expenses	Loss and loss adjustment expenses	**265.8**	213.7	**581.1**	456.2
Acquisition expenses	Acquisition expenses	**90.3**	74.8	**211.5**	174.9
General and administrative expenses	General and administrative expenses	**35.4**	24.2	**105.5**	74.9
Change in fair value of contingent consideration	Change in fair value of contingent consideration	**17.0**	2.7	**16.8**	4.9
Interest expense	Interest expense	**5.5**	3.7	**15.7**	10.6
Total P&C Insurance and Reinsurance expenses	Total P&C Insurance and Reinsurance expenses	**414.0**	319.1	**930.6**	721.5
Financial Guarantee (HG Global/BAM)					
Financial Guarantee (HG Global/BAM)					
Financial Guarantee (HG Global/BAM)					
Acquisition expenses					
Acquisition expenses					
Acquisition expenses					
General and administrative expenses					
Interest expense					
Total Financial Guarantee expenses					
Asset Management (Kudu)	***Asset Management (Kudu)***				
Asset Management (Kudu)					
Asset Management (Kudu)					
General and administrative expenses					
General and administrative expenses					
General and administrative expenses	General and administrative expenses	**4.5**	4.5	**12.3**	10.4
Interest expense	Interest expense	**5.5**	4.2	**15.5**	10.3
Total Asset Management expenses	Total Asset Management expenses	**10.0**	8.7	**27.8**	20.7
P&C Insurance Distribution (Bamboo)					

P&C Insurance Distribution (Bamboo)					
P&C Insurance Distribution (Bamboo)					
Broker commission expenses					
Broker commission expenses					
Broker commission expenses					
Loss and loss adjustment expenses					
Acquisition expenses					
General and administrative expenses					
Total P&C Insurance Distribution expenses					
Other Operations	***Other Operations***				
Other Operations					
Other Operations					
Cost of sales					
Cost of sales					
Cost of sales	Cost of sales	**8.0**	25.0	**33.5**	68.8
General and administrative expenses	General and administrative expenses	**42.2**	41.3	**130.7**	122.1
Interest expense	Interest expense	**.9**	.6	**2.9**	1.2
Total Other Operations expenses	Total Other Operations expenses	**51.1**	66.9	**167.1**	192.1
Total expenses	**Total expenses**	**498.5**	414.2	**1,192.3**	998.7
Pre-tax income (loss) from continuing operations		**21.1**	(31.0)	**237.6**	(278.4)
Pre-tax income (loss)					
Income tax (expense) benefit	Income tax (expense) benefit	**(7.3)**	7.4	**(19.4)**	26.1
Net income (loss) from continuing operations		**13.8**	(23.6)	**218.2**	(252.3)
Net income (loss) from discontinued operations, net of tax - NSM Group		**—**	6.3	**—**	16.4
Net gain (loss) from sale of discontinued operations, net of tax - NSM Group		**—**	886.8	**—**	886.8
Net income (loss)					
Net income (loss)					

Net income (loss)	**Net income (loss)**	**13.8**	869.5	**218.2**	650.9
Net (income) loss attributable to noncontrolling interests	Net (income) loss attributable to noncontrolling interests	**9.8**	18.7	**4.5**	101.5
Net income (loss) attributable to White Mountains's common shareholders	**Net income (loss) attributable to White Mountains's common shareholders**	**$ 23.6**	$ 888.2	**$ 222.7**	$ 752.4

See Notes to Consolidated Financial Statements

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

	Three Months Ended September 30,		Nine Months Ended September 30,	
Millions	**2023**	**2022**	**2023**	**2022**
Net income (loss) attributable to White Mountains's common shareholders	**$ 23.6**	$ 888.2	**$ 222.7**	$ 752.4
Other comprehensive income, net of tax:				
Other comprehensive income (loss), net of tax	**(1.7)**	(1.4)	**.9**	(3.0)
Other comprehensive income (loss) from discontinued operations, net of tax - NSM Group	**—**	.7	**—**	(5.2)
Net gain (loss) from foreign currency translation from sale of discontinued operations, net of tax - NSM Group	**—**	2.9	**—**	2.9
Comprehensive income (loss)	**21.9**	890.4	**223.6**	747.1
Other comprehensive (income) loss attributable to noncontrolling interests	**.7**	(.3)	**(.1)**	.4
Comprehensive income (loss) attributable to White Mountains's common shareholders	**$ 22.6**	$ 890.1	**$ 223.5**	$ 747.5

	Three Months Ended March 31,	
Millions	**2024**	**2023**
Net income (loss) attributable to White Mountains's common shareholders	**$ 236.4**	$ 179.5
Other comprehensive income, net of tax:		
Other comprehensive income (loss), net of tax	**(.3)**	1.2
Comprehensive income (loss)	**236.1**	180.7
Other comprehensive (income) loss attributable to noncontrolling interests	**.1**	(.4)
Comprehensive income (loss) attributable to White Mountains's common shareholders	**$ 236.2**	$ 180.3

Earnings (loss) per share attributable to White Mountains's common shareholders:

Earnings (loss) per share attributable to White Mountains's common shareholders:

Earnings (loss) per share attributable to White Mountains's common shareholders:	**Earnings (loss) per share attributable to White Mountains's common shareholders:**				
Basic earnings (loss) per share	**Basic earnings (loss) per share**				
Basic earnings (loss) per share					
Basic earnings (loss) per share					
Continuing operations					
Continuing operations					
Continuing operations	Continuing operations	**$ 9.19**	$ (1.66)	**$ 86.82**	$ (50.73)
Discontinued operations	Discontinued operations	**—**	308.59	**—**	304.97
Total consolidated operations	Total consolidated operations	**$ 9.19**	$ 306.93	**$ 86.82**	$ 254.24
Diluted earnings (loss) per share	**Diluted earnings (loss) per share**				
Continuing operations	Continuing operations	**$ 9.19**	$ (1.66)	**$ 86.82**	$ (50.73)
Continuing operations					
Continuing operations					
Discontinued operations	Discontinued operations	**—**	308.59	**—**	304.97
Total consolidated operations	Total consolidated operations	**$ 9.19**	$ 306.93	**$ 86.82**	$ 254.24
Dividends declared and paid per White Mountains's common share	**Dividends declared and paid per White Mountains's common share**	**$ —**	$ —	**$ 1.00**	$ 1.00

See Notes to Consolidated Financial Statements.

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

		White Mountains's Common Shareholders' Equity							White Mountains's Common Shareholders' Equity					
Millions	**Millions**	**Common shares and paid-in surplus**	**Retained earnings**	**AOCI, after tax**	**Total**	**Non-controlling interest**	**Total Equity**	**Millions**	**Common shares and paid-in surplus**	**Retained earnings**	**AOCI, after tax**	**Total**	**Non-controlling interest**	**Total Equity**
Balance at June 30, 2023		**$ 543.2**	**$ 3,380.7**	**$(1.7)**	**$3,922.2**	**$ 203.7**	**$4,125.9**							
Balance as of January 1, 2024														
Net income (loss)	Net income (loss)	**—**	**23.6**	**—**	**23.6**	**(9.8)**	**13.8**							
Other comprehensive income (loss), net of tax	Other comprehensive income (loss), net of tax	**—**	**—**	**(1.0)**	**(1.0)**	**(.7)**	**(1.7)**							
Total comprehensive income (loss)	Total comprehensive income (loss)	**—**	**23.6**	**(1.0)**	**22.6**	**(10.5)**	**12.1**							
Total comprehensive income (loss)														

Total comprehensive income (loss)							
Dividends declared on common shares							
Dividends to noncontrolling interests	Dividends to noncontrolling interests	—	—	—	—	(.5)	(.5)
Issuances of common shares	Issuances of common shares	—	—	—	—	—	—
Repurchases and retirements of common shares	Repurchases and retirements of common shares	—	—	—	—	—	—
BAM member surplus contribution, net of tax		—	—	—	—	19.9	19.9
Repurchases and retirements of common shares							
Repurchases and retirements of common shares							
BAM member surplus contributions, net of tax							
Amortization of restricted share awards	Amortization of restricted share awards	4.0	—	—	4.0	—	4.0
Recognition of equity-based compensation expense of subsidiaries	Recognition of equity-based compensation expense of subsidiaries	.4	—	—	.4	.2	.6
Net contributions and dilution from other noncontrolling interests		(.1)	—	—	(.1)	2.3	2.2
Net contributions (distributions) and dilution from other noncontrolling interests							
Acquisition of noncontrolling interests - Bamboo							
Balance at September 30, 2023		**$ 547.5**	**$ 3,404.3**	**$ (2.7)**	**$ 3,949.1**	**$ 215.1**	**$ 4,164.2**
Balance as of March 31, 2024							
Balance as of March 31, 2024							
Balance as of March 31, 2024							

Millions	White Mountains's Common Shareholders' Equity: Common shares and paid-in surplus	Retained earnings	AOCI, after tax	Total	Non-controlling interest	Total Equity
Balance at June 30, 2022	$ 603.2	$ 2,725.1	$ (5.0)	$ 3,323.3	$ 168.7	$ 3,492.0
Net income (loss)	—	888.2	—	888.2	(18.7)	869.5
Other comprehensive income (loss), net of tax	—	—	(1.8)	(1.8)	.3	(1.5)
Other comprehensive income (loss) from discontinued operations, net of tax - NSM Group	—	—	.7	.7	—	.7
Net gain (loss) from foreign currency translation from sale of discontinued operations, net of tax - NSM Group	—	—	2.9	2.9	—	2.9
Total comprehensive income (loss)	—	888.2	1.8	890.0	(18.4)	871.6
Dividends to noncontrolling interests	—	—	—	—	(.5)	(.5)
Repurchases and retirements of common shares	(71.5)	(437.4)	—	(508.9)	—	(508.9)
BAM member surplus contributions, net of tax	—	—	—	—	26.0	26.0
Amortization of restricted share awards	3.8	—	—	3.8	—	3.8
Recognition of equity-based compensation expense of subsidiaries	.4	—	—	.4	.2	.6
Net contributions and dilution from other noncontrolling interests	(.6)	—	—	(.6)	(.2)	(.8)
Disposition of noncontrolling interests	—	—	—	—	(17.5)	(17.5)
Balance at September 30, 2022	$ 535.3	$ 3,175.9	$ (3.2)	$ 3,708.0	$ 158.3	$ 3,866.3

See Notes to Consolidated Financial Statements.

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

Millions	White Mountains's Common Shareholders' Equity: Common shares and paid-in surplus	Retained earnings	AOCI, after tax	Total	Non-controlling interest	Total Equity
Balance at January 1, 2023	**$ 538.6**	**$ 3,211.8**	**$ (3.5)**	**$ 3,746.9**	**$ 188.1**	**$ 3,935.0**
Net income (loss)	**—**	**222.7**	**—**	**222.7**	**(4.5)**	**218.2**
Other comprehensive income (loss), net of tax	**—**	**—**	**.8**	**.8**	**.1**	**.9**
Total comprehensive income (loss)	**—**	**222.7**	**.8**	**223.5**	**(4.4)**	**219.1**
Dividends declared on common shares	**—**	**(2.6)**	**—**	**(2.6)**	**—**	**(2.6)**
Dividends to noncontrolling interests	**—**	**—**	**—**	**—**	**(8.3)**	**(8.3)**
Issuances of common shares	**2.1**	**—**	**—**	**2.1**	**—**	**2.1**
Repurchases and retirements of common shares	**(5.1)**	**(27.6)**	**—**	**(32.7)**	**—**	**(32.7)**
BAM member surplus contributions, net of tax	**—**	**—**	**—**	**—**	**46.4**	**46.4**
Amortization of restricted share awards	**11.2**	**—**	**—**	**11.2**	**—**	**11.2**
Recognition of equity-based compensation expense of subsidiaries	**1.3**	**—**	**—**	**1.3**	**.5**	**1.8**
Net contributions (distributions) and dilution from other noncontrolling interests	**(.6)**	**—**	**—**	**(.6)**	**2.2**	**1.6**
Disposition of noncontrolling interests	**—**	**—**	**—**	**—**	**(9.4)**	**(9.4)**
Balance at September 30, 2023	**$ 547.5**	**$ 3,404.3**	**$ (2.7)**	**$ 3,949.1**	**$ 215.1**	**$ 4,164.2**

Millions	Millions	White Mountains's Common Shareholders' Equity: Common shares and paid-in surplus	Retained earnings	AOCI, after tax	Total	Non-controlling interest	Total Equity	Millions	White Mountains's Common Shareholders' Equity: Common shares and paid-in surplus	Retained earnings	AOCI, after tax	Total	Non-controlling interest	Total Equity

Balance at January 1, 2022		$ 588.9	$ 2,957.5	$ 1.7	$ 3,548.1	$ 156.6	$ 3,704.7
Balance as of January 1, 2023							
Net income (loss)	Net income (loss)	—	752.4	—	752.4	(101.5)	650.9
Other comprehensive income (loss), net of tax	Other comprehensive income (loss), net of tax	—	—	(2.6)	(2.6)	(.4)	(3.0)
Other comprehensive income (loss) from discontinued operations, net of tax - NSM Group		—	—	(5.2)	(5.2)	—	(5.2)
Net gain (loss) from foreign currency translation from sale of discontinued operations, net of tax - NSM Group		—	—	2.9	2.9	—	2.9
Total comprehensive income (loss)							
Total comprehensive income (loss)							
Total comprehensive income (loss)	Total comprehensive income (loss)	—	752.4	(4.9)	747.5	(101.9)	645.6
Dividends declared on common shares	Dividends declared on common shares	—	(3.0)	—	(3.0)	—	(3.0)
Dividends to noncontrolling interests	Dividends to noncontrolling interests	—	—	—	—	(7.5)	(7.5)
Issuances of common shares	Issuances of common shares	3.0	—	—	3.0	—	3.0
Issuances of shares to noncontrolling interests		—	—	—	—	74.6	74.6
Repurchases and retirements of common shares							
Repurchases and retirements of common shares							
Repurchases and retirements of common shares	Repurchases and retirements of common shares	(89.2)	(521.3)	—	(610.5)	—	(610.5)
BAM member surplus contributions, net of tax	BAM member surplus contributions, net of tax	—	—	—	—	62.3	62.3
Amortization of restricted share awards	Amortization of restricted share awards	10.3	—	—	10.3	—	10.3

Recognition of equity-based compensation expense of subsidiaries	Recognition of equity-based compensation expense of subsidiaries	8.1	—	—	8.1	.8	8.9
Net contributions and dilution from other noncontrolling interests	Net contributions and dilution from other noncontrolling interests	14.2	(9.7)	—	4.5	(9.1)	(4.6)
Disposition of noncontrolling interests	Disposition of noncontrolling interests	—	—	—	—	(17.5)	(17.5)
Balance at September 30, 2022		$ 535.3	$ 3,175.9	$ (3.2)	$ 3,708.0	$ 158.3	$ 3,866.3
Balance as of March 31, 2023							
Balance as of March 31, 2023							
Balance as of March 31, 2023							

See Notes to Consolidated Financial Statements.

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

		Nine Months Ended September 30,				
		Three Months Ended March 31,				**Three Months Ended March 31,**
Millions	**Millions**	**2023**	**2022**	**Millions**	**2024**	**2023**
Cash flows from operations:	**Cash flows from operations:**					
Net income (loss)						
Net income (loss)						
Net income (loss)	Net income (loss)	**$ 218.2**	$ 650.9			
Adjustments to reconcile net income to net cash provided from (used for) operations:	Adjustments to reconcile net income to net cash provided from (used for) operations:			Adjustments to reconcile net income to net cash provided from (used for) operations:		
Net realized and unrealized investment (gains) losses	Net realized and unrealized investment (gains) losses	**(190.1)**	141.9			

Net realized and unrealized investment (gains) losses from investment in MediaAlpha	Net realized and unrealized investment (gains) losses from investment in MediaAlpha	**38.9**	113.3
Deferred income tax expense (benefit)	Deferred income tax expense (benefit)	**1.9**	22.1
Amortization of restricted share awards	Amortization of restricted share awards	**11.2**	10.3
Amortization (accretion) and depreciation	Amortization (accretion) and depreciation	**(10.3)**	7.0
Net (income) loss from discontinued operation, net of tax - NSM Group		**—**	(16.4)
Net (gain) loss from sale of discontinued operations, net of tax - NSM Group		**—**	(886.8)
Change in fair value of contingent consideration - Ark			
Change in fair value of contingent consideration - Ark			
Change in fair value of contingent consideration - Ark			
Other operating items:	Other operating items:	Other operating items:	
Net change in reinsurance recoverables	Net change in reinsurance recoverables	**56.9**	(95.1)
Net change in insurance premiums receivable		**(236.4)**	(282.3)
Net change in insurance premiums, commissions and fees receivable			
Net change in deferred acquisition costs	Net change in deferred acquisition costs	**(54.0)**	(45.0)
Net change in loss and loss adjustment expense reserves	Net change in loss and loss adjustment expense reserves	**275.3**	434.7
Net change in unearned insurance premiums	Net change in unearned insurance premiums	**375.4**	305.8
Net change in reinsurance payable	Net change in reinsurance payable	**(104.8)**	(111.4)
Net change in restricted cash		**(12.2)**	4.4
Net change in premiums and commissions payable			
Contributions to Kudu's Participation Contracts			
Contributions to Kudu's Participation Contracts			
Contributions to Kudu's Participation Contracts	Contributions to Kudu's Participation Contracts	**(108.3)**	(97.9)

Proceeds from Kudu's Participation Contracts sold	Proceeds from Kudu's Participation Contracts sold	**74.6**	—
Net other operating activities	Net other operating activities	**43.3**	(37.3)
Net cash provided from (used for) operations - continuing operations		**379.6**	118.2
Net cash provided from (used for) operations - NSM Group discontinued operations (**Note 19**)		**—**	38.7
Net cash provided from (used for) operations			
Net cash provided from (used for) operations			
Net cash provided from (used for) operations	**Net cash provided from (used for) operations**	**379.6**	156.9
Cash flows from investing activities:	**Cash flows from investing activities:**		**Cash flows from investing activities:**
Net change in short-term investments	Net change in short-term investments	**(194.9)**	(735.4)
Sales of fixed maturity investments	Sales of fixed maturity investments	**107.9**	212.4
Maturities, calls and paydowns of fixed maturity investments	Maturities, calls and paydowns of fixed maturity investments	**212.6**	107.3
Sales of common equity securities		**129.9**	—
Distributions and redemptions of other long-term investments			
Distributions and redemptions of other long-term investments			
Distributions and redemptions of other long-term investments	Distributions and redemptions of other long-term investments	**26.8**	55.0
Proceeds from the sale of NSM Group and Other Operating Businesses, net of cash sold of $0.8 and $144.4		**17.3**	1,384.3
Purchases of consolidated subsidiaries, net of cash acquired of $0.0 and $0.3		**—**	(67.9)
Proceeds from the sale of Other Operating Businesses, net of cash sold of $0.0 and $0.8			
Proceeds from the sale of Other Operating Businesses, net of cash sold of $0.0 and $0.8			
Proceeds from the sale of Other Operating Businesses, net of cash sold of $0.0 and $0.8			
Purchases of consolidated subsidiaries, net of cash acquired of $44.9 and $0.0			
Purchases of fixed maturity investments	Purchases of fixed maturity investments	**(392.9)**	(474.1)
Purchases of common equity securities and investment in MediaAlpha		**(114.2)**	(88.0)
Purchases of other long-term investments			
Purchases of other long-term investments			

Purchases of other long-term investments	Purchases of other long-term investments	**(237.7)**	(136.9)
Net other investing activities	Net other investing activities	**(9.8)**	3.7
Net cash provided from (used for) investing activities - continuing operations		**(455.0)**	260.4
Net cash provided from (used for) investing activities - NSM Group discontinued operations (**Note 19**)		**—**	7.1
Net cash provided from (used for) investing activities			
Net cash provided from (used for) investing activities			
Net cash provided from (used for) investing activities	**Net cash provided from (used for) investing activities**	**(455.0)**	267.5
Cash flows from financing activities:	**Cash flows from financing activities:**		**Cash flows from financing activities:**
Draw down of debt and revolving lines of credit		**12.2**	211.8
Repayment of debt and revolving lines of credit			
Repayment of debt and revolving lines of credit			
Repayment of debt and revolving lines of credit	Repayment of debt and revolving lines of credit	**(24.3)**	(10.5)
Cash dividends paid to common shareholders	Cash dividends paid to common shareholders	**(2.6)**	(3.0)
Cash dividends paid to common shareholders			
Cash dividends paid to common shareholders			
Repurchases and retirements of common shares	Repurchases and retirements of common shares	**(32.7)**	(610.5)
BAM member surplus contributions			
BAM member surplus contributions			
BAM member surplus contributions			
Net contributions from (distributions to) other noncontrolling interests	Net contributions from (distributions to) other noncontrolling interests	**(5.3)**	(9.2)
Net (contributions to) distributions from discontinued operations		**—**	11.6
Issuances of shares to noncontrolling interests		**—**	74.6
BAM member surplus contributions		**46.4**	62.3
Fidus Re premium payments	Fidus Re premium payments	**(10.3)**	(5.6)

Net other financing activities	**(.2)**	(2.1)
Net cash provided from (used for) financing activities - continuing operations	**(16.8)**	(280.6)
Net cash provided from (used for) financing activities - NSM Group discontinued operations (**Note 19**)	**—**	(17.5)
Fidus Re premium payments		
Fidus Re premium payments		
Net cash provided from (used for) financing activities **Net cash provided from (used for) financing activities**	**(16.8)**	(298.1)
Net change in cash during the period - continuing operations	**(92.2)**	98.0
Cash balances at beginning of period (includes restricted cash balances of $12.2 and $4.5 and excludes discontinued operations cash balances of $0.0 and $111.6)	**255.0**	147.7
Net cash provided from (used for) financing activities		
Cash balances at end of period (includes restricted cash balances of $0.0 and $8.9 and excludes discontinued operations cash balances of $0.0 and $0.0)	**$ 162.8**	$ 245.7
Net cash provided from (used for) financing activities		
Net change in cash during the period		
Net change in cash during the period		
Net change in cash during the period		
Cash balances at beginning of period (includes restricted cash balances of $0.7 and $12.2)		
Cash balances at end of period (includes restricted cash balances of $83.0 and $13.0)		
Cash balances at end of period (includes restricted cash balances of $83.0 and $13.0)		
Cash balances at end of period (includes restricted cash balances of $83.0 and $13.0)		
Supplemental cash flows information: **Supplemental cash flows information:**		
Interest paid Interest paid	**$ (18.0)**	$ (10.9)
Interest paid		
Interest paid		
Net income tax payments Net income tax payments	**(29.9)**	(3.2)

See Notes to Consolidated Financial Statements

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (Unaudited)

Note 1. Basis of Presentation and Significant Accounting Policies

Basis of Presentation

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

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

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

These interim financial statements include all adjustments considered necessary by management to fairly state the financial position, results of operations and cash flows of White Mountains. These interim financial statements may not be indicative of financial results for the full year and should be read in conjunction with the Company’s 2022 2023 Annual Report on Form 10-K.

Reportable Segments

As of September 30, 2023 March 31, 2024, White Mountains conducted its operations through three four reportable segments: (1) Ark/WM Outrigger, (2) HG Global/BAM, (2) Ark/WM Outrigger, (3) Kudu and (3) Kudu, (4) Bamboo, with our remaining operating businesses, holding companies and other assets included in Other Operations. White Mountains has made its segment determination based on consideration of the following criteria: (i) the nature of the business activities of each of the Company's subsidiaries and affiliates; (ii) the manner in which the Company's subsidiaries and affiliates are organized; (iii) the existence of primary managers responsible for specific subsidiaries and affiliates; and (iv) the organization of information provided to the Company's chief operating decision makers and its Board of Directors. See **Note 14 — "Segment Information."**

The Ark/WM Outrigger segment consists of Ark Insurance Holdings Limited and its subsidiaries (collectively, "Ark") and Outrigger Re Ltd. Segregated Account 2023-1 ("WM Outrigger Re") (collectively with Ark, "Ark/WM Outrigger"). Ark is a specialty property and casualty insurance and reinsurance company that offers a wide range of niche insurance and reinsurance products, including property, specialty, marine & energy, accident & health and casualty. Ark underwrites select coverages through Lloyd's Syndicates 4020 and 3902 (the "Syndicates") and its wholly-owned subsidiary Group Ark Insurance Limited ("GAIL"). White Mountains acquired a controlling ownership interest in Ark on January 1, 2021 (the "Ark Transaction"). As of March 31, 2024 and December 31, 2023, White Mountains owned 72.0% of Ark on a basic shares outstanding basis (61.9% after taking account of management's equity incentives). The remaining shares are owned by current and former employees of Ark. In the future, management rollover shareholders could earn additional shares in Ark if and to the extent that White Mountains achieves certain thresholds for its multiple of invested capital return. If fully earned, these additional shares would represent 12.5% of the shares outstanding at closing. The liability related to these additional shares is recorded as contingent consideration. During the fourth quarter of 2022, Ark sponsored the formation of Outrigger Re Ltd., a Bermuda company registered as a special purpose insurer and segregated accounts company, to provide reinsurance capacity to Ark. White Mountains consolidates the results of its segregated account, WM Outrigger Re, in its financial statements. See **Note 2 — "Significant Transactions."** As of March 31, 2024 and December 31, 2023, White Mountains owned 100.0% of WM Outrigger Re's preferred equity.

The HG Global/BAM segment consists of HG Global Ltd. and its wholly-owned subsidiaries (collectively, "HG Global") and the consolidated results of Build America Mutual Assurance Company ("BAM") (collectively with HG Global, "HG Global/BAM"). BAM is the first and only mutual municipal bond insurance company in the United States. By insuring the timely payment of principal and interest, BAM provides market access to, and lowers interest expense for, issuers of municipal bonds used to finance essential public purpose projects, such as schools, utilities and transportation facilities. BAM is owned by and operated for the benefit of its members, the municipalities that purchase BAM's insurance for their whose debt issuances. issuances are insured by BAM. HG Global was established to fund the startup of BAM and, through its reinsurance subsidiary, HG Re Ltd. ("HG Re"), to provide up to 15%-of-par, first loss reinsurance protection for policies underwritten by BAM. HG Global, together with its subsidiaries, funded the initial capitalization of BAM through the purchase of $503.0 million of surplus notes issued by BAM (the "BAM Surplus Notes"). As of September 30, 2023 March 31, 2024 and December 31, 2022 December 31, 2023, White Mountains owned 96.9% of HG Global's preferred equity and 88.4% of its common equity. White Mountains does not have an ownership interest in BAM. However, White Mountains is required to consolidate BAM's results in its financial statements because BAM is a variable interest entity ("VIE") for which White Mountains is the primary beneficiary. BAM's results are all attributed to noncontrolling interests.

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

The Kudu segment consists of Kudu Investment Management, LLC and its subsidiaries (collectively "Kudu"). Kudu provides capital solutions for boutique asset and wealth managers for a variety of purposes including generational ownership transfers, management buyouts, acquisition and growth finance and legacy partner liquidity. Kudu also provides strategic assistance to investees from time to time. Kudu's capital solutions generally are structured as minority preferred equity stakes with distribution rights, typically tied to gross revenues and designed to generate immediate cash yields. As of September 30, 2023 March 31, 2024 and December 31, 2022 December 31, 2023, White Mountains owned 89.2% 89.4% and 89.3% 89.6% of Kudu's basic units outstanding (76.1% (76.2% and 76.1% 76.3% on a fully diluted, fully converted fully-diluted, fully-converted basis).

The Bamboo segment consists of PM Holdings LLC ("Bamboo Holdings"), Bamboo Ide8 Insurance Services LLC ("Bamboo MGA") and Ide8 Limited ("Bamboo Captive") (collectively with Bamboo Holdings and Bamboo MGA, "Bamboo"). Bamboo is a capital-light, tech- and data-enabled insurance distribution platform providing homeowners' insurance and related products to the residential property market in California. Bamboo operates primarily through Bamboo MGA, its full-service managing general agent ("MGA") business, where the company manages all aspects of the placement process on behalf of its fronting and reinsurance partners, including product development, marketing, underwriting, policy issuance and claims oversight, and it earns commissions based on the volume and profitability of the insurance that it places. It offers both admitted and non-admitted products. Bamboo also operates two separate but integrated businesses: (i) a retail agency, within Bamboo MGA, offering ancillary products on behalf of third parties and (ii) Bamboo Captive, a Bermuda-domiciled captive reinsurer that participates in the underwriting risk of Bamboo's MGA programs to align interests with reinsurance partners. On January 2, 2024, White Mountains acquired a controlling interest in Bamboo. See **Note 2 — "Significant Transactions"**. As of March 31, 2024, White Mountains owned 72.8% of the basic units outstanding of Bamboo (63.7% on a fully-diluted, fully-converted basis).

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

Discontinued Operations

On August 1, 2022 October 25, 2023, White Mountains Holdings (Luxembourg) S.à r.l. ("WTM Holdings Seller"), an indirect wholly owned subsidiary announced the launch of White Mountains completed the sale of Partners LLC ("WTM Partners"), which will acquire businesses in non-insurance, non-financial services sectors including essential services, light industrial and specialty consumer. White Mountains Catskill Holdings, Inc. and NSM Insurance HoldCo, LLC ("NSM" and, collectively with White Mountains Catskill Holdings, Inc., the "NSM Group") expects to Riser Merger Sub, Inc., an affiliate deploy up to $500.0 million of The Carlyle Group Inc. (the "NSM Transaction"), pursuant to the terms of the securities purchase agreement dated as of May 9, 2022. See **Note 2 — "Significant Transactions."** NSM equity capital through WTM Partners over time. WTM Partners is a full-service managing general agent ("MGA") and program administrator with delegated binding authorities for specialty property and casualty insurance.

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

Significant Accounting Policies

Refer In addition to the following, refer to the Notes to Consolidated Financial Statements in the Company's 2022 2023 Annual Report on Form 10-K for a complete discussion regarding White Mountains's significant accounting policies.

Revenue Recognition

Bamboo's revenues consist primarily of commission and fee revenues for placement of insurance policies.Commission and fee revenues are measured based on the contractual rates with insurance carriers, net of any amounts expected to be uncollectible and any amounts associated with expected policy cancellations and adjustments, and are recognized when contractual performance obligations have been fulfilled.Bamboo's primary contractual performance obligations are generally satisfied upon the issuance of an insurance policy.Where Bamboo has significant performance obligations beyond the policy effective date, Bamboo estimates the relative standalone selling price for the post-issuance services using the price charged for the service when sold separately in similar circumstances to similar customers in order to allocate the transaction price.

Bamboo's premiums, commissions and fees receivable consist of insurance premiums and fees receivable from customers and commissions receivable from insurance carriers, net of a provision for amounts estimated to be uncollectible and any amounts associated with expected policy cancellations and adjustments.

Deferred revenues associated with unsatisfied performance obligations are recognized within other liabilities.

Broker Commission Expenses

Bamboo's broker commission expense consists of commissions paid to sub-agents and brokers.Broker commission expense is measured in accordance with contractual terms and recognized when incurred, which is generally at the policy issuance date.

Note 2. Significant Transactions

NSM **Bamboo Transaction**

On August 1, 2022 October 19, 2023, the NSM Transaction closed. White Mountains received $1.4 billion entered into an agreement and plan of merger (the "Bamboo Merger Agreement") with Bamboo MGA and John Chu, as the unitholders' representative. Under the terms of the Bamboo Merger Agreement, White Mountains's wholly-owned subsidiary, WM Pierce Merger Sub LLC, agreed to merge with and into Bamboo MGA, with Bamboo MGA continuing as the surviving company (the "Bamboo Merger"). Concurrently with the execution of the Bamboo Merger Agreement, certain Bamboo management unitholders agreed to roll over the majority of their existing equity in net cash proceeds at closing Bamboo MGA into Bamboo Holdings. White Mountains also agreed to make an equity contribution to Bamboo immediately following the Bamboo Merger (together with the Bamboo Merger and recognized a net transaction gain the rollover transactions, the "Bamboo Transaction").

On January 2, 2024, White Mountains closed the Bamboo Transaction in accordance with the terms of $875.7 million, which was comprised of $886.8 the Bamboo Merger Agreement, investing $296.7 million of net gain from sale equity into Bamboo, which included the contribution of discontinued operations $36.0 million to retire Bamboo's legacy credit facility and $2.9 the contribution of $20.0 million of comprehensive income primary capital. The consideration is subject to customary purchase price adjustments. At closing, White Mountains owned 72.8% of Bamboo on a basic shares outstanding basis (63.7% on a fully-diluted/fully-converted basis, taking account of management's equity incentives), while Bamboo management owned 16.1% of basic shares outstanding (26.6% on a fully-diluted/fully-converted basis).

White Mountains recognized total assets acquired related to the recognition Bamboo Transaction of foreign currency translation gains (losses) from the sale, partially offset by $14.0 $479.5 million, total liabilities assumed of $91.7 million and noncontrolling interest of $111.1 million reflecting acquisition date fair values. Total assets acquired included $371.4 million of compensation goodwill and other intangible assets. In connection with the acquisition, White Mountains incurred transaction costs related to the transaction recorded of $4.0 million in Other Operations. Operations, of which $0.3 million were expensed in the first quarter of 2024.

The following presents additional details of the assets acquired and liabilities assumed as of the January 2, 2024 acquisition date:

Millions		As of January 2, 2024	
Fixed maturity investments, at fair value	$	8.2	
Short-term investments, at fair value		9.3	
Cash (restricted $37.0)		44.9	(1)
Premiums and commissions receivable		38.0	
Other assets		7.7	
Total tangible assets		108.1	

Loss and loss adjustment expense reserves		(9.3)
Unearned insurance premiums		(20.1)
Premiums and commissions payable		(49.2)
Other liabilities		(13.1)
Total tangible liabilities		(91.7)
Net tangible assets acquired		16.4
Goodwill		270.4
Other intangible assets		101.0
Total goodwill and other intangible assets		371.4
Net assets acquired	$	387.8

(1) Cash excludes the White Mountains cash contribution of $20.0 as part of the Bamboo Transaction, which is not part of the purchase consideration.

The values of net tangible assets acquired and the resulting goodwill and other intangible assets were recorded at fair value using Level 3 inputs. The majority of the tangible assets acquired and liabilities assumed were recorded at their carrying values, as their carrying values approximated their fair values due to their short-term nature. The fair values of other intangible assets were internally estimated based primarily on the income approach. The income approach estimates fair value based on the present value of the cash flows that the assets are expected to generate in the future. White Mountains developed internal estimates for the expected future cash flows and discount rates used in the present value calculations. See **Note 4 — "Goodwill and Other Intangible Assets."**

The value of the noncontrolling interest is recorded at the acquisition date fair value, based on the valuation implied in the Bamboo Transaction.

Bamboo's segment income and expenses for three months ended March 31, 2024 are presented in **Note 14 — "Segment Information."**

WM Outrigger Re

During the fourth quarter of 2022, Ark sponsored the formation of Outrigger Re Ltd., a Bermuda company registered as a special purpose insurer and segregated accounts company, to provide reinsurance capacity to Ark. On December 20, 2022, Outrigger Re Ltd. issued was capitalized with $250.0 million of non-voting redeemable preference shares on behalf for business written in the 2023 underwriting year, of four segregated accounts to which White Mountains and contributed $205.0 million. The remaining capital was provided by unrelated third-party investors. Upon issuance of the preference shares, Outrigger Re Ltd. entered into collateralized quota share agreements with GAIL to provide reinsurance protection on Ark's Bermuda global property catastrophe excess of loss portfolio written in calendar year 2023. the 2023 underwriting year. The proceeds from the issuance of the preference shares were deposited into collateral trust accounts to fund any potential obligations under the reinsurance agreements with GAIL. Outrigger Re Ltd.'s obligations under the reinsurance agreements with GAIL are subject to an aggregate limit equal to the assets in the collateral trusts at any point in time. The terms of the reinsurance agreements are renewable upon the mutual agreement of Ark and the applicable preference shareholder. shareholder of Outrigger Re Ltd.

During the fourth quarter of 2023, Ark renewed Outrigger Re Ltd. for the 2024 underwriting year with $250.0 million of capital, of which White Mountains rolled over $130.0 million from its commitment to the 2023 underwriting year. The remaining capital was provided by new and continuing unrelated third-party investors.

As of March 31, 2024 and December 31, 2023, short-term investments of $222.4 million and $265.3 million were held in a collateral trust account required to be maintained in relation to WM Outrigger Re's reinsurance agreement with GAIL.

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

Kudu During January 2024, White Mountains received an initial return of capital of $68.1 million from WM Outrigger Re for business written in the 2023 underwriting year. White Mountains expects to receive any additional return of capital and associated profits from business written in the 2023 underwriting year beginning in the third quarter of 2024.

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

Note 3. Investment Securities

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

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

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

other long-term investments are measured at fair value. Other long-term investments consist primarily of unconsolidated entities, Kudu's Participation Contracts, private equity funds and hedge funds, a bank loan fund, Lloyd's trust deposits, insurance-linked securities ("ILS") ILS funds and private debt instruments. White Mountains has taken the fair value option for its equity method eligible investments. See **Note 16 — "Equity Method Eligible Investments"**. Net realized and unrealized investment gains (losses) are reported in pre-tax revenues.

Net Investment Income

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

The following table presents pre-tax net investment income for the three and nine months ended September 30, 2023 March 31, 2024 and 2022: 2023:

		Three Months Ended September 30,		**Nine Months Ended September 30,**				
		Three Months Ended March 31,						
		Three Months Ended March 31,						
		Three Months Ended March 31,						
Millions	**Millions**	**2023**	**2022**	**2023**	**2022**	**Millions**	**2024**	**2023**
Fixed maturity investments	Fixed maturity investments	**$16.6**	$11.1	**$ 46.6**	$28.6			
Short-term investments	Short-term investments	**13.8**	6.7	**34.8**	7.2			
Common equity securities	Common equity securities	**1.0**	.1	**3.6**	.2			
Other long-term investments								
Other long-term investments		**17.4**	17.1	**46.8**	45.9			
Amount attributable to TPC Providers		**—**	(.3)	**—**	(.8)			
Total investment income								
Total investment income								
Total investment income	Total investment income	**48.8**	34.7	**131.8**	81.1			
Third-party investment expenses	Third-party investment expenses	**(.7)**	(.8)	**(1.7)**	(1.5)			
Net investment income, pre-tax	Net investment income, pre-tax	**$48.1**	$33.9	**$130.1**	$79.6			

Net Realized and Unrealized Investment Gains (Losses)

The following table presents net realized and unrealized investment gains (losses) for the three and nine months ended September 30, 2023 March 31, 2024 and 2022: 2023:

		Three Months Ended September 30,		Nine Months Ended September 30,	
		Three Months Ended March 31,			
		Three Months Ended March 31,			
		Three Months Ended March 31,			
Millions	Millions	2023	2022	2023	2022
		Millions	2024	2023	
Realized investment gains (losses)	**Realized investment gains (losses)**				
Fixed maturity investments	Fixed maturity investments	**$ (.3)**	$ (4.9)	**$ (1.7)**	$ (10.8)
Fixed maturity investments					
Fixed maturity investments					
Short-term investments	Short-term investments	**(.2)**	(.1)	**(.3)**	(.4)
Common equity securities		**1.2**	—	**13.8**	—
Other long-term investments					
Other long-term investments					
Other long-term investments	Other long-term investments	**.6**	3.4	**48.9**	24.1
Net realized investment gains (losses)	Net realized investment gains (losses)	**1.3**	(1.6)	**60.7**	12.9
Unrealized investment gains (losses)	**Unrealized investment gains (losses)**				
Fixed maturity investments					
Fixed maturity investments					
Fixed maturity investments	Fixed maturity investments	**(27.9)**	(58.8)	**(9.7)**	(192.9)
Short-term investments	Short-term investments	**(.6)**	(2.1)	**.7**	(2.6)
Common equity securities	Common equity securities	**(18.5)**	4.3	**29.8**	(6.3)
Investment in MediaAlpha	Investment in MediaAlpha	**(46.8)**	(18.6)	**(38.9)**	(113.3)
Other long-term investments	Other long-term investments	**34.2**	27.5	**108.6**	40.8
Net unrealized investment gains (losses)	Net unrealized investment gains (losses)	**(59.6)**	(47.7)	**90.5**	(274.3)
Net realized and unrealized investment gains (losses), before amount attributable to TPC providers (1)		**(58.3)**	(49.3)	**151.2**	(261.4)
Amount attributable to TPC Providers		**—**	1.3	**—**	6.2
Net realized and unrealized investment gains (losses) (1)					
Net realized and unrealized investment gains (losses) (1)					
Net realized and unrealized investment gains (losses) (1)					
Fixed maturity and short-term investments					
Net realized and unrealized investment gains (losses)	Net realized and unrealized investment gains (losses)	**$ (58.3)**	$ (48.0)	**$ 151.2**	$ (255.2)
Fixed maturity and short-term investments					
Net realized and unrealized investment gains (losses)					
Net realized and unrealized investment gains (losses)	Net realized and unrealized investment gains (losses)	**$ (29.0)**	$ (65.9)	**$ (11.0)**	$ (206.7)
Less: net realized and unrealized gains (losses) on investment securities sold during the period	Less: net realized and unrealized gains (losses) on investment securities sold during the period	**2.5**	.1	**4.7**	(3.0)
Net unrealized investment gains (losses) recognized during the period on investment securities held at the end of the period	Net unrealized investment gains (losses) recognized during the period on investment securities held at the end of the period	**$ (31.5)**	$ (66.0)	**$ (15.7)**	$ (203.7)
Common equity securities and investment in MediaAlpha	**Common equity securities and investment in MediaAlpha**				
Net realized and unrealized investment gains (losses) on common equity securities	Net realized and unrealized investment gains (losses) on common equity securities	**$ (17.3)**	$ 4.3	**$ 43.6**	$ (6.3)

Net realized and unrealized investment gains (losses) on common equity securities					
Net realized and unrealized investment gains (losses) on common equity securities					
Net realized and unrealized investment gains (losses) from investment in MediaAlpha	Net realized and unrealized investment gains (losses) from investment in MediaAlpha	**(46.8)**	(18.6)	**(38.9)**	(113.3)
Total net realized and unrealized investment gains (losses)	Total net realized and unrealized investment gains (losses)	**(64.1)**	(14.3)	**4.7**	(119.6)
Less: net realized and unrealized gains (losses) on investment securities sold during the period	Less: net realized and unrealized gains (losses) on investment securities sold during the period	**(.1)**	—	**3.7**	—
Net unrealized investment gains (losses) recognized during the period on investment securities held at the end of the period	Net unrealized investment gains (losses) recognized during the period on investment securities held at the end of the period	**$ (64.0)**	$ (14.3)	**$ 1.0**	$ (119.6)

(1) For the three months ended September 30, 2023 March 31, 2024 and 2022, 2023, includes $(12.8) $(11.5) and $(22.6) of net realized and unrealized investment gains (losses) related to foreign currency exchange. For the nine months ending September 30, 2023 and 2022, includes $(1.9) and $(44.4) $5.4 of net realized and unrealized investment gains (losses) related to foreign currency exchange.

The following table presents total net unrealized gains (losses) attributable to Level 3 investments for the three and nine months ended September 30, 2023 March 31, 2024 and 2022 2023 for investments still held at the end of the period:

		Three Months Ended September 30,		Nine Months Ended September 30,				
		Three Months Ended March 31,						
		Three Months Ended March 31,						
		Three Months Ended March 31,						
Millions	**Millions**	**2023**	**2022**	**2023**	**2022**	**Millions**	**2024**	**2023**
Total net unrealized investment gains on other long-term investments held at the end of the period, pre-tax	Total net unrealized investment gains on other long-term investments held at the end of the period, pre-tax	**$24.6**	$40.8	**$76.0**	$57.7			

Investment Holdings

The following tables present the cost or amortized cost, gross unrealized investment gains (losses), net foreign currency gains (losses) and carrying values value of White Mountains's fixed maturity investments as of September 30, 2023 March 31, 2024 and December 31, 2022 December 31, 2023:

		September 30, 2023						March 31, 2024				
Millions	**Millions**	**Cost or Amortized Cost**	**Gross Unrealized Gains**	**Gross Unrealized Losses**	**Net Foreign Currency Gains (Losses)**	**Carrying Value**	**Millions**	**Cost or Amortized Cost**	**Gross Unrealized Gains**	**Gross Unrealized Losses**	**Net Foreign Currency Gains (Losses)**	**Carrying Value**
U.S. Government and agency obligations	U.S. Government and agency obligations	$ 270.1	$ —	$ (9.0)	$ —	$ 261.1						
Debt securities issued by corporations	Debt securities issued by corporations	1,038.8	.1	(74.6)	(2.7)	961.6						

Municipal obligations	Municipal obligations	264.6	—	(26.4)	—	238.2
Mortgage and asset-backed securities	Mortgage and asset-backed securities	372.6	—	(47.2)	—	325.4
Collateralized loan obligations	Collateralized loan obligations	196.5	.3	(3.1)	(2.1)	191.6
Collateralized loan obligations						
Collateralized loan obligations						
Total fixed maturity investments	Total fixed maturity investments	$2,142.6	$ .4	$ (160.3)	$ (4.8)	$1,977.9

		December 31, 2022						December 31, 2023				
Millions	Millions	Cost or Amortized Cost	Gross Unrealized Gains	Gross Unrealized Losses	Net Foreign Currency Gains (Losses)	Carrying Value	Millions	Cost or Amortized Cost	Gross Unrealized Gains	Gross Unrealized Losses	Net Foreign Currency Gains (Losses)	Carrying Value
U.S. Government and agency obligations	U.S. Government and agency obligations	$ 216.6	$ —	$ (10.2)	$ —	$ 206.4						
Debt securities issued by corporations	Debt securities issued by corporations	1,098.3	.6	(78.3)	(1.8)	1,018.8						
Municipal obligations	Municipal obligations	281.6	.4	(23.4)	—	258.6						
Mortgage and asset-backed securities	Mortgage and asset-backed securities	288.7	—	(34.5)	—	254.2						
Collateralized loan obligations	Collateralized loan obligations	190.8	.1	(6.0)	(2.0)	182.9						
Collateralized loan obligations												
Collateralized loan obligations												
Total fixed maturity investments	Total fixed maturity investments	$2,076.0	$ 1.1	$ (152.4)	$ (3.8)	$1,920.9						

The following table presents the cost or amortized cost and carrying values value of White Mountains's fixed maturity investments by contractual maturity as of September 30, 2023 March 31, 2024. Actual maturities could differ from contractual maturities because borrowers may have the right to call or prepay certain obligations with or without call or prepayment penalties.

		September 30, 2023				
		March 31, 2024			March 31, 2024	
Millions	Millions	Cost or Amortized Cost	Carrying Value	Millions	Cost or Amortized Cost	Carrying Value
Due in one year or less	Due in one year or less	$ 307.6	$ 301.2			
Due after one year through five years	Due after one year through five years	870.9	813.4			
Due after five years through ten years	Due after five years through ten years	302.7	267.6			
Due after ten years	Due after ten years	92.3	78.7			
Mortgage and asset-backed securities and collateralized loan obligations	Mortgage and asset-backed securities and collateralized loan obligations	569.1	517.0			
Total fixed maturity investments	Total fixed maturity investments	$ 2,142.6	$1,977.9			

The following tables present the cost or amortized cost, gross unrealized investment gains (losses), net foreign currency gains (losses), and carrying values value of common equity securities, White Mountains's investment in MediaAlpha and other long-term investments as of September 30, 2023 March 31, 2024 and December 31, 2022 December 31, 2023:

		September 30, 2023						March 31, 2024				
Millions	Millions	Cost or Amortized Cost	Gross Unrealized Gains	Gross Unrealized Losses	Net Foreign Currency Gains (Losses)	Carrying Value	Millions	Cost or Amortized Cost	Gross Unrealized Gains	Gross Unrealized Losses	Net Foreign Currency Gains (Losses)	Carrying Value
Common equity securities	Common equity securities	$ 599.5	$ 51.6	$ (4.8)	$ (9.3)	$ 637.0						
Investment in MediaAlpha	Investment in MediaAlpha	$ 59.2	$ 139.9	$ (10.3)	$ —	$ 188.8						
Other long-term investments	Other long-term investments	$1,639.9	$ 390.9	$ (116.6)	$ (18.4)	$1,895.8						
Other long-term investments												

Other long-term investments

		December 31, 2022						December 31, 2023				
Millions	Millions	Cost or Amortized Cost	Gross Unrealized Gains	Gross Unrealized Losses	Net Foreign Currency Gains (Losses)	Carrying Value	Millions	Cost or Amortized Cost	Gross Unrealized Gains	Gross Unrealized Losses	Net Foreign Currency Gains (Losses)	Carrying Value
Common equity securities	Common equity securities	$ 660.6	$ 26.7	$ (8.4)	$ (10.5)	$ 668.4						
Investment in MediaAlpha	Investment in MediaAlpha	$ —	$ 168.6	$ —	$ —	$ 168.6						
Other long-term investments	Other long-term investments	$ 1,340.8	$ 271.1	$ (107.1)	$ (16.8)	$ 1,488.0						
Other long-term investments												
Other long-term investments												

Fair Value Measurements

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

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

Fair Value Measurements by Measurement By Level

The following tables present White Mountains's fair value measurements for investments as of September 30, 2023 March 31, 2024 and December 31, 2022 December 31, 2023 by level. The major security types were based on the legal form of the securities. White Mountains has disaggregated its fixed maturity investments based on the issuing entity type, which impacts credit quality, with debt securities issued by U.S. government entities carrying minimal credit risk, while the credit and other risks associated with other issuers, such as corporations, municipalities or entities issuing mortgage and asset-backed securities vary depending on the nature of the issuing entity type. White Mountains further disaggregates debt securities issued by corporations by industry sector because investors often reference commonly used benchmarks and their subsectors to monitor risk and performance. Accordingly, White Mountains has further disaggregated this asset class into subclasses based on the similar sectors and industry classifications it uses to evaluate investment risk and performance against commonly used benchmarks, such as the Bloomberg Barclays U.S. Intermediate Aggregate.

		September 30, 2023					March 31, 2024			
Millions	Millions	Fair Value	Level 1	Level 2	Level 3	Millions	Fair Value	Level 1	Level 2	Level 3
Fixed maturity investments:	Fixed maturity investments:					Fixed maturity investments:				
U.S. Government and agency obligations	U.S. Government and agency obligations	$ **261.1**	$ **261.1**	$ **—**	$ **—**					
Debt securities issued by corporations:	Debt securities issued by corporations:									
Financials	Financials	**290.1**	**—**	**290.1**	**—**					
Financials										
Financials										
Consumer	Consumer	**188.3**	**—**	**188.3**	**—**					
Industrial										
Healthcare	Healthcare	**109.1**	**—**	**109.1**	**—**					
Industrial		**107.8**	**—**	**107.8**	**—**					
Technology	Technology	**107.5**	**—**	**107.5**	**—**					
Utilities	Utilities	**66.6**	**—**	**66.6**	**—**					
Communications	Communications	**42.4**	**—**	**42.4**	**—**					
Energy	Energy	**29.1**	**—**	**29.1**	**—**					
Materials	Materials	**20.7**	**—**	**20.7**	**—**					
Total debt securities issued by corporations	Total debt securities issued by corporations	**961.6**	**—**	**961.6**	**—**					
Municipal obligations	Municipal obligations	**238.2**	**—**	**238.2**	**—**					
Mortgage and asset-backed securities	Mortgage and asset-backed securities	**325.4**	**—**	**325.4**	**—**					

Collateralized loan obligations	Collateralized loan obligations	191.6	—	191.6	—
Total fixed maturity investments	Total fixed maturity investments	1,977.9	261.1	1,716.8	—
Short-term investments	Short-term investments	1,162.9	1,149.7	13.2	—
Common equity securities:	Common equity securities:				
Exchange-traded funds	Exchange-traded funds	252.1	252.1	—	—
Exchange-traded funds					
Exchange-traded funds					
Other (1)	Other (1)	384.9	—	384.9	—
Total common equity securities	Total common equity securities	637.0	252.1	384.9	—
Investment in MediaAlpha	Investment in MediaAlpha	188.8	188.8	—	—
Other long-term investments	Other long-term investments	1,090.7	—	15.4	1,075.3
Other long-term investments — NAV (2)	Other long-term investments — NAV (2)	805.1	—	—	—
Total other long-term investments	Total other long-term investments	1,895.8	—	15.4	1,075.3
Total investments	Total investments	$5,862.4	$1,851.7	$2,130.3	$1,075.3

(1) Consists of investments in listed funds that predominantly invest in international equities.

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

		December 31, 2022								
		December 31, 2023								December 31, 2023
Millions	Millions	Fair Value	Level 1	Level 2	Level 3	Millions	Fair Value	Level 1	Level 2	Level 3
Fixed maturity investments:	Fixed maturity investments:					Fixed maturity investments:				
U.S. Government and agency obligations	U.S. Government and agency obligations	$ 206.4	$ 206.4	$ —	$ —					
Debt securities issued by corporations:	Debt securities issued by corporations:									
Financials	Financials	291.2	—	291.2	—					
Financials										
Financials										
Consumer	Consumer	191.9	—	191.9	—					
Industrial										
Healthcare	Healthcare	121.3	—	121.3	—					
Industrial		115.4	—	115.4	—					
Technology	Technology	123.7	—	123.7	—					
Utilities	Utilities	73.8	—	73.8	—					
Communications	Communications	47.9	—	47.9	—					
Energy	Energy	33.9	—	33.9	—					
Materials	Materials	19.7	—	19.7	—					
Total debt securities issued by corporations	Total debt securities issued by corporations	1,018.8	—	1,018.8	—					
Municipal obligations	Municipal obligations	258.6	—	258.6	—					
Mortgage and asset-backed securities	Mortgage and asset-backed securities	254.2	—	254.2	—					
Collateralized loan obligations	Collateralized loan obligations	182.9	—	182.9	—					
Total fixed maturity investments	Total fixed maturity investments	1,920.9	206.4	1,714.5	—					
Short-term investments	Short-term investments	924.1	924.1	—	—					
Common equity securities:	Common equity securities:									
Exchange-traded funds	Exchange-traded funds	333.8	333.8	—	—					
Exchange-traded funds										
Exchange-traded funds										
Other (1)	Other (1)	334.6	—	334.6	—					

Total common equity securities	Total common equity securities	668.4	333.8	334.6	—
Investment in MediaAlpha	Investment in MediaAlpha	168.6	168.6	—	—
Other long-term investments	Other long-term investments	926.4	—	14.8	911.6
Other long-term investments — NAV (2)	Other long-term investments — NAV (2)	561.6	—	—	—
Total other long-term investments	Total other long-term investments	1,488.0	—	14.8	911.6
Total investments	Total investments	$5,170.0	$1,632.9	$2,063.9	$911.6

(1) Consists of investments in listed funds that predominantly invest in international equities.

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

Investments Held on Deposit or as Collateral

As of September 30, 2023 March 31, 2024 and December 31, 2022 December 31, 2023, investments of $531.8 $589.6 million and $500.5 $585.6 million were held in trusts required to be maintained in relation to HG Global's reinsurance agreements with BAM.

HG Global is required to maintain an interest reserve account in connection with its senior notes issued in 2022. As of September 30, 2023 March 31, 2024 and December 31, 2022 December 31, 2023, the fair value of the interest reserve account, which is included in short-term investments, was $29.9 $30.5 million and $31.2 $30.4 million. See **Note 7 — "Debt."**

BAM is required to maintain deposits with certain insurance regulatory agencies in order to maintain its insurance licenses. The fair value of such deposits, which represent state deposits and are included within the investment portfolio, totaled $4.7 million and $4.6 million as of both September 30, 2023 March 31, 2024 and December 31, 2022 December 31, 2023.

Lloyd's trust deposits are generally required of Lloyd's syndicates to protect policyholders in non-U.K. markets and are pledged into Lloyd's trust accounts to provide a portion of the capital needed to support obligations at Lloyd's. As of September 30, 2023 March 31, 2024 and December 31, 2022 December 31, 2023, Ark held Lloyd's trust deposits with a fair value of $150.3 $150.5 million and $137.4 $158.0 million.

The underwriting capacity of a member of Lloyd's must be supported by providing a deposit ("Funds at Lloyd's") in the form of cash, securities or letters of credit in an amount determined by Lloyd's. The amount of such deposit is calculated for each member through the completion of an annual capital adequacy exercise. These requirements allow Lloyd's to evaluate whether each member has sufficient assets to meet its underwriting liabilities plus a required solvency margin. As of September 30, 2023 March 31, 2024 and December 31, 2022 December 31, 2023, the fair value of Ark's Funds at Lloyd's investment deposits totaled $335.2 $345.6 million and $319.2 $344.7 million.

As of September 30, 2023 March 31, 2024 and December 31, 2022 December 31, 2023, Ark held additional investments on deposit or as collateral for insurance regulators and reinsurance counterparties of $232.4 $204.6 million and $257.0 $244.5 million.

As of September 30, 2023 March 31, 2024 and December 31, 2022 December 31, 2023, Ark had $147.2 $201.9 million and $90.3 $198.9 million of short-term investments pledged as collateral under uncommitted standby letters of credit. See **Note 7 — "Debt."**

As of September 30, 2023 March 31, 2024 and December 31, 2022 December 31, 2023, short-term investments of $233.3 $222.4 million and $203.7 $265.3 million were held in a collateral trust account required to be maintained in relation to WM Outrigger Re's reinsurance agreement with GAIL.

As of March 31, 2024, fixed maturity and short-term investments of $20.7 million were held as collateral required to be maintained in relation to the Bamboo Captive's reinsurance agreement.

Kudu is required to maintain an interest reserve account in connection with its credit facility. As of September 30, 2023 March 31, 2024, the interest reserve account of $14.1 $15.1 million was held in short term investments. As of December 31, 2022 December 31, 2023, the interest reserve account of $12.2 $14.9 million was held in restricted cash. See **Note 7 - "Debt."**

Debt Securities Issued by Corporations

The following table presents the credit ratings of debt securities issued by corporations held in White Mountains's investment portfolio as of September 30, 2023 March 31, 2024 and December 31, 2022 December 31, 2023:

		Fair Value at				
		Fair Value at				Fair Value at
Millions	**Millions**	**September 30, 2023**	**December 31, 2022**	**Millions**	**March 31, 2024**	**December 31, 2023**
AAA	AAA	**$ 12.6**	$ 11.3			
AA	AA	**84.3**	96.0			
A	A	**509.6**	567.9			
BBB	BBB	**349.1**	337.7			
BB						
Other	Other	**6.0**	5.9			
Debt securities issued by corporations (1)	Debt securities issued by corporations (1)	**$ 961.6**	$1,018.8			

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

Mortgage and Asset-backed Securities and Collateralized Loan Obligations

The following table presents the fair value of White Mountains's mortgage and asset-backed securities and collateralized loan obligations as of September 30, 2023 March 31, 2024 and December 31, 2022 December 31, 2023:

		September 30, 2023			December 31, 2022				March 31, 2024			December 31, 2023		
Millions	Millions	Fair Value	Level 2	Level 3	Fair Value	Level 2	Level 3	Millions	Fair Value	Level 2	Level 3	Fair Value	Level 2	Level 3
Mortgage-backed securities:	**Mortgage-backed securities:**							**Mortgage-backed securities:**						
Agency:	Agency:							Agency:						
FNMA	FNMA	**$ 162.5**	**$162.5**	**$—**	$ 124.5	$124.5	$—							
FHLMC	FHLMC	**114.3**	**114.3**	**—**	78.8	78.8	—							
GNMA	GNMA	**29.2**	**29.2**	**—**	28.3	28.3	—							
Total agency (1)	Total agency (1)	**306.0**	**306.0**	—	231.6	231.6	**—**							
Non-agency: Residential	Non-agency: Residential	**.2**	**.2**	**—**	.3	.3	—							
Total non-agency	Total non-agency	**.2**	**.2**	**—**	.3	.3	—							
Total mortgage-backed securities	Total mortgage-backed securities	**306.2**	**306.2**	—	231.9	231.9	—							
Other asset-backed securities:	**Other asset-backed securities:**													
Vehicle receivables														
Vehicle receivables														
Vehicle receivables														
Credit card receivables	Credit card receivables	**3.2**	**3.2**	**—**	11.9	11.9	—							
Vehicle receivables		**13.5**	**13.5**	**—**	10.4	10.4	—							
Other	Other	**2.5**	**2.5**	—	—	—	—							
Total other asset-backed securities	Total other asset-backed securities	**19.2**	**19.2**	**—**	22.3	22.3	—							
Total mortgage and asset-backed securities	Total mortgage and asset-backed securities	**325.4**	**325.4**	**—**	254.2	254.2	**—**							
Collateralized loan obligations	**Collateralized loan obligations**	**191.6**	**191.6**	**—**	182.9	182.9	—							
Total mortgage and asset-backed securities and collateralized loan obligations	Total mortgage and asset-backed securities and collateralized loan obligations	**$ 517.0**	**$517.0**	$—	$ 437.1	$437.1	$—							

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

As of September 30, 2023 March 31, 2024 and December 31, 2022 December 31, 2023, White Mountains's investment portfolio included $191.6 $246.5 million and $182.9 $209.1 million of collateralized loan obligations that are within the senior tranches of their respective fund securitization structures. All of White Mountains's collateral loan obligations were rated AAA or AA as of September 30, 2023 and December 31, 2022 March 31, 2024.

Investment in MediaAlpha

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

During the second quarter of 2023, White Mountains completed a tender offer to purchase 5.9 million additional shares of MediaAlpha at a purchase price of $10.00 per share. As of September 30, 2023 March 31, 2024, White Mountains owned 22.9 million shares, representing a 35.3% 34.7% basic ownership interest (33.0% (32.4% on a fully diluted, fully converted fully-diluted/fully-converted basis). See **Note 16 — "Equity Method Eligible Investments."** At White Mountains's current March 31, 2024 level of ownership, each $1.00 per share increase or decrease in the share price of MediaAlpha will result in an approximate $9.00 per share increase or decrease in White Mountains's book value per share. At the September 30, 2023 March 28, 2024 closing price of $8.26 $20.37 per share, the fair value of White Mountains's investment in MediaAlpha was $188.8 $465.6 million.

Other Long-Term Investments

The following table presents the carrying values of White Mountains's other long-term investments by reportable segment as of September 30, 2023 March 31, 2024 and December 31, 2022 December 31, 2023:

		Fair Value at September 30, 2023								
		Fair Value at March 31, 2024					Fair Value at March 31, 2024			
Millions	Millions	Ark/ WM Outrigger	Kudu	Other	Total	Millions	Ark/ WM Outrigger	Kudu	Other	Total
Kudu's Participation Contracts	Kudu's Participation Contracts	$ —	$775.3	$ —	$ 775.3					
PassportCard/DavidShield	PassportCard/DavidShield	—	—	150.0	150.0					
Elementum Holdings, L.P.	Elementum Holdings, L.P.	—	—	35.0	35.0					
Mandatorily redeemable preferred securities		—	—	58.5	58.5					
Other unconsolidated entities (1)	Other unconsolidated entities (1)	—	—	41.8	41.8					
Total unconsolidated entities	Total unconsolidated entities	—	775.3	285.3	1,060.6					
Private equity funds and hedge funds	Private equity funds and hedge funds	55.4	—	243.9	299.3					
Bank loan fund	Bank loan fund	189.3	—	—	189.3					
Lloyd's trust deposits										
ILS funds	ILS funds	—	—	159.5	159.5					
Lloyd's trust deposits		150.3	—	—	150.3					
Private debt instruments	Private debt instruments	—	5.4	9.4	14.8					
Other	Other	21.6	—	.4	22.0					
Total other long-term investments	Total other long-term investments	$ 416.6	$780.7	$698.5	$1,895.8					

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

		Fair Value at December 31, 2022								
		Fair Value at December 31, 2023					Fair Value at December 31, 2023			
Millions	Millions	Ark/ WM Outrigger	Kudu	Other	Total	Millions	Ark/ WM Outrigger	Kudu	Other	Total
Kudu's Participation Contracts	Kudu's Participation Contracts	$ —	$695.9	$ —	$ 695.9					
PassportCard/DavidShield	PassportCard/DavidShield	—	—	135.0	135.0					
Elementum Holdings, L.P.	Elementum Holdings, L.P.	—	—	30.0	30.0					
Other unconsolidated entities (1)	Other unconsolidated entities (1)	—	—	37.2	37.2					
Total unconsolidated entities	Total unconsolidated entities	—	695.9	202.2	898.1					
Total unconsolidated entities										
Total unconsolidated entities										
Private equity funds and hedge funds	Private equity funds and hedge funds	40.4	—	157.4	197.8					
Bank loan fund	Bank loan fund	174.8	—	—	174.8					
Lloyd's trust deposits										
ILS funds	ILS funds	—	—	49.3	49.3					
Lloyd's trust deposits		137.4	—	—	137.4					
Private debt instruments	Private debt instruments	—	—	9.6	9.6					
Other	Other	21.0	—	—	21.0					
Total other long-term investments	Total other long-term investments	$ 373.6	$695.9	$418.5	$1,488.0					

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

Private Equity Funds and Hedge Funds

White Mountains invests in private equity funds and hedge funds, which are included in other long-term investments. The fair value of these investments is generally estimated using the NAV of the funds. As of September 30, 2023 March 31, 2024, White Mountains held investments in eighteen sixteen private equity funds and two hedge funds. The largest investment in a single private equity fund or hedge fund was $53.4 million $59.7 million and $57.3 million as of September 30, 2023 March 31, 2024 and $49.0 million as of December 31, 2022 December 31, 2023.

The following table presents the fair value of investments and unfunded commitments in private equity funds and hedge funds by investment objective and sector as of September 30, 2023 March 31, 2024 and December 31, 2022 December 31, 2023:

		September 30, 2023		December 31, 2022			March 31, 2024		December 31, 2023	
Millions	Millions	Fair Value	Unfunded Commitments	Fair Value	Unfunded Commitments	Millions	Fair Value	Unfunded Commitments	Fair Value	Unfunded Commitments
Private equity funds	**Private equity funds**					**Private equity funds**				
Aerospace/Defense/Government	Aerospace/Defense/Government	**$ 146.4**	**$ 25.5**	$ 59.4	$ 37.5					
Financial services	Financial services	**88.6**	**41.8**	77.1	54.3					
Real estate	Real estate	**4.2**	**2.5**	4.1	2.5					
Total private equity funds	Total private equity funds	**239.2**	**69.8**	140.6	94.3					
Hedge funds	**Hedge funds**					**Hedge funds**				
Long/short equity financials and business services	Long/short equity financials and business services	**51.1**	**—**	49.0	—					
European small/mid cap	European small/mid cap	**9.0**	**—**	8.2	—					
Total hedge funds	Total hedge funds	**60.1**	**—**	57.2	—					
Total private equity funds and hedge funds included in other long-term investments	Total private equity funds and hedge funds included in other long-term investments	**$ 299.3**	**$ 69.8**	$ 197.8	$ 94.3					

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

The following table presents investments in private equity funds that were subject to lock-up periods as of September 30, 2023 March 31, 2024:

Millions	Millions	1 – 3 years	3 – 5 years	5 – 10 years	>10 years	Total	Millions	1 – 3 years	3 – 5 years	5 – 10 years	>10 years	Total
Private equity funds — expected lock-up period remaining	Private equity funds — expected lock-up period remaining	**$4.4**	**$72.1**	**$148.8**	**$13.9**	**$239.2**	Private equity funds — expected lock-up period remaining	**$14.4**	**$63.5**	**$161.0**	**$16.3**	**$255.2**

Investors in private equity funds are generally subject to indemnification obligations outside of the capital commitment period and prior to the winding up of the fund. As of September 30, 2023 March 31, 2024 and December 31, 2022 December 31, 2023, White Mountains is not aware of any indemnification claims relating to its investments in private equity funds.

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

Bank Loan Fund

White Mountains's other long-term investments include a bank loan fund with a fair value of $189.3 $249.6 million and $174.8 $194.4 million as of September 30, 2023 March 31, 2024 and December 31, 2022 December 31, 2023. The fair value of this investment is estimated using the NAV of the fund. The bank loan fund's investment objective is to provide, on an unleveraged basis, high current income consistent with preservation of capital and low duration. The bank loan fund primarily invests in a broad portfolio of U.S. dollar-denominated, non-investment grade, floating-rate senior secured loans and may invest in other financial instruments, such as secured and unsecured corporate debt, credit default swaps, reverse repurchase agreements, synthetic indices and cash and cash equivalents.

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

Lloyd's Trust Deposits

White Mountains's other long-term investments include Lloyd's trust deposits, which consist of non-U.K. deposits and Canadian comingled pooled funds. The Lloyd's trust deposits invest primarily in short-term government securities, agency securities and corporate bonds held in trusts that are managed by Lloyd's of London. These investments are generally required of Lloyd's syndicates to protect policyholders in non-U.K. markets and are pledged into Lloyd's trust accounts to provide a portion of the capital needed to support obligations at Lloyd's. The fair value of the Lloyd's trust deposits is generally estimated using the NAV of the funds. As of September 30, 2023 March 31, 2024 and December 31, 2022 December 31, 2023, White Mountains held Lloyd's trust deposits with a fair value of $150.3 $150.5 million and $137.4 $158.0 million.

Insurance-Linked Securities Funds

White Mountains's other long-term investments include ILS fund investments. The fair value of these investments is generally estimated using the NAV of the funds. As of September 30, 2023 March 31, 2024 and December 31, 2022 December 31, 2023, White Mountains held investments in ILS funds with a fair value of $159.5 million $109.7 million and $49.3 million $160.5 million.

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

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

Rollforward of Level 3 Investments

Level 3 measurements as of September 30, 2023 March 31, 2024 and 2022 2023 consist of securities for which the estimated fair value has not been determined based upon quoted market price inputs for identical or similar securities. The following table presents the changes in White Mountains's fair value measurements for Level 3 investments for the nine three months ended September 30, 2023 March 31, 2024 and 2022: 2023:

Level 3 Investments	**Level 3 Investments**					
Level 3 Investments						
Level 3 Investments						
Millions	**Millions**		**Other Long-term Investments**			**Other Long-term Investments**
Balance at December 31, 2022		**$**	**911.6**	Balance at December 31, 2021	$	890.6
Millions						
Millions						
Balance at December 31, 2023						
Balance at December 31, 2023						
Balance at December 31, 2023						
Net realized and unrealized gains						
Net realized and unrealized gains						
Net realized and unrealized gains	Net realized and unrealized gains		**74.0**	Net realized and unrealized gains		57.3
Purchases and contributions	Purchases and contributions		**200.1**	Purchases and contributions		127.9
Purchases and contributions						
Purchases and contributions						
Sales and distributions						
Sales and distributions						
Sales and distributions	Sales and distributions		**(110.4)**	Sales and distributions		(31.7)
Transfers in	Transfers in		**—**	Transfers in		—
Transfers in						
Transfers in						
Transfers out	Transfers out		**—**	Transfers out		—
Balance at September 30, 2023		**$**	**1,075.3**	Balance at September 30, 2022	$	1,044.1
Transfers out						
Transfers out						
Balance at March 31, 2024						
Balance at March 31, 2024						
Balance at March 31, 2024						

Fair Value Measurements — Transfers Between Levels - Nine Three months ended September 30, 2023 March 31, 2024 and 2022 2023

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

During the nine three months ended September 30, 2023 March 31, 2024 and 2022, 2023, there were no fixed maturity investments or other long-term investments classified as Level 3 measurements in the prior period that were transferred to Level 2 measurements.

During the nine three months ended September 30, 2023 March 31, 2024 and 2022, 2023, there were no fixed maturity investments or other long-term investments classified as Level 2 measurements in the prior period that were transferred to Level 3 measurements.

Significant Unobservable Inputs

The following tables present significant unobservable inputs used in estimating the fair value of White Mountains's other long-term investments, classified within Level 3 as of September 30, 2023 March 31, 2024 and December 31, 2022 December 31, 2023. The tables below exclude $41.7 $15.7 million and $41.1 $19.0 million of Level 3 other long-term investments generally valued based on recent or expected transaction prices. The fair value of investments in private equity funds and hedge funds, bank loan funds, Lloyd's trust deposits and ILS funds are generally estimated using the NAV of the funds.

$ in Millions	$ in Millions	September 30, 2023				$ in Millions	March 31, 2024			
Description	Description	Valuation Technique(s) (1)	Fair Value (2)	Unobservable Inputs		Description	Valuation Technique(s) (1)	Fair Value (2)	Unobservable Inputs	
				Discount Rate (6)					Discount Rate (6)	Terminal Cash Flow Exit Multiple (x) or Terminal Revenue Growth Rate (%) (6)
				Discount Rate (5)	Terminal Cash Flow Exit Multiple (x) or Terminal Revenue Growth Rate (%) (5)					
Kudu's Participation Contracts (3)(4)		Discounted cash flow	$775.3	19% - 26%	7x - 22x					
Kudu's Participation Contracts (3)(4)(5)										
Kudu's Participation Contracts (3)(4)(5)										
Kudu's Participation Contracts (3)(4)(5)							Discounted cash flow	$884.2	18% - 25%	7x - 22x
PassportCard/DavidShield	PassportCard/DavidShield	Discounted cash flow	$150.0	25%	4%	PassportCard/DavidShield	Discounted cash flow	$150.0	24%	4%
Elementum Holdings, L.P.	Elementum Holdings, L.P.	Discounted cash flow	$35.0	25%	4%	Elementum Holdings, L.P.	Discounted cash flow	$35.0	21%	4%
Mandatorily redeemable preferred securities		Discounted cash flow	$58.5	15%	N/A					
Preferred Securities						Preferred Securities	Discounted cash flow	$28.7	8%	N/A
Private debt instruments	Private debt instruments	Discounted cash flow	$14.8	12% - 13%	N/A	Private debt instruments	Discounted cash flow	$15.2	11% - 12%	N/A

(1) Key inputs to the discounted cash flow analysis generally include projections of future revenue and earnings, discount rates and terminal exit multiples or growth rates.

(2) Includes the net unrealized investment gains (losses) associated with foreign currency; foreign currency effects based on observable inputs.

(3) Since Kudu's Participation Contracts are not subject to corporate taxes within Kudu Investment Management, LLC, pre-tax discount rates are applied to pre-tax cash flows in determining fair values. The weighted average discount rate and weighted average terminal cash flow exit multiple applied to Kudu's Participation Contracts was 21% 20% and 13x.

(4) In the first nine three months of 2023, 2024, Kudu deployed a total of $108.3 had negligible deployments into new and existing Participation Contracts.

(5) As of March 31, 2024, one of Kudu's Participation Contracts with a total fair value of $62.4 was valued using a probability weighted expected return method, which takes into account factors such as a discounted cash flow analysis, the expected value to be received in a pending sale transaction and the likelihood that a sales transaction will take place.

(6) Increases (decreases) to the discount rates in isolation would result in lower (higher) fair value measurements, while increases (decreases) to the terminal cash flow exit multiples or terminal revenue growth rates in isolation would result in higher (lower) fair value measurements.

$ in Millions	$ in Millions	December 31, 2022				$ in Millions	December 31, 2023			
Description	Description	Valuation Technique(s) (1)	Fair Value (2)	Discount Rate (6)	Terminal Cash Flow Exit Multiple (x) or Terminal Revenue Growth Rate (%) (6)	Description	Valuation Technique(s) (1)	Fair Value (2)	Discount Rate (6)	Terminal Cash Flow Exit Multiple (x) or Terminal Revenue Growth Rate (%) (6)
Kudu's Participation Contracts (3)(4)(5)										
Kudu's Participation Contracts (3)(4)(5)										
Kudu's Participation Contracts (3)(4)(5)	Kudu's Participation Contracts (3)(4)(5)	Discounted cash flow	$695.9	18% - 25%	7x - 16x		Discounted cash flow	$890.5	18% - 25%	7x - 22x
PassportCard/DavidShield	PassportCard/DavidShield	Discounted cash flow	$135.0	24%	4%	PassportCard/DavidShield	Discounted cash flow	$150.0	24%	4%
Elementum Holdings, L.P.	Elementum Holdings, L.P.	Discounted cash flow	$30.0	21%	4%	Elementum Holdings, L.P.	Discounted cash flow	$35.0	21%	4%
Preferred securities						Preferred securities	Discounted cash flow	$28.2	8%	N/A
Private debt instruments	Private debt instruments	Discounted cash flow	$9.6	11%	N/A	Private debt instruments	Discounted cash flow	$15.5	11% - 12%	N/A

(1) Key inputs to the discounted cash flow analysis generally include projections of future revenue and earnings, discount rates and terminal exit multiples or growth rates.

(2) Includes the net unrealized investment gains (losses) associated with foreign currency; foreign currency effects based on observable inputs.

(3) Since Kudu's Participation Contracts are not subject to corporate taxes within Kudu Investment Management, LLC, pre-tax discount rates are applied to pre-tax cash flows in determining fair values. The weighted average discount rate and weighted average terminal cash flow exit multiple applied to Kudu's Participation Contracts was 21% 20% and 12x. 13x.

(4) In 2022, 2023, Kudu deployed a total of $99.8 $163.8 into new and existing Participation Contracts.

(5) As of December 31, 2022 December 31, 2023, two one of Kudu's Participation Contracts with a total fair value of $189.0 were $69.1 was valued using a probability weighted expected return method, which takes into account factors such as a discounted cash flow analysis, the expected value to be received in a pending sale transaction and the likelihood that a sales transaction will take place.

(6) Increases (decreases) to the discount rates in isolation would result in lower (higher) fair value measurements, while increases (decreases) to the terminal cash flow exit multiples or terminal revenue growth rates in isolation would result in higher (lower) fair value measurements.

Note 4. Goodwill and Other Intangible Assets

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

The following table presents the economic lives, acquisition date fair values, accumulated amortization and net carrying values for other intangible assets and goodwill as of September 30, 2023 March 31, 2024 and December 31, 2022 December 31, 2023:

$ in Millions								
$ in Millions	$ in Millions	Weighted Average	September 30, 2023	December 31, 2022	$ in Millions	Weighted Average	March 31, 2024	December 31, 2023

		Economic Life (in years)	Acquisition Date Fair Value	Accumulated Amortization	Net Carrying Value	Acquisition Date Fair Value	Accumulated Amortization	Net Carrying Value		Economic Life (in years)	Acquisition Date Fair Value	Weighted Average Economic Life (in years)	Acquisition Date Fair Value	Accumulated Amortization	Net Carrying Value	Acquisitio Date Fai Value
Goodwill:	**Goodwill:**															
Ark	Ark	**N/A**	**$ 116.8**	**$ —**	**$116.8**	$ 116.8	$ —	$116.8								
Ark																
Ark																
Kudu	Kudu	**N/A**	**7.6**	**—**	**7.6**	7.6	—	7.6								
Bamboo (1)																
Other Operations	Other Operations	**N/A**	**44.4**	**—**	**44.4**	52.1	—	52.1								
Total goodwill	Total goodwill		**168.8**	**—**	**168.8**	176.5	—	176.5								
Other intangible assets:	**Other intangible assets:**															
Ark	***Ark***															
Ark																
Ark																
Underwriting capacity																
Underwriting capacity																
Underwriting capacity	Underwriting capacity	**N/A**	**175.7**	**—**	**175.7**	175.7	—	175.7								
Kudu	***Kudu***															
Kudu																
Kudu																
Trade names	Trade names	**7**	**2.2**	**1.4**	**.8**	2.2	1.2	1.0								
Trade names																
Trade names																
Bamboo (1)																
Trade names																
Trade names																
Trade names																
Agency relationships																
Developed Technology																
Other																
Subtotal																
Other Operations	***Other Operations***															
Trade names																
Trade names																
Trade names	Trade names	**13.3**	**13.3**	**3.7**	**9.6**	17.9	3.0	14.9								
Customer relationships	Customer relationships	**10.9**	**24.8**	**9.4**	**15.4**	29.5	7.5	22.0								
Other	Other	**12.1**	**2.8**	**1.0**	**1.8**	2.8	.5	2.3								
Other																
Other																
Subtotal	Subtotal		**40.9**	**14.1**	**26.8**	50.2	11.0	39.2								

Total other intangible assets	Total other intangible assets	218.8	15.5	203.3	228.1	12.2	215.9
Total goodwill and other intangible assets	Total goodwill and other intangible assets	$ 387.6	$ 15.5	$372.1	$ 404.6	$ 12.2	$392.4

(1) The relative fair values of goodwill and other intangible assets recognized in connection with the acquisition of Bamboo had not yet been finalized as of March 31, 2024.

Intangible Assets Valuation Methods

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

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

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

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

non-compete agreements.

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

During the three and nine months ended September 30, 2023 March 31, 2024 and 2022, 2023, White Mountains did not recognize any impairments to goodwill and other intangible assets.

Rollforward of Goodwill and Other Intangible Assets

The following table presents the change in goodwill and other intangible assets for the three and nine months ended September 30, 2023 March 31, 2024 and 2022: 2023:

		Three Months Ended September 30,					
		2023			2022		
		Three Months Ended March 31,					
		2024					
Millions	Millions	Goodwill	Other Intangible Assets	Total Goodwill and Other Intangible Assets	Goodwill	Other Intangible Assets	Total Goodwill and Other Intangible Assets
Beginning balance	Beginning balance	$168.8	$ 204.8	$ 373.6	$201.8	$ 196.2	$ 398.0
Acquisition of businesses (1)							
Acquisitions of intangible assets (2)							
Dispositions (2)							
Attribution of acquisition date fair value estimates between goodwill and other intangible assets (1)		—	—	—	(22.9)	22.9	—
Measurement period adjustments (2)		—	—	—	(3.4)	—	(3.4)

	Three Months Ended March 31,					
	2024			2023		
Millions	Goodwill	Other Intangible Assets	Total Goodwill and Other Intangible Assets	Goodwill	Other Intangible Assets	Total Goodwill and Other Intangible Assets

Measurement period adjustments (3)							
Measurement period adjustments (3)							
Measurement period adjustments (3)							
Amortization	Amortization	—	**(1.5)**	**(1.5)**	—	(1.4)	(1.4)
Ending balance							
Ending balance	Ending balance	**$168.8**	**$ 203.3**	**$ 372.1**	$175.5	$ 217.7	$ 393.2
Ending balance							

(1) Relates Amounts relate to acquisitions within Other Operations. The relative the fair values of goodwill and other intangible assets recognized in connection with acquisitions during 2022 the acquisition of Bamboo, which had not yet been finalized as of the end of the period.

(2) Measurement period adjustments relate to updated information about acquisition date fair values of assets acquired and liabilities assumed. During the three months ended September 30, 2022, adjustments relate to acquisitions within Other Operations.

	Nine Months Ended September 30,					
	2023			2022		
Millions	Goodwill	Other Intangible Assets	Total Goodwill and Other Intangible Assets	Goodwill	Other Intangible Assets	Total Goodwill and Other Intangible Assets
Beginning balance	**$ 176.5**	**$ 215.9**	**$ 392.4**	$ 142.3	$ 198.2	$ 340.5
Acquisition of businesses (1)	**—**	**—**	**—**	59.5	—	59.5
Dispositions (2)	**(6.7)**	**(6.9)**	**(13.6)**	—	—	—
Attribution of acquisition date fair value estimates between goodwill and other intangible assets (1)	**—**	**—**	**—**	(22.9)	22.9	—
Measurement period adjustments (3)	**(1.0)**	**—**	**(1.0)**	(3.4)	—	(3.4)
Amortization	**—**	**(5.7)**	**(5.7)**	—	(3.4)	(3.4)
Ending balance	**$ 168.8**	**$ 203.3**	**$ 372.1**	$ 175.5	$ 217.7	$ 393.2

(1) Relates to acquisitions within Other Operations. The relative fair values of goodwill and other intangible assets recognized in connection with acquisitions during 2022 had not yet been finalized as of the end of the period. March 31, 2024.

(2) Relates to a disposition acquisitions and dispositions within Other Operations.

(3) Measurement period adjustments relate to updated information about acquisition date fair values of assets acquired and liabilities assumed. During the nine three months ended September 30, 2022 March 31, 2023, adjustments relate to acquisitions an acquisition within Other Operations.

Note 5. Loss and Loss Adjustment Expense Reserves

P&C Insurance and Reinsurance

The following table summarizes the loss and loss adjustment expense ("LAE") reserve activity of the Ark/WM Outrigger segment for the three and nine months ended September 30, 2023 March 31, 2024 and 2022: 2023:

		Three Months Ended September 30,		Nine Months Ended September 30,			
		Three Months Ended March 31,					
		Three Months Ended March 31,					
		Three Months Ended March 31,					
Millions	Millions	2023	2022	2023	2022	Millions	2024	2023
Gross beginning balance	Gross beginning balance	**$1,421.0**	$1,022.1	**$1,296.5**	$ 894.7			

Less: beginning reinsurance recoverable on unpaid losses (1)	Less: beginning reinsurance recoverable on unpaid losses (1)	**(362.7)**	(375.5)	**(505.0)**	(428.9)
Net loss and LAE reserves		**1,058.3**	646.6	**791.5**	465.8
Net loss and loss adjustment expense reserves					
Loss and LAE incurred relating to:					
Loss and loss adjustment expenses incurred relating to:					
Loss and loss adjustment expenses incurred relating to:					
Loss and loss adjustment expenses incurred relating to:					
Current year losses					
Current year losses					
Current year losses	Current year losses	**266.4**	222.9	**562.1**	491.8
Prior year losses	Prior year losses	**(.6)**	(9.2)	**19.0**	(35.6)
Net incurred losses and LAE		**265.8**	213.7	**581.1**	456.2
Net incurred loss and loss adjustment expenses					
Loss and LAE paid relating to:					
Loss and loss adjustment expenses paid relating to:					
Loss and loss adjustment expenses paid relating to:					
Loss and loss adjustment expenses paid relating to:					
Current year losses					
Current year losses					
Current year losses	Current year losses	**(8.8)**	(6.1)	**(18.4)**	(20.8)
Prior year losses	Prior year losses	**(90.4)**	(37.0)	**(281.1)**	(130.8)
Net paid loss and LAE		**(99.2)**	(43.1)	**(299.5)**	(151.6)

Net paid loss and loss adjustment expenses					
Change in TPC Providers' participation (2)	Change in TPC Providers' participation (2)	**—**	—	**145.4**	57.5
Foreign currency translation and other adjustments to loss and LAE reserves		**(5.5)**	(9.2)	**.9**	(19.9)
Change in TPC Providers' participation (2)					
Change in TPC Providers' participation (2)					
Foreign currency translation and other adjustments to loss and loss adjustment expense reserves					
Net ending balance	Net ending balance	**1,219.4**	808.0	**1,219.4**	808.0
Plus: ending reinsurance recoverable on unpaid losses (3)		**352.4**	521.4	**352.4**	521.4
Net ending balance					
Net ending balance					
Plus: ending reinsurance recoverable on unpaid losses					
Gross ending balance	Gross ending balance	**$1,571.8**	$1,329.4	**$1,571.8**	$1,329.4

(1) The beginning reinsurance recoverable on unpaid losses includes amounts attributable to TPC Providers of $0.0 and $182.4 for the three months ended September 30, 2023 and 2022 and $145.4 and $276.8 for the nine months ended September 30, 2023 and 2022. as of December 31, 2022.

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

(3) The ending reinsurance recoverable on unpaid losses includes amounts attributable to TPC Providers of $0.0 and $168.0 as of September 30, 2023 and 2022.

For the three and nine months ended September 30, 2023 March 31, 2024, the Ark/WM Outrigger segment recognized $0.6 million $0.3 million of net favorable prior year loss reserve development and $19.0 million development. For the three months ended March 31, 2023, the Ark/WM Outrigger segment recognized $8.6 million of net unfavorable prior year loss reserve development. The net unfavorable prior year loss reserve development for the nine months ended September 30, 2023 was at Ark, driven primarily by Winter Storm Elliot and three large claims in the property and marine & energy lines of business. For the three and nine months ended September 30, 2022, the Ark/WM Outrigger segment recognized $9.2 million and $35.6 million of net favorable prior year loss reserve development, driven primarily by good claims experience across most classes including the property and specialty lines of business, predominantly from business underwritten in London. Elliot.

Impact of Third-Party Capital

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

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

Municipal Bond

Financial Guarantee Insurance

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

P&C Insurance Distribution

As of March 31, 2024, Bamboo has recorded loss and LAE reserves of $12.3 million. For the three months ended March 31, 2024, Bamboo recognized incurred loss and LAE of $5.8 million.

Note 6. Third-Party Reinsurance

P&C Insurance and Reinsurance

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

The following table summarizes the effects of reinsurance on written and earned premiums and on losses loss and LAE for the Ark/WM Outrigger segment for the three and nine months ended September 30, 2023 March 31, 2024 and 2022: 2023:

Millions	Millions	Three Months Ended September 30,		Nine Months Ended September 30,	
		2023	2022	2023	2022
Millions					
Millions					
		2024			
		2024			
		2024			
Written premiums:					
Written premiums:					
Written premiums:	Written premiums:				
Direct	Direct	$ 189.4	$ 118.6	$ 727.1	$ 563.8
Direct					
Direct					
Assumed					
Assumed					
Assumed	Assumed	61.8	96.9	939.6	688.7
Gross written premiums	Gross written premiums	251.2	215.5	1,666.7	1,252.5
Ceded		(20.2) (1)	(22.9)	(360.3) (1)	(246.0)
Gross written premiums					
Gross written premiums					
Ceded (1)					
Ceded (1)					
Ceded (1)					
Net written premiums					
Net written premiums					
Net written premiums	Net written premiums	$ 231.0	$ 192.6	$ 1,306.4	$ 1,006.5
Earned premiums:	Earned premiums:				
Earned premiums:					

Earned premiums:					
Direct					
Direct					
Direct	Direct	**$ 273.1**	$ 193.5	**$ 624.1**	$ 492.9
Assumed	Assumed	**370.0**	261.4	**684.6**	473.7
Assumed					
Assumed					
Gross earned premiums	Gross earned premiums	**643.1**	454.9	**1,308.7**	966.6
Ceded		**(144.2)** (2)	(108.8)	**(261.4)** (2)	(208.8)
Gross earned premiums					
Gross earned premiums					
Ceded (2)					
Ceded (2)					
Ceded (2)					
Net earned premiums	Net earned premiums	**$ 498.9**	$ 346.1	**$ 1,047.3**	$ 757.8
Losses and LAE:					
Net earned premiums					
Net earned premiums					
Loss and loss adjustment expenses:					
Loss and loss adjustment expenses:					
Loss and loss adjustment expenses:					
Gross	Gross	**$ 269.3**	$ 391.4	**$ 627.5**	$ 712.9
Ceded		**(3.5)** (3)	(177.7)	**(46.4)** (3)	(256.7)
Net losses and LAE		**$ 265.8**	$ 213.7	**$ 581.1**	$ 456.2
Gross					
Gross					
Ceded (3)					
Ceded (3)					
Ceded (3)					
Net loss and loss adjustment expenses					
Net loss and loss adjustment expenses					
Net loss and loss adjustment expenses					

(1) The ceded written premiums exclude $6.0 $34.3 and $108.4 $44.1 ceded by Ark to WM Outrigger Re for the three and nine months ended September 30, 2023, March 31, 2024 and 2023, which eliminate in White Mountains's consolidated financial statements.

(2) The ceded earned premiums exclude $60.6 $10.3 and $75.4 $5.2 ceded by Ark to WM Outrigger Re for the three and nine months ended September 30, 2023, March 31, 2024 and 2023, which eliminate in White Mountains's consolidated financial statements.

(3) The ceded loss and LAE loss adjustment expenses exclude $7.3 $0.7 and $7.9 $0.2 ceded by Ark to WM Outrigger Re for the three and nine months ended September 30, 2023, March 31, 2024 and 2023, which eliminate in White Mountains's consolidated financial statements.

The following table presents the Ark/WM Outrigger segment's reinsurance recoverables as of September 30, 2023 March 31, 2024 and December 31, 2022 December 31, 2023:

Millions	Millions	September 30, 2023	December 31, 2022	Millions	March 31, 2024	December 31, 2023
Reinsurance recoverables on unpaid losses		**$ 352.4** (1)	$ 505.0 (3)			
Reinsurance recoverables on unpaid losses (1)						

Reinsurance recoverables on paid losses	Reinsurance recoverables on paid losses	**26.3**	31.1
Ceded unearned premiums		**159.7** (2)	59.2
Ceded unearned premiums (2)			
Reinsurance recoverables	Reinsurance recoverables	**$ 538.4**	$ 595.3

(1) The reinsurance recoverables on unpaid losses exclude $7.9 $15.8 and $15.6 ceded by Ark to WM Outrigger Re as of September 30, 2023 March 31, 2024 and December 31, 2023, which eliminate in White Mountains's consolidated financial statements.

(2) The ceded unearned premiums exclude $33.0 $24.0 and $5.7 ceded by Ark to WM Outrigger Re as of September 30, 2023 March 31, 2024 and December 31, 2023, which eliminate in White Mountains's consolidated financial statements.

(3) The reinsurance recoverables on unpaid losses include $145.4 attributable to TPC Providers as of December 31, 2022, which are collateralized.

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

The following table presents the Ark/WM Outrigger segment's gross and net reinsurance recoverables by the reinsurer's A.M. Best Company, Inc ("A.M. Best") ratings as of September 30, 2023 March 31, 2024:

$ in Millions	$ in Millions	As of September 30, 2023				$ in Millions	As of March 31, 2024			
A.M. Best Rating(1)	A.M. Best Rating(1)	Gross	Collateral	Net	% of Total	A.M. Best Rating(1)	Gross	Collateral	Net	% of Total
A+ or better	A+ or better	$203.7	$ —	$203.7	69.6 %	A+ or better	$ 202.2 $	$ — $	$ 202.2	58.1 58.1 %
A- to A	A- to A	78.8	—	78.8	26.9					
B++ or lower and not rated	B++ or lower and not rated	96.2 (2)	85.9 (2)	10.3	3.5					
Total	**Total**	**$378.7**	**$ 85.9**	**$292.8**	**100.0 %**	**Total**	**$ 425.2 $**	**$ 77.3 $**	**$ 347.9**	**100.0 100.0 %**

(1) A.M. Best ratings as detailed above are: "A+ or better" (Superior) "A- to A" (Excellent), "B++" (Good).

(2) Excludes $7.9 $15.8 ceded by Ark to WM Outrigger Re as of September 30, 2023 March 31, 2024, which eliminates in White Mountains's consolidated financial statements.

Reinsurance Contracts Accounted for as Deposits

Ark has an aggregate excess of loss contract with SiriusPoint Ltd. ("SiriusPoint"), which is accounted for using the deposit method and recorded within other assets. Ark earns an annual crediting rate of 3.0%, which is recorded within other revenue. As of September 30, 2023 March 31, 2024 and December 31, 2022 December 31, 2023, the carrying value of Ark's deposit in SiriusPoint, including accrued interest, was $20.3 $20.6 million and $20.4 million.

Municipal Bond Guarantee Insurance

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

Note 7. Debt

The following table presents White Mountains's debt outstanding as of September 30, 2023 March 31, 2024 and December 31, 2022 December 31, 2023:

$ in Millions	$ in Millions	September 30, 2023	Effective Rate (1)	December 31, 2022	Effective Rate (1)	$ in Millions	March 31, 2024	Effective Rate (1)	December 31, 2023	Effective Rate (1)
HG Global Senior Notes		**$ 150.0**	**11.8%**	$ 150.0	8.9%					
Unamortized discount and issuance cost		**(3.2)**		(3.5)						
HG Global Senior Notes, carrying value		**146.8**		146.5						
Ark 2007 Subordinated Notes, carrying value	Ark 2007 Subordinated Notes, carrying value	**30.0**		30.0						
Ark 2007 Subordinated Notes, carrying value										

Ark 2007 Subordinated Notes, carrying value					
Ark 2021 Subordinated Notes Tranche 1					
Ark 2021 Subordinated Notes Tranche 1					
Ark 2021 Subordinated Notes Tranche 1	Ark 2021 Subordinated Notes Tranche 1	**41.9**		41.3	
Ark 2021 Subordinated Notes Tranche 2	Ark 2021 Subordinated Notes Tranche 2	**47.0**		47.0	
Ark 2021 Subordinated Notes Tranche 2					
Ark 2021 Subordinated Notes Tranche 2					
Ark 2021 Subordinated Notes Tranche 3					
Ark 2021 Subordinated Notes Tranche 3					
Ark 2021 Subordinated Notes Tranche 3	Ark 2021 Subordinated Notes Tranche 3	**70.0**		70.0	
Unamortized issuance cost	Unamortized issuance cost	**(4.3)**		(4.6)	
Unamortized issuance cost					
Unamortized issuance cost					
Ark 2021 Subordinated Notes, carrying value					
Ark 2021 Subordinated Notes, carrying value					
Ark 2021 Subordinated Notes, carrying value	Ark 2021 Subordinated Notes, carrying value	**154.6**		153.7	
Total Ark Subordinated Notes, carrying value	Total Ark Subordinated Notes, carrying value	**184.6**	**10.8%**	183.7	7.6%
Total Ark Subordinated Notes, carrying value					
Total Ark Subordinated Notes, carrying value					
HG Global Senior Notes (2)					
HG Global Senior Notes (2)					
HG Global Senior Notes (2)					
Unamortized discount and issuance cost					
Unamortized discount and issuance cost					
Unamortized discount and issuance cost					
HG Global Senior Notes, carrying value					
HG Global Senior Notes, carrying value					
HG Global Senior Notes, carrying value					
Kudu Credit Facility					
Kudu Credit Facility					
Kudu Credit Facility	Kudu Credit Facility	**210.3**	**9.9%**	215.2	6.1%
Unamortized issuance cost	Unamortized issuance cost	**(6.6)**		(6.9)	
Unamortized issuance cost					
Unamortized issuance cost					
Kudu Credit Facility, carrying value					
Kudu Credit Facility, carrying value					
Kudu Credit Facility, carrying value	Kudu Credit Facility, carrying value	**203.7**		208.3	
Other Operations debt	Other Operations debt	**30.1**	**10.3%**	37.4	6.6%
Other Operations debt					
Other Operations debt					
Unamortized issuance cost					
Unamortized issuance cost					
Unamortized issuance cost	Unamortized issuance cost	**(.5)**		(.7)	
Other Operations debt, carrying value	Other Operations debt, carrying value	**29.6**		36.7	
Other Operations debt, carrying value					
Other Operations debt, carrying value					

Total debt	Total debt	$	**564.7**	$	575.2
Total debt					
Total debt					

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

(2) Effective rate excludes the effect of the interest rate cap.

Ark Subordinated Notes

In March 2007, GAIL issued $30.0 million face value of floating rate unsecured junior subordinated deferrable interest notes to Alesco Preferred Funding XII Ltd., Alesco Preferred Funding XIII Ltd. and Alesco Preferred Funding XIV Ltd (the “Ark 2007 Subordinated Notes”). The Ark 2007 Subordinated Notes, which mature in June 2037, accrue interest at a floating rate equal to the three-month U.S. London Inter-Bank Offered Rate (“LIBOR”) plus 4.6% per annum. During the three months ended March 31, 2024, Ark repaid the outstanding balance of $30.0 million and extinguished the Ark 2007 Subordinated Notes.

In the third quarter of 2021, GAIL issued $163.3 million face value floating rate unsecured subordinated notes at par in three separate transactions for proceeds of $157.8 million, net of debt issuance costs (collectively, the “Ark 2021 Subordinated Notes”). The Ark 2021 Subordinated Notes were issued in private placement offerings that were exempt from the registration requirements of the Securities Act of 1933.

On July 13, 2021, Ark issued €39.1 million ($46.3 million based upon the foreign exchange spot rate as of the date of the transaction) face value floating rate unsecured subordinated notes (“Ark 2021 Subordinated Notes Tranche 1”). The Ark 2021 Subordinated Notes Tranche 1, which mature in July 2041, accrue interest at a floating rate equal to the three-month Euro Interbank Offered Rate (“EURIBOR”) plus 5.75% per annum.

On August 11, 2021, Ark issued $47.0 million face value floating rate unsecured subordinated notes (“Ark 2021 Subordinated Notes Tranche 2”). The Ark 2021 Subordinated Notes Tranche 2, which mature in August 2041, accrued interest at a floating rate equal to the three-month U.S. LIBOR plus 5.75% per annum until August 2023. Effective August 2023, the Ark 2021 Subordinated Notes Tranche 2 accrue interest at a floating rate equal to the three-month SOFR plus a credit adjustment spread of 0.26% and a stated margin of 5.75% per annum.

On September 8, 2021, Ark issued $70.0 million face value floating rate unsecured subordinated notes (“Ark 2021 Subordinated Notes Tranche 3”). The Ark 2021 Subordinated Notes Tranche 3, which mature in September 2041, accrued interest at a floating rate equal to the three-month U.S. LIBOR plus 6.1% per annum until September 2023. Effective September 2023, the Ark 2021 Subordinated Notes Tranche 3 accrue interest at a floating rate equal to the three-month SOFR plus a credit adjustment spread of 0.26% and a stated margin of 6.1% per annum.

On the ten-year anniversary of the issue dates, the interest rate for the Ark 2021 Subordinated Notes will increase by 1.0% per annum. Ark has the option to redeem, in whole or in part, the Ark 2021 Subordinated Notes ahead of contractual maturity at the outstanding principal amounts plus accrued interest at the ten-year anniversary or any subsequent interest payment date.

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

If the payments of principal and interest under the Ark 2021 Subordinated Notes become subject to tax withholding on behalf of Bermuda or any political subdivision there, the Ark 2021 Subordinated Notes require the payment of additional amounts such that the amount received by the noteholders is the same as would have been received absent the tax withholding being imposed. The Ark 2021 Subordinated Notes Tranche 3 require the payment of additional interest of 1.0% per annum upon the occurrence of a premium load event until such event is remedied. Premium load events include the failure to meet payment obligations of the Ark 2021 Subordinated Notes Tranche 3 when due, failure of GAIL to maintain an investment grade credit rating, failure to maintain 120% of GAIL’s Bermuda solvency capital requirement, failure of GAIL to maintain a debt to capital ratio below 40%, late filing of GAIL’s or Ark’s financial information, and making a restricted payment or distribution on GAIL’s common stock or other securities that rank junior or pari passu with the Ark 2021 Subordinated Notes Tranche 3 when a different premium load event exists or will be caused by the restricted payment. As of March 31, 2024, there were no premium load events.

As of March 31, 2024, the Ark 2021 Subordinated Notes Tranche 1 had an outstanding balance of €39.1 million ($42.4 million based upon the foreign exchange spot rate as of March 31, 2024), the Ark 2021 Subordinated Notes Tranche 2 had an outstanding balance of $47.0 million, and the Ark 2021 Subordinated Notes Tranche 3 had an outstanding balance of $70.0 million.

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

Ark Standby Letter of Credit Facilities

In December 2021, Ark entered into two uncommitted secured standby letter of credit facility agreements to support the continued growth and expansion of GAIL’s insurance and reinsurance operations. The standby letter of credit facility agreements were executed with ING Bank N.V., London Branch (the “ING LOC Facility”), with capacity of $50.0 million on an uncollateralized basis, and with Citibank Europe Plc (the “Citibank LOC Facility”), with capacity of $125.0 million on a collateralized basis. In September 2022, Ark entered into an additional uncommitted standby letter of credit facility agreement with Lloyds Bank Corporate Markets PLC (the “Lloyds LOC Facility”), with capacity of $100.0 million on a collateralized basis.

As of January 1, 2024, the ING LOC Facility was undrawn and the availability period expired. Ark did not renew the credit facility. As of March 31, 2024, the Citibank LOC Facility had an outstanding balance of $111.5 million and short-term investments pledged as collateral of $136.9 million. As of March 31, 2024, the Lloyds LOC Facility had an outstanding balance of $35.4 million and short-term investments pledged as collateral of $65.0 million. Ark’s uncommitted secured standby letter of credit facility agreements contain various representations, warranties and covenants that White Mountains considers to be customary for such borrowings.

HG Global Senior Notes

On April 29, 2022, HG Global received the proceeds from the issuance of its $150.0 million face value floating rate secured senior notes (the “HG Global Senior Notes”). The HG Global Senior Notes, which mature in April 2032, accrue interest at a floating rate equal to the three-month Secured Overnight Financing Rate (“SOFR”) plus 6.3% a credit adjustment spread of 0.26% and a stated margin of 6.0% per annum. Subsequent to the five-year anniversary of the funding date, absent the occurrence of an early amortization trigger event, HG Global will be required to make payments of principal on a quarterly basis totaling $15.0 million annually. Upon the occurrence of an early amortization trigger event, HG Global is required to use all available cash flow to repay the notes. Early amortization trigger events include scenarios in which HG Re is effectively in runoff. HG Global has the option to redeem, in whole or in part, the HG Global Senior Notes after the five-year anniversary of the funding date at the outstanding principal amount plus accrued interest.

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

The HG Global Senior Notes require HG Global to maintain an interest reserve account of eight times the interest accrued for the most recent quarterly interest period. While the interest rate cap is in force, the interest reserve account is subject to a maximum required balance of $29.2 $29.3 million. As of September 30, 2023 March 31, 2024, the fair value of the interest reserve account, which is included in short-term investments, was $29.9 $30.5 million.

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

If the payment of principal and interest under the HG Global Senior Notes becomes subject to tax withholding on behalf of a relevant governmental authority for certain indemnified taxes, the HG Global Senior Notes require the payment of additional amounts such that the amount received by the noteholders is the same as would have been received absent the tax withholding being imposed. The HG Global Senior Notes require the payment of additional interest of 1.0% per annum if the HG Global Senior Notes receive a non-investment grade rating or are no longer rated. As of September 30, 2023 March 31, 2024, the HG Global Senior Notes had an investment grade rating.

As of September 30, 2023 March 31, 2024, the HG Global Senior Notes had an outstanding balance of $150.0 million.

Ark Subordinated Notes

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

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

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

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

As of September 30, 2023, the Ark 2021 Subordinated Notes Tranche 1 had an outstanding balance of €39.1 million ($41.9 million based upon the foreign exchange spot rate as of September 30, 2023), the Ark 2021 Subordinated Notes Tranche 2 had an outstanding balance of $47.0 million, and the Ark 2021 Subordinated Notes Tranche 3 had an outstanding balance of $70.0 million.

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

Ark Standby Letter of Credit Facilities

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

As of September 30, 2023, the ING LOC Facility was undrawn. As of September 30, 2023, the Citibank LOC Facility had an outstanding balance of $93.2 million and short-term investments pledged as collateral of $108.6 million. As of September 30, 2023, the Lloyds LOC Facility had an outstanding balance of $25.9 million and short-term investments pledged as collateral of $38.6 million. Ark's uncommitted secured standby letter of credit facility agreements contain various representations, warranties and covenants that White Mountains considers to be customary for such borrowings.

Kudu Credit Facility

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

Through June 30, 2023, interest on the Kudu Credit Facility accrued at a floating interest rate equal to the greater of the three-month LIBOR or 0.25% plus, in each case, 4.30%. Effective July 1, 2023, July 2023, the Kudu Credit Facility was amended such that the accrues interest at a floating interest rate is equal to the three month Secured Overnight Financing Rate ("SOFR") three-month SOFR plus a credit adjustment spread of 0.26% and a stated margin of 4.30%. The Kudu Credit Facility requires Kudu to maintain an interest reserve account. As of September 30, 2023 March 31, 2024 and December 31, 2023, the interest reserve account of $14.1 $15.1 million and $14.9 million was held in short term investments. As of December 31, 2022, the interest reserve account of $12.2 million was held in restricted cash. The Kudu Credit Facility requires Kudu to maintain a ratio of the outstanding balance to the sum of the fair market value of Kudu's Participation Contracts and cash held in certain accounts (the "LTV Percentage") of less than 50% in years 0-3, 40% in years 4-6, 25% in years 7-8, 15% in years 9-10, and 0% thereafter. As of September 30, 2023 March 31, 2024, Kudu had a 27.9% 23.1% LTV Percentage.

Kudu may borrow undrawn balances within the initial three-year availability period, subject to customary terms and conditions, to the extent the amount borrowed under the Kudu Credit Facility does not exceed the borrowing base, which is equal to 35% of the fair value of Kudu's qualifying Participation Contracts. When considering the fair value of Kudu's qualifying Participation Contracts The Kudu Credit Facility's availability period expired as of September 30, 2023, March 31, 2024. Kudu is currently in discussions with Mass Mutual to renew the available undrawn balance was $74.1 million. Kudu Credit Facility.

The following table presents the change in debt under the Kudu Credit Facility for the three and nine months ended September 30, 2023 March 31, 2024 and 2022: 2023:

		Three Months Ended September 30,		Nine Months Ended September 30,				
		Three Months Ended March 31,						
		Three Months Ended March 31,						
		Three Months Ended March 31,						
Millions	Millions	2023	2022	2023	2022	Millions	2024	2023
Kudu Credit Facility	Kudu Credit Facility							
Kudu Credit Facility								
Kudu Credit Facility								
Beginning balance								
Beginning balance								
Beginning balance	Beginning balance	**$210.3**	$260.4	**$215.2**	$225.4			
Term loans	Term loans							
Borrowings	Borrowings	**—**	—	**12.0**	35.0			
Borrowings								
Borrowings								
Repayments	Repayments	**—**	—	**(16.9)**	—			
Ending balance	Ending balance	**$210.3**	$260.4	**$210.3**	$260.4			

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

Other Operations Debt

As of September 30, 2023 March 31, 2024, White Mountains's Other Operations had debt with an outstanding balance of $30.1 $26.4 million, which consisted of four secured credit facilities (collectively, "Other Operations debt").

Compliance

At September 30, 2023 March 31, 2024, White Mountains was in compliance, in all material respects, with all of the covenants under its debt instruments.

Note 8. Income Taxes

The Company and its Bermuda domiciled Bermuda-domiciled subsidiaries are not subject to income tax under current in Bermuda law. in 2024 and prior years. On December 27, 2023, Bermuda enacted a 15.0% corporate income tax that will generally become effective on January 1, 2025. The Bermuda legislation defers the effective date for five years for Bermuda companies in consolidated groups that meet certain requirements. White Mountains expects to meet the requirements to be exempt from the Bermuda corporate income tax until January 1, 2030. The Bermuda legislation also provides for an economic transition adjustment that will reduce future years' taxable income. Under GAAP, this economic transition adjustment was required to be recognized as a net deferred tax asset as of December 31, 2023. Accordingly, White Mountains's net income for 2023 included a net deferred tax benefit of $68.0 million, of which $51.0 million was recorded at Ark and $17.0 million was recorded at HG Global. The deferred tax assets remained unchanged as of March 31, 2024.

The Company has subsidiaries and branches that operate in various other jurisdictions around the world and are subject to tax in the jurisdictions in which they operate. As of September 30, 2023 March 31, 2024, the primary jurisdictions in which the Company's subsidiaries and branches operate and were subject to tax include Ireland, Israel, Luxembourg, the United Kingdom and the United States. On April 1, 2023, the U.K. corporate tax rate increased from 19.0% to 25.0%.

White Mountains's income tax expense related to pre-tax income from continuing operations for the three months ended September 30, 2023 March 31, 2024 and 2023 represented an effective tax rate of 34.6% 4.6% and 6.0%. The effective tax rate was different from the U.S. statutory rate of 21.0%, driven primarily by an increase in the valuation allowance at BAM, as well as withholding taxes and state income taxes, partially offset by full year forecasted income in jurisdictions with lower tax rates than the United States.

White Mountains's income tax expense related to pre-tax income from continuing operations for the nine months ended September 30, 2023 represented an effective tax rate of 8.2%. The effective tax rate was different from the U.S. statutory rate of 21.0%, driven primarily by full year forecasted income in jurisdictions with lower tax rates than the United States.

White Mountains's income tax benefit related to pre-tax loss from continuing operations for the three and nine months ended September 30, 2022 represented an effective tax rate of 23.9% and 9.4%. The effective tax rate for the nine months ended September 30, 2022 was different from the U.S. statutory rate of 21.0%, driven primarily by full year forecasted income in jurisdictions with lower tax rates than the United States, partially offset by an increase in the valuation allowance on net deferred tax assets in certain U.S. operations within Other Operations, an increase in the valuation allowance at BAM, as well as state income taxes.

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

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

In arriving at the effective tax rate for the three and nine months ended September 30, 2023 March 31, 2024 and 2022, 2023, White Mountains forecasted all income and expense items including the change in net unrealized investment gains (losses) and net realized investment gains (losses) for the years ending December 31, 2023 December 31, 2024 and 2022. 2023.

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

With few exceptions, White Mountains is no longer subject to U.S. federal, state, or non-U.S. income tax examinations by tax authorities for years before 2017. 2018.

Note 9. Derivatives

HG Global Interest Rate Cap

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

HG Global paid initial premiums of $3.3 million for the interest rate cap. Under the terms of the interest rate cap agreement, if the current three-month SOFR rate at the measurement on a quarterly determination date exceeds 3.5%, HG Global will receive payments a payment from the counterparty on the subsequent settlement date equal to the difference between the three-month SOFR rate on the determination date and 3.5%, multiplied by the notional amount of the cap based on and the number of days in the quarter. settlement period divided by 360. As of September 30, 2023 March 31, 2024, the three-month SOFR rate was 5.4% 5.3%.

HG Global accounts for the interest rate cap as a derivative at fair value, with changes in fair value recognized in current period earnings within interest expense. For the three and nine months ended September 30, 2023, March 31, 2024 and 2023, White Mountains recognized a gain (loss) of $0.0 $0.2 million and $0.7 $(0.7) million related to the change in fair value on the interest rate cap within interest expense. For the three and nine months ended September 30, 2022, White Mountains recognized a gain of $2.1 million March 31, 2024 and $0.6 million related to the change in fair value on the interest rate cap. For the three and nine months ended September 30, 2023, 2023, White Mountains received a payment of $0.6 $0.7 million and $1.2 $0.2 million related to the periodic settlement of the interest rate cap. As of September 30, 2023 March 31, 2024 and December 31, 2022 December 31, 2023, the estimated fair value of the interest rate cap recorded in other assets was $4.8 $3.1 million and $4.1 $2.9 million. White Mountains classifies the interest rate cap as a Level 2 measurement.

Note 10. Municipal Bond Guarantee Insurance

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

Reinsurance Treaties

FLRT

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

Fidus Re

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

In 2018, Fidus Re was initially capitalized by the issuance of $100.0 million of insurance-linked securities (the "Fidus Re 2018 Agreement"), which have an initial term of 12 years and are callable five years after the date of issuance. The proceeds from issuance were placed in a collateral trust supporting Fidus Re's obligations to BAM. Under the Fidus Re 2018 Agreement, Fidus Re reinsures 90% of aggregate losses exceeding $165.0 million on a portion of BAM's financial guarantee portfolio (the "2018 Covered Portfolio") up to a total reimbursement of $100.0 million. The Fidus Re 2018 Agreement does not provide coverage for losses in excess of $276.1 million. The 2018 Covered Portfolio consists of approximately 24% 21% of BAM's gross par outstanding as of September 30, 2023 March 31, 2024.

In 2021, Fidus Re issued an additional $150.0 million of insurance-linked securities (the "Fidus Re 2021 Agreement"), which have an initial term of 12 years and are callable five years after the date of issuance. The proceeds from issuance were placed in a collateral trust supporting Fidus Re's obligations to BAM. Under the Fidus Re 2021 Agreement, Fidus

Re reinsures 90% of aggregate losses exceeding $135.0 million on a portion of BAM's financial guarantee portfolio (the "2021 Covered Portfolio") up to a total reimbursement of $150.0 million. The Fidus Re 2021 Agreement does not provide coverage for losses in excess of $301.7 million. The 2021 Covered Portfolio consists of approximately 29% 27% of BAM's gross par outstanding as of September 30, 2023 March 31, 2024.

In 2022, Fidus Re issued an additional $150.0 million of insurance linked securities (the "Fidus Re 2022 Agreement"), which have an initial term of 12 years and are callable seven years after the date of issuance. The proceeds from issuance were placed in a collateral trust supporting Fidus Re's obligations to BAM. Under the Fidus Re 2022 Agreement, Fidus Re reinsures 90% of aggregate losses exceeding $110.0 million on a portion of BAM's financial guarantee portfolio (the "2022 Covered Portfolio") up to a total reimbursement of $150.0 million. The Fidus Re 2022 Agreement does not provide coverage for losses in excess of $276.7 million. The 2022 Covered Portfolio consists of approximately 30% 28% of BAM's gross par outstanding as of September 30, 2023 March 31, 2024.

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

XOLT

In January 2020, BAM entered into an excess of loss reinsurance agreement (the "XOLT") with HG Re. Under the XOLT, HG Re provides last dollar protection for exposures on municipal bonds insured by BAM in excess of the New York State Department of Financial Services ("NYDFS") single issuer limits. As of September 30, 2023 March 31, 2024, the XOLT is subject to an aggregate limit equal to the lesser of $125.0 million or the assets held in the supplemental collateral trust (the "Supplemental Trust") at any point in time. The agreement is accounted for using deposit accounting and any related financing expenses are recorded in general and administrative expenses as the agreement does not meet the risk transfer requirements necessary to be accounted for as reinsurance.

Collateral Trusts

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

On a monthly basis, BAM deposits cash equal to ceded premiums, net of ceding commissions, due to HG Re under the FLRT directly into the Regulation 114 Trust. The Regulation 114 Trust target balance is equal to HG Re's unearned premiums and unpaid loss and LAE reserves, if any. If, at the end of any quarter, the Regulation 114 Trust balance is below the target balance, funds will be withdrawn from the Supplemental Trust and deposited into the Regulation 114 Trust in an amount equal to the shortfall. If, at the end of any quarter, the Regulation 114 Trust balance is above 102% of the target balance, funds will be withdrawn from the Regulation 114 Trust and deposited into the Supplemental Trust. The Regulation 114 Trust balance as of September 30, 2023 March 31, 2024 and December 31, 2022 December 31, 2023 was $311.2 $330.7 million and $288.6 $341.6 million.

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

As the BAM Surplus Notes are repaid over time, the BAM Surplus Notes will be replaced in the Supplemental Trust by cash and fixed income securities. The Supplemental Trust balance as of September 30, 2023 March 31, 2024 and December 31, 2022 December 31, 2023 was $588.5 $602.4 million and $568.3 $606.9 million.

As of September 30, 2023 March 31, 2024 and December 31, 2022 December 31, 2023, the Collateral Trusts held assets of $899.7 $933.1 million and $856.9 $948.5 million, which included $526.5 $592.8 million and $503.3 $588.6 million of cash, investments and investments, $340.0 accrued investment income, $322.2 million and $340.0 $322.2 million of BAM Surplus Notes and $33.2 $18.1 million and $13.6 $37.7 million of interest receivable on the BAM Surplus Notes.

BAM Surplus Notes

Through 2024, the interest rate on the BAM Surplus Notes is a variable rate equal to the one-year U.S. Treasury rate plus 300 basis points, set annually. During 2023, Beginning in 2025, the rate will be fixed through maturity at the higher of the 2024 variable rate or 8.0%. Accordingly, in 2024 and through maturity, the interest rate on the BAM Surplus Notes is 7.7%. Beginning in 2025, the interest rate will be fixed at the higher of the then current variable rate or 8.0% 8.2%. Under its agreements with HG Global, BAM is required to seek regulatory approval to pay principal and interest on the BAM Surplus Notes only to the extent that its remaining qualified statutory capital and other capital resources continue to support its outstanding obligations, its business plan and its "AA/stable" rating from Standard & Poor's. No payment of principal or interest on the BAM Surplus Notes may be made without the approval of the NYDFS.

In December 2022, 2023, BAM made a $36.0 $27.4 million cash payment of principal and interest on the BAM Surplus Notes held by HG Global. Of this payment, $24.6 $17.8 million was a repayment of principal held in the Supplemental Trust, $1.0 $2.0 million was a payment of accrued interest held in the Supplemental Trust and $10.4 $7.6 million was a payment of accrued interest held outside the Supplemental Trust.

During the three and nine months ended September 30, 2023 March 31, 2024 and 2022, 2023, BAM made no repayments of the BAM Surplus Notes or accrued interest.

As of September 30, 2023 March 31, 2024 and December 31, 2022 December 31, 2023, the principal balance on the BAM Surplus Notes was $340.0 million $322.2 million for both periods, and total interest receivable on the BAM Surplus Notes was $177.6 million $181.1 million and $157.9 million $174.5 million.

Insured Obligations and Premiums

The following table presents a schedule of BAM's insured obligations as of September 30, 2023 March 31, 2024 and December 31, 2022 December 31, 2023:

			September 30, 2023	December 31, 2022			
		March 31, 2024				March 31, 2024	December 31, 2023
Contracts outstanding	Contracts outstanding		**14,084**	13,382			
Remaining weighted average contract period (in years)	Remaining weighted average contract period (in years)		**11.0**	10.8	Remaining weighted average contract period (in years)	**10.5**	11.1
Contractual debt service outstanding (in millions):	Contractual debt service outstanding (in millions):						

Principal			
Principal			
Principal	Principal	$ 105,918.1	$ 99,996.9
Interest	Interest	52,628.8	48,880.6
Total debt service outstanding	Total debt service outstanding	$ 158,546.9	$148,877.5
Gross unearned insurance premiums (in millions)	Gross unearned insurance premiums (in millions)	$ 312.3	$ 298.3
Gross unearned insurance premiums (in millions)			
Gross unearned insurance premiums (in millions)			

The following table presents a schedule of BAM's future premium revenues as of September 30, 2023 March 31, 2024:

Millions	September 30, 2023
October 1, 2023 - December 31, 2023	$ 7.3
January 1, 2024 - March 31, 2024	7.2
April 1, 2024 - June 30, 2024	7.1
July 1, 2024 - September 30, 2024	7.0
October 1, 2024 - December 31, 2024	6.9
Total 2024	28.2
2025	26.4
2026	24.8
2027	23.2
2028	21.4
2029 and thereafter	181.0
Total gross unearned insurance premiums	**$ 312.3**

Millions	March 31, 2024
April 1, 2024 - December 31, 2024	$ 22.4
January 1, 2025 - March 31, 2025	7.2
April 1, 2025 - June 30, 2025	7.2
July 1, 2025 - September 30, 2025	7.0
October 1, 2025 - December 31, 2025	6.9
Total 2025	28.3
2026	26.6
2027	24.9
2028	23.1
2029	21.4
2030 and thereafter	181.8
Total gross unearned insurance premiums	**$ 328.5**

The following table presents a schedule of written premiums and earned premiums included in the HG Global/BAM segment for the three and nine months ended September 30, 2023 March 31, 2024 and 2022: 2023:

		Three Months Ended September 30,		Nine Months Ended September 30,				
		Three Months Ended March 31,						
		Three Months Ended March 31,						
		Three Months Ended March 31,						
Millions	Millions	2023	2022	2023	2022	Millions	2024	2023
Written premiums:	Written premiums:							
Direct								
Direct								

Direct	Direct	$ 16.5	$ 18.4	$ 37.3	$ 44.9
Assumed	Assumed	—	1.3	—	1.3
Gross written premiums (1)	Gross written premiums (1)	$ 16.5	$ 19.7	$ 37.3	$ 46.2
Earned premiums:	Earned premiums:				
Direct	Direct	$ 7.4	$ 6.5	$ 21.4	$ 22.0
Direct					
Direct					
Assumed	Assumed	.5	.6	1.9	4.0
Gross earned premiums (1)	Gross earned premiums (1)	$ 7.9	$ 7.1	$ 23.3	$ 26.0

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

In September 2022, BAM entered into a 100% facultative quota share reinsurance agreement under which it assumed a portfolio of municipal bond guarantee contracts with a par value of $42.5 million. During 2023, the contracts associated with this assumed reinsurance transaction were novated.

Note 11. Earnings Per Share

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

The following table presents the Company's computation of earnings per share from continuing operations for the three and nine months ended September 30, 2023 March 31, 2024 and 2022. See **Note 19 — "Held for Sale and Discontinued Operations."** 2023.

	Three Months Ended March 31,	
	Three Months Ended March 31,	
	Three Months Ended March 31,	
	2024	2023
Basic and diluted earnings per share numerators (in millions):		
Net income (loss) attributable to White Mountains's common shareholders		
Net income (loss) attributable to White Mountains's common shareholders		
Net income (loss) attributable to White Mountains's common shareholders		

	Three Months Ended September 30,		Nine Months Ended September 30,	
	2023	2022	2023	2022
Basic and diluted earnings per share numerators (in millions):				
Net income (loss) attributable to White Mountains's common shareholders	**$ 23.6**	$ 888.2	**$ 222.7**	$ 752.4
Less: total income (loss) from discontinued operations, net of tax (1)	**—**	893.1	**—**	903.2

Less: net (income) loss from discontinued operations attributable to noncontrolling interests		—	(.1)	—	(.7)
Net income (loss) from continuing operations attributable to White Mountains's common shareholders		**23.6**	(4.8)	**222.7**	(150.1)
Allocation of (earnings) losses to participating restricted common shares (2)		**(.3)**	.1	**(3.1)**	1.8
Allocation of (earnings) losses to participating restricted common shares (1)					
Allocation of (earnings) losses to participating restricted common shares (1)					
Allocation of (earnings) losses to participating restricted common shares (1)					
Basic and diluted earnings (losses) per share numerators	Basic and diluted earnings (losses) per share numerators	**$ 23.3**	$ (4.7)	**$ 219.6**	$(148.3)
Basic earnings per share denominators (in thousands):	**Basic earnings per share denominators (in thousands):**				
Total average common shares outstanding during the period	Total average common shares outstanding during the period	**2,560.5**	2,893.8	**2,564.2**	2,959.3
Average unvested restricted common shares (3)		**(37.6)**	(38.3)	**(35.5)**	(35.5)
Total average common shares outstanding during the period					
Total average common shares outstanding during the period					
Average unvested restricted common shares (2)					
Basic earnings (losses) per share denominator	Basic earnings (losses) per share denominator	**2,522.9**	2,855.5	**2,528.7**	2,923.8

Diluted earnings per share denominator (in thousands):	**Diluted earnings per share denominator (in thousands):**				
Total average common shares outstanding during the period	Total average common shares outstanding during the period	**2,560.5**	2,893.8	**2,564.2**	2,959.3
Average unvested restricted common shares [3]		**(37.6)**	(38.3)	**(35.5)**	(35.5)
Total average common shares outstanding during the period					
Total average common shares outstanding during the period					
Average unvested restricted common shares [2]					
Diluted earnings (losses) per share denominator					
Diluted earnings (losses) per share denominator					
Diluted earnings (losses) per share denominator	Diluted earnings (losses) per share denominator	**2,522.9**	2,855.5	**2,528.7**	2,923.8
Basic and diluted earnings per share (in dollars) - continuing operations:					
Basic and diluted earnings per share (in dollars):					
Basic and diluted earnings per share (in dollars):					
Basic and diluted earnings per share (in dollars):					
Distributed earnings - dividends declared and paid					
Distributed earnings - dividends declared and paid					
Distributed earnings - dividends declared and paid	Distributed earnings - dividends declared and paid	**$ —**	$ —	**$ 1.00**	$ 1.00
Undistributed earnings (losses)	Undistributed earnings (losses)	**9.19**	(1.66)	**85.82**	(51.73)

Basic and diluted earnings (losses) per share	Basic and diluted earnings (losses) per share	$ **9.19**	$ (1.66)	**$ 86.82**	$(50.73)

(1) Includes net income (loss) from discontinued operations, net of tax - NSM Group, net gain (loss) from sale of discontinued operations, net of tax - NSM Group and net (income) loss from discontinued operations attributable to non-controlling interests. See **Note 19 — "Held for Sale and Discontinued Operations."**

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

(3) (2) Restricted shares outstanding vest upon a stated date. See **Note 12 — "Employee Share-Based Incentive Compensation Plans."**

The following table presents the undistributed net earnings (losses) from continuing operations for the three and nine months ended September 30, 2023 March 31, 2024 and 2022. See **Note 19 — "Held for Sale and Discontinued Operations."** 2023.

		Three Months Ended September 30,		**Nine Months Ended September 30,**				
		Three Months Ended March 31,						
		Three Months Ended March 31,						
		Three Months Ended March 31,						
Millions	**Millions**	**2023**	**2022**	**2023**	**2022**	**Millions**	**2024**	**2023**
Undistributed net earnings - continuing operations:								
Undistributed net earnings:								
Net income (loss) attributable to White Mountains's common shareholders, net of restricted common share amounts								
Net income (loss) attributable to White Mountains's common shareholders, net of restricted common share amounts								
Net income (loss) attributable to White Mountains's common shareholders, net of restricted common share amounts	Net income (loss) attributable to White Mountains's common shareholders, net of restricted common share amounts	**$23.3**	$(4.7)	**$219.6**	$(148.3)			
Dividends declared, net of restricted common share amounts (1)	Dividends declared, net of restricted common share amounts (1)	**—**	—	**(2.5)**	(3.0)			

Total undistributed net earnings (losses), net of restricted common share amounts	Total undistributed net earnings (losses), net of restricted common share amounts	**$23.3**	$(4.7)	**$217.1**	$(151.3)

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

Note 12. Employee Share-Based Incentive Compensation Plans

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

White Mountains's Long-Term Incentive Plan (the "WTM Incentive Plan") provides for grants of various types of share-based and non-share-based incentive awards to key employees and directors of White Mountains. As of September 30, 2023 March 31, 2024 and 2022, 2023, White Mountains's share-based incentive compensation awards consist of performance shares and restricted shares.

Performance Shares

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

The following table presents the performance share activity for the three and nine months ended September 30, 2023 March 31, 2024 and 2022 2023 for performance shares granted under the WTM Incentive Plan:

		Three Months Ended September 30,				Nine Months Ended September 30,			
		2023		2022		2023		2022	
$ in Millions	$ in Millions	Target Performance Shares Outstanding	Accrued Expense	Target Performance Shares Outstanding	Accrued Expense	Target Performance Shares Outstanding	Accrued Expense	Target Performance Shares Outstanding	Accrued Expense
Beginning of period	Beginning of period	**37,031**	**$ 44.6**	39,449	$ 41.2	**39,449**	**$ 67.5**	40,828	$ 42.2
Shares paid (1)	Shares paid (1)	**—**	**—**	—	—	**(13,350)**	**(40.8)**	(14,625)	(26.4)
New grants	New grants	**—**	**—**	—	—	**10,895**	**—**	13,225	—
Forfeitures and cancellations (2)	Forfeitures and cancellations (2)	**—**	**—**	—	(.1)	**37**	**.2**	21	(.2)
Expense recognized	Expense recognized	**—**	**10.5**	—	11.9	**—**	**28.2**	—	37.4
End of period	End of period	**37,031**	**$ 55.1**	39,449	$ 53.0	**37,031**	**$ 55.1**	39,449	$ 53.0

	Three Months Ended March 31,			
	2024		2023	
$ in Millions	Target Performance Shares Outstanding	Accrued Expense	Target Performance Shares Outstanding	Accrued Expense

(1) WTM performance share payments in 2023 for the 2020-2022 2021-2023 performance cycle which were paid made in March 2023 2024 at 200% 188% of target. WTM performance share payments in 2022 for the 2019-2021 2020-2022 performance cycle which were paid made in March 2022 2023 at 172% 200% of target.

(2) Amounts include changes in assumed forfeitures, as required under GAAP.

During the nine three months ended September 30, 2023 March 31, 2024, White Mountains granted 10,405 performance shares for the 2023-2025 performance cycle. During the three months ended March 31, 2023, White Mountains granted 10,895 performance shares for the 2023-2025 performance cycle. During

For the nine months ended September 30, 2022, White Mountains granted 13,225 2021-2023 performance cycle, the Company issued common shares for 100 performance shares for the 2022-2024 earned, and all other performance cycle.

shares earned were settled in cash. For the 2020-2022 performance cycle, all performance shares earned were settled in cash. For the 2019-2021 performance cycle, the Company issued common shares for 750 performance shares earned, and If all other performance shares earned were settled in cash. If the outstanding performance shares had vested on September 30, 2023 March 31, 2024, the total additional compensation cost to be recognized would have been $32.9 million $45.2 million, based on accrual factors as of September 30, 2023 March 31, 2024 (common share price and payout assumptions).

The following table presents performance shares outstanding and accrued expense for performance shares awarded under the WTM Incentive Plan as of September 30, 2023 March 31, 2024 for each performance cycle:

		September 30, 2023				
		March 31, 2024			March 31, 2024	
$ in Millions	$ in Millions	Target Performance Shares Outstanding	Accrued Expense	$ in Millions	Target Performance Shares Outstanding	Accrued Expense
Performance cycle:	Performance cycle:			Performance cycle:		
2021 – 2023		13,475	$ 30.4			
2022 – 2024	2022 – 2024	13,225	22.1			
2023 – 2025	2023 – 2025	10,895	3.4			
2024 – 2026						
Sub-total						
Sub-total						
Sub-total	Sub-total	37,595	55.9			
Assumed forfeitures	Assumed forfeitures	(564)	(.8)			
Total	**Total**	**37,031**	**$ 55.1**			

Restricted Shares

Restricted shares are grants of a specified number of common shares that generally vest at the end of a 34-month service period. The following table presents the unrecognized compensation cost associated with the outstanding restricted share awards under the WTM Incentive Plan for the three and nine months ended September 30, 2023 March 31, 2024 and 2022: 2023:

		Three Months Ended September 30,				Nine Months Ended September 30,					Three Months Ended March 31,			
		2023		2022		2023		2022			2024		2023	
$ in Millions	$ in Millions	Restricted Shares	Unamortized Issue Date Fair Value	Restricted Shares	Unamortized Issue Date Fair Value	Restricted Shares	Unamortized Issue Date Fair Value	Restricted Shares	Unamortized Issue Date Fair Value	$ in Millions	Restricted Shares	Unamortized Issue Date Fair Value	Restricted Shares	Unamortized Issue Date Fair Value
Non-vested,	**Non-vested,**									**Non-vested,**				
Beginning of period	Beginning of period	**37,595**	**$ 24.3**	38,350	$ 23.0	**38,350**	**$ 15.5**	37,850	$ 15.9					
Issued	Issued	**—**	**—**	—	—	**10,895**	**16.0**	13,225	13.8					
Vested	Vested	**—**	**—**	—	—	**(11,650)**	**—**	(12,725)	—					
Forfeited	Forfeited	**—**	**—**	—	—	**—**	**—**	—	—					
Expense recognized	Expense recognized	**—**	**(4.1)**	—	(3.8)	**—**	**(11.3)**	—	(10.5)					
End of period	End of period	**37,595**	**$ 20.2**	38,350	$ 19.2	**37,595**	**$ 20.2**	38,350	$ 19.2					

During the nine three months ended September 30, 2023 March 31, 2024, White Mountains issued 10,405 restricted shares that vest on January 1, 2027. During the three months ended March 31, 2023, White Mountains issued 10,895 restricted shares that vest on January 1, 2026. During the nine months ended September 30, 2022, White Mountains issued 13,225 restricted shares that vest on January 1, 2025. The unamortized issue date fair value as of September 30, 2023 March 31, 2024 is expected to be recognized ratably over the remaining vesting periods.

Note 13. Noncontrolling Interests

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

The following table presents the balance of noncontrolling interests included in White Mountains's total equity and the related percentage of each consolidated entity's total equity owned by noncontrolling shareholders as of September 30, 2023 March 31, 2024 and December 31, 2022 December 31, 2023:

		September 30, 2023		December 31, 2022			
$ in Millions	$ in Millions	Noncontrolling Percentage (1)	Noncontrolling Equity	Noncontrolling Percentage (1)	Noncontrolling Equity		
$ in Millions							
$ in Millions							
Noncontrolling interests, excluding BAM	Noncontrolling interests, excluding BAM						
Noncontrolling interests, excluding BAM							
Noncontrolling interests, excluding BAM							
Ark							
Ark							
Ark						**28.0 % $334.7** [2]	28.0 % $336.9 [2]
HG Global	HG Global	**3.1 %**	**$ (3.3)**	3.1 %	$ (.6)		
Ark		**28.0 %**	**279.8**	28.0 %	247.9		
Kudu	Kudu	**10.8 %**	**94.5**	10.8 %	75.1		
Kudu							
Kudu							
Bamboo							
Bamboo							
Bamboo							
Other							
Other							
Other	Other	**various**	**10.0**	various	20.4		
Total, excluding BAM	Total, excluding BAM		**381.0**		342.8		
Total, excluding BAM							
Total, excluding BAM							
BAM							
BAM							
BAM	BAM	**100.0 %**	**(165.9)**	100.0 %	(154.7)		
Total noncontrolling interests	Total noncontrolling interests		**$ 215.1**		$ 188.1		
Total noncontrolling interests							
Total noncontrolling interests							

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

(2) As of March 31, 2024 and December 31, 2023, Ark's noncontrolling equity includes $17.9 and $21.0 related to management's equity incentives.

Note 14. Segment Information

As of September 30, 2023 March 31, 2024, White Mountains conducted its operations through three four reportable segments: (1) Ark/WM Outrigger, (2) HG Global/BAM, (2) Ark/WM Outrigger, (3) Kudu and (3) Kudu, (4) Bamboo, with our remaining operating businesses, holding companies and other assets included in Other Operations. White Mountains has made its segment determination based on consideration of the following criteria: (i) the nature of the business activities of each of the Company's subsidiaries and affiliates; (ii) the manner in which the Company's subsidiaries and affiliates are organized; (iii) the existence of primary managers responsible for specific subsidiaries and affiliates; and (iv) the organization of information provided to the chief operating decision makers and the Board of Directors. Significant intercompany transactions among White Mountains's segments have been eliminated herein.

During As a result of the fourth quarter of 2022, Ark sponsored the formation of Outrigger Re Ltd. to provide reinsurance protection on Ark's Bermuda global property catastrophe excess of loss portfolio written in calendar year 2023. Bamboo Transaction, White Mountains consolidates its segregated account of Outrigger Re Ltd., WM Outrigger Re, began consolidating Bamboo in its financial statements. WM Outrigger Re's quota share reinsurance agreement with GAIL eliminates in White Mountains's consolidated financial statements. WM Outrigger Re exclusively provides reinsurance protection to Ark. As a result, WM Outrigger Re was aggregated with Ark within the Ark/WM Outrigger segment starting in 2023. statements as of January 2, 2024. See **Note 2 — "Significant Transactions." Transaction"**.

As a result of the NSM Transaction, the results of operations for NSM, previously reported as a segment, have been classified as discontinued operations in the statements of operations and comprehensive income through the closing of the transaction. See **Note 19 — "Held for Sale and Discontinued Operations."**

Prior period amounts have been reclassified to conform to the current period's presentation.

The following tables present the financial information for White Mountains's segments for the three and nine months ended September 30, 2023 March 31, 2024 and 2022: 2023:

Millions	HG Global/BAM		Ark/WM Outrigger				
	Ark/WM Outrigger					Other Operations	Total
Millions	HG Global	BAM (1)	Ark	WM Outrigger Re	Kudu		
Three Months Ended September 30, 2023						Other Operations	Total
Earned insurance premiums	$ 6.6	$ 1.3	$438.3	$ 60.6	$ —	$ —	**$506.8**
Net investment income	4.3	3.8	13.9	3.0	15.1	8.0	**48.1**
Millions							
Millions	Ark	WM Outrigger Re	HG Global	BAM (2)	Kudu	Bamboo	Total
Three Months Ended March 31, 2024							
Earned insurance premiums (1)							
Earned insurance premiums (1)							
Earned insurance premiums (1)							
Net investment income (3)							
Net investment income (expense) - BAM Surplus Note interest Net investment income (expense) - BAM Surplus Note interest	6.6	(6.6)	—	—	—	—	**—**
Net realized and unrealized investment gains (losses)	(13.6)	(10.5)	(6.6)	—	11.2	8.0	**(11.5)**
Net realized and unrealized investment gains (losses) (3)							
Net realized and unrealized investment gains (losses) from investment in MediaAlpha Net realized and unrealized investment gains (losses) from investment in MediaAlpha	—	—	—	—	—	(46.8)	**(46.8)**
Commission revenues	—	—	—	—	—	3.5	**3.5**
Commission and fee revenues							
Other revenues Other revenues	—	.7	3.6	—	—	15.2	**19.5**
Total revenues Total revenues	3.9	(11.3)	449.2	63.6	26.3	(12.1)	**519.6**
Loss and loss adjustment expenses Loss and loss adjustment expenses	—	—	258.5	7.3	—	—	**265.8**

Acquisition expenses	Acquisition expenses	2.0	.1	71.0	19.3	—	—	**92.4**
Cost of sales	Cost of sales	—	—	—	—	—	8.0	**8.0**
Cost of sales								
Cost of sales								
Broker commission expenses								
General and administrative expenses	General and administrative expenses	.5	17.0	35.3	.1	4.5	42.2	**99.6**
Change in fair value of contingent consideration	Change in fair value of contingent consideration	—	—	17.0	—	—	—	**17.0**
Interest expense	Interest expense	3.8	—	5.5	—	5.5	.9	**15.7**
Total expenses	Total expenses	6.3	17.1	387.3	26.7	10.0	51.1	**498.5**
Pre-tax income (loss) from continuing operations		$(2.4)	$(28.4)	$ 61.9	$ 36.9	$16.3	$ (63.2)	**$ 21.1**
Pre-tax income (loss)								

(1) Ark's earned insurance premiums based on the location of Ark's underwriting offices in the United Kingdom and Bermuda are $177.4 and $115.1.

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

	HG Global/BAM		Ark/WM Outrigger			
Millions	**HG Global**	**BAM (1)**	**Ark**	**Kudu**	**Other Operations**	**Total**
Three Months Ended September 30, 2022						
Earned insurance premiums	$ 5.9	$ 1.2	$ 346.1	$ —	$ —	$ 353.2
Net investment income	2.8	2.9	4.9	14.8	8.5	33.9
Net investment income (expense) - BAM Surplus Note interest	2.9	(2.9)	—	—	—	—
Net realized and unrealized investment gains (losses)	(19.6)	(19.2)	(14.4)	41.1	(17.3)	(29.4)
Net realized and unrealized investment gains (losses) from investment in MediaAlpha	—	—	—	—	(18.6)	(18.6)
Commission revenues	—	—	—	—	3.2	3.2
Other revenues	.1	1.2	6.6	—	33.0	40.9
Total revenues	(7.9)	(16.8)	343.2	55.9	8.8	383.2
Losses and loss adjustment expenses	—	—	213.7	—	—	213.7
Acquisition expenses	1.6	.1	74.8	—	—	76.5
Cost of sales	—	—	—	—	25.0	25.0
General and administrative expenses	.6	15.2	24.2	4.5	41.3	85.8
Change in fair value of contingent consideration	—	—	2.7	—	—	2.7
Interest expense	2.0	—	3.7	4.2	.6	10.5
Total expenses	4.2	15.3	319.1	8.7	66.9	414.2
Pre-tax income (loss) from continuing operations	$ (12.1)	$ (32.1)	$ 24.1	$ 47.2	$ (58.1)	$ (31.0)

(3) Bamboo's net investment income and net realized and unrealized investment gains (losses) are included in other revenues in the consolidated statement of operations.

	Ark/WM Outrigger		HG Global/BAM				
Millions	**Ark**	**WM Outrigger Re**	**HG Global**	**BAM (2)**	**Kudu**	**Other Operations**	**Total**
Three Months Ended March 31, 2023							

Earned insurance premiums (1)	$ 249.9	$ 5.2	$ 6.4	$ 1.3	$ —	$ —	$ 262.8
Net investment income	8.4	2.2	4.0	3.2	14.2	7.0	39.0
Net investment income (expense) - BAM Surplus Note interest	—	—	6.6	(6.6)	—	—	—
Net realized and unrealized investment gains (losses)	24.5	—	7.9	9.1	29.6	41.8	112.9
Net realized and unrealized investment gains (losses) from investment in MediaAlpha	—	—	—	—	—	85.2	85.2
Commission and fee revenues	—	—	—	—	—	3.3	3.3
Other revenues	(2.7)	—	—	.8	—	30.6	28.7
Total revenues	280.1	7.4	24.9	7.8	43.8	167.9	531.9
Loss and loss adjustment expenses	147.6	.2	—	—	—	—	147.8
Acquisition expenses	58.9	.9	1.8	.9	—	—	62.5
Cost of sales	—	—	—	—	—	13.9	13.9
General and administrative expenses	35.1	.1	1.1	16.2	3.8	39.7	96.0
Change in fair value of contingent consideration	(2.4)	—	—	—	—	—	(2.4)
Interest expense	5.0	—	4.5	—	4.7	.8	15.0
Total expenses	244.2	1.2	7.4	17.1	8.5	54.4	332.8
Pre-tax income (loss)	$ 35.9	$ 6.2	$ 17.5	$ (9.3)	$ 35.3	$ 113.5	$ 199.1

(1) Ark's earned insurance premiums based on the location of Ark's underwriting offices in the United Kingdom and Bermuda are $146.0 and $104.0.

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

	HG Global/BAM		Ark/WM Outrigger				
Millions	**HG Global**	**BAM (1)**	**Ark**	**WM Outrigger Re**	**Kudu**	**Other Operations**	**Total**
Nine Months Ended September 30, 2023							
Earned insurance premiums	$ 19.4	$ 3.9	$ 971.9	$ 75.4	$ —	$ —	**$ 1,070.6**
Net investment income	12.4	10.5	33.5	7.7	44.0	22.0	**130.1**
Net investment income (expense) - BAM Surplus Note interest	19.7	(19.7)	—	—	—	—	**—**
Net realized and unrealized investment gains (losses)	(11.4)	(5.6)	35.9	—	45.4	125.8	**190.1**
Net realized and unrealized investment gains (losses) from investment in MediaAlpha	—	—	—	—	—	(38.9)	**(38.9)**
Commission revenues	—	—	—	—	—	10.0	**10.0**
Other revenues	—	2.0	(1.1)	—	—	67.1	**68.0**
Total revenues	40.1	(8.9)	1,040.2	83.1	89.4	186.0	**1,429.9**
Loss and loss adjustment expenses	—	—	573.2	7.9	—	—	**581.1**
Acquisition expenses	5.6	.7	189.3	22.2	—	—	**217.8**
Cost of sales	—	—	—	—	—	33.5	**33.5**
General and administrative expenses	1.9	47.8	105.3	.2	12.3	130.7	**298.2**
Change in fair value of contingent consideration	—	—	16.8	—	—	—	**16.8**
Interest expense	10.8	—	15.7	—	15.5	2.9	**44.9**
Total expenses	18.3	48.5	900.3	30.3	27.8	167.1	**1,192.3**
Pre-tax income (loss) from continuing operations	$ 21.8	$ (57.4)	$ 139.9	$ 52.8	$ 61.6	$ 18.9	**$ 237.6**

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

	HG Global/BAM		Ark/WM Outrigger			
Millions	**HG Global**	**BAM (1)**	**Ark**	**Kudu**	**Other Operations**	**Total**
Nine Months Ended September 30, 2022						

Earned insurance premiums	$ 21.5	$ 4.5	$ 757.8	$ —	$ —	$ 783.8
Net investment income	7.1	8.0	9.7	41.2	13.6	79.6
Net investment income (expense) - BAM Surplus Note interest	8.8	(8.8)	—	—	—	—
Net realized and unrealized investment gains (losses)	(57.8)	(56.2)	(76.5)	45.8	2.8	(141.9)
Net realized and unrealized investment gains (losses) from investment in MediaAlpha	—	—	—	—	(113.3)	(113.3)
Commission revenues	—	—	—	—	8.7	8.7
Other revenues	.3	3.4	10.1	—	89.6	103.4
Total revenues	(20.1)	(49.1)	701.1	87.0	1.4	720.3
Losses and loss adjustment expenses	—	—	456.2	—	—	456.2
Acquisition expenses	7.6	1.9	174.9	—	—	184.4
Cost of sales	—	—	—	—	68.8	68.8
General and administrative expenses	2.1	47.4	74.9	10.4	122.1	256.9
Change in fair value of contingent consideration	—	—	4.9	—	—	4.9
Interest expense	5.4	—	10.6	10.3	1.2	27.5
Total expenses	15.1	49.3	721.5	20.7	192.1	998.7
Pre-tax income (loss) from continuing operations	$ (35.2)	$ (98.4)	$ (20.4)	$ 66.3	$ (190.7)	$ (278.4)

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

Note 15. Variable Interest Entities

BAM

BAM Under GAAP, White Mountains is owned by and operated for required to consolidate any entity in which it holds a controlling financial interest. A controlling financial interest is usually in the benefit form of its members, an investment representing the municipalities majority of the subsidiary's voting interests. However, a controlling financial interest may also arise from a financial interest in a VIE through arrangements that purchase BAM's insurance for their debt issuances. However, the do not involve ownership of voting interests. A VIE is a legal entity that (i) does not have sufficient equity at risk funded by BAM's members is not sufficient to fund finance its operations activities without the additional financial support provided by support; (ii) is structured such that equity investors, as a group, lack the BAM Surplus Notes and, accordingly, White Mountains has determined power, through voting or similar rights, to direct the activities that BAM most significantly impact the entity's economic performance; (iii) is a VIE.

Pursuant structured such that the equity investors lack the obligation to the FLRT, BAM's underwriting guidelines may only be amended with the consent absorb losses of, HG Re. In addition, HG Holdings Ltd, a subsidiary of HG Global, has or the right to designate two directors for election receive returns from, the entity; or (iv) is structured with non-substantive voting rights. White Mountains determines whether an entity is a VIE at the inception of its variable interest in the entity and upon the occurrence of certain reconsideration events.

White Mountains consolidates a VIE if it determines that it is the primary beneficiary. The primary beneficiary is defined as the entity that holds a variable interest that gives it both the power to BAM's Board direct the VIE's activities that most significantly impact its economic performance and the obligation to absorb losses of, Directors. As or the right to receive returns from, the VIE that could potentially be significant to the VIE. The identification of the primary beneficiary of a result, we have determined VIE may require significant assumptions and judgment. When White Mountains determines it has a variable interest in a VIE, it determines whether it is the primary beneficiary of that VIE by performing an analysis that principally considers: (i) the VIE's purpose and design, including the risks the VIE was designed to create and pass through to its variable interest holders; (ii) the VIE's capital structure; (iii) the identification of the activities that most significantly impact the VIE's economic performance; (iv) the governance provisions and other contractual arrangements between the VIE and its variable interest holders and other parties involved with the VIE; and (v) related party relationships. At inception of its variable interest in the VIE as well as on an ongoing basis, White Mountains performs qualitative assessments of its VIEs to determine whether White Mountains is the primary beneficiary and is required to consolidate BAM's results in its financial statements. Since BAM is owned by its members, its equity and results of operations are included in noncontrolling interests. a VIE.

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

WM Outrigger Re

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

BAM

BAM is the first and only mutual municipal bond insurance company in the United States. HG Global, together with its subsidiaries, funded the initial capitalization of BAM through the purchase of $503.0 million of BAM Surplus Notes and, through its reinsurance subsidiary HG Re, provides up to 15%-of-par, first loss reinsurance protection for policies underwritten by BAM. As a mutual insurance company, BAM is owned by and operated for the benefit of its members, the municipalities whose debt issuances are insured by BAM.

As of March 31, 2024, BAM's members have contributed equity capital at risk through MSC of $556.5 million. However, the BAM Surplus Notes remain a significant portion of BAM's statutory capital. Accordingly, White Mountains has determined that BAM is a VIE.

BAM's underwriting process was determined to be the activity that most significantly impacts BAM's economic performance. BAM's underwriting guidelines define the types of credits that BAM may insure. Pursuant to the FLRT, BAM's underwriting guidelines may only be amended with the consent of HG Re. As a result, White Mountains concluded it has the power to direct BAM's activities that most significantly impact BAM's economic performance and it is the primary beneficiary. Accordingly, White Mountains is required to consolidate BAM's results in its financial statements. Since BAM is owned by its members, its equity and results of operations are included in noncontrolling interests.

BAM's assets can be used only to settle BAM's obligations, and general creditors of BAM have no recourse to the Company or HG Global. HG Re's obligations to BAM under the FLRT are subject to an aggregate limit equal to the assets in the Collateral Trusts at any point in time.

PassportCard/DavidShield

As of September 30, 2023 March 31, 2024, White Mountains's ownership interest in PassportCard/DavidShield was 53.8%. White Mountains has determined that both PassportCard and DavidShield are VIEs but that White Mountains is not the primary beneficiary and therefore does not consolidate either PassportCard or DavidShield. The governance structures for both PassportCard and DavidShield were designed to give White Mountains and its co-investor equal power to make the decisions that most significantly impact operations. White Mountains does not have the unilateral power to direct the operations of PassportCard or DavidShield and does not hold a controlling financial interest. White Mountains's ownership interest gives White Mountains the ability to exert significant influence over the significant financial and operating activities of PassportCard/DavidShield. Accordingly, White Mountains's investment in PassportCard/DavidShield meets the criteria to be accounted for under the equity method. White Mountains has taken the fair value option for its investment in PassportCard/DavidShield. Changes in the fair value of PassportCard/DavidShield are recorded in net realized and unrealized investment gains (losses). As of September 30, 2023 March 31, 2024, White Mountains's maximum exposure to loss on its equity investment in PassportCard/DavidShield and the non-interest-bearing loan to its partner is the total carrying value of $159.4 $159.5 million.

Elementum

As of September 30, 2023 March 31, 2024, White Mountains's ownership interest in Elementum was 26.6%. White Mountains has determined that Elementum is a VIE but that White Mountains is not the primary beneficiary and therefore does not consolidate Elementum. White Mountains's ownership interest gives White Mountains the ability to exert significant influence over the significant financial and operating activities of Elementum. Accordingly, Elementum meets the criteria to be accounted for under the equity method. White Mountains has taken the fair value option for its investment in Elementum. Changes in the fair value of Elementum are recorded in net realized and unrealized investment gains (losses). As of September 30, 2023 March 31, 2024, White Mountains's maximum exposure to loss on its limited partnership interest in Elementum is the carrying value of $35.0 million.

Limited Partnerships

White Mountains's investments in limited partnerships are generally considered VIEs because the limited partnership interests do not have substantive kick-out rights or participating rights. White Mountains does not have the unilateral power to direct the operations of these limited partnerships, and therefore White Mountains is not the primary beneficiary and does not consolidate the limited partnerships. White Mountains has taken the fair value option for its investments in limited partnerships, which are generally measured at NAV as a practical expedient. As of September 30, 2023 March 31, 2024, White Mountains's maximum exposure to loss on its investments in limited partnerships is the carrying value of $239.2 million. $255.2 million.

Note 16. Equity Method Eligible Investments

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

The following table presents the ownership interests and carrying values of White Mountains's equity method eligible investments as of September 30, 2023 March 31, 2024 and December 31, 2022 December 31, 2023:

		September 30, 2023		December 31, 2022						
		March 31, 2024							March 31, 2024	December 31, 2023
$ in Millions	$ in Millions	Ownership Interest (1)	Carrying Value	Ownership Interest (1)	Carrying Value	$ in Millions	Ownership Interest	Carrying Value	Ownership Interest	Carrying Value
Kudu's Participation Contracts		4.1% - 30.0%	$ 775.3	4.1% - 30.0%	$ 695.9					
Kudu's Participation Contracts (1)										
Investment in MediaAlpha	Investment in MediaAlpha	35.3%	188.8	27.1%	168.6					
PassportCard/DavidShield	PassportCard/DavidShield	53.8%	150.0	53.8%	135.0					
Elementum Holdings, L.P.	Elementum Holdings, L.P.	26.6%	35.0	29.7%	30.0					
Other equity method eligible investments, at fair value	Other equity method eligible investments, at fair value	Under 50.0%	279.0	Under 50.0%	84.4					
Other equity method eligible investments, at fair value	Other equity method eligible investments, at fair value	50.0% and over	25.2	50.0% and over	—					

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

For the three and nine months ended September 30, 2023, March 31, 2024 and 2023, White Mountains received dividend and income distributions from equity method eligible investments of $13.2 $15.9 million and $42.1 $7.7 million, which were recorded within net investment income in the consolidated statements of operations. For the three and nine months ended September 30, 2022, White Mountains received dividend and income distributions from equity method eligible investments of $16.1 million and $42.9 million.

Note 17. Fair Value of Financial Instruments

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

The following table presents the fair value and carrying value of these financial instruments as of September 30, 2023 March 31, 2024 and December 31, 2022 December 31, 2023:

		September 30, 2023		December 31, 2022			March 31, 2024		December 31, 2023	
Millions	**Millions**	**Fair Value**	**Carrying Value**	**Fair Value**	**Carrying Value**	**Millions**	**Fair Value**	**Carrying Value**	**Fair Value**	**Carrying Value**
HG Global Senior Notes		**$ 157.6**	**$ 146.8**	$ 155.7	$ 146.5					
Ark 2007 Subordinated Notes	Ark 2007 Subordinated Notes	**$ 29.1**	**$ 30.0**	$ 28.4	$ 30.0					
Ark 2021 Subordinated Notes	Ark 2021 Subordinated Notes	**$ 164.5**	**$ 154.6**	$ 163.1	$ 153.7					
HG Global Senior Notes										
Kudu Credit Facility	Kudu Credit Facility	**$ 223.0**	**$ 203.7**	$ 223.9	$ 208.3					
Other Operations debt	Other Operations debt	**$ 31.1**	**$ 29.6**	$ 38.2	$ 36.7					

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

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

Note 18. Commitments and Contingencies

Legal Contingencies

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

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

Note 19. Held for Sale and Discontinued Operations

NSM

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

Net Income (Loss) from Discontinued Operations

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

Millions	**Three Months Ended September 30, 2022 (1)**	**Nine Months Ended September 30, 2022 (1)**
Revenues		
Commission revenues	$ 26.6	$ 176.9
Other revenues	7.0	48.1
Total revenues	33.6	225.0
Expenses		
General and administrative expenses	15.7	126.8
Broker commission expenses	8.2	52.9

Change in fair value of contingent consideration	—	.1
Amortization of other intangible assets	—	9.1
Interest expense	1.6	12.1
Total expenses	25.5	201.0
Pre-tax income (loss) from discontinued operations	8.1	24.0
Income tax (expense) benefit	(1.8)	(7.6)
Net income (loss) from discontinued operations, net of tax - NSM Group	6.3	16.4
Net gain (loss) from sale of discontinued operations, net of tax - NSM Group	886.8	886.8
Total income (loss) from discontinued operations, net of tax	893.1	903.2
Net (income) loss from discontinued operations attributable to noncontrolling interests	(.2)	(.8)
Total income (loss) from discontinued operations attributable to White Mountains's common shareholders	892.9	902.4
Other comprehensive income (loss) from discontinued operations, net of tax - NSM Group	.7	(5.2)
Net gain (loss) from foreign currency translation from sale of discontinued operations, net of tax - NSM Group	2.9	2.9
Comprehensive income (loss) from discontinued operations	896.5	900.1
Other comprehensive (income) loss from discontinued operations attributable to noncontrolling interests	(.1)	.2
Comprehensive income (loss) from discontinued operations attributable to White Mountains's common shareholders	$ 896.4	$ 900.3

(1) As a result of the NSM Transaction, the results of operations for NSM Group are presented for the periods from July 1, 2022 to August 1, 2022 and January 1, 2022 to August 1, 2022.

Net Change in Cash from Discontinued Operations

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

Millions	**Nine Months Ended September 30, 2022**
Net cash provided from (used for) operations	$ 38.7
Net cash provided from (used for) investing activities	7.1
Net cash used from (used for) financing activities	(17.5)
Effect of exchange rate changes on cash	4.0
Net change in cash during the period	32.3
Cash balances at beginning of period (includes restricted cash of $89.2)	111.6
Cash sold as part of the sale of NSM Group	(143.9)
Cash balances at end of period	$ —
Supplemental cash flows information:	
Interest paid	$ (12.0)
Net income tax payments	$ —

Earnings Per Share from Discontinued Operations

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

	Three Months Ended September 30, 2022	**Nine Months Ended September 30, 2022**
Basic and diluted earnings per share numerators (in millions):		
Net income (loss) attributable to White Mountains's common shareholders	$ 888.2	$ 752.4
Less: net income (loss) from continuing operations	(23.6)	(252.3)
Less: net (income) loss from continuing operations attributable to noncontrolling interests	18.8	102.2

Total income (loss) from discontinued operations attributable to White Mountains's common shareholders [1]		893.0		902.5
Allocation of earnings to participating restricted common shares [2]		(11.8)		(10.8)
Basic and diluted earnings per share numerators [3]	$	881.2	$	891.7
Basic earnings per share denominators (in thousands):				
Total average common shares outstanding during the period		2,893.8		2,959.3
Average unvested restricted common shares [4]		(38.3)		(35.5)
Basic earnings per share denominator		2,855.5		2,923.8
Diluted earnings per share denominator (in thousands):				
Total average common shares outstanding during the period		2,893.8		2,959.3
Average unvested restricted common shares [4]		(38.3)		(35.5)
Diluted earnings per share denominator		2,855.5		2,923.8
Basic and diluted earnings (losses) per share (in dollars) - discontinued operations	$	308.59	$	304.97

[1] Includes net income (loss) from discontinued operations, net of tax - NSM Group, net gain (loss) from sale of discontinued operations, net of tax - NSM Group and net (income) loss from discontinued operations attributable to non-controlling interests.

[2] Restricted shares issued by White Mountains receive dividends, and therefore, are considered participating securities.

[3] Net earnings attributable to White Mountains's common shareholders, net of restricted share amounts, is equal to undistributed earnings for the three and nine months ended September 30, 2022.

[4] Restricted shares outstanding vest upon a stated date. See **Note 12 — "Employee Share-Based Incentive Compensation Plans."**

Note 20. Subsequent Events

Agreement to Acquire Bamboo

On October 19, 2023, White Mountains entered into an agreement and plan of merger (the "Bamboo Merger Agreement") with Bamboo IDE8 Insurance Services, LLC ("Bamboo") and John Chu, as the unitholders' representative. Bamboo is a capital-light, tech- and data-enabled insurance distribution platform providing insurance offerings to the residential property market in California. Bamboo operates primarily through its full-service MGA business, where the company manages all aspects of the placement process on behalf of its fronting and reinsurance partners, including product development, marketing, underwriting, policy issuance and claims oversight, and earns commissions based on the volume and profitability of the insurance that it places.

Immediately following the merger, White Mountains will make a primary investment in Bamboo (together with the merger and the rollover transactions described below, the "Bamboo Transaction"). As a result of the Bamboo Transaction, White Mountains expects to acquire approximately 70% of the issued and outstanding equity interests of Bamboo for approximately $285 million in cash. The precise size of White Mountains's ownership interest and equity investment will vary based on rollover elections by certain unitholders prior to closing.

The Bamboo Transaction is expected to close in the first quarter of 2024. Completion of the Bamboo Transaction is subject to receipt of certain regulatory approvals and other customary closing conditions. The Bamboo Transaction is not subject to a financing condition.

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

*The following discussion contains "forward-looking statements." White Mountains intends statements that are not historical in nature, which are hereby identified as forward-looking statements, to be covered by the safe harbor provisions of the Private Securities Litigation Reform Act of 1995. White Mountains cannot promise that its expectations in such forward-looking statements will turn out to be correct. White Mountains's actual results could be materially different from and worse than its expectations. See "***FORWARD-LOOKING STATEMENTS***" on page 76 72 for specific important factors that could cause actual results to differ materially from those contained in forward-looking statements.*

The following discussion also includes five nine non-GAAP financial measures: (i) adjusted book value per share, (ii) Kudu's earnings before interest, taxes, depreciation and amortization ("EBITDA"), (iii) Kudu's adjusted EBITDA, (iv) Bamboo's MGA net income (loss), (v) Bamboo's MGA pre-tax income (loss), (vi) Bamboo's MGA EBITDA, (vii) Bamboo's MGA adjusted EBITDA, (viii) total consolidated portfolio returns excluding MediaAlpha and (v) (ix) adjusted capital, that have been reconciled from their most comparable GAAP financial measures on page 74 70. White Mountains believes these measures to be useful in evaluating White Mountains's financial performance and condition.

RESULTS OF OPERATIONS FOR THE THREE AND NINE MONTHS ENDED SEPTEMBER 30, MARCH 31, 2024 and 2023 AND 2022

Overview

White Mountains reported book value per share of $1,542 $1,742 and adjusted book value per share of $1,588 $1,797 as of September 30, 2023 March 31, 2024. Book value per share and adjusted book value per share both increased 1% in the third quarter of 2023 5% and increased 6% in the first nine months quarter of 2023, 2024, including dividends. The increases in book value per share and adjusted book value per share in the third quarter of 2023 were driven primarily by solid results at the operating companies and positive returns from other long-term investments, partially offset by the impact of mark-to-market losses from the decline in MediaAlpha's share price. The increases in book value per share and adjusted book value per share in the first nine months quarter of 2023 2024 were driven primarily by good results at the our position in MediaAlpha as well as solid operating companies and positive returns across the investments portfolio excluding MediaAlpha, partially offset by the impact investment results. As of mark-to-market losses from the decline in MediaAlpha's share price. March 31, 2024, White Mountains's undeployed capital was approximately $600 million.

White Mountains reported book value per share of $1,439 $1,522 and adjusted book value per share of $1,471 $1,567 as of September 30, 2022 March 31, 2023. Book value per share and adjusted book value per share both increased 28% 5% in the third first quarter of 2022. For the first nine months of 2022, book value per share increased 23% and adjusted book value per share increased 24%, 2023, including dividends. The increases in book value per share and adjusted book value per share were driven primarily by the net gain from the sale of NSM of approximately $300 per share (based on 2.9 million shares outstanding at August 1, 2022). In addition, the growth in White Mountains's book value per share investment returns, including MediaAlpha, and adjusted book value per share reflected good solid operating results at the operating companies, partially offset by negative returns from the fixed income portfolio and the impact of mark-to-market losses from the decline in MediaAlpha's share price. companies.

On October 20, 2023, White Mountains announced that it entered into an agreement to acquire a majority stake in Bamboo Ide8 Insurance Services, LLC ("Bamboo"), an MGA focused on the California homeowners insurance market. White Mountains expects to invest approximately $285 million, including primary capital to support Bamboo's growth, and to acquire approximately 70% of Bamboo basic shares outstanding. The precise size of White Mountains's ownership interest and equity investment will vary based on rollover elections by certain unitholders prior to closing. The transaction is expected to close Ark/WM Outrigger segment's combined ratio was 91% in the first quarter of 2024. Including 2024 compared to 92% in the Bamboo acquisition, first quarter of 2023. Ark/WM Outrigger reported gross written premiums of $872 million, net written premiums of $598 million and net earned premiums of $303 million in the first quarter of 2024 compared to gross written premiums of $809 million, net written premiums of $614 million and net earned premiums of $255 million in the first quarter of 2023. Ark/WM Outrigger reported pre-tax income of $43 million in the first quarter of 2024 compared to $42 million in the first quarter of 2023.

Ark's combined ratio was 94% in both the first quarter of 2024 and 2023. Ark's combined ratio in the first quarter of 2024 included slight net favorable prior year development compared to three points of net unfavorable prior year development in the first quarter of 2023, primarily due to Winter Storm Elliott. Ark's combined ratio in the first quarter of 2024 and 2023 both included minimal catastrophe losses. Non-catastrophe losses in the first quarter of 2024 included $15 million on a net basis related to the collapse of the Francis Scott Key Bridge in Baltimoreand $16 million on a net basis related to a satellite loss. Ark reported gross written premiums of $872 million, net written premiums of $564 million and net earned premiums of $293 million in the first quarter of 2024 compared to gross written premiums of $809 million, net written premiums of $570 million and net earned premiums of $250 million in the first quarter of 2023. Ark reported pre-tax income of $33 million in the first quarter of 2024 compared to $36 million in the first quarter of 2023. Ark's results included net realized and unrealized investment gains of $11 million in the first quarter of 2024 compared to $25 million in the first quarter of 2023.

WM Outrigger Re's combined ratio was 32% in the first quarter of 2024 compared to 21% in the first quarter of 2023. Catastrophe losses were minimal in both periods. In the first quarter of 2024, WM Outrigger Re's combined ratio was 26% for underwriting year 2024 and 42% for underwriting year 2023. WM Outrigger Re reported gross and net written premiums of $34 million and net earned premiums of $10 million in the first quarter of 2024 compared to gross and net written premiums of $44 million and net earned premiums of $5 million in the first quarter of 2023. Gross and net written premiums decreased due to White Mountains's undeployed lower capital is roughly $400 million as commitment to WM Outrigger Re in 2024. WM Outrigger Re reported pre-tax income of September 30, 2023.

On October 25, 2023 White Mountains announced $10 million in the launch first quarter of White Mountains Partners ("WM Partners"), 2024, of which will invest $7 million was attributable to the 2024 underwriting year and $3 million to the 2023 underwriting year, compared to $6 million in non-insurance sectors including essential services, light industrial, and specialty consumer. White Mountains expects to deploy $500 million the first quarter of equity capital through WM Partners over time. 2023.

HG Global/BAM reported gross written premiums and MSC collected of $36 million and $84 million $22 million in the third first quarter and first nine months of 2023 2024 compared to $46 million and $109 million $21 million in the third first quarter and first nine months of 2022. 2023. Total pricing was 87 and 80 61 basis points in the third first quarter and first nine months of 2023 2024 compared to 110 and 81 73 basis points in the third first quarter and first nine months of 2022. 2023. BAM insured municipal bonds with par value of $4.2 billion and $10.5 billion $3.6 billion in the third first quarter and first nine months of 2023 2024 compared to $4.1 billion and $13.5 billion $2.9 billion in the third first quarter and first nine months of 2022. 2023. BAM's total claims paying resources were $1,474 million $1,508 million as of September 30, 2023 March 31, 2024 compared to $1,423 million $1,501 million as of December 31, 2022 December 31, 2023 and $1,260 million $1,433 million as of September 30, 2022 March 31, 2023.

The Ark/WM Outrigger segment's combined ratio was 77% and 83% in the third quarter and first nine months of 2023. Ark/WM Outrigger reported gross written premiums of $251 million and $1,667 million, net written premiums of $231 million and $1,306 million and net earned premiums of $499 million and $1,047 million in the third quarter and first nine months of 2023. Ark/WM Outrigger reported pre-tax income of $99 million and $193 million in the third quarter and first nine months of 2023.

Ark's combined ratio was 81% and 87% in the third quarter and first nine months of 2023 compared to 87% and 90% in the third quarter and first nine months of 2022. Ark's combined ratio in the third quarter of 2023 included 11 points of catastrophe losses, which included losses from Hurricane Idalia, the Maui wildfires and various smaller events, compared to 21 points of catastrophe losses in the third quarter of 2022, driven primarily by losses from Hurricane Ian. Ark's combined ratio in the first nine months of 2023 included seven points of catastrophe losses, which included losses from Hurricane Idalia, the Maui wildfires and various smaller events, compared to 17 points of catastrophe losses in the first nine months of 2022, driven primarily by losses from Hurricane Ian and the conflict in Ukraine. Ark's combined ratio in the third quarter and first nine months of 2023 included less than one point of net favorable prior year development and two points of net unfavorable prior year development compared to three points and five points of net favorable prior year development in the third quarter and first nine months of 2022. Ark reported gross written premiums of $251 million and $1,667 million, net written premiums of $225 million and $1,198 million and net earned premiums of $438 million and $972 million in the third quarter and first nine months of 2023 compared to gross written premiums of $216 million and $1,253 million, net written premiums of $193 million and $1,007 million and net earned premiums of $346 million and $758 million in the third quarter and first nine months of 2022. Ark reported pre-tax income (loss) of $62 million and $140 million in the third quarter and first nine months of 2023 compared to $24 million and $(20) million in the third quarter and first nine months of 2022. Ark's results included net realized and unrealized investment gains (losses) of $(7) million and $36 million in the third quarter and first nine months of 2023 compared to $(14) million and $(77) million in the third quarter and first nine months of 2022.

WM Outrigger Re's combined ratio was 44% and 40% in the third quarter and first nine months of 2023. WM Outrigger Re reported gross and net written premiums of $6 million and $108 million and net earned premiums of $61 million and $75 million in the third quarter and first nine months of 2023. WM Outrigger Re reported pre-tax income of $37 million and $53 million in the third quarter and first nine months of 2023.

Kudu reported total revenues of $26 million $11 million, pre-tax income of $16 million $2 million and adjusted EBITDA of $12 million $14 million in the third first quarter of 2023 2024 compared to total revenues of $56 million $44 million, pre-tax income of $47 million $35 million and adjusted EBITDA of $12 million $11 million in the third first quarter of 2022. 2023. Kudu's revenues, pre-tax income and adjusted EBITDA included $15 million of net investment income in both the third quarter of 2023 and 2022. Kudu's revenues and pre-tax income also included $11 million of net realized and unrealized investment gains in the third quarter of 2023 compared to $41 million in the third quarter of 2022. Kudu reported total revenues of $89 million, pre-tax income of $62 million and adjusted EBITDA of $34 million in the first nine months of 2023 compared to total revenues of $87 million, pre-tax income of $66 million and adjusted EBITDA of $33 million in the first nine months of 2022. Kudu's revenues, pre-tax income and adjusted EBITDA included $44 million $17 million of net investment income in the first nine months quarter of 2023 2024 compared to $41 million $14 million in the first nine months quarter of 2022. 2023. Kudu's revenues and pre-tax income in the first nine months quarter of 2023 2024 also included $45 million $(7) million of net realized and unrealized gains (losses) compared to $46 million $30 million in the first nine months quarter of 2022. 2023.

On January 2, 2024, White Mountains closed its transaction with Bamboo. Bamboo reported commission and fee revenues of $22 million and pre-tax income of $1 million for the first quarter of 2024. Commission and fee revenues were more than triple Bamboo's commission and fee revenues for the first quarter of 2023 (prior to White Mountains's ownership of Bamboo), driven primarily by higher managed premiums. Bamboo reported MGA pre-tax income of $2 million and MGA adjusted EBITDA of $6 million for the first quarter of 2024. Managed premiums, which represents the total premium placed by Bamboo, were $90 million for the first quarter of 2024 compared to $28 million for the first quarter of 2023 (prior to White Mountains's ownership of Bamboo). The increase in managed premiums was driven primarily by growth in new business volumes and a growing renewal book.

In April 2024, White Mountains committed up to $30 million in a Bermuda special purpose reinsurance vehicle that will participate in Bamboo's 2024 treaty year quota share reinsurance program alongside third-party reinsurers.

As of September 30, 2023 March 31, 2024, White Mountains owned 22.9 million shares of MediaAlpha, representing a 35% basic ownership interest (33% (32% on a fully-diluted/fully-converted basis). As of September 30, 2023 At March 28, 2024, MediaAlpha's closing price was $8.26 $20.37 per share, which decreased increased from $10.31 $11.15 per share as of June 30, 2023 December 31, 2023. The carrying value of White Mountains's investment in MediaAlpha was $189 million $466 million as of September 30, 2023 March 31, 2024, which decreased increased from $236 million $255 million as of June 30, 2023 December 31, 2023. At White Mountains's current March 31, 2024 level of ownership, each $1.00 per share increase or decrease in the share price of MediaAlpha will result in an approximate $9.00 per share increase or decrease in White Mountains's book value per share and adjusted book value per share.

White Mountains's total consolidated portfolio return on invested assets was -0.2% 4.6% in the third first quarter of 2023, 2024, which included $47 $211 million of unrealized investment losses gains from White Mountains's investment in MediaAlpha. Excluding MediaAlpha, the total consolidated portfolio return on invested assets was 0.6% 1.2% in the third first quarter of 2023, 2024, driven primarily by net investment income from the fixed income and other long-term investments portfolios and net unrealized investment gains and net investment income from other long-term investments, common equity securities, partially offset by net realized and unrealized investment losses on common equity securities. in the fixed income portfolio due to an increase in interest rates. White Mountains's total consolidated portfolio return on invested assets was 0.4% 4.5% in the third first quarter of 2022, 2023, which included $19 $85 million of unrealized investment losses gains from White Mountains's investment in MediaAlpha. Excluding MediaAlpha, the total consolidated portfolio return on invested assets was 0.5% 3.0% in the third first quarter of 2022, 2023, driven primarily by net unrealized investment gains and net investment income from other long-term investments partially offset by and common equity securities, as well as net unrealized investment losses gains in the fixed income portfolio due to rising a decline in interest rates.

During the first quarter of 2024, White Mountains repurchased and retired 5,269 of its common shares for $8 million at an average share price of $1,505.01, or 86% of White Mountains's total consolidated portfolio return on invested assets was 5.3% in the first nine months March 31, 2024 book value per share and 84% of 2023, which included $39 million of unrealized investment losses from White Mountains's investment in MediaAlpha. Excluding MediaAlpha, the total consolidated portfolio return on invested assets was 6.3% in the first nine months of 2023, driven primarily by net realized and unrealized investment gains and net investment income from other long-term investments, net investment income from the fixed income portfolio and net realized and unrealized investment gains from common equity securities. White Mountains's total consolidated portfolio return on invested assets was -3.6% in the first nine months of 2022, which included $113 million of unrealized investment losses from White Mountains's investment in MediaAlpha. Excluding MediaAlpha, the total consolidated portfolio return on invested assets was -1.4% in the first nine months of 2022, driven primarily by net unrealized investment losses in the fixed income portfolio due to rising interest rates, partially offset by net realized and unrealized gains and net investment income from other long-term investments. March 31, 2024 adjusted book value per share.

Adjusted Book Value Per Share

The following table presents White Mountains's book value per share and reconciles it to adjusted book value per share, a non-GAAP measure as of September 30, 2023 March 31, 2024, June 30, 2023, December 31, 2022, December 31, 2023 and September 30, 2022 March 31, 2023. See **NON-GAAP FINANCIAL MEASURES** on page 74 70.

Millions	Millions	September 30, 2023	June 30, 2023	December 31, 2022	September 30, 2022	Millions	March 31, 2024	December 31, 2023	March 31, 2023
Book value per share numerators (in millions):	**Book value per share numerators (in millions):**								
White Mountains's common shareholders' equity - GAAP book value per share numerator	White Mountains's common shareholders' equity - GAAP book value per share numerator	**$ 3,949.1**	$ 3,922.2	$ 3,746.9	$ 3,708.0				
White Mountains's common shareholders' equity - GAAP book value per share numerator									
White Mountains's common shareholders' equity - GAAP book value per share numerator									
HG Global's unearned premium reserve (1)									
HG Global's unearned premium reserve (1)									

HG Global's unearned premium reserve (1)	HG Global's unearned premium reserve (1)	**254.2**	246.8	242.1	232.2
HG Global's net deferred acquisition costs (1)	HG Global's net deferred acquisition costs (1)	**(73.1)**	(70.7)	(69.0)	(65.9)
Time value of money discount on expected future payments on the BAM Surplus Notes (1)	Time value of money discount on expected future payments on the BAM Surplus Notes (1)	**(90.2)**	(91.8)	(95.1)	(110.8)
Adjusted book value per share numerator	Adjusted book value per share numerator	**$ 4,040.0**	$ 4,006.5	$ 3,824.9	$ 3,763.5
Book value per share denominators (in thousands of shares):	**Book value per share denominators (in thousands of shares):**				
Common shares outstanding - GAAP book value per share denominator	Common shares outstanding - GAAP book value per share denominator	**2,560.5**	2,560.5	2,572.1	2,576.2
Common shares outstanding - GAAP book value per share denominator	Common shares outstanding - GAAP book value per share denominator				
Unearned restricted common shares	Unearned restricted common shares	**(15.7)**	(19.1)	(14.1)	(17.5)
Adjusted book value per share denominator	Adjusted book value per share denominator				
Adjusted book value per share denominator	Adjusted book value per share denominator	**2,544.8**	2,541.4	2,558.0	2,558.7
GAAP book value per share	GAAP book value per share	**$1,542.36**	$1,531.84	$1,456.74	$1,439.31
Adjusted book value per share	Adjusted book value per share	**$1,587.59**	$1,576.46	$1,495.28	$1,470.84

Year-to-date dividends paid per share	Year-to-date dividends paid per share	**$ 1.00**	$ 1.00	$ 1.00	$ 1.00

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

Goodwill and Other Intangible Assets

The following table presents goodwill and other intangible assets that are included in White Mountains's adjusted book value as of September 30, 2023 March 31, 2024, June 30, 2023, December 31, 2022 December 31, 2023, and September 30, 2022 March 31, 2023:

Millions	Millions	September 30, 2023	June 30, 2023	December 31, 2022	September 30, 2022
Millions					
Millions					
Goodwill:					
Goodwill:					
Goodwill:	**Goodwill:**				
Ark	Ark	**$ 116.8**	$ 116.8	$ 116.8	$ 116.8
Ark					
Ark					
Kudu	Kudu	**7.6**	7.6	7.6	7.6
Other Operations (1)		**44.4**	44.4	52.1	51.1
Kudu					
Kudu					
Bamboo (1)					
Bamboo (1)					
Bamboo (1)					
Other Operations					
Other Operations					
Other Operations					
Total goodwill					
Total goodwill					
Total goodwill	Total goodwill	**168.8**	168.8	176.5	175.5
Other intangible assets:	**Other intangible assets:**				
Other intangible assets:					
Other intangible assets:					
Ark					
Ark					
Ark	Ark	**175.7**	175.7	175.7	175.7
Kudu	Kudu	**.8**	.8	1.0	1.1
Other Operations (1)		**26.8**	28.3	39.2	40.9
Kudu					
Kudu					
Bamboo (1)					
Bamboo (1)					
Bamboo (1)					
Other Operations					
Other Operations					
Other Operations					
Total other intangible assets	Total other intangible assets	**203.3**	204.8	215.9	217.7
Total goodwill and other intangible assets (2)		**$ 372.1**	$ 373.6	$ 392.4	$ 393.2

Goodwill and other intangible assets attributed to non-controlling interests	**$ (95.2)**	$ (95.4)	$ (102.7)	$ (103.1)
Total other intangible assets				
Total other intangible assets				
Total goodwill and other intangible assets (1)				
Total goodwill and other intangible assets (1)				
Total goodwill and other intangible assets (1)				
Goodwill and other intangible assets attributed to noncontrolling interests				
Goodwill and other intangible assets attributed to noncontrolling interests				
Goodwill and other intangible assets attributed to noncontrolling interests				
Goodwill and other intangible assets included in White Mountains's common shareholders' equity **Goodwill and other intangible assets included in White Mountains's common shareholders' equity**	**$ 276.9**	$ 278.2	$ 289.7	$ 290.1
Goodwill and other intangible assets included in White Mountains's common shareholders' equity				
Goodwill and other intangible assets included in White Mountains's common shareholders' equity				

(1)The relative fair values of goodwill and of other intangible assets recognized in connection with recent acquisitions within Other Operations the acquisition of Bamboo had not yet been finalized at June 30, 2022 March 31, 2024. See "**Bamboo Transaction**" in **Note 2 — "Significant Transactions"** on page 10.

(2) See **Note 4 — "Goodwill and Other Intangible Assets"** on page 24 for details of other intangible assets.

Summary of Consolidated Results

The following table presents White Mountains's consolidated financial results for the three and nine months ended September 30, 2023 March 31, 2024 and 2022: 2023:

	Three Months Ended September 30,		Nine Months Ended September 30,	
	Three Months Ended March 31,			
	Three Months Ended March 31,			
	Three Months Ended March 31,			
Millions				
Millions				
Millions **Millions**	**2023**	**2022**	**2023**	**2022**
Revenues **Revenues**				
Financial Guarantee revenues	**$ (7.4)**	$ (24.7)	**$ 31.2**	$ (69.2)
Revenues				
Revenues				
P&C Insurance and Reinsurance revenues				
P&C Insurance and Reinsurance revenues				

P&C Insurance and Reinsurance revenues	P&C Insurance and Reinsurance revenues	**512.8**	343.2	**1,123.3**	701.1
Financial Guarantee revenues					
Financial Guarantee revenues					
Financial Guarantee revenues					
Asset Management revenues	Asset Management revenues	**26.3**	55.9	**89.4**	87.0
Asset Management revenues					
Asset Management revenues					
P&C Insurance Distribution revenues					
P&C Insurance Distribution revenues					
P&C Insurance Distribution revenues					
Other Operations revenues					
Other Operations revenues					
Other Operations revenues	Other Operations revenues	**(12.1)**	8.8	**186.0**	1.4
Total revenues	Total revenues	**519.6**	383.2	**1,429.9**	720.3
Total revenues					
Total revenues					
Expenses	**Expenses**				
Financial Guarantee expenses		**23.4**	19.5	**66.8**	64.4
Expenses					
Expenses					
P&C Insurance and Reinsurance expenses					
P&C Insurance and Reinsurance expenses					
P&C Insurance and Reinsurance expenses	P&C Insurance and Reinsurance expenses	**414.0**	319.1	**930.6**	721.5
Financial Guarantee expenses					
Financial Guarantee expenses					
Financial Guarantee expenses					
Asset Management expenses					
Asset Management expenses					
Asset Management expenses	Asset Management expenses	**10.0**	8.7	**27.8**	20.7
P&C Insurance Distribution expenses					
P&C Insurance Distribution expenses					
P&C Insurance Distribution expenses					
Other Operations expenses					
Other Operations expenses					
Other Operations expenses	Other Operations expenses	**51.1**	66.9	**167.1**	192.1
Total expenses	Total expenses	**498.5**	414.2	**1,192.3**	998.7
Total expenses					
Total expenses					
Pre-tax income (loss)	**Pre-tax income (loss)**				
Financial Guarantee pre-tax income (loss)		**(30.8)**	(44.2)	**(35.6)**	(133.6)
Pre-tax income (loss)					
Pre-tax income (loss)					
P&C Insurance and Reinsurance pre-tax income (loss)					
P&C Insurance and Reinsurance pre-tax income (loss)					
P&C Insurance and Reinsurance pre-tax income (loss)	P&C Insurance and Reinsurance pre-tax income (loss)	**98.8**	24.1	**192.7**	(20.4)
Financial Guarantee pre-tax income (loss)					
Financial Guarantee pre-tax income (loss)					
Financial Guarantee pre-tax income (loss)					
Asset Management pre-tax income (loss)					
Asset Management pre-tax income (loss)					

Asset Management pre-tax income (loss)	Asset Management pre-tax income (loss)	**16.3**	47.2	**61.6**	66.3
P&C Insurance Distribution pre-tax income (loss)					
P&C Insurance Distribution pre-tax income (loss)					
P&C Insurance Distribution pre-tax income (loss)					
Other Operations pre-tax income (loss)					
Other Operations pre-tax income (loss)					
Other Operations pre-tax income (loss)	Other Operations pre-tax income (loss)	**(63.2)**	(58.1)	**18.9**	(190.7)
Total pre-tax income (loss) from continuing operations	**Total pre-tax income (loss) from continuing operations**	**21.1**	(31.0)	**237.6**	(278.4)
Total pre-tax income (loss) from continuing operations					
Total pre-tax income (loss) from continuing operations					
Income tax (expense) benefit	Income tax (expense) benefit	**(7.3)**	7.4	**(19.4)**	26.1
Net income (loss) from continuing operations		**13.8**	(23.6)	**218.2**	(252.3)
Net income (loss) from discontinued operations, net of tax - NSM Group		**—**	6.3	**—**	16.4
Net gain (loss) from sale of discontinued operations, net of tax - NSM Group		**—**	886.8	**—**	886.8
Income tax (expense) benefit					
Income tax (expense) benefit					
Net income (loss)					
Net income (loss)					
Net income (loss)	**Net income (loss)**	**13.8**	869.5	**218.2**	650.9
Net (income) loss attributable to noncontrolling interests	Net (income) loss attributable to noncontrolling interests	**9.8**	18.7	**4.5**	101.5
Net (income) loss attributable to noncontrolling interests					
Net (income) loss attributable to noncontrolling interests					
Net income (loss) attributable to White Mountains's common shareholders					
Net income (loss) attributable to White Mountains's common shareholders					
Net income (loss) attributable to White Mountains's common shareholders	**Net income (loss) attributable to White Mountains's common shareholders**	**23.6**	888.2	**222.7**	752.4
Other comprehensive income (loss), net of tax	Other comprehensive income (loss), net of tax	**(1.7)**	(1.4)	**.9**	(3.0)
Other comprehensive income (loss) from discontinued operations, net of tax - NSM Group		**—**	.7	**—**	(5.2)
Net gain (loss) from foreign currency translation from sale of discontinued operations, net of tax - NSM Group		**—**	2.9	**—**	2.9
Other comprehensive income (loss), net of tax					
Other comprehensive income (loss), net of tax					
Comprehensive income (loss)					
Comprehensive income (loss)					
Comprehensive income (loss)	**Comprehensive income (loss)**	**21.9**	890.4	**223.6**	747.1
Other comprehensive (income) loss attributable to noncontrolling interests	Other comprehensive (income) loss attributable to noncontrolling interests	**.7**	(.3)	**(.1)**	.4
Other comprehensive (income) loss attributable to noncontrolling interests					
Other comprehensive (income) loss attributable to noncontrolling interests					
Comprehensive income (loss) attributable to White Mountains's common shareholders					
Comprehensive income (loss) attributable to White Mountains's common shareholders					
Comprehensive income (loss) attributable to White Mountains's common shareholders	**Comprehensive income (loss) attributable to White Mountains's common shareholders**	**$ 22.6**	$ 890.1	**$ 223.5**	$ 747.5

I. SUMMARY OF OPERATIONS BY SEGMENT

As of September 30, 2023 March 31, 2024, White Mountains conducted its operations through three four segments: (1) Ark/WM Outrigger, (2) HG Global/BAM, (2) Ark/WM Outrigger, (3) Kudu and (3) Kudu, (4) Bamboo, with our remaining operating businesses, holding companies and other assets included in Other Operations. White Mountains has made its segment determination based on consideration of the following criteria: (i) the nature of the business activities of each of the Company's subsidiaries and affiliates; (ii) the manner in which the Company's subsidiaries and affiliates are organized; (iii) the existence of primary managers responsible for specific subsidiaries and affiliates; and (iv) the organization of information provided to the Company's chief operating decision makers and its Board of Directors. Significant intercompany transactions among White Mountains's segments have been eliminated herein. White Mountains's segment information is presented in **Note 14 — "Segment Information"** to the Consolidated Financial Statements.

During the fourth quarter of 2022, Ark sponsored the formation of Outrigger Re Ltd. to provide reinsurance protection on Ark's Bermuda global property catastrophe excess of loss portfolio written in calendar year 2023. White Mountains consolidates its segregated account of Outrigger Re Ltd., WM Outrigger Re, in its financial statements. WM Outrigger Re's quota share reinsurance agreement with GAIL eliminates in White Mountains's consolidated financial statements. WM Outrigger Re exclusively provides reinsurance protection to Ark. As a result, WM Outrigger Re was aggregated with Ark within the Ark/WM Outrigger segment starting in 2023. See **Note 2 — "Significant Transactions."**

As a result of the NSM Bamboo Transaction, the results White Mountains began consolidating Bamboo in its financial statements as of operations for NSM, previously reported as a segment, have been classified as discontinued operations in the statements of operations and comprehensive income through the closing of the transaction. January 2, 2024. See **Note 19 — "Held 2 - "Significant Transaction"**.

Ark/WM Outrigger

The following table presents the components of pre-tax income (loss) included in the Ark/WM Outrigger segment for Sale the three months ended March 31, 2024 and Discontinued Operations." 2023:

	Three Months Ended March 31, 2024			
Millions	Ark	WM Outrigger Re	Eliminations	Total
Direct written premiums	**$ 285.0**	**$ —**	**$ —**	**$ 285.0**
Assumed written premiums	**587.1**	**34.3**	**(34.3)**	**587.1**
Gross written premiums	**872.1**	**34.3**	**(34.3)**	**872.1**
Ceded written premiums	**(308.4)**	**—**	**34.3**	**(274.1)**
Net written premiums	**$ 563.7**	**$ 34.3**	**$ —**	**$ 598.0**
Earned insurance premiums	**$ 292.5**	**$ 10.3**	**$ —**	**$ 302.8**
Net investment income	**17.0**	**2.9**	**—**	**19.9**
Net realized and unrealized investment gains (losses)	**10.6**	**—**	**—**	**10.6**
Other revenues	**3.5**	**—**	**—**	**3.5**
Total revenues	**323.6**	**13.2**	**—**	**336.8**
Loss and loss adjustment expenses	**179.3**	**.7**	**—**	**180.0**
Acquisition expenses	**63.7**	**2.6**	**—**	**66.3**
General and administrative expenses - other underwriting	**30.5**	**—**	**—**	**30.5**
General and administrative expenses - all other	**11.7**	**—**	**—**	**11.7**
Change in fair value of contingent consideration	**—**	**—**	**—**	**—**
Interest expense	**5.4**	**—**	**—**	**5.4**
Total expenses	**290.6**	**3.3**	**—**	**293.9**
Pre-tax income (loss)	**$ 33.0**	**$ 9.9**	**$ —**	**$ 42.9**

	Three Months Ended March 31, 2023			
Millions	Ark	WM Outrigger Re	Eliminations	Total
Direct written premiums	$ 246.2	$ —	$ —	$ 246.2
Assumed written premiums	563.2	44.1	(44.1)	563.2
Gross written premiums	809.4	44.1	(44.1)	809.4
Ceded written premiums	(239.3)	—	44.1	(195.2)
Net written premiums	$ 570.1	$ 44.1	$ —	$ 614.2
Earned insurance premiums	$ 249.9	$ 5.2	$ —	$ 255.1
Net investment income	8.4	2.2	—	10.6
Net realized and unrealized investment gains (losses)	24.5	—	—	24.5

Other revenues	(2.7)	—	—	(2.7)
Total revenues	280.1	7.4	—	287.5
Loss and loss adjustment expenses	147.6	.2	—	147.8
Acquisition expenses	58.9	.9	—	59.8
General and administrative expenses - other underwriting	27.5	—	—	27.5
General and administrative expenses - all other	7.6	.1	—	7.7
Change in fair value of contingent consideration	(2.4)	—	—	(2.4)
Interest expense	5.0	—	—	5.0
Total expenses	244.2	1.2	—	245.4
Pre-tax income (loss)	$ 35.9	$ 6.2	$ —	$ 42.1

Ark/WM Outrigger Results— Three Months Ended March 31, 2024 versus Three Months Ended March 31, 2023

The Ark/WM Outrigger segment's combined ratio was 91% in the first quarter of 2024 compared to 92% in the first quarter of 2023.The Ark/WM Outrigger segment reported gross written premiums of $872 million, net written premiums of $598 million and net earned premiums of $303 million in the first quarter of 2024 compared to gross written premiums of $809 million, net written premiums of $614 million and net earned premiums of $255 million in the first quarter of 2023. The Ark/WM Outrigger segment reported pre-tax income of $43 million in the first quarter of 2024 compared to $42 million in the first quarter of 2023.

Ark's combined ratio was 94% in both the first quarter of 2024 and 2023. Ark's combined ratio in the first quarter of 2024 included slight net favorable prior year development compared to three points of net unfavorable prior year development in the first quarter of 2023, primarily due to Winter Storm Elliott. Ark's combined ratio in the first quarter of 2024 and 2023 both included minimal catastrophe losses. Non-catastrophe losses in the first quarter of 2024 included $15 million on a net basis related to the collapse of the Francis Scott Key Bridge in Baltimore and $16 million on a net basis related to a satellite loss.

Ark reported gross written premiums of $872 million, net written premiums of $564 million and net earned premiums of $293 million in the first quarter of 2024 compared to gross written premiums of $809 million, net written premiums of $570 million and net earned premiums of $250 million in the first quarter of 2023.

Ark reported pre-tax income of $33 million in the first quarter of 2024 compared to $36 million in the first quarter of 2023. Ark's results included net realized and unrealized investment gains of $11 million in the first quarter of 2024, driven primarily by net unrealized investment gains on common equity securities, compared to $25 million in the first quarter of 2023, driven primarily by net unrealized investment gains on fixed income securities and other long-term investments. Ark's results for the first quarter of 2023 also included $2 million for a decrease in the fair value of its contingent consideration liabilities.

WM Outrigger Re's combined ratio was 32% in the first quarter of 2024 compared to 21% in the first quarter of 2023. Catastrophe losses were minimal in both periods. In the first quarter of 2024, WM Outrigger Re's combined ratio was 26% for underwriting year 2024 and 42% for underwriting year 2023. WM Outrigger Re reported gross and net written premiums of $34 million and net earned premiums of $10 million in the first quarter of 2024 compared to gross and net written premiums of $44 million and net earned premiums of $5 million in the first quarter of 2023. Gross and net written premiums decreased due to White Mountains's lower capital commitment to WM Outrigger Re in 2024. WM Outrigger Re reported pre-tax income of $10 million in the first quarter of 2024, of which $7 million was attributable to the 2024 underwriting year and $3 million to the 2023 underwriting year, compared to $6 million in the first quarter of 2023.

The following table presents the Ark/WM Outrigger segment's insurance premiums, insurance expenses and insurance ratios for the three months ended March 31, 2024 and 2023:

	Three Months Ended March 31, 2024			
$ in Millions	**Ark**	**WM Outrigger Re**	**Eliminations**	**Total**
Insurance premiums:				
Gross written premiums	**$ 872.1**	**$ 34.3**	**$ (34.3)**	**$ 872.1**
Net written premiums	**$ 563.7**	**$ 34.3**	**$ —**	**$ 598.0**
Net earned premiums	**$ 292.5**	**$ 10.3**	**$ —**	**$ 302.8**
Insurance expenses:				
Loss and loss adjustment expenses	**$ 179.3**	**$ .7**	**$ —**	**$ 180.0**
Acquisition expenses	**63.7**	**2.6**	**—**	**66.3**
Other underwriting expenses (1)	**30.5**	**—**	**—**	**30.5**
Total insurance expenses	**$ 273.5**	**$ 3.3**	**$ —**	**$ 276.8**
Insurance ratios:				
Loss and loss adjustment expense	**61.3 %**	**6.8 %**	**— %**	**59.4 %**
Acquisition expense	**21.8**	**25.2**	**—**	**21.9 %**
Other underwriting expense	**10.4**	**—**	**—**	**10.1 %**
Combined Ratio	**93.5 %**	**32.0 %**	**— %**	**91.4 %**

Prior period amounts have been reclassified (1)Included within general and administrative expenses.

	Three Months Ended March 31, 2023

$ in Millions	Ark		WM Outrigger Re		Eliminations		Total	
Insurance premiums:								
Gross written premiums	$	809.4	$	44.1	$	(44.1)	$	809.4
Net written premiums	$	570.1	$	44.1	$	—	$	614.2
Net earned premiums	$	249.9	$	5.2	$	—	$	255.1
Insurance expenses:								
Loss and loss adjustment expenses	$	147.6	$	.2	$	—	$	147.8
Acquisition expenses		58.9		.9		—		59.8
Other underwriting expenses (1)		27.5		—		—		27.5
Total insurance expenses	$	234.0	$	1.1	$	—	$	235.1
Insurance ratios:								
Loss and loss adjustment expense		59.0 %		3.9 %		— %		58.0 %
Acquisition expense		23.6		17.3		—		23.4 %
Other underwriting expense		11.0		—		—		10.8 %
Combined Ratio		93.6 %		21.2 %		— %		92.2 %

(1) Included within general and administrative expenses.

The following table presents WM Outrigger Re's insurance premiums and combined ratio by underwriting year for the three months ended March 31, 2024 and 2023:

	Three Months Ended March 31,							
	2024						2023	
$ in Millions	2024 Underwriting Year		2023 Underwriting Year		Total		2023 Underwriting Year	
Insurance premiums:								
Gross written premiums	$	34.1	$	.2	$	34.3	$	44.1
Net written premiums	$	34.1	$	.2	$	34.3	$	44.1
Net earned premiums	$	6.0	$	4.3	$	10.3	$	5.2
Combined Ratio		26.1 %		42.2 %		32.0 %		21.2 %

Gross Written Premiums

Gross written premiums increased 8% to conform $872 million in the first quarter of 2024 compared to the current period's presentation. first quarter of 2023, with risk adjusted rate change up approximately 3% year-over-year. The increase in gross written premiums was driven primarily by the property, marine & energy and accident & health lines of business, partially offset by a decrease in certain specialty lines. The risk adjusted rate change on the Outrigger Re Ltd. portfolio of global property reinsurance was 1% in the first quarter of 2024. The following table presents the Ark/WM Outrigger segment's gross written premiums by line of business for the three months ended March 31, 2024 and 2023:

	Three Months Ended March 31,			
Millions	2024		2023	
Property	**$**	**326.8**	$	279.7
Specialty		**234.1**		268.5
Marine & Energy		**229.0**		194.9
Accident & Health		**47.7**		36.1
Casualty		**34.5**		30.2
Total Gross Written Premium	**$**	**872.1**	$	809.4

Ark/WM Outrigger Balance Sheets

The following tables present amounts from Ark and WM Outrigger Re that are contained within White Mountains's consolidated balance sheet as of March 31, 2024 and December 31, 2023:

	March 31, 2024			
Millions	Ark	WM Outrigger Re	Eliminations and Segment Adjustments	Total
Assets				

Fixed maturity investments, at fair value	**$ 946.9**	**$ —**	**$ —**	**$ 946.9**
Common equity securities, at fair value	**409.9**	**—**	**—**	**409.9**
Short-term investments, at fair value	**612.9**	**222.4**	**—**	**835.3**
Other long-term investments	**485.0**	**—**	**—**	**485.0**
Total investments	**2,454.7**	**222.4**	**—**	**2,677.1**
Cash	**128.9**	**.2**	**—**	**129.1**
Reinsurance recoverables	**734.8**	**—**	**(39.8)**	**695.0**
Insurance premiums receivable	**1,001.5**	**31.7**	**(31.7)**	**1,001.5**
Deferred acquisition costs	**207.5**	**5.8**	**—**	**213.3**
Goodwill and other intangible assets	**292.5**	**—**	**—**	**292.5**
Other assets	**140.8**	**.1**	**—**	**140.9**
Total assets	**$ 4,960.7**	**$ 260.2**	**$ (71.5)**	**$ 5,149.4**
Liabilities				
Loss and loss adjustment expense reserves	**$ 1,744.5**	**$ 15.8**	**$ (15.8)**	**$ 1,744.5**
Unearned insurance premiums	**1,229.0**	**29.7**	**(24.0)**	**1,234.7**
Debt	**155.4**	**—**	**—**	**155.4**
Reinsurance payable	**294.2**	**—**	**(31.7)**	**262.5**
Contingent consideration	**94.0**	**—**	**—**	**94.0**
Other liabilities	**214.0**	**—**	**—**	**214.0**
Total liabilities	**3,731.1**	**45.5**	**(71.5)**	**3,705.1**
Equity				
White Mountains's common shareholders' equity	**894.9**	**214.7**	**—**	**1,109.6**
Noncontrolling interests	**334.7**	**—**	**—**	**334.7**
Total equity	**1,229.6**	**214.7**	**—**	**1,444.3**
Total liabilities and equity	**$ 4,960.7**	**$ 260.2**	**$ (71.5)**	**$ 5,149.4**

	December 31, 2023			
Millions	Ark	WM Outrigger Re	Eliminations and Segment Adjustments	Total
Assets				
Fixed maturity investments, at fair value	$ 866.8	$ —	$ —	$ 866.8
Common equity securities, at fair value	400.6	—	—	400.6
Short-term investments, at fair value	697.5	265.3	—	962.8
Other long-term investments	440.9	—	—	440.9
Total investments	2,405.8	265.3	—	2,671.1
Cash	90.2	.3	—	90.5
Reinsurance recoverables	463.3	—	(21.3)	442.0
Insurance premiums receivable	612.2	27.7	(27.7)	612.2
Deferred acquisition costs	144.3	1.0	—	145.3
Goodwill and other intangible assets	292.5	—	—	292.5
Other assets	125.0	—	—	125.0
Total assets	$ 4,133.3	$ 294.3	$ (49.0)	$ 4,378.6
Liabilities				
Loss and loss adjustment expense reserves	$ 1,605.1	$ 15.6	$ (15.6)	$ 1,605.1
Unearned insurance premiums	743.6	5.7	(5.7)	743.6
Debt	185.5	—	—	185.5
Reinsurance payable	108.8	—	(27.7)	81.1
Contingent consideration	94.0	—	—	94.0
Other liabilities	166.8	—	—	166.8
Total liabilities	2,903.8	21.3	(49.0)	2,876.1

Equity				
White Mountains's common shareholders' equity	892.6	273.0	—	1,165.6
Noncontrolling interests	336.9	—	—	336.9
Total equity	1,229.5	273.0	—	1,502.5
Total liabilities and equity	$ 4,133.3	$ 294.3	$ (49.0)	$ 4,378.6

HG Global/BAM

The following tables present the components of pre-tax income (loss) included in the HG Global/BAM segment related to the consolidation of HG Global, which includes HG Re and its other wholly-owned subsidiaries, and BAM for the three and nine months ended September 30, 2023 March 31, 2024 and 2022: 2023:

		Three Months Ended September 30, 2023					Three Months Ended March 31, 2024			
Millions	Millions	HG Global	BAM	Eliminations	Total	Millions	HG Global	BAM	Eliminations	Total
Direct written premiums	Direct written premiums	$ —	$ 16.5	$ —	$ 16.5					
Assumed written premiums	Assumed written premiums	14.2	—	(14.2)	—					
Gross written premiums	Gross written premiums	14.2	16.5	(14.2)	16.5					
Ceded written premiums	Ceded written premiums	—	(14.2)	14.2	—					
Net written premiums	Net written premiums	$14.2	$ 2.3	$ —	$ 16.5					
Earned insurance premiums										
Earned insurance premiums										
Earned insurance premiums	Earned insurance premiums	$ 6.6	$ 1.3	$ —	$ 7.9					
Net investment income	Net investment income	4.3	3.8	—	8.1					
Net investment income - BAM Surplus Notes	Net investment income - BAM Surplus Notes	6.6	—	(6.6)	—					
Net realized and unrealized investment gains (losses)	Net realized and unrealized investment gains (losses)	(13.6)	(10.5)	—	(24.1)					
Other revenues	Other revenues	—	.7	—	.7					
Total revenues	Total revenues	3.9	(4.7)	(6.6)	(7.4)					
Acquisition expenses	Acquisition expenses	2.0	.1	—	2.1					
General and administrative expenses	General and administrative expenses	.5	17.0	—	17.5					
Interest expense (1)	Interest expense (1)	3.9	—	—	3.9					

Interest expense - BAM Surplus Notes	Interest expense - BAM Surplus Notes	—	6.6	(6.6)	—
Total expenses	Total expenses	6.4	23.7	(6.6)	23.5
Pre-tax income (loss)	**Pre-tax income (loss)**	**$ (2.5)**	**$(28.4)**	**$ —**	**$(30.9)**
Supplemental information:	**Supplemental information:**				
MSC collected (2)	MSC collected (2)	**$ —**	**$ 19.9**	**$ —**	**$ 19.9**
MSC collected (2)					
MSC collected (2)					

(1) Amount includes $0.1 $0.2 of intercompany interest expense that is eliminated in White Mountains's consolidated financial statements. For segment reporting, HG Global's intercompany interest expense included within the HG Global/BAM segment is eliminated against the offsetting intercompany interest income included within Other Operations.

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

	Three Months Ended September 30, 2022			
Millions	**HG Global**	**BAM**	**Eliminations**	**Total**
Direct written premiums	$ —	$ 18.4	$ —	$ 18.4
Assumed written premiums	16.8	1.3	(16.8)	1.3
Gross written premiums	16.8	19.7	(16.8)	19.7
Ceded written premiums	—	(16.8)	16.8	—
Net written premiums	$ 16.8	$ 2.9	$ —	$ 19.7
Earned insurance premiums	$ 5.9	$ 1.2	$ —	$ 7.1
Net investment income	2.8	2.9	—	5.7
Net investment income - BAM Surplus Notes	2.9	—	(2.9)	—
Net realized and unrealized investment gains	(19.6)	(19.2)	—	(38.8)
Other revenues	.1	1.2	—	1.3
Total revenues	(7.9)	(13.9)	(2.9)	(24.7)
Acquisition expenses	1.6	.1	—	1.7
General and administrative expenses	.6	15.2	—	15.8
Interest expense	2.0	—	—	2.0
Interest expense - BAM Surplus Notes	—	2.9	(2.9)	—
Total expenses	4.2	18.2	(2.9)	19.5
Pre-tax income (loss)	$ (12.1)	$ (32.1)	$ —	$ (44.2)
Supplemental information:				
MSC collected (1)	$ —	$ 26.0	$ —	$ 26.0

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

	Nine Months Ended September 30, 2023			
Millions	**HG Global**	**BAM**	**Eliminations**	**Total**
Direct written premiums	**$ —**	**$ 37.3**	**$ —**	**$ 37.3**
Assumed written premiums	**31.9**	**—**	**(31.9)**	**—**
Gross written premiums	**31.9**	**37.3**	**(31.9)**	**37.3**
Ceded written premiums	**—**	**(31.9)**	**31.9**	**—**
Net written premiums	**$ 31.9**	**$ 5.4**	**$ —**	**$ 37.3**
Earned insurance premiums	**$ 19.4**	**$ 3.9**	**$ —**	**$ 23.3**
Net investment income	**12.4**	**10.5**	**—**	**22.9**
Net investment income - BAM Surplus Notes	**19.7**	**—**	**(19.7)**	**—**

Net realized and unrealized investment gains (losses)	(11.4)	(5.6)	—	(17.0)
Other revenues	—	2.0	—	2.0
Total revenues	40.1	10.8	(19.7)	31.2
Acquisition expenses	5.6	.7	—	6.3
General and administrative expenses	1.9	47.8	—	49.7
Interest expense (1)	11.1	—	—	11.1
Interest expense - BAM Surplus Notes	—	19.7	(19.7)	—
Total expenses	18.6	68.2	(19.7)	67.1
Pre-tax income (loss)	$ 21.5	$ (57.4)	$ —	$ (35.9)
Supplemental information:				
MSC collected (2)	$ —	$ 46.4	$ —	$ 46.4

(1) Amount includes $0.3 of intercompany interest expense that is eliminated in White Mountains's consolidated financial statements. For segment reporting, HG Global's intercompany interest expense included within the HG Global/BAM segment is eliminated against the offsetting intercompany interest income included within Other Operations.

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

		Nine Months Ended September 30, 2022			
Millions	Millions	HG Global	BAM	Eliminations	Total
Direct written premiums	Direct written premiums	$ —	$ 44.9	$ —	$ 44.9
Assumed written premiums	Assumed written premiums	39.6	1.3	(39.6)	1.3
Gross written premiums	Gross written premiums	39.6	46.2	(39.6)	46.2
Ceded written premiums	Ceded written premiums	—	(39.6)	39.6	—
Net written premiums	Net written premiums	$ 39.6	$ 6.6	$ —	$ 46.2
Earned insurance premiums					
Earned insurance premiums					
Earned insurance premiums	Earned insurance premiums	$ 21.5	$ 4.5	$ —	$ 26.0
Net investment income	Net investment income	7.1	8.0	—	15.1
Net investment income - BAM Surplus Notes	Net investment income - BAM Surplus Notes	8.8	—	(8.8)	—
Net realized and unrealized investment gains (losses)	Net realized and unrealized investment gains (losses)	(57.8)	(56.2)	—	(114.0)
Other revenues	Other revenues	.3	3.4	—	3.7
Total revenues	Total revenues	(20.1)	(40.3)	(8.8)	(69.2)
Acquisition expenses	Acquisition expenses	7.6	1.9	—	9.5
General and administrative expenses	General and administrative expenses	2.1	47.4	—	49.5

	Three Months Ended March 31, 2023			
Millions	HG Global	BAM	Eliminations	Total

Interest expense	Interest expense	5.4	—	—	5.4
Interest expense - BAM Surplus Notes	Interest expense - BAM Surplus Notes	—	8.8	(8.8)	—
Total expenses	Total expenses	15.1	58.1	(8.8)	64.4
Pre-tax income (loss)	**Pre-tax income (loss)**	$(35.2)	$(98.4)	$ —	$(133.6)
Supplemental information:	**Supplemental information:**				
MSC collected (1)	MSC collected (1)	$ —	62.3	$ —	$ 62.3
MSC collected (1)					
MSC collected (1)					

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

HG Global/BAM Results—Three Months Ended September 30, 2023 March 31, 2024 versus Three Months Ended September 30, 2022 March 31, 2023

Gross written premiums and MSC collected in the HG Global/BAM segment totaled $36 million $22 million in the third first quarter of 2023 2024 compared to $46 million $21 million in the third first quarter of 2022. 2023. BAM insured $4.2 billion $3.6 billion of municipal bonds, $3.7 billion $3.2 billion of which were in the primary market, in the third first quarter of 2023 2024 compared to $4.1 billion $2.9 billion of municipal bonds, $3.3 billion $2.2 billion of which were in the primary market, in the third first quarter of 2022. In the third quarter of 2022, BAM completed an assumed reinsurance transaction to reinsure municipal bonds with a par value of $43 million. 2023.

Insured penetration in the primary market increased decreased slightly to 7.8% 7.3% in the third first quarter of 2023, driven by demand from both large and small 2024, primarily as a result of a reduction in par insured for smaller deals, compared to 6.2% 7.7% in the third first quarter of 2022. 2023.

Total pricing, which reflects both gross written premiums and MSC, decreased to 87 61 basis points in the third first quarter of 2023 2024 compared to 110 73 basis points in the third first quarter of 2022. 2023. The decrease in total pricing was driven primarily by lower pricing an increase in par insured in the primary market and a decrease in the percentage of par insured in the secondary market, which was partially offset by higher pricing in the secondary market. Pricing in the primary market decreased to 61 was 51 basis points in the third first quarter of 2023 2024 compared to 79 52 basis points in the third first quarter of 2022. 2023. Pricing in the combined secondary and assumed reinsurance markets, which is more transaction specific than pricing in the primary market, increased to 259 149 basis points in the third first quarter of 2023 2024 compared to 229 137 basis points in the third first quarter of 2022. 2023.

The following table presents the gross par value of primary and secondary market policies issued, the gross written premiums and MSC collected and total pricing for the three months ended September 30, 2023 March 31, 2024 and 2022: 2023:

$ in Millions	**Three Months Ended September 30, 2023**	**2022**
Gross par value of primary market policies issued	**$ 3,659.9**	$ 3,269.0
Gross par value of secondary market policies issued	**542.4**	826.5
Gross par value of assumed reinsurance	**—**	42.5
Total gross par value of market policies issued	**$ 4,202.3**	$ 4,138.0
Gross written premiums	**$ 16.5**	$ 19.7
MSC collected	**19.9**	26.0
Total gross written premiums and MSC collected	**$ 36.4**	$ 45.7
Total pricing	**87 bps**	110 bps

HG Global reported pre-tax loss of $3 million in the third quarter of 2023 compared to $12 million in the third quarter of 2022. HG Global's results in the third quarter of 2023 included net realized and unrealized investment losses on its fixed income portfolio of $14 million compared to $20 million in the third quarter of 2022, driven by increasing interest rates in each period. HG Global's results in the third quarter of 2023 also included interest income on the BAM Surplus Notes of $7 million compared to $3 million in the third quarter of 2022, as the interest rate increased to 8% in 2023 from 3% in 2022.

BAM is a mutual insurance company that is owned by its members. BAM's results are consolidated into White Mountain's GAAP financial statements and attributed to noncontrolling interests. White Mountains reported $28 million of GAAP pre-tax loss from BAM in the third quarter of 2023 compared to $32 million in the third quarter of 2022. BAM's results included net realized and unrealized investment losses on its fixed income portfolio of $11 million in the third quarter of 2023 compared to $19 million in the third quarter of 2022, driven by increasing interest rates in each period. BAM's results in the third quarter of 2023 also included of interest expense on the BAM Surplus Notes of $7 million compared to $3 million in the third quarter of 2022.

HG Global/BAM Results—Nine Months Ended September 30, 2023 versus Nine Months Ended September 30, 2022

Gross written premiums and MSC collected in the HG Global/BAM segment totaled $84 million in the first nine months of 2023 compared to $109 million in the first nine months of 2022. BAM insured $10.5 billion of municipal bonds, $8.7 billion of which were in the primary market, in the first nine months of 2023 compared to $13.5 billion of municipal bonds,

$10.1 billion of which were in the primary market, in the first nine months of 2022. In the third quarter of 2022, BAM completed an assumed reinsurance transaction to reinsure municipal bonds with a par value of $43 million.

Insured penetration in the primary market increased to 8.6% in the first nine months of 2023, driven primarily by demand from large deals in the period, compared to 7.8% in the first nine months of 2022.

Total pricing, which reflects both gross written premiums and MSC, decreased to 80 basis points in the first nine months of 2023, compared to 81 basis points in the first nine months of 2022. The decrease in total pricing was driven primarily by a decrease in the percentage of par insured in the secondary market, which was partially offset by higher pricing in the secondary market. Pricing in the primary market was 57 basis points in the first nine months of 2023 and 2022. Pricing in the secondary and assumed reinsurance markets, which is more transaction specific than pricing in the primary market, increased to 193 basis points in the first nine months of 2023 compared to 152 basis points in the first nine months of 2022.

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

		Nine Months Ended September 30,				
		Three Months Ended March 31,				
		Three Months Ended March 31,				
		Three Months Ended March 31,				
$ in Millions	$ in Millions	2023	2022	$ in Millions	2024	2023
Gross par value of primary market policies issued	Gross par value of primary market policies issued	$ 8,735.5	$10,147.8			
Gross par value of primary market policies issued						
Gross par value of primary market policies issued						
Gross par value of secondary market policies issued	Gross par value of secondary market policies issued	1,746.9	3,269.4			
Gross par value of assumed reinsurance		—	42.5			
Total gross par value of market policies issued						
Total gross par value of market policies issued						
Total gross par value of market policies issued	Total gross par value of market policies issued	$10,482.4	$13,459.7			
Gross written premiums	Gross written premiums	$ 37.3	$ 46.2			
MSC collected	MSC collected	46.4	62.3			

Total gross written premiums and MSC collected	Total gross written premiums and MSC collected	$ 83.7	$ 108.5
Total pricing	Total pricing	80 bps	81 bps
Total pricing			
Total pricing		61 bps	73 bps

HG Global reported pre-tax income (loss) of $22 million $6 million in the first nine months quarter of 2023 2024 compared to $(35) million $18 million in the first nine months quarter of 2022. 2023. HG Global's results in the first nine months quarter of 2023 2024 included net realized and unrealized investment losses gains (losses) on its fixed income portfolio of $11 million, $(7) million, as interest rates increased, compared to $58 million $8 million in the first nine months quarter of 2022, 2023, as interest rates increased significantly. decreased. HG Global's results in both the first nine months quarter of 2024 and 2023 also included interest income on the BAM Surplus Notes of $20 million compared to $9 million in the first nine months of 2022, as the interest rate increased to 8% in 2023 from 3% in 2022. $7 million.

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

BAM is a mutual insurance company that is owned by its members. BAM's results are consolidated into White Mountains's GAAP financial statements and attributed to noncontrolling interests. White Mountains Mountains reported $57 million $21 million of GAAP pre-tax loss from BAM in the first nine months quarter of 2023, 2024 compared to $98 million $9 million in the first nine months quarter of 2022. 2023. BAM's results included net realized and unrealized investment losses gains (losses) on its fixed income portfolio of $6 million $(3) million in the first nine months quarter of 2023, 2024, as interest rates increased, compared to $56 million $9 million in the first nine months quarter of 2022, 2023, as interest rates increased significantly. decreased. BAM's results in both the first nine months quarter of 2024 and 2023 also included interest expense on the BAM Surplus Notes of $20 million compared to $9 million in the first nine months of 2022. $7 million.

Claims Paying Resources

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

BAM's claims paying resources were $1,474 million $1,508 million as of September 30, 2023 March 31, 2024 compared to $1,423 million $1,501 million as of December 31, 2022 December 31, 2023 and $1,260 million $1,433 million as of September 30, 2022 March 31, 2023. The increase in claims paying resources as of September 30, 2023 March 31, 2024 compared to December 31, 2022 December 31, 2023 was driven primarily by an increase in the HG Re Collateral Trusts statutory value of the collateral trusts resulting from deposits of ceded premiums and an increase in contingency reserves for the first nine months of 2023. In the fourth quarter of 2022, BAM completed a reinsurance agreement with Fidus Re that increased BAM's claims paying resources by $150 million. positive cash flow from operations.

The following table presents BAM's total claims paying resources on a statutory basis as of September 30, 2023 March 31, 2024, December 31, 2022 December 31, 2023 and September 30, 2022 March 31, 2023:

Millions	Millions	September 30, 2023	December 31, 2022	September 30, 2022
Millions				
Millions				
Policyholders' surplus				
Policyholders' surplus				
Policyholders' surplus	Policyholders' surplus	$ 285.8	$ 283.4	$ 316.9
Contingency reserve	Contingency reserve	131.5	118.2	113.9
Contingency reserve				
Contingency reserve				
Qualified statutory capital				
Qualified statutory capital				
Qualified statutory capital	Qualified statutory capital	417.3	401.6	430.8
Statutory net unearned premiums	Statutory net unearned premiums	58.3	55.3	53.3
Statutory net unearned premiums				
Statutory net unearned premiums				
Present value of future installment premiums and MSC				
Present value of future installment premiums and MSC				
Present value of future installment premiums and MSC	Present value of future installment premiums and MSC	10.9	13.3	13.3
HG Re Collateral Trusts at statutory value	HG Re Collateral Trusts at statutory value	587.5	553.1	512.7
HG Re Collateral Trusts at statutory value				
HG Re Collateral Trusts at statutory value				
Fidus Re collateral trusts at statutory value				

Fidus Re collateral trusts at statutory value				
Fidus Re collateral trusts at statutory value	Fidus Re collateral trusts at statutory value	**400.0**	400.0	250.0
Claims paying resources	Claims paying resources	**$ 1,474.0**	$ 1,423.3	$ 1,260.1
Claims paying resources				
Claims paying resources				

HG Global/BAM Balance Sheets

The following tables present amounts from HG Global, which includes HG Re and its other wholly-owned subsidiaries, and BAM that are contained within White Mountains's consolidated balance sheet as of September 30, 2023 March 31, 2024 and December 31, 2022 December 31, 2023:

				September 30, 2023						March 31, 2024
				March 31, 2024						
Millions	**Millions**	**HG Global**	**BAM**	**Eliminations and Segment Adjustments**	**Total**	**Millions**	**HG Global**	**BAM**	**Eliminations and Segment Adjustments**	**Total**
Assets	**Assets**									
Fixed maturity investments, at fair value										
Fixed maturity investments, at fair value										
Fixed maturity investments, at fair value	Fixed maturity investments, at fair value	**$ 521.7**	**$410.5**	**$ —**	**$ 932.2**					
Short-term investments, at fair value	Short-term investments, at fair value	**40.0**	**40.1**	**—**	**80.1**					
Total investments	Total investments	**561.7**	**450.6**	**—**	**1,012.3**					
Cash	Cash	**1.1**	**3.8**	**—**	**4.9**					
BAM Surplus Notes	BAM Surplus Notes	**340.0**	**—**	**(340.0)**	**—**					
Accrued interest receivable on BAM Surplus Notes	Accrued interest receivable on BAM Surplus Notes	**177.6**	**—**	**(177.6)**	**—**					
Insurance premiums receivable	Insurance premiums receivable	**3.9**	**5.5**	**(3.9)**	**5.5**					
Deferred acquisition costs	Deferred acquisition costs	**75.4**	**38.5**	**(75.4)**	**38.5**					
Other assets	Other assets	**7.8**	**14.7**	**(.3)**	**22.2**					
Total assets	Total assets	**$1,167.5**	**$513.1**	**$ (597.2)**	**$1,083.4**					
Liabilities	**Liabilities**									
BAM Surplus Notes (1)	BAM Surplus Notes (1)	**$ —**	**$340.0**	**$ (340.0)**	**$ —**					
BAM Surplus Notes (1)										
BAM Surplus Notes (1)										
Accrued interest payable on BAM Surplus Notes (2)	Accrued interest payable on BAM Surplus Notes (2)	**—**	**177.6**	**(177.6)**	**—**					
Preferred dividends payable to White Mountains (3)	Preferred dividends payable to White Mountains (3)	**384.7**	**—**	**—**	**384.7**					
Preferred dividends payable to noncontrolling interests	Preferred dividends payable to noncontrolling interests	**14.2**	**—**	**—**	**14.2**					
Unearned insurance premiums	Unearned insurance premiums	**262.3**	**50.0**	**—**	**312.3**					
Debt	Debt	**146.8**	**—**	—	**146.8**					
Intercompany debt (4)	Intercompany debt (4)	**5.3**	**—**	—	**5.3**					
Accrued incentive compensation	Accrued incentive compensation	**1.1**	**18.8**	—	**19.9**					
Other liabilities	Other liabilities	**12.8**	**92.6**	**(79.6)**	**25.8**					
Total liabilities	Total liabilities	**827.2**	**679.0**	**(597.2)**	**909.0**					
Equity	**Equity**									
White Mountains's common shareholders' equity (3)(4)	White Mountains's common shareholders' equity (3)(4)	**343.6**	**—**	**—**	**343.6**					
White Mountains's common shareholders' equity (3)(4)										
White Mountains's common shareholders' equity (3)(4)										

Noncontrolling interests	Noncontrolling interests	(3.3)	(165.9)	—	(169.2)
Total equity	**Total equity**	340.3	(165.9)	—	174.4
Total liabilities and equity	**Total liabilities and equity**	$1,167.5	$513.1	$ (597.2)	$1,083.4

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

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

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

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

		December 31, 2022								
		December 31, 2023							December 31, 2023	
Millions	**Millions**	**HG Global**	**BAM**	**Eliminations and Segment Adjustments**	**Total Segment**	**Millions**	**HG Global**	**BAM**	**Eliminations and Segment Adjustments**	**Total Segment**
Assets	**Assets**									
Fixed maturity investments, at fair value										
Fixed maturity investments, at fair value										
Fixed maturity investments, at fair value	Fixed maturity investments, at fair value	$ 489.6	$420.3	$ —	$ 909.9					
Short-term investments, at fair value	Short-term investments, at fair value	42.0	23.9	—	65.9					
Total investments	Total investments	531.6	444.2	—	975.8					
Cash	Cash	13.2	5.0	—	18.2					
BAM Surplus Notes	BAM Surplus Notes	340.0	—	(340.0)	—					
Accrued interest receivable on BAM Surplus Notes	Accrued interest receivable on BAM Surplus Notes	157.9	—	(157.9)	—					
Insurance premiums receivable	Insurance premiums receivable	4.3	6.6	(4.3)	6.6					
Deferred acquisition costs	Deferred acquisition costs	71.2	36.0	(71.2)	36.0					
Other assets	Other assets	7.0	15.1	(.2)	21.9					
Total assets	Total assets	$1,125.2	$506.9	$ (573.6)	$1,058.5					
Liabilities	**Liabilities**									
BAM Surplus Notes (1)	BAM Surplus Notes (1)	$ —	$340.0	$ (340.0)	$ —					
BAM Surplus Notes (1)										
BAM Surplus Notes (1)										
Accrued interest payable on BAM Surplus Notes (2)	Accrued interest payable on BAM Surplus Notes (2)	—	157.9	(157.9)	—					
Preferred dividends payable to White Mountains (3)	Preferred dividends payable to White Mountains (3)	341.4	—	—	341.4					
Preferred dividends payable to noncontrolling interests	Preferred dividends payable to noncontrolling interests	12.5	—	—	12.5					
Unearned insurance premiums	Unearned insurance premiums	249.8	48.5	—	298.3					
Debt	Debt	146.5	—	—	146.5					
Intercompany debt (4)	Intercompany debt (4)	6.0	—	—	6.0					
Accrued incentive compensation	Accrued incentive compensation	1.3	26.7	—	28.0					
Other liabilities	Other liabilities	3.7	88.5	(75.7)	16.5					
Total liabilities	Total liabilities	761.2	661.6	(573.6)	849.2					
Equity	**Equity**									
White Mountains's common shareholders' equity (3)(4)	White Mountains's common shareholders' equity (3)(4)	364.6	—	—	364.6					
White Mountains's common shareholders' equity (3)(4)										
White Mountains's common shareholders' equity (3)(4)										

Noncontrolling interests	Noncontrolling interests	(.6)	(154.7)		—	(155.3)
Total equity	**Total equity**	364.0	(154.7)		—	209.3
Total liabilities and equity	**Total liabilities and equity**	$1,125.2	$506.9	$	(573.6)	$1,058.5

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

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

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

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

Ark/WM Outrigger

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

	Three Months Ended September 30,				
	2023				2022
Millions	**Ark**	**WM Outrigger Re**	**Eliminations**	**Total**	**Ark**
Direct written premiums	**$ 189.4**	**$ —**	**$ —**	**$ 189.4**	$ 118.6
Assumed written premiums	**61.8**	**6.0**	**(6.0)**	**61.8**	96.9
Gross written premiums	**251.2**	**6.0**	**(6.0)**	**251.2**	215.5
Ceded written premiums	**(26.2)**	**—**	**6.0**	**(20.2)**	(22.9)
Net written premiums	**$ 225.0**	**$ 6.0**	**$ —**	**$ 231.0**	$ 192.6
Earned insurance premiums	**$ 438.3**	**$ 60.6**	**$ —**	**$ 498.9**	$ 346.1
Net investment income	**13.9**	**3.0**	**—**	**16.9**	4.9
Net realized and unrealized investment gains (losses)	**(6.6)**	**—**	**—**	**(6.6)**	(14.4)
Other revenues	**3.6**	**—**	**—**	**3.6**	6.6
Total revenues	**449.2**	**63.6**	**—**	**512.8**	343.2
Losses and LAE	**258.5**	**7.3**	**—**	**265.8**	213.7
Acquisition expenses	**71.0**	**19.3**	**—**	**90.3**	74.8
General and administrative expenses - other underwriting	**25.5**	**—**	**—**	**25.5**	13.2
General and administrative expenses - all other	**9.8**	**.1**	**—**	**9.9**	11.0
Change in fair value of contingent consideration	**17.0**	**—**	**—**	**17.0**	2.7
Interest expense	**5.5**	**—**	**—**	**5.5**	3.7
Total expenses	**387.3**	**26.7**	**—**	**414.0**	319.1
Pre-tax income (loss)	**$ 61.9**	**$ 36.9**	**$ —**	**$ 98.8**	$ 24.1

	Nine Months Ended September 30,				
	2023				2022
Millions	**Ark**	**WM Outrigger Re**	**Eliminations**	**Total**	**Ark**
Direct written premiums	**$ 727.1**	**$ —**	**$ —**	**$ 727.1**	$ 563.8
Assumed written premiums	**939.6**	**108.4**	**(108.4)**	**939.6**	688.7
Gross written premiums	**1,666.7**	**108.4**	**(108.4)**	**1,666.7**	1,252.5
Ceded written premiums	**(468.7)**	**—**	**108.4**	**(360.3)**	(246.0)
Net written premiums	**$ 1,198.0**	**$ 108.4**	**$ —**	**$ 1,306.4**	$ 1,006.5
Earned insurance premiums	**$ 971.9**	**$ 75.4**	**$ —**	**$ 1,047.3**	$ 757.8
Net investment income	**33.5**	**7.7**	**—**	**41.2**	9.7
Net realized and unrealized investment gains (losses)	**35.9**	**—**	**—**	**35.9**	(76.5)
Other revenues	**(1.1)**	**—**	**—**	**(1.1)**	10.1
Total revenues	**1,040.2**	**83.1**	**—**	**1,123.3**	701.1

Losses and LAE	**573.2**	**7.9**	**—**	**581.1**	456.2
Acquisition expenses	**189.3**	**22.2**	**—**	**211.5**	174.9
General and administrative expenses - other underwriting	**78.5**	**—**	**—**	**78.5**	53.9
General and administrative expenses - all other	**26.8**	**.2**	**—**	**27.0**	21.0
Change in fair value of contingent consideration	**16.8**	**—**	**—**	**16.8**	4.9
Interest expense	**15.7**	**—**	**—**	**15.7**	10.6
Total expenses	**900.3**	**30.3**	**—**	**930.6**	721.5
Pre-tax income (loss)	**$ 139.9**	**$ 52.8**	**$ —**	**$ 192.7**	$ (20.4)

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

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

The Ark/WM Outrigger segment's combined ratio was 77% in the third quarter of 2023. The Ark/WM Outrigger segment reported gross written premiums of $251 million, net written premiums of $231 million and net earned premiums of $499 million in the third quarter of 2023. The Ark/WM Outrigger segment reported pre-tax income of $99 million in the third quarter of 2023.

Ark's combined ratio was 81% in the third quarter of 2023 compared to 87% in the third quarter of 2022. Ark's combined ratio in the third quarter of 2023 included 11 points of catastrophe losses, which included losses from Hurricane Idalia, the Maui wildfires and various smaller events, compared to 21 points of catastrophe losses in the third quarter of 2022, driven primarily by losses from Hurricane Ian. Ark's combined ratio in the third quarter 2023 included less than one point of net favorable prior year development. This compared to three points of net favorable prior year development in the third quarter of 2022, driven primarily by good claims experience across most classes including the property and specialty lines of business, predominantly from business underwritten in London.

Ark reported gross written premiums of $251 million, net written premiums of $225 million and net earned premiums of $438 million in the third quarter of 2023 compared to gross written premiums of $216 million, net written premiums of $193 million and net earned premiums of $346 million in the third quarter of 2022. Ark reported pre-tax income of $62 million in the third quarter of 2023 compared to $24 million in the third quarter of 2022. Ark's results included net realized and unrealized investment losses of $7 million in the third quarter of 2023, driven primarily by the impact of foreign currency on its investment portfolio, compared to $14 million in the third quarter of 2022, driven primarily by net unrealized investment losses on its fixed income portfolio and the impact of foreign currency on its investment portfolio. Ark's results also included $17 million for the increase in the fair value of its contingent consideration liabilities compared to $3 million in the third quarter of 2022.

Ark has exposure to the ongoing conflict within the geographical area of Israel and Gaza, primarily through its specialty (political risk/violence), marine and accident & health lines of business. At this time, Ark does not expect losses from the conflict to have a material impact on its results of operations or financial condition. However, losses could increase depending upon the scope and duration of the conflict.

WM Outrigger Re's combined ratio was 44% in the third quarter of 2023. WM Outrigger Re reported gross and net written premiums of $6 million and net earned premiums of $61 million in the third quarter of 2023. WM Outrigger Re's catastrophe premiums are earned in proportion to the insurance protection provided.WM Outrigger Re reported pre-tax income $37 million in the third quarter of 2023.

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

	Three Months Ended September 30,				
	2023				**2022**
$ in Millions	**Ark**	**WM Outrigger Re**	**Eliminations**	**Total**	**Ark**
Insurance premiums:					
Gross written premiums	**$ 251.2**	**$ 6.0**	**$ (6.0)**	**$ 251.2**	$ 215.5
Net written premiums	**$ 225.0**	**$ 6.0**	**$ —**	**$ 231.0**	$ 192.6
Net earned premiums	**$ 438.3**	**$ 60.6**	**$ —**	**$ 498.9**	$ 346.1
Insurance expenses:					
Loss and loss adjustment expenses	**$ 258.5**	**$ 7.3**	**$ —**	**$ 265.8**	$ 213.7
Acquisition expenses	**71.0**	**19.3**	**—**	**90.3**	74.8
Other underwriting expenses (1)	**25.5**	**—**	**—**	**25.5**	13.2
Total insurance expenses	**$ 355.0**	**$ 26.6**	**$ —**	**$ 381.6**	$ 301.7
Insurance ratios:					
Loss and loss adjustment expense	**59.0 %**	**12.0 %**	**— %**	**53.3 %**	61.7 %
Acquisition expense	**16.2**	**31.8**	**—**	**18.1**	21.6

Other underwriting expense	5.8	—	—	5.1	3.8
Combined Ratio	81.0 %	43.8 %	— %	76.5 %	87.1 %

(1) Included within general and administrative expenses

Gross Written Premiums

Gross written premiums increased 17% to $251 million in the third quarter of 2023 compared to the third quarter of 2022, with risk adjusted rate change up approximately 11% year over year. The increase in gross written premiums was driven primarily by the property line of business for both insurance and reinsurance across London and Bermuda, reflecting the rate environment and additional capacity provided by Outrigger Re Ltd., as well as the marine & energy line of business. The risk adjusted rate change on the Outrigger Re Ltd. portfolio of global property reinsurance was 17% in the third quarter of 2023. The following table presents the Ark/WM Outrigger segment's gross written premiums by line of business for the three months ended September 30, 2023 and 2022:

	Three Months Ended September 30,			
Millions	2023		2022	
Property	$	123.9	$	102.6
Marine & Energy		49.0		36.0
Specialty		39.1		43.5
Casualty		27.3		21.4
Accident & Health		11.9		12.0
Total Gross Written Premium	$	251.2	$	215.5

Ark/WM Outrigger Results— Nine Months Ended September 30, 2023 versus Nine Months Ended September 30, 2022

The Ark/WM Outrigger segment's combined ratio was 83% in the first nine months of 2023.The Ark/WM Outrigger segment reported gross written premiums of $1,667 million, net written premiums of $1,306 million and net earned premiums of $1,047 million in the first nine months of 2023. The Ark/WM Outrigger segment reported pre-tax income of $193 million in the first nine months of 2023.

Ark's combined ratio was 87% in the first nine months of 2023, compared to 90% in the first nine months of 2022. Ark's combined ratio in the first nine months of 2023 included seven points of catastrophe losses, which included losses from Hurricane Idalia, the Maui wildfires and various smaller events, compared to 17 points of catastrophe losses in the first nine months of 2022, driven primarily by losses from Hurricane Ian and the conflict in Ukraine. Ark's combined ratio in the first nine months of 2023 also included two points of net unfavorable prior year development, driven primarily by Winter Storm Elliot and three large claims in the property and marine & energy lines of business, compared to five points of net favorable prior year development in the first nine months of 2022, driven primarily by good claims experience across most classes including the property and specialty lines of business, predominantly from business underwritten in London.

Ark reported gross written premiums of $1,667 million, net written premiums of $1,198 million and net earned premiums of $972 million in the first nine months of 2023, compared to gross written premiums of $1,253 million, net written premiums of $1,007 million and net earned premiums of $758 million in the first nine months of 2022. Ark reported pre-tax income (loss) of $140 million in the first nine months of 2023 compared to $(20) million in the first nine months of 2022. Ark's results included net realized and unrealized investment gains (losses) of $36 million in the first nine months of 2023, driven primarily by net unrealized investment gains on other long-term investments, compared to $(77) million in the first nine months of 2022, driven primarily by net unrealized investment losses on its fixed income portfolio and the impact of foreign currency on its investment portfolio. Ark's results also included $17 million for the increase in the fair value of its contingent consideration liabilities compared to $5 million in the first nine months of 2022.

WM Outrigger Re's combined ratio was 40% in the first nine months of 2023. WM Outrigger Re reported gross and net written premiums of $108 million and net earned premiums of $75 million in the first nine months of 2023. WM Outrigger Re reported pre-tax income $53 million in the first nine months of 2023.

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

	Nine Months Ended September 30,									
	2023								2022	
$ in Millions	Ark		WM Outrigger Re		Eliminations		Total		Ark	
Insurance premiums:										
Gross written premiums	$	1,666.7	$	108.4	$	(108.4)	$	1,666.7	$	1,252.5
Net written premiums	$	1,198.0	$	108.4	$	—	$	1,306.4	$	1,006.5
Net earned premiums	$	971.9	$	75.4	$	—	$	1,047.3	$	757.8
Insurance expenses:										
Loss and loss adjustment expenses	$	573.2	$	7.9	$	—	$	581.1	$	456.2
Acquisition expenses		189.3		22.2		—		211.5		174.9
Other underwriting expenses (1)		78.5		—		—		78.5		53.9
Total insurance expenses	$	841.0	$	30.1	$	—	$	871.1	$	685.0
Insurance ratios:										

Loss and loss adjustment expense	59.0 %	10.5 %	— %	55.5 %	60.2 %
Acquisition expense	19.5	29.4	—	20.2 %	23.1
Other underwriting expense	8.1	—	—	7.5 %	7.1
Combined Ratio	86.6 %	39.9 %	— %	83.2 %	90.4 %

Gross Written Premiums

Gross written premiums increased 33% to $1,667 million in the first nine months of 2023 compared to the third quarter of 2022, with risk adjusted rate change up approximately 16% year over year. The increase in gross written premiums was driven primarily by the property line of business for both insurance and reinsurance across London and Bermuda, reflecting the rate environment and additional capacity provided by Outrigger Re Ltd., as well as the specialty and marine & energy lines of business. The risk adjusted rate change on the Outrigger Re Ltd. portfolio of global property reinsurance was 36% in the first nine months of 2023. The following table presents the Ark/WM Outrigger segment's gross written premiums by line of business for the nine months ended September 30, 2023 and 2022:

	Nine Months Ended September 30,	
Millions	2023	2022
Property	$ 809.4	$ 521.7
Specialty	381.9	327.2
Marine & Energy	332.3	271.2
Casualty	84.2	72.2
Accident & Health	58.9	60.2
Total Gross Written Premium	$ 1,666.7	$ 1,252.5

Ark/WM Outrigger Balance Sheets

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

	September 30, 2023			
Millions	Ark	WM Outrigger Re	Eliminations and Segment Adjustments	Total
Assets				
Fixed maturity investments, at fair value	$ 775.0	$ —	$ —	$ 775.0
Common equity securities, at fair value	384.9	—	—	384.9
Short-term investments, at fair value	616.7	233.3	—	850.0
Other long-term investments	416.6	—	—	416.6
Total investments	2,193.2	233.3	—	2,426.5
Cash	129.5	.1	—	129.6
Reinsurance recoverables	579.4	—	(41.0)	538.4
Insurance premiums receivable	781.6	58.3	(58.3)	781.6
Deferred acquisition costs	172.8	5.9	—	178.7
Goodwill and other intangible assets	292.5	—	—	292.5
Other assets	66.9	—	—	66.9
Total assets	$ 4,215.9	$ 297.6	$ (99.3)	$ 4,414.2
Liabilities				
Loss and loss adjustment expense reserves	$ 1,571.8	$ 8.0	$ (8.0)	$ 1,571.8
Unearned insurance premiums	984.6	33.0	(33.0)	984.6
Debt	184.6	—	—	184.6
Reinsurance payable	204.6	—	(58.3)	146.3
Contingent consideration	62.1	—	—	62.1
Other liabilities	132.0	—	—	132.0
Total liabilities	3,139.7	41.0	(99.3)	3,081.4
Equity				
White Mountains's common shareholders' equity	796.4	256.6	—	1,053.0
Noncontrolling interests	279.8	—	—	279.8
Total equity	1,076.2	256.6	—	1,332.8

Total liabilities and equity	**$**	**4,215.9**	**$**	**297.6**	**$**	**(99.3)**	**$**	**4,414.2**

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

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

Kudu

As of September 30, 2023 March 31, 2024, Kudu had deployed a total of $828 $885 million, including transaction costs, in 23 into 25 asset and wealth management firms globally, including three that have been exited. As of September 30, 2023 March 31, 2024, the asset and wealth management firms had combined assets under management of approximately $75 billion $109 billion, spanning a range of asset classes, including real estate, wealth management, hedge funds, private equity and alternative credit strategies.

During 2023, White Mountains committed Kudu's capital was deployed at an incremental $150 million average gross cash yield at inception of equity capital to Kudu for the purposes of future deployments. Kudu expects to begin drawing on this commitment in the fourth quarter of 2023. 9.9%.

The following table presents the components of GAAP net income, EBITDA and adjusted EBITDA included in the Kudu segment for the three and nine months ended September 30, 2023 March 31, 2024 and 2022: 2023:

	Three Months Ended September 30,	Nine Months Ended September 30,
	Three Months Ended March 31,	
	Three Months Ended March 31,	

		Three Months Ended March 31,						
Millions	Millions	2023	2022	2023	2022	Millions	2024	2023
Net investment income		$15.1	$14.8	$44.0	$41.2			
Net investment income (1)								
Net investment income (1)								
Net investment income (1)								
Net realized and unrealized investment gains (losses)	Net realized and unrealized investment gains (losses)	**11.2**	41.1	**45.4**	45.8			
Total revenues	Total revenues	**26.3**	55.9	**89.4**	87.0			
Total revenues								
Total revenues								
General and administrative expenses	General and administrative expenses	**4.5**	4.5	**12.3**	10.4			
Interest expense								
Interest expense								
Interest expense	Interest expense	**5.5**	4.2	**15.5**	10.3			
Total expenses	Total expenses	**10.0**	8.7	**27.8**	20.7			
GAAP pre-tax income (loss)	**GAAP pre-tax income (loss)**	**16.3**	47.2	**61.6**	66.3			
Income tax (expense) benefit	Income tax (expense) benefit	**(4.6)**	(16.6)	**(13.9)**	(21.1)			
GAAP net income (loss)	**GAAP net income (loss)**	**11.7**	30.6	**47.7**	45.2			
Add back:	Add back:							
Interest expense	Interest expense	**5.5**	4.2	**15.5**	10.3			
Interest expense								
Interest expense								
Income tax expense (benefit)	Income tax expense (benefit)	**4.6**	16.6	**13.9**	21.1			
General and administrative expenses - depreciation		**.1**	—	**.1**	—			
Depreciation expense								
Amortization of other intangible assets	Amortization of other intangible assets	**—**	—	**.2**	.2			
EBITDA (2)	**EBITDA (2)**	**21.9**	51.4	**77.4**	76.8			
Exclude:	Exclude:							

Net realized and unrealized investment (gains) losses	Net realized and unrealized investment (gains) losses	**(11.2)**	(41.1)	**(45.4)**	(45.8)
Non-cash equity-based compensation expense		**—**	—	**—**	.1
Net realized and unrealized investment (gains) losses					
Net realized and unrealized investment (gains) losses					
Transaction expenses					
Transaction expenses					
Transaction expenses	Transaction expenses	**1.1**	1.2	**2.4**	1.4
Adjusted EBITDA (2)	**Adjusted EBITDA** (2)	**$11.8**	$11.5	**$34.4**	$32.5

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

(2) See **"NON-GAAP FINANCIAL MEASURES"** on page 74 70.

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

Millions	**Three Months Ended September 30, 2023**	**Three Months Ended September 30, 2022**	**Nine Months Ended September 30, 2023**	**Nine Months Ended September 30, 2022**
Beginning balance of Kudu's Participation Contracts	**$ 737.1**	$ 727.0	**$ 695.9**	$ 669.5
Contributions to Participation Contracts	**26.7**	45.1	**144.1** (1)	97.9
Proceeds from Participation Contracts sold	**—**	—	**(110.4)** (1)	—
Net realized and unrealized investment gains (losses) on Participation Contracts sold and pending sale (2)	**(.6)**	16.3	**(1.8)**	40.7
Net unrealized investment gains (losses) on Participation Contracts - all other (3)	**12.1**	24.8	**47.5**	5.1
Ending balance of Kudu's Participation Contracts (4)	**$ 775.3**	$ 813.2	**$ 775.3**	$ 813.2

Millions	**Three Months Ended March 31, 2024**	**Three Months Ended March 31, 2023**
Beginning balance of Kudu's Participation Contracts (1)	**$ 890.5**	$ 695.9
Contributions to Participation Contracts (2)	**—**	66.7
Proceeds from Participation Contracts sold (2)(3)	**—**	(109.0)
Net realized and unrealized investment gains (losses) on Participation Contracts sold and pending sale (4)	**(3.1)**	(2.1)
Net unrealized investment gains (losses) on Participation Contracts - all other (5)	**(3.2)**	31.7
Ending balance of Kudu's Participation Contracts (1)	**$ 884.2**	$ 683.2

(1) As of January 1, 2024 and March 31, 2024, Kudu's other long-term investments also includes $5.8 and $5.7 related to a private debt instrument.

(2) Includes $35.8 of non-cash contributions to (proceeds from) Participation Contracts. Contracts for the three months ended March 31, 2023.

(2) (3) Includes $10.3 of proceeds receivable from Participation Contracts sold during the three months ended March 31, 2023.

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

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

(4) As of September 30, 2023, Kudu's other long-term investments also include $5.4 related to a private debt instrument.

Kudu Results—Three Months Ended September 30, 2023 March 31, 2024 versus Three Months Ended September 30, 2022 March 31, 2023

Kudu reported total revenues of $26 million $11 million, pre-tax income of $16 million $2 million and adjusted EBITDA of $12 million $14 million in the third first quarter of 2023 2024 compared to total revenues of $56 million $44 million, pre-tax income of $47 million $35 million and adjusted EBITDA of $12 million $11 million in the third first quarter of 2022. 2023. Total revenues, pre-tax income and adjusted EBITDA included $15 million of net investment income in both the third quarter of 2023 and 2022. Net investment income in the third quarter of 2023 compared to the third quarter of 2022 included higher dividends from existing Participation Contracts, due to growth in assets under management, as well as the impact of new deployments made subsequent to September 30, 2022, offset by a decrease in dividends due to sale transactions. Total revenues and pre-tax income also included $11 million of net realized and unrealized investment gains in the third quarter of 2023 compared to $41 million in the third quarter of 2022. Net realized and unrealized investment gains in the third quarter of 2022 were positively impacted by two Participation Contracts pending sale.

Kudu Results—Nine Months Ended September 30, 2023 versus Nine Months Ended September 30, 2022

Kudu reported total revenues of $89 million, pre-tax income of $62 million and adjusted EBITDA of $34 million in the first nine months of 2023, compared to total revenues of $87 million, pre-tax income of $66 million and adjusted EBITDA of $33 million in the first nine months of 2022. Total revenues, pre-tax income and adjusted EBITDA included $44 million $17 million of net investment income in the first nine months quarter of 2023 2024 compared to $41 million $14 million in the first nine months quarter of 2022. 2023. The increase in net investment income in the first nine months quarter of 2023 2024 compared to the first nine months quarter of 2022 2023 was driven primarily by amounts earned from $140 million in new deployments that Kudu made during 2022 and 2023, partially offset by a decrease subsequent to March 31, 2023, as well as growth in dividends due to sale transactions. assets under management across the portfolio. Total revenues and pre-tax income also included $45 million $(7) million of net realized and unrealized investment gains (losses) in the first nine months quarter of 2024, driven primarily by unrealized currency losses, higher discount rates and a decline in share price for one holding that is publicly traded, compared to $30 million in the first quarter of 2023, driven primarily by positive returns growth in assets under management at several managers.

Bamboo

On January 2, 2024, White Mountains closed the Bamboo Transaction in accordance with the terms of the Bamboo Merger Agreement, investing $297 million of equity into Bamboo, which included the contribution of $36 million to retire Bamboo's legacy credit facility and the contribution of $20 million of primary capital. The consideration is subject to customary purchase price adjustments. At closing, White Mountains owned 72.8% of Bamboo on existing Participation Contracts, compared a basic shares outstanding basis (63.7% on a fully-diluted/fully-converted basis, taking account of management's equity incentives), while Bamboo management owned 16.1% of basic shares outstanding (26.6% on a fully-diluted/fully-converted basis). See **Note 2 — "Significant Transactions"**.

Bamboo is a capital-light, tech- and data-enabled insurance distribution platform providing homeowners' insurance and related products to $46 million the residential property market in California. Bamboo operates primarily through Bamboo MGA, its full-service MGA business, where the company manages all aspects of the placement process on behalf of its fronting and reinsurance partners, including product development, marketing, underwriting, policy issuance and claims oversight, and it earns commissions based on the volume and profitability of the insurance that it places. It offers both admitted and non-admitted products. Bamboo also operates two separate but integrated businesses: (i) a retail agency, within Bamboo MGA, offering ancillary products on behalf of third parties and (ii) Bamboo Captive, a Bermuda-domiciled captive reinsurer that participates in the first nine underwriting risk of Bamboo's MGA programs to align interests with reinsurance partners.

In April 2024, White Mountains committed up to $30 million in a Bermuda special purpose reinsurance vehicle that will participate in Bamboo's 2024 treaty year quota share reinsurance program alongside third-party reinsurers.

The following table presents the components of GAAP net income (loss), MGA net income (loss), MGA EBITDA and MGA Adjusted EBITDA included in White Mountains's Bamboo segment for the three months of 2022, driven by the positive impact from two Participation Contracts pending sale. ended March 31, 2024.

Millions		Three Months Ended March 31, 2024
Commission and fee revenues	$	21.9
Earned insurance premiums		8.4
Other revenues		.8
Total revenues		31.1
Broker commission expenses		9.3
Loss and loss adjustment expenses		5.8
Acquisition expenses		3.1
General and administrative expenses		12.0
Total expenses		30.2
GAAP pre-tax income (loss)		.9
Income tax (expense) benefit		.7
GAAP net income (loss)		1.6
Exclude:		
Net (income) loss, Bamboo Captive		.4
MGA net income (loss) (1)		2.0
Add back:		
Income tax expense (benefit)		(.7)
Amortization of other intangible assets		4.2
MGA EBITDA (1)		5.5
Exclude:		
Non-cash equity-based compensation expense		.3
Software implementation expenses		.5
Restructuring expenses		.1
MGA adjusted EBITDA (1)	$	6.4

(1) See **"NON-GAAP FINANCIAL MEASURES"** on page 70.

Bamboo Results— Three Months Ended March 31, 2024

Bamboo reported commission and fee revenues of $22 million and pre-tax income of $1 million for the first quarter of 2024. Commission and fee revenues were more than triple Bamboo's commission and fee revenues for the first quarter of 2023 (prior to White Mountains's ownership of Bamboo), driven primarily by higher managed premiums. Bamboo reported MGA pre-tax income of $2 million and MGA adjusted EBITDA of $6 million for the first quarter of 2024.

Managed premiums

Managed premiums represent the total premium placed by Bamboo during the period. Managed premiums more than tripled to $90 million for the first quarter of 2024 compared to $28 million for the first quarter of 2023 (prior to White Mountains's ownership of Bamboo), driven primarily by growth in new business volumes and a growing renewal book. The following table presents Bamboo's managed premiums for the three months ended March 31, 2024 and 2023, which includes the period prior to White Mountains's ownership of Bamboo. White Mountains believes this information is useful in understanding the overall growth in Bamboo's premium base.

	Three Months Ended March 31,			
Millions	2024		2023	
New	$	65.8	$	13.3
Renewal		23.7		14.9
Total	$	89.5	$	28.2

Other Operations

The following table presents the components of pre-tax income (loss) included in White Mountains's Other Operations for the three and nine months ended September 30, 2023 March 31, 2024 and 2022: 2023:

	Three Months Ended September 30,	Nine Months Ended September 30,

		Three Months Ended March 31,						
		Three Months Ended March 31,						
		Three Months Ended March 31,						
Millions	Millions	2023	2022	2023	2022	Millions	2024	2023
Net investment income	Net investment income	**$ 8.0**	$ 8.5	**$22.0**	$ 13.6			
Net realized and unrealized investment gains (losses)	Net realized and unrealized investment gains (losses)	**8.0**	(17.3)	**125.8**	2.8			
Net realized and unrealized investment gains (losses) from investment in MediaAlpha	Net realized and unrealized investment gains (losses) from investment in MediaAlpha	**(46.8)**	(18.6)	**(38.9)**	(113.3)			
Commission revenues	Commission revenues	**3.5**	3.2	**10.0**	8.7			
Other revenues	Other revenues	**15.2**	33.0	**67.1**	89.6			
Total revenues	Total revenues	**(12.1)**	8.8	**186.0**	1.4			
Cost of sales	Cost of sales	**8.0**	25.0	**33.5**	68.8			
General and administrative expenses	General and administrative expenses	**42.2**	41.3	**130.7**	122.1			
Interest expense	Interest expense	**.9**	.6	**2.9**	1.2			
Total expenses	Total expenses	**51.1**	66.9	**167.1**	192.1			
Pre-tax income (loss)	**Pre-tax income (loss)**	**$(63.2)**	$(58.1)	**$18.9**	$(190.7)			

Other Operations Results—Three Months Ended September 30, 2023 March 31, 2024 versus Three Months Ended September 30, 2022

White Mountains's Other Operations reported pre-tax loss of $63 million in the third quarter of 2023 compared to $58 million in the third quarter of 2022. White Mountains's Other Operations reported unrealized investment losses from its investment in MediaAlpha of $47 million in the third quarter of 2023 compared to $19 million in the third quarter of 2022. Excluding MediaAlpha, White Mountains's Other Operations reported net realized and unrealized investment gains (losses) of $8 million in the third quarter of 2023 compared to $(17) million in the third quarter of 2022. The net realized and unrealized investment gains in the third quarter of 2023 were driven by gains from other long-term investments, substantially offset by losses from common equity securities and the fixed income portfolio, while the results in the third quarter of 2022 were driven by losses in the fixed income portfolio, common equity securities and other long-term investments. White Mountains's Other Operations reported net investment income of $8 million in the third quarter of 2023 compared to $9 million in the third quarter of 2022. See **Summary of Investment Results** on page 67.

White Mountains's Other Operations reported $15 million of other revenues in the third quarter of 2023 compared to $33 million in the third quarter of 2022. White Mountains's Other Operations reported $8 million of cost of sales in the third quarter of 2023 compared to $25 million in the third quarter of 2022. The decreases in other revenues and cost of sales were driven primarily by a recent sale within Other Operations.

White Mountains's Other Operations reported general and administrative expenses of $42 million in the third quarter of 2023 compared to $41 million in the third quarter of 2022.

White Mountains's Other Operations includes its investment in PassportCard/DavidShield, which has operations, including its principal executive office, in Israel. White Mountains is monitoring the ongoing conflict in Israel but does not expect that any effect on PassportCard/DavidShield will have a material impact on White Mountains's results of operations or financial condition.

Other Operations Results—Nine Months Ended September 30, 2023 versus Nine Months Ended September 30, 2022 March 31, 2023

White Mountains's Other Operations reported pre-tax income (loss) of $19 million $202 million in the first nine months quarter of 2023, 2024 compared to $(191) million $114 million in the first nine months quarter of 2022. 2023. White Mountains's Other Operations results included unrealized investment losses gains from its investment in MediaAlpha of $39 million $211 million in the first nine months quarter of 2023 2024 compared to $113 million $85 million in the first nine months quarter of 2022. 2023. Excluding MediaAlpha, White Mountains's Other Operations results included net realized and unrealized investment gains of $126 million $22 million in the first nine months quarter of 2023 2024 compared to $3 million $42 million in the first nine months quarter of 2022. 2023. The net realized and unrealized investment gains for the first nine months quarter of 2024 and 2023 were driven primarily by net unrealized investment gains from other long-term investments and common equity securities partially offset by losses from the fixed income portfolio, while the results for the first nine months of 2022 were driven by gains from and other long-term investments, partially offset by losses in the fixed income portfolio and common equity securities. investments. White Mountains's Other Operations results included net investment income of $22 million $10 million in the first nine months quarter of 2023 2024 compared to $14 million $7 million in the first nine months quarter of 2022. 2023. See **Summary of Investment Results** on page 67 63.

White Mountains's Other Operations reported $67 million $14 million of other revenues in the first nine months quarter of 2023 2024 compared to $90 million $31 million in the first nine months quarter of 2022. 2023. Other revenues in the first nine months quarter of 2023 included a transaction gain from a recent sale within Other Operations, which was more than offset by a reduction in operating revenues for the sold entity. White Mountains's Other Operations reported $34 million $8 million of cost of sales in the first nine months quarter of 2023 2024 compared to $69 million $14 million in the first nine months quarter of 2022. 2023. The decrease in cost of sales was driven primarily by the recent sale within Other Operations.

White Mountains's Other Operations reported general and administrative expenses of $131 million $50 million in the first nine months quarter of 2023 2024 compared to $122 million $40 million in the first nine months quarter of 2022. The increase in 2023. Other Operations general and administrative expenses in the first nine months quarter of 2023 2024 included $31 million of parent company compensation and benefits compared to $20 million in the first nine months quarter of 2022 2023. The increase in parent company compensation and benefits was driven primarily by two acquisitions within Other Operations in the second half of 2022, partially offset by a decrease higher long-term incentive compensation costs due to the recent sale within Other Operations. increase in White Mountains's share price during the first quarter of 2024.

II. Summary of Investment Results

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

Gross Investment Returns and Benchmark Returns

The following table presents the pre-tax investment returns for White Mountains's consolidated portfolio for the three and nine months ended September 30, 2023 March 31, 2024 and 2022: 2023:

		Three Months Ended March 31,						
		Three Months Ended March 31,						
		Three Months Ended March 31,						
							2024	**2023**
		Three Months Ended September 30,		**Nine Months Ended September 30,**				
		2023	**2022**	**2023**	**2022**			
Fixed income investments								
Fixed income investments								
Fixed income investments	Fixed income investments	**— %**	(0.8)%	**2.5 %**	(6.3)%		**0.7 %**	1.9 %
Bloomberg Barclays U.S. Intermediate Aggregate Index	*Bloomberg Barclays U.S. Intermediate Aggregate Index*	***(1.9)%***	*(3.8)%*	***(0.3)%***	*(11.0)%*	*Bloomberg Barclays U.S. Intermediate Aggregate Index*	***(0.4)%***	*2.4 %*
Common equity securities	Common equity securities	**(2.5)%**	1.8 %	**6.8 %**	(2.0)%			
Common equity securities								
Common equity securities							**4.4 %**	4.5 %
Investment in MediaAlpha								
Investment in MediaAlpha								
Investment in MediaAlpha	Investment in MediaAlpha	**(19.9)%**	(11.2)%	**(17.2)%**	(43.3)%		**82.7 %**	50.6 %
Other long-term investments	Other long-term investments	**2.8 %**	3.0 %	**12.4 %**	7.7 %	Other long-term investments	**1.4 %**	4.2 %

Total common equity securities, investment in MediaAlpha and other long-term investments	Total common equity securities, investment in MediaAlpha and other long-term investments	**(0.4)%**	1.6 %	**8.6 %**	(0.7)%	Total common equity securities, investment in MediaAlpha and other long-term investments	**9.5 %**	7.6 %
Total common equity securities and other long-term investments	Total common equity securities and other long-term investments	**1.4 %**	2.8 %	**11.1 %**	6.0 %	Total common equity securities and other long-term investments	**2.0 %**	4.4 %
S&P 500 Index (total return)	*S&P 500 Index (total return)*	***(3.3)%***	*(4.9)%*	***13.1 %***	*(23.9)%*	*S&P 500 Index (total return)*	***10.6 %***	*7.5 %*
Total consolidated portfolio	Total consolidated portfolio	**(0.2)%**	0.4 %	**5.3 %**	(3.6)%			
Total consolidated portfolio								
Total consolidated portfolio							**4.6 %**	4.5 %
Total consolidated portfolio - excluding MediaAlpha	Total consolidated portfolio - excluding MediaAlpha	**0.6 %**	0.5 %	**6.3 %**	(1.4)%	Total consolidated portfolio - excluding MediaAlpha	**1.2 %**	3.0 %

Investment Returns—Three and Nine Months Ended September 30, 2023 March 31, 2024 versus Three and Nine Months Ended September 30, 2022 March 31, 2023

White Mountains's total consolidated portfolio return on invested assets was -0.2% 4.6% in the third first quarter of 2023, 2024, which included $47 $211 million of unrealized investment losses gains from White Mountains's investment in MediaAlpha. Excluding MediaAlpha, the total consolidated portfolio return on invested assets was 0.6% 1.2% in the third first quarter of 2023, 2024, driven primarily by net investment income from the fixed income and other long-term investments portfolios and net unrealized investment gains and net investment income from other long-term investments, common equity securities, partially offset by net realized and unrealized investment losses on common equity securities. in the fixed income portfolio due to an increase in interest rates.

White Mountains's total consolidated portfolio return on invested assets was 0.4% 4.5% in the third first quarter of 2022, 2023, which included $19 $85 million of unrealized investment losses gains from White Mountains's investment in MediaAlpha. Excluding MediaAlpha, the total consolidated portfolio return on invested assets was 0.5% 3.0% in the third first quarter of 2022, 2023, driven primarily by net unrealized investment gains and net investment income from other long-term investments partially offset by and common equity securities, as well as net unrealized investment losses gains in the fixed income portfolio due to rising a decline in interest rates.

White Mountains's total consolidated portfolio return on invested assets was 5.3% in the first nine months of 2023, which included $39 million of unrealized investment losses from White Mountains's investment in MediaAlpha. Excluding MediaAlpha, the total consolidated portfolio return on invested assets was 6.3% in the first nine months of 2023, driven primarily by net realized and unrealized investment gains and net investment income from other long-term investments, net investment income from the fixed income portfolio and net realized and unrealized investment gains from common equity securities. White Mountains's total consolidated portfolio return on invested assets was -3.6% in the first nine months of 2022, which included $113 million of unrealized investment losses from White Mountains's investment in MediaAlpha. Excluding MediaAlpha, the total consolidated portfolio return on invested assets was -1.4% in the first nine months of 2022, driven primarily by net unrealized investment losses in the fixed income portfolio due to rising interest rates, partially offset by net realized and unrealized gains and net investment income from other long-term investments.

Fixed Income Results

White Mountains's fixed income portfolio, including short-term investments, was $3.1 $3.3 billion and $2.8 $3.6 billion as of September 30, 2023 March 31, 2024 and December 31, 2022 December 31, 2023, which represented 54% 52% and 55% 56% of total invested assets. The decrease was driven primarily by the deployment of capital relating to the Bamboo Transaction. The duration of White Mountains's fixed income portfolio, including short-term investments, was 2.1 2.3 years and 2.3 1.9 years as of September 30, 2023 March 31, 2024 and December 31, 2022 December 31, 2023. White Mountains's fixed income portfolio includes fixed maturity and short-term investments held on deposit or as collateral. See **Note 3 — "Investment Securities."**

White Mountains's fixed income portfolio return was flat returned 0.7% in the third first quarter of 2024 compared to 1.9% in the first quarter of 2023, compared to -0.8% in the third quarter of 2022, outperforming and underperforming the Bloomberg Barclays U.S. Intermediate Aggregate Index returns of -1.9% -0.4% and -3.8% 2.4% for the comparable periods. The results in both the third first quarter of 2024 and 2023 were driven primarily by net investment income, offset by net unrealized investment losses due to the increase in interest rates on White Mountains's short duration portfolio. The results in the third quarter positioning of 2022 were driven primarily by net unrealized investment losses due to the increase in interest rates on White Mountains's short duration portfolio.

White Mountains's fixed income portfolio returned 2.5% in the first nine months of 2023, compared to -6.3% in the first nine months of 2022, outperforming the Bloomberg Barclays U.S. Intermediate Aggregate Index returns of -0.3% and -11.0% for the comparable periods. The results in the first nine months of 2023 were driven primarily by net investment income due to the increase in shorter-term interest rates. The results in the first nine months of 2022 were driven primarily by net unrealized investment losses due to the increase in as interest rates on White Mountains's short duration portfolio. fluctuated in each respective period.

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

White Mountains's portfolio of common equity securities, its investment in MediaAlpha and other long-term investments was $2.7 $3.0 billion and $2.3 $2.8 billion as of September 30, 2023 March 31, 2024 and December 31, 2022 December 31, 2023, which represented 46% 48% and 45% 44% of total invested assets. See **Note 3 — "Investment Securities."**

White Mountains's portfolio of common equity securities, its investment in MediaAlpha and other long-term investments returned -0.4% 9.5% in the third first quarter of 2023, 2024, which included $47 $211 million of unrealized investment losses gains from MediaAlpha. White Mountains's portfolio of common equity securities and other long-term investments returned 1.4% 2.0% in the third first quarter of 2023. 2024. White Mountains's portfolio of common equity securities, its investment in MediaAlpha and other long-term investments returned 1.6% 7.6% in the third first quarter of 2022, 2023, which included $19 $85 million of unrealized investment losses gains from MediaAlpha. White Mountains's portfolio of common equity securities and other long-term investments returned 2.8% in the third quarter of 2022.

White Mountains's portfolio of common equity securities, its investment in MediaAlpha and other long-term investments returned 8.6% 4.4% in the first nine months quarter of 2023, which included $39 million of unrealized investment losses from MediaAlpha. White Mountains's portfolio of common equity securities and other long-term investments returned 11.1% in the first nine months of 2023. White Mountains's portfolio of common equity securities, its investment in MediaAlpha and other long-term investments returned -0.7% in the first nine months of 2022, which included $113 million of unrealized investment losses from MediaAlpha. White Mountains's portfolio of common equity securities and other long-term investments returned 6.0% in the first nine months of 2022.

White Mountains's portfolio of common equity securities consists of international listed equity funds, as well as passive ETFs that seek to provide investment results generally corresponding to the performance of the S&P 500 Index. White Mountains's portfolio of common equity securities was $637 $562 million and $668 $538 million as of September 30, 2023 March 31, 2024 and December 31, 2022 December 31, 2023.

White Mountains's portfolio of common equity securities returned -2.5% 4.4% in the third first quarter of 2024 compared to 4.5% in the first quarter of 2023, compared to 1.8% in the third quarter of 2022, outperforming underperforming the S&P 500 Index returns of -3.3% 10.6% and -4.9% for the comparable periods. The results in the third quarter of 2023 and 2022 were driven primarily by relative outperformance in White Mountains's international listed equity funds as compared to the S&P 500 Index. White Mountains's portfolio of common equity securities returned 6.8% in the first nine months of 2023, compared to -2.0% in the first nine months of 2022, underperforming and outperforming the S&P 500 Index returns of 13.1% and -23.9% 7.5% for the comparable periods. The results in the first nine months quarter of 2023 2024 and 2022 2023 were driven primarily by relative underperformance and outperformance in relatively lower returns from White Mountains's international listed equity funds as compared to the S&P 500 Index.

White Mountains maintains a portfolio of other long-term investments that consists primarily of unconsolidated entities, including Kudu's Participation Contracts, private equity funds and hedge funds, a bank loan fund, Lloyd's trust deposits, ILS funds and private debt instruments. White Mountains's portfolio of other long-term investments was $1.9 billion and $1.5 $2.0 billion as of September 30, 2023 both March 31, 2024 and December 31, 2022 December 31, 2023.

White Mountains's portfolio of other long-term investments portfolio returned 2.8% 1.4% in the third first quarter of 2023 2024 compared to 3.0% 4.2% in the third first quarter of 2022. 2023. Investment returns for the third first quarter of 2023 2024 were driven primarily by net investment income from Kudu's Participation Contracts and net unrealized investment gains from Kudu's Participation Contracts, as well as net unrealized investment gains from certain unconsolidated entities private equity and ILS hedge funds. Investment returns for the third first quarter of 2022 were driven primarily by net investment income, net unrealized investment gains and unrealized foreign currency losses from Kudu's Participation Contracts, partially offset by net realized and unrealized investment losses from private equity funds and hedge funds and unrealized losses from foreign currency on Lloyd's trust deposits.

White Mountains's other long-term investments portfolio returned 12.4% in the first nine months of 2023 compared to 7.7% in the first nine months of 2022. Investment returns for the first nine months of 2023 were driven primarily by net investment income and net realized and unrealized investment gains from Kudu's Participation Contracts, net realized and unrealized investment gains from private equity funds and hedge funds and net unrealized investment gains from unconsolidated entities and ILS funds. Investment returns for the first nine months of 2022 were driven primarily by net investment income, net realized and unrealized investment gains and unrealized foreign currency losses from Kudu's Participation Contracts, net investment income and net realized and unrealized investment gains from private equity funds and unrealized losses from foreign currency on Lloyd's trust deposits. Contracts.

Foreign Currency Exposure

As of September 30, 2023 March 31, 2024, White Mountains had foreign currency exposure on $183 million $269 million of net assets primarily related to Ark/WM Outrigger's non-U.S. business, contracts, Kudu's non-U.S. Participation Contracts and certain other foreign consolidated and unconsolidated entities.

The following table presents the fair value of White Mountains's foreign denominated net assets (liabilities) by segment as of September 30, 2023 March 31, 2024:

$ in Millions Currency	$ in Millions Currency	Ark/WM Outrigger	Kudu	Other Operations	Total Fair Value	% of Total Shareholders' Equity
$ in Millions Currency						
$ in Millions Currency						
CAD						
CAD						
CAD	CAD	$ 73.6	$ 72.2	$ —	$ 145.8	3.5 %
AUD	AUD	24.8	41.6	—	66.4	1.6 %
AUD						
AUD						

GBP							
GBP							
GBP	GBP	(7.3)	—	—	(7.3)	(.2)	%
EUR	EUR	(54.3)	18.0	13.3	(23.0)	(.5)	%
EUR							
EUR							
All other							
All other							
All other	All other	—	—	1.4	1.4	—	%
Total	Total	$ 36.8	$ 131.8	$ 14.7	$ 183.3	4.4	%
Total							
Total							

III. Income Taxes

On December 27, 2023, Bermuda enacted a corporate income tax that will generally become effective on January 1, 2025. The Company Bermuda legislation defers the effective date until January 1, 2030, for Bermuda companies in consolidated groups that meet certain requirements. To qualify for the deferral, the group must (i) have permanent establishments in six or fewer countries, (ii) have less than €50 million of net tangible assets outside of the country where the group has the largest amount of net tangible assets and its (iii) not have a Bermuda domiciled subsidiaries are not company directly or indirectly owned by a parent entity that is subject to the Income Inclusion Rule of Pillar Two in any jurisdiction. White Mountains expects to meet the requirements to be exempt from the Bermuda corporate income tax under current until January 1, 2030. The Bermuda law. legislation also provides for an economic transition adjustment that will reduce future years' taxable income. Under GAAP, this economic transition adjustment was required to be recognized as a net deferred tax asset as of December 31, 2023. Accordingly, White Mountains's net income for 2023 included a net deferred tax benefit of $68 million, of which $51 million was recorded at Ark and $17 million was recorded at HG Global. The Company deferred tax assets remain unchanged as of March 31, 2024.

On December 15, 2022, European Union Member States voted to adopt the EU Minimum Tax Directive in conformity with the OECD's Pillar Two initiative. The EU Minimum Tax Directive required European Union Member States to enact conforming law by December 31, 2023. The main rule of the EU Minimum Tax Directive, the IIR will become effective for fiscal years beginning on or after December 31, 2023, while the UTPR will become effective for fiscal years beginning on or after December 31, 2024. On December 20, 2023, Luxemburg enacted conforming Pillar Two legislation including the IIR, UTPR and the associated Qualified Domestic Minimum Top-Up Tax ("QDMTT"). The Luxembourg legislation defers the effective date of the UTPR until fiscal years beginning on or after December 31, 2029 for Luxembourg companies in consolidated groups with a non-EU parent company that meet certain requirements. To qualify for the deferral, the group must (i) have permanent establishments in six or fewer countries and (ii) have less than €50 million of net tangible assets outside of the country where the group has subsidiaries the largest amount of net tangible assets. White Mountains expects to meet the requirements to be exempt from the Luxembourg UTPR until January 1, 2030. On July 11, 2023, the U.K. enacted conforming legislation adopting the Pillar Two IIR and branches that operate in various other jurisdictions around the world that are subject associated QDMTT which will become effective for fiscal years beginning on or after December 31, 2023. The U.K. has proposed legislation to tax in adopt the jurisdictions in which they operate. Pillar Two UTPR effective for fiscal years beginning on or after December 31, 2024; however, this legislation has not yet been enacted.

As of September 30, 2023 March 31, 2024, the primary jurisdictions in which the Company's subsidiaries and branches operate and were subject to tax include Ireland, are Israel, Luxembourg, the United Kingdom and the United States.

White Mountains's income tax expense related to pre-tax income from continuing operations for the three months ended September 30, 2023 March 31, 2024 and 2023 represented an effective tax rate of 35%. The effective tax rate was different from the U.S. statutory rate of 21%, driven primarily by an increase in the valuation allowance at BAM, as well as withholding taxes 5% and state income taxes, partially offset by full year forecasted income in jurisdictions with lower tax rates than the United States.

White Mountains's income tax expense related to pre-tax income from continuing operations for the nine months ended September 30, 2023 represented an effective tax rate of 8% 6%. The effective tax rate was different from the U.S. statutory rate of 21%, driven primarily by full year forecasted income in jurisdictions with lower tax rates than the United States.

White Mountains's income tax benefit related to pre-tax loss from continuing operations for the three and nine months ended September 30, 2022 represented an effective tax rate of 24% and 9%. The effective tax rate for the nine months ended September 30, 2022 was different from the U.S. statutory rate of 21%, driven primarily by full year forecasted income in jurisdictions with lower tax rates than the United States, partially offset by an increase in the valuation allowance on net deferred tax assets in certain U.S. operations within Other Operations, an increase in the valuation allowance at BAM, as well as state income taxes.

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

IV. Discontinued Operations

NSM

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

White Mountains reported net income from discontinued operations, net of tax, for NSM Group of $6 million for the period from July 1, 2022 to August 1, 2022 and $16 million for the period from January 1, 2022 to August 1, 2022. See **Note 19 — "Held for Sale and Discontinued Operations."**

LIQUIDITY AND CAPITAL RESOURCES

Operating Cash and Short-term Investments

Holding Company Level

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

Operating Subsidiary Level

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

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

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

Dividend Capacity

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

Ark/WM Outrigger

During any 12-month period, GAIL, a class 4 licensed Bermuda insurer, has the ability to (i) make capital distributions of up to 15% of its total statutory capital reported in the previous year's statutory financial statements, or (ii) make dividend payments of up to 25% of its total statutory capital and surplus reported in the previous year's statutory financial statements, without prior approval of Bermuda regulatory authorities. Accordingly, GAIL will have the ability to pay a dividend of up to $272 million during 2024, which is equal to 25% of its December 31, 2023 statutory capital and surplus of $1,088 million, subject to meeting all appropriate liquidity and solvency requirements. During the three months ended March 31, 2024, GAIL did not pay any dividends to its immediate parent.

During the three months ended March 31, 2024, Ark declared a $33 million dividend to its shareholders, including $24 million that was paid to White Mountains in April 2024. As of March 31, 2024, Ark and its intermediate holding companies had $33 million of net unrestricted cash and short-term investments outside of its regulated and unregulated insurance and reinsurance operating subsidiaries.

WM Outrigger Re is a special purpose insurer subject to regulation and supervision by the BMA. WM Outrigger Re does not require regulatory approval to pay dividends, however, its dividend capacity is limited to amounts held outside of the collateral trust pursuant to the reinsurance agreement with GAIL. As of March 31, 2024, WM Outrigger Re had less than $1 million of net unrestricted cash and investments held outside the collateral trust. As of March 31, 2024, WM Outrigger Re had $215 million of statutory capital and surplus and $222 million of assets held in the collateral trusts pursuant to the reinsurance agreement with GAIL.

During January 2024, White Mountains received an initial return of capital of $68 million from WM Outrigger Re for business written in the 2023 underwriting year. White Mountains expects to receive any additional return of capital and associated profits from business written in the 2023 underwriting year beginning in the third quarter of 2024.

HG Global/BAM

As of September 30, 2023 March 31, 2024, HG Global had $619 million face value of preferred shares outstanding, of which White Mountains owned 96.9%. Holders of the HG Global preferred shares are entitled to receive cumulative dividends at a fixed annual rate of 6.0% on a quarterly basis, when and if declared by HG Global. As of September 30, 2023 March 31, 2024, HG Global has accrued $399 million $430 million of dividends payable to holders of its preferred shares, $385 million $415 million of which is payable to White Mountains and is eliminated in consolidation. As of September 30, 2023 March 31, 2024, HG Global and its subsidiaries had less than $1 million of net unrestricted cash outside of HG Re.

HG Re is a special purpose insurer subject to regulation and supervision by the BMA. HG Re does not require regulatory approval to pay dividends, however, its dividend capacity is limited to amounts held outside of the Collateral Trusts pursuant to the FLRT with BAM. As of September 30, 2023 March 31, 2024, HG Re had less than $1 million of net unrestricted cash and investments. As of September 30, 2023 March 31, 2024, HG Re had $112 million $132 million of accrued interest on the BAM Surplus Notes held outside the Collateral Trusts. As of September 30, 2023 March 31, 2024, HG Re had $751 million $792 million of statutory capital and surplus and $900 $933 million of assets held in the Collateral Trusts.

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

The Supplemental Trust Target Balance is $603 million, less the amount of cash and securities in the Regulation 114 Trust in excess of its target balance. If, at the end of any quarter, the Supplemental Trust balance exceeds the Supplemental Trust Target Balance, such excess may be distributed to HG Re. The distribution will be made first as an assignment of accrued interest on the BAM Surplus Notes and second in cash and/or fixed income securities. As the BAM Surplus Notes are repaid over time, the BAM Surplus Notes will be replaced in the Supplemental Trust by cash and fixed income securities. The Supplemental Trust balance as of September 30, 2023 March 31, 2024 was $589 $602 million.

As of September 30, 2023 March 31, 2024, the Collateral Trusts held assets of $900 $933 million, which included $527 $593 million of cash and investments, $340 $322 million of BAM Surplus Notes and $33 million $18 million of interest receivable on the BAM Surplus Notes.

Through 2024, the interest rate on the BAM Surplus Notes is a variable rate equal to the one-year U.S. Treasury rate plus 300 basis points, set annually. During 2023, 2024, the interest rate on the BAM Surplus Notes is 7.7% 8.2%. Beginning in 2025, the interest rate will be fixed at 8.2%, the higher of the then current variable rate or set in 2024 and 8.0%. Under its agreements with HG Global, BAM is required to seek regulatory approval to pay principal and interest on the BAM Surplus Notes only to the extent that its remaining qualified statutory capital and other capital resources continue to support its outstanding obligations, its business plan and its "AA/stable" rating from Standard & Poor's. No payment of principal or interest on the BAM Surplus Notes may be made without the approval of the NYDFS.

During the nine three months ended September 30, 2023 March 31, 2024, BAM made no repayments of the BAM Surplus Notes or accrued interest. See **Note 10 — "Municipal Bond Guarantee Insurance."**

Ark/WM Outrigger Kudu

During the three months ended March 31, 2024, Kudu distributed $2 million to unitholders, substantially all of which was paid to White Mountains. As of March 31, 2024, Kudu had $11 million of net unrestricted cash and short-term investments.

Bamboo

During any 12-month period, GAIL, Bamboo Captive, a class 4 2 licensed Bermuda insurer, has the ability to (i) make capital distributions of up to 15% of its total statutory capital per the previous year's statutory financial statements, or (ii) make dividend payments of up to 25% of its total statutory capital and surplus per reported in the previous year's statutory financial statements without prior approval of Bermuda regulatory authorities. Accordingly, GAIL Bamboo Captive will have the ability to make capital distributions pay a dividend of up to $113 million $1 million during 2023, 2024, which is equal to 15% of its December 31, 2022 December 31, 2023 statutory capital surplus of $755 million $5 million, subject to meeting all appropriate liquidity and solvency requirements. During the nine three months ended September 30, 2023 March 31, 2024, GAIL paid a $15 million dividend Bamboo Captive did not pay any dividends to its immediate parent.

During the nine months ended September 30, 2023, Ark paid a $24 million dividend to its shareholders, including $17 million to White Mountains. As of September 30, 2023 March 31, 2024, Ark Bamboo Captive had $2 million of net unrestricted cash and its intermediate holding companies short-term investments.

As of March 31, 2024, Bamboo had $1 million $15 million of net unrestricted cash and short-term investments outside of its regulated and unregulated insurance and reinsurance operating subsidiaries.

WM Outrigger Re is a special purpose insurer subject to regulation and supervision by the BMA. WM Outrigger Re does not require regulatory approval to pay dividends, however, its dividend capacity is limited to amounts held outside of the collateral trust pursuant to the reinsurance agreement with GAIL. As of September 30, 2023, WM Outrigger Re had less than $1 million of net unrestricted cash and investments held outside the collateral trust. As of September 30, 2023, WM Outrigger Re had $257 million of statutory capital and surplus and $233.3 million of assets held in the collateral trusts pursuant to the reinsurance agreement with GAIL.

Kudu

During the nine months ended September 30, 2023, Kudu distributed $73 million to unitholders, substantially all of which was paid to White Mountains. As of September 30, 2023, Kudu had $9 million of net unrestricted cash and short-term investments. Bamboo Captive.

Other Operations

During the nine three months ended September 30, 2023 March 31, 2024, White Mountains paid a $3 million common share dividend. As of September 30, 2023 March 31, 2024, the Company and its intermediate holding companies had $512 $427 million of net unrestricted cash, short-term investments and fixed maturity investments, $189 $466 million of MediaAlpha common stock, $252 $152 million of common equity securities and $410 $383 million of private equity and hedge funds, ILS funds and certain unconsolidated entities.

Financing

The following table presents White Mountains's capital structure as of September 30, 2023 March 31, 2024 and December 31, 2022 December 31, 2023:

$ in Millions	$ in Millions	September 30, 2023	December 31, 2022	$ in Millions	March 31, 2024	December 31, 2023
Ark 2007 Subordinated Notes (1)						
Ark 2007 Subordinated Notes (1)						
Ark 2007 Subordinated Notes (1)						
Ark 2021 Subordinated Notes (1)(2)						
HG Global Senior Notes (1)(2)	HG Global Senior Notes (1)(2)	$ 146.8	$ 146.5			
Ark 2007 Subordinated Notes (1)		30.0	30.0			
Ark 2021 Subordinated Notes (1)(2)		154.6	153.7			
Kudu Credit Facility (1)(2)						
Kudu Credit Facility (1)(2)						
Kudu Credit Facility (1)(2)	Kudu Credit Facility (1)(2)	203.7	208.3			
Other Operations debt (1)(2)	Other Operations debt (1)(2)	29.6	36.7			
Total debt	Total debt	564.7	575.2			
Noncontrolling interests—excluding BAM	Noncontrolling interests—excluding BAM	381.0	342.8			
Total White Mountains's common shareholders' equity	Total White Mountains's common shareholders' equity	3,949.1	3,746.9			
Total capital	Total capital	4,894.8	4,664.9			
HG Global's unearned premium reserve (3)	HG Global's unearned premium reserve (3)	254.2	242.1			

HG Global's net deferred acquisition costs (3)	HG Global's net deferred acquisition costs (3)	**(73.1)**	(69.0)			
Time-value discount on expected future payments on the BAM Surplus Notes (3)	Time-value discount on expected future payments on the BAM Surplus Notes (3)	**(90.2)**	(95.1)			
Total adjusted capital	Total adjusted capital	**$4,985.7**	$4,742.9			
Total debt to total adjusted capital	Total debt to total adjusted capital	**11.3 %**	12.1 %	Total debt to total adjusted capital	**9.4 %**	10.5 %

(1) See **Note 7 — "Debt"** for details of debt arrangements.

(2) Net of unamortized issuance costs and, where applicable, the original issue discount.

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

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

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

Covenant Compliance

As of September 30, 2023 March 31, 2024, White Mountains was in compliance in all material respects with all of the covenants under its debt instruments.

Share Repurchase Programs

White Mountains's Board of Directors has authorized the Company to repurchase its common shares from time to time, subject to market conditions. The repurchase authorizations do not have a stated expiration date. As of September 30, 2023 March 31, 2024, White Mountains may repurchase an additional 301,014 shares under these Board authorizations. In addition, from time to time, White Mountains has also repurchased its common shares through self-tender offers that were separately approved by its Board of Directors.

During the nine three months ended September 30, 2023 March 31, 2024, White Mountains repurchased and retired 24,165 5,269 of its common shares for $33 $8 million at an average share price of $1,355, $1,505, which was approximately 85% 84% of White Mountains's adjusted book value per share as of September 30, 2023 March 31, 2024. All of the shares White Mountains repurchased in the first three months of 2024 were to satisfy employee income tax withholding pursuant to employee benefit plans, which do not reduce the amount available under the Board repurchase authorizations.

During the three months ended March 31, 2023, White Mountains repurchased and retired 18,623 of its common shares for $25 million at an average share price of $1,360, which was approximately 87% of White Mountains's adjusted book value per share as of March 31, 2023. Of the shares White Mountains repurchased in the first nine three months of 2023, 4,629 were to satisfy employee income tax withholding pursuant to employee benefit plans, which do not reduce the amount available under the Board repurchase authorizations.

During the nine months ended September 30, 2022, White Mountains repurchased and retired 457,180 of its common shares for $611 million at an average share price of $1,335, which was approximately 91% of White Mountains's adjusted book value per share as of September 30, 2022. The majority of these shares were repurchased through a "modified Dutch auction" self-tender offer that White Mountains completed on September 26, 2022, through which it repurchased 327,795 of its common shares at a purchase price of $1,400 per share for a total cost of approximately $461 million, including expenses. Of the shares White Mountains repurchased in the first nine months of 2022, 4,011 were to satisfy employee income tax withholding pursuant to employee benefit plans, which do not reduce the board authorizations.

Cash Flows

Detailed information concerning White Mountains's cash flows from continuing operations during the nine three months ended September 30, 2023 March 31, 2024 and 2022 2023 follows:

Cash flows from operations for the nine three months ended September 30, 2023 March 31, 2024 and September 30, 2022 March 31, 2023

Net cash provided from (used for) operations was $380 million $37 million for the nine three months ended September 30, 2023 March 31, 2024 compared to $118 million $86 million for the nine three months ended September 30, 2022 March 31, 2023. The increase For the three months ended March 31, 2024, there were no contributions to or proceeds from Kudu's Participation Contracts, compared to $31 million of contributions and $63 million of proceeds in cash provided from operations was driven primarily by cash provided from Ark's operations in 2023. the three months ended March 31, 2023. As of September 30, 2023 March 31, 2024, the Company and its intermediate holding companies had $512 $427 million of net unrestricted cash, short-term investments and fixed maturity investments, $189 $466 million of MediaAlpha common stock, $252 $152 million of common equity securities and $410 $383 million of private equity funds, hedge funds, ILS funds and unconsolidated entities.

Cash flows from investing and financing activities for the nine three months ended September 30, 2023 March 31, 2024

Financing and Other Capital Activities

During the nine three months ended September 30, 2023 March 31, 2024, the Company declared and paid a $3 million cash dividend to its common shareholders.

During the nine three months ended September 30, 2023 March 31, 2024, White Mountains repurchased and retired 24,165 5,269 of its common shares for $33 $8 million, all of which were to satisfy employee income tax withholding pursuant to employee benefit plans.

During the three months ended March 31, 2024, Ark repaid the outstanding balance of $30 million and extinguished the Ark 2007 Subordinated Notes.

During the three months ended March 31, 2024, BAM received $11 million in MSC.

Acquisitions and Dispositions

On January 2, 2024, White Mountains closed the Bamboo Transaction in accordance with the terms of the Bamboo Merger Agreement, investing $297 million of equity into Bamboo, which included the contribution of $36 million to retire Bamboo's legacy credit facility and the contribution of $20 million of primary capital.

Cash flows from investing and financing activities for the three months ended March 31, 2023

Financing and Other Capital Activities

During the three months ended March 31, 2023, the Company declared and paid a $3 million cash dividend to its common shareholders.

During the three months ended March 31, 2023, White Mountains repurchased and retired 18,623 of its common shares for $25 million. Of the shares White Mountains repurchased in the first three months of 2023, 4,629 were to satisfy employee income tax withholding pursuant to employee benefit plans.

During the nine three months ended September 30, 2023 March 31, 2023, BAM received $46 million $12 million in MSC.

During the nine three months ended September 30, 2023, Kudu borrowed $12 million in term loans under the Kudu Credit Facility.

During the nine months ended September 30, 2023 March 31, 2023, Kudu repaid $17 million in term loans under the Kudu Credit Facility.

Cash flows from investing and financing activities for the nine months ended September 30, 2022

Financing and Other Capital Activities

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

During the nine months ended September 30, 2022, White Mountains repurchased and retired 457,180 of its common shares for $611 million at an average share price of $1,355. The majority of these shares were repurchased through a "modified Dutch auction" self-tender offer that White Mountains completed on September 26, 2022, through which it repurchased 327,795 of its common shares at a purchase price of $1,400 per share for a total cost of approximately $461 million, including expenses. Of the shares White Mountains repurchased in the first nine months of 2022, 4,011 were to satisfy employee income tax withholding pursuant to employee benefit plans, which do not reduce the board authorizations.

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

During the nine months ended September 30, 2022, BAM received $62 million in MSC.

During the nine months ended September 30, 2022, Kudu borrowed $35 $17 million in term loans under the Kudu Credit Facility.

Acquisitions and Dispositions

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

On August 1, 2022, White Mountains closed the previously announced NSM Transaction. White Mountains received $1.4 billion in net cash proceeds at closing.

NON-GAAP FINANCIAL MEASURES

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

Adjusted book value per share

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

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

The value of HG Global's unearned premium reserve, net of deferred acquisition costs, was $187 million $196 million, $182 million $195 million, $179 million and $172 million $179 million as of September 30, 2023 March 31, 2024, June 30, 2023, December 31, 2022 December 31, 2023 and September 30, 2022 March 31, 2023, respectively.

Under GAAP, White Mountains is required to carry the BAM Surplus Notes, including accrued interest, at nominal value with no consideration for time value of money. Based on a debt service model that forecasts operating results for BAM through maturity of the BAM Surplus Notes, the present value of the BAM Surplus Notes, including accrued interest and using an 8% discount rate, was estimated to be $93 million $89 million, $95 million, $98 million $91 million and $114 million $96 million less than the nominal GAAP carrying values as of September 30, 2023 March 31, 2024, June 30, 2023, December 31, 2022 December 31, 2023 and September 30, 2022 March 31, 2023, respectively.

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

The denominator used in the calculation of adjusted book value per share equals the number of common shares outstanding, adjusted to exclude unearned restricted common shares, the compensation cost of which, at the date of calculation, has yet to be amortized. Restricted common shares are earned on a straight-line basis over their vesting periods. The reconciliation of GAAP book value per share to adjusted book value per share is included on page 49 46.

Kudu's EBITDA and adjusted EBITDA

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

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

White Mountains believes that these non-GAAP financial measures are useful to management and investors in evaluating Kudu's performance. The reconciliation of Kudu's GAAP net income (loss) to EBITDA and adjusted EBITDA is included on page 64 59.

Bamboo's MGA pre-tax income (loss), MGA net income (loss), MGA EBITDA and MGA adjusted EBITDA

Bamboo's MGA pre-tax income (loss), MGA net income (loss), MGA EBITDA and MGA adjusted EBITDA are non-GAAP financial measures.

MGA pre-tax income (loss) and MGA net income (loss) are non-GAAP financial measures that exclude the results of the Bamboo Captive, which is consolidated under GAAP, from Bamboo's consolidated GAAP pre-tax income (loss) and net income (loss). The following table presents the reconciliation from Bamboo's consolidated GAAP pre-tax income (loss) to MGA pre-tax income (loss):

Millions	Three Months Ended March 31, 2024	
Bamboo's consolidated GAAP pre-tax income (loss)	$	.9
Remove pre-tax (income) loss, Bamboo Captive		.6
MGA pre-tax income (loss)	$	1.5

MGA EBITDA is a non-GAAP financial measure that adds back interest expense on debt, income tax (expense) benefit, depreciation and amortization of other intangible assets to MGA net income (loss). MGA adjusted EBITDA is a non-GAAP financial measure that excludes certain other items in GAAP net income (loss) in addition to those added back to calculate MGA EBITDA. The items relate to (i) non-cash equity-based compensation expense, (ii) software implementation expenses and (iii) restructuring expenses. A description of each item follows:

- *Non-cash equity-based compensation expense* - Represents non-cash expenses related to Bamboo's management compensation that are settled with equity units in Bamboo.
- *Software implementation expenses* - Represents costs directly related to Bamboo's implementation of new software.
- *Restructuring expenses* - Represents costs directly related to Bamboo's corporate restructuring.

White Mountains believes that these non-GAAP financial measures are useful to management and investors in evaluating Bamboo's performance. See page 61 for the reconciliation of Bamboo's consolidated GAAP net income (loss) to MGA net income (loss), MGA EBITDA and MGA adjusted EBITDA.

Total consolidated portfolio return excluding MediaAlpha

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

The following tables present reconciliations from GAAP to the reported percentages for three and nine months ended September 30, 2023 March 31, 2024 and 2022: 2023:

	Three Months Ended September 30, 2023			Three Months Ended September 30, 2022		
	GAAP Return	Remove MediaAlpha	Return - Excluding MediaAlpha	GAAP Return	Remove MediaAlpha	Return - Excluding MediaAlpha
Total consolidated portfolio return	**(0.2)%**	**0.8 %**	**0.6 %**	0.4 %	0.1 %	0.5 %

	Nine Months Ended September 30, 2023			Nine Months Ended September 30, 2022		
	GAAP Return	Remove MediaAlpha	Return - Excluding MediaAlpha	GAAP Return	Remove MediaAlpha	Return - Excluding MediaAlpha
Total consolidated portfolio return	**5.3 %**	**1.0 %**	**6.3 %**	(3.6)%	2.2 %	(1.4)%

	Three Months Ended March 31,	
	2024	2023
Total consolidated portfolio return	**4.6 %**	4.5 %
Remove MediaAlpha	**(3.4)%**	(1.5)%
Total consolidated portfolio return excluding MediaAlpha	**1.2 %**	3.0 %

Total adjusted capital

Total capital at White Mountains is comprised of White Mountains's common shareholders' equity, debt and noncontrolling interests other than noncontrolling interests attributable to BAM. Total adjusted capital is a non-GAAP financial measure, which is derived by adjusting total capital (i) to include a discount for the time value of money arising from the expected timing of cash payments of principal and interest on the BAM Surplus Notes and (ii) to add back the unearned premium reserve, net of deferred acquisition costs, at HG Global. The reconciliation of total capital to total adjusted capital is included on page 72 68.

CRITICAL ACCOUNTING ESTIMATES

Refer to the Company's 2022 2023 Annual Report on Form 10-K for a complete discussion regarding White Mountains's critical accounting estimates.

FORWARD-LOOKING STATEMENTS

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

- change in book value per share, adjusted book value per share or return on equity;
- business strategy;
- financial and operating targets or plans;
- incurred loss and LAE and the adequacy of its loss and LAE reserves and related reinsurance;
- projections of revenues, income (or loss), earnings (or loss) per share, EBITDA, adjusted EBITDA, dividends, market share or other financial forecasts of White Mountains or its businesses;
- expansion and growth of its business and operations; and
- future capital expenditures.

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

- the risks that are described from time to time in White Mountains's filings with the Securities and Exchange Commission, including but not limited to White Mountains's Annual Report on Form 10-K for the fiscal year ended December 31, 2022 December 31, 2023;
- claims arising from catastrophic events, such as hurricanes, windstorms, earthquakes, floods, wildfires, tornadoes, tsunamis, severe winter weather, public health crises, terrorist attacks, war and war-like actions, explosions, infrastructure failures or cyber attacks; cyber-attacks;
- recorded loss reserves subsequently proving to have been inadequate;
- the market value of White Mountains's investment in MediaAlpha;
- the trends and uncertainties from the COVID-19 pandemic, including judicial interpretations on the extent of insurance coverage provided by insurers for COVID-19 pandemic related claims;
- business opportunities (or lack thereof) that may be presented to it and pursued;
- actions taken by rating agencies, such as financial strength or credit ratings downgrades or placing ratings on negative watch;
- the continued availability of capital and financing;
- the continued availability of fronting and reinsurance capacity;
- deterioration of general economic, market or business conditions, including due to outbreaks of contagious disease (including the COVID-19 pandemic) and corresponding mitigation efforts;
- competitive forces, including the conduct of other insurers;
- changes in domestic or foreign laws or regulations, or their interpretation, applicable to White Mountains, its competitors or its customers; and
- other factors, most of which are beyond White Mountains's control.

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

Item 3. Quantitative and Qualitative Disclosures About Market Risk.

Refer to White Mountains's 2022 2023 Annual Report on Form 10-K and in particular **Item 7A. - "Quantitative and Qualitative Disclosures About Market Risk."**

Item 4. Controls and Procedures.

The Principal Executive Officer ("PEO") and the Principal Financial Officer ("PFO") of White Mountains have evaluated the effectiveness of its disclosure controls and procedures (as defined in Rule 13a-15(e) of the Exchange Act) as of September 30, 2023 March 31, 2024. Based on that evaluation, the PEO and PFO have concluded that White Mountains's disclosure controls and procedures are adequate and effective.

There were no changes to White Mountains's internal control over financial reporting that occurred during the third first quarter of 2023 2024 that have materially affected, or are reasonably likely to materially affect, White Mountains's internal control over financial reporting.

Part II. OTHER INFORMATION

Item 1. Legal Proceedings.

None.

Item 1A. Risk Factors.

There have been no material changes to any of the risk factors previously disclosed in the Registrant's 2022 2023 Annual Report on Form 10-K.

Item 2. Issuer Purchases of Equity Securities.

Months	Total Number of Shares Purchased		Average Price Paid per Share	Total Number of Shares Purchased as Part of Publicly Announced Plans (1)	Maximum Number of Shares that May Maximum Number of Shares that May Yet Be Purchased Under the Plans (1)
July January 1 - July 31, 2023 January 31, 2024	5,269	$	1,505.01	—	301,01
February 1 - February 29, 2024	—	$	—	—	301,01
August March 1 - August 31, 2023March 31, 2024	—	$	—	—	301,01
September 1 - September 30, 2023	—	$	—	—	301,01
Total	**5,269**	**$**	**1,505.01**	**—**	**$** –

(1) White Mountains's Board of Directors has authorized the Company to repurchase its common shares, from time to time, subject to market conditions. Th

Item 3. Defaults Upon Senior Securities.

None.

Item 4. Mine Safety Disclosures.

None.

Item 5. Other Information.

None.

Item 6. Exhibits.

(a)

Exhibit number		Name
2.1	—	Plan of Reorganization (incorporated by reference herein to the Company's Re September 23, 1999)
3.1	—	Memorandum of Continuance of the Company (incorporated by reference here Form 8-K dated November 1, 1999)
3.2	—	Amended and Restated Bye-Laws of the Company (incorporated by reference Q dated May 2, 2017)
10.1	—	Agreement and Plan of Merger by and among PM Holdings LLC, WM Pierce M Bamboo Ide8 Insurance Services LLC and John Chu, as the Unitholders' Repr (* February 22, 2024, between the Company and Giles Harrison (incorporated I Current Report on Form 8-K dated April 10, 2024)
31.1	—	Principal Executive Officer Certification Pursuant to Rule 13a-14 (a) of the Secu
31.2	—	Principal Financial Officer Certification Pursuant to Rule 13a-14 (a) of the Secu
32.1	—	Principal Executive Officer Certification Pursuant to 18 U.S.C. Section 1350, as Act of 2002. (*)
32.2	—	Principal Financial Officer Certification Pursuant to 18 U.S.C. Section 1350, as Act of 2002. (*)
101	—	XBRL Instance Document - the instance document does not appear in the Inte within the Inline XBRL document.

(*) Included herein

SIGNATURES

Pursuant to the requirements of the Securities Exchange Act of 1934, the Registrant has duly caused this report to be s authorized.

WHITE MOUNTAINS INSURAN

(Registrant)

Date: November 6, 2023 May 9, 2024

By: /s/ Michaela J. Hildr

Michaela J. Hildreth

Managing Director and C

78

slide1

EXECUTION VERSION [[6200550v1]][[6200550v1]] AGREEMENT AND PLAN OF MERGER by and among PM HOLDINGS LLC, WM PIERCE MERGER SU
INSURANCE SERVICES LLC and John Chu, as the Unitholders' Representative Dated as of Oct

slide2

slide3

slide4

slide5

slide6

v [[6200550v1]] SCHEDULES AND EXHIBITS Exhibit A Statement Preparation Principles Exhibit B Form of Closing Consideration Schedule Exhibit C Form of Warrant Termination Agreement

slide7

vi [[6200550v1]] INDEX OF DEFINED TERMS Term Section Accounting Firm Section 2.05(d) Accredited Investor Section 13.03(a) Action Section 13.03(b) Add
Section 13.03(d) Additional Rollover Unitholders Section 1.06(a) Adjustment Escrow Account Section 2.03(a)(ii) Adjustment Escrow Amount Section 13.03(f)
Amount Section 2.06(a) Affiliate Section 13.03(h) Aggregate Adjustment Amount Section 13.03(i) Aggregate Rollover Amount Section 1.06(a) Agreement Pre
13.03(k) Antitrust Law Section 13.03(l) Applied Loss Computations Section 3.05(f) Aquarian Section 13.03(m) Aquarian Credit Agreement Section 13.03(o) A
Statement of Merger Section 1.03 Bankruptcy and Equity Exceptions Section 3.04(a) Base Consideration Section 13.03(r) Burdensome Condition Section 13.03
Surplus Ratio Section 13.03(v) Captive Surplus Ratio Target Section 13.03(w) Captive Surplus Shortfall Section 13.03(x) Captive Unaudited Statements Secti
Control Payments Section 13.03(tttt) Claim Section 3.07(i) Claimed Amount Section 9.04(a) Closing Section 1.02 Closing Captive Surplus Shortfall Section 2.0
2.07(a)

slide8

vii [[6200550v1]] Term Section Closing Date Section 1.02 Closing Indebtedness Section 2.05(b) Closing Net Working Capital Section 2.05(b) Closing Statem
Transaction Expenses Section 2.05(b) Code Section 2.04(h) Common Units Section 13.03(aa) Company Preamble Company Approvals Section 3.04(c) Compar
Company Fundamental Representations Section 13.03(cc) Company Indemnified Person Section 9.02(b) Company Indemnified Persons Section 9.02(b) Comp
13.03(dd) Company Owned Intellectual Property Section 13.03(ee) Company Registrations Section 3.17(a) Company Service Provider Section 13.03(ff) Compar
Warrant Section 13.03(ii) Confidentiality Agreement Section 6.02 Consolidated Audited Statements Section 3.05(a) Consolidated Financial Statements Sectio
6.07(a) Contract Section 13.03(kk) Conversion Rate Section 13.03(ll) Copyrights Section 13.03(kkk) COVID-19 Section 13.03(mm) Current Company Servic
Indemnified Party Section 6.04(a) Damages Section 9.02(a) Data Room Section 3.22 Deductible Section 9.03(a) Delaware Certificate of Merger Section 1.03 De
Person Section 13.12(a) Dispute Notice Section 9.05 Distributions Section 13.03(oo

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slide9

viii [[6200550v1]] Term Section Effective Time Section 1.03 Elective Deferred Taxes Section 3.15(d) ERISA Section 13.03(pp) ERISA Affiliate Section 3.12(a) Es
Release Date Section 9.06(b) Established Claim Section 13.03(rr) Estimated Captive Surplus Shortfall Section 2.05(a) Estimated Cash Section 2.05(a) Estimate
2.05(a) Estimated Net Working Capital Section 2.05(a) Estimated Transaction Expenses Section 2.05(a) Estimation Statement Section 2.05(a) Event Section 1
Exchange Agent Agreement Section 2.04(a) Exchange Fund Section 2.03(a)(i) Excluded Aquarian Interest Section 13.03(vv) Excluded Company Units Section
13.03(xx) Governing Documents Section 13.03(yy) Governmental Entity Section 3.04(c) Governmental Official Section 13.03(zz) Governmental Order Section 1
Guarantor Preamble HSR Act Section 13.03(bbb) Inbound IP Contracts Section 3.17(d) Incentive Units Section 13.03(ccc) Indebtedness Section 13.03(ddd) In
Section 9.09(b) Indemnity Escrow Account Section 2.03(a)(iii) Indemnity Escrow Amount Section 13.03(eee) Indemnity Escrow Release Amount Section 13.03
13.03(ggg)

slide10

ix [[6200550v1]] Term Section Insurance Laws Section 13.03(hhh) Insurance Producer Section 13.03(iii) Insurance Regulator Section 13.03(jjj) Intellectual Prop
Assets Section 13.03(lll) Knowledge Section 13.03(mmm) Law Section 13.03(nnn) Leased Real Property Section 3.16(a) Leases Section 3.16(a)(a) Letter of T
Section 10.01(e) Material Adverse Effect Section 13.03(qqq) Material Contract Section 3.08(a) Merger Recitals Merger Certificates Section 1.03 Merger Conside
Sub Sole Member Approval Section 4.02(a) Mini-Basket Section 9.03(a) Most Recent Balance Sheet Section 3.05(a) Most Recent Balance Sheet Date Section
Section 2.02 Net Working Capital Section 13.03(ttt) Notice of Disagreement Section 2.05(c) OFAC Section 13.03(bbbbb) Open Source Software Section 13.03(
Outbound IP Contracts Section 3.17(d) Parent Preamble Parent Fundamental Representations Section 13.03(www) Parent Indemnified Person Section 9.02(a)
13.03(xxx) Parent Payments Section 6.08 Parent Units Section 13.03(yyy) Participants Section 13.03(zzz) Partnership Tax Audit Rules Section

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slide11

x [[6200550v1]] Term Section Patents Section 13.03(kkk) Payoff Letter Section 13.03(cccc) Per Common Unit Closing Consideration Section 13.03(dddd) Per C
Unit Closing Consideration Section 13.03(ffff) Per Incentive Unit Post-Closing Consideration Section 13.03(gggg) Per Preferred Unit Closing Consideration Se
13.03(iiii) Per Unit Closing Consideration Section 13.03(jjjj) Per Unit Post-Closing Consideration Section 13.03(kkkk) Permits Section 3.09(b) Permitted Liens
13.03(nnnn) Post-Closing Consideration Schedule Section 2.07(c) Pre-Closing Tax Contest Section 7.06 Pre-Closing Tax Period Section 13.03(pppp) Preferred
13.03(qqqq) Pro Rata Share Section 13.03(rrrr) Products Section 13.03(ssss) Program Agreement Section 13.03(tttt) Reference Time Section 1.02 Related Part
Reimbursement Account Section 13.03(uuuu) Representative Reimbursement Fund Amount Section 13.03(vvvv) Representative Reimbursement Fund Releas
Section 13.03(wwww) Requisite Unitholders Section 13.03(xxxx) Restricted Cash Section 13.03(yyyy) Retained Escrow Amount Section 9.06(b) Rollover Agreem
1.06(b) Rollover Election Section 1.06(b) Rollover Unitholder Fundamental Representations Section 13.03(zzzz) Rollover Unitholders Section 1.06(a) Rollover
Person Section 13.03(bbbbb) Sanctions Laws Section 13.03(ccccc)

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slide12

xi [[6200550v1]] Term Section SAP Section 13.03(ddddd) Section 280G Section 6.08 Section 280G Payments Section 6.08 Securities Act Section 13.03(eeeee
Software-as-a-Service Section 13.03(lll) Specified Court Section 13.03(hhhhh) Specified Indemnified Matter Section 9.02(a) Standalone Financial Statements S
Accounting Principles Section 13.03(jjjjj) Statutory Audited Statements Section 3.05(d) Statutory Audited Statements Section 3.05(d) Straddle Period Section 13
Section 6.04(c) Target Net Working Capital Section 13.03(mmmmm) Tax Section 13.03(nnnnn) Tax Contest Section 7.06 Tax Return Section 13.03(ppppp) Tax
Section 13.03(ooooo) Tax-Related Agreements Section 5.01(c) Termination Date Section 11.01(b)(i) Third Party Section 13.03(qqqqq) Third-Party Claim Sec
Agreements Section 3.20(c) Top Carrier Reinsurer Section 13.03(sssss) Top Carriers Section 3.20(b) Top Producers Section 3.20(a) Trade Secrets Section
13.03(tttt) Transaction Expenses Invoice Section 2.03(a)(vi) Transaction Proposal Section 5.02 Transaction Proposal Documentation Section 5.02 Transfer Tax
Warrant Amount Section 13.03 Unitholders' Representative Preamble

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slide13

xii [[6200550v1]] Term Section Waived Benefits Section 6.08 WARN Act Section 3.11(d) Written Consents

slide14

[[6200550v1]] AGREEMENT AND PLAN OF MERGER (this “Agreement”) dated as of October 19, 2023, by and among PM Holdings LLC, a Delaware limited l
liability company and a wholly owned Subsidiary of Parent (“Merger Sub”), White Mountains Insurance Group, Ltd., a Bermuda exempted limited company (the
liability company (the “Company”), and John Chu (the “Unitholders’ Representative”), solely in his capacity as representative of the Company Unitholders. WHEF
conditions set forth in this Agreement; WHEREAS upon the terms and subject to the conditions set forth herein, and in accordance with Delaware Law and Arizo
with and into the Company, with the Company continuing as the surviving company (the “Merger”); WHEREAS the board of managers of the Company has ap
contemplated hereby; WHEREAS Parent, as the sole member of Merger Sub, has approved and adopted this Agreement, the Merger and the other transactions
Consents of the Requisite Unitholders promptly after the execution of this Agreement, in accordance with this Agreement, the Company LLC Agreement and ap
WHEREAS concurrently with the execution and delivery of this Agreement, as a condition and inducement to the willingness of Parent and Merger Sub to enter
and delivered to Parent a Rollover Agreement, pursuant to which such Initial Rollover Unitholders shall contribute a portion of their respective Company Unit
conditions set forth therein and herein; WHEREAS concurrently with the execution and delivery of this Agreement, as a condition and inducement to the willing
entered into an employment agreement with the Company, to be effective and contingent upon Closing; WHEREAS the Guarantor has agreed to guarantee
WHEREAS Parent, Merger Sub, the Guarantor and the Company desire to make certain representations, warranties, covenants and agreements in connecti

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slide15

2 [[6200550v1]] NOW, THEREFORE, in consideration of the premises and the representations, warranties, covenants and agreements contained in this Agreem

follows: The Merger The Merger. Upon the terms and subject to the conditions set forth herein, and in accordance with the Merger Laws, Merger Sub shall be me
Time, the separate limited liability company existence of Merger Sub shall cease and the Company shall continue as the surviving limited liability company in the
"Closing") will take place at 10:00 a.m., New York City time, on the third business day after satisfaction or (to the extent permitted by Law) waiver of the condition
be satisfied at the Closing, but subject to the satisfaction or (to the extent permitted by Law) waiver of those conditions) (such date, the "Scheduled Closing Date
Swaine & Moore LLP, 825 Eighth Avenue, New York, New York 10019, unless another time, date or place is agreed to in writing by Parent and the Company; p
written consent of Parent. The date on which the Closing occurs is referred to in this Agreement as the "Closing Date". The effective time of the Closing for acco
Closing Date (the "Reference Time"). Effective Time of the Merger. Subject to the provisions of this Agreement, as soon as practicable on the Closing Date, the C
merger (the "Arizona Statement of Merger") executed and acknowledged by the parties in accordance with the applicable provisions of the Arizona Law, (b) file w
"Delaware Certificate of Merger" and collectively with the Arizona Statement of Merger, the "Merger Certificates") executed and acknowledged by the parties in a
all other filings or recordings required by any applicable Merger Laws in connection with the Merger. The Merger shall become effective upon the later of the filing
of Merger, or at such later time as Parent and the Company shall agree and shall specify in the Merger Certificates (the time the Merger becomes effective being
set forth in this Agreement and the applicable provisions of the Merger Laws. For the purposes of § 29-4002 of the Arizona Law, no Company Unitholder sha

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slide16

3 [[6200550v1]] Governing Documents. At the Effective Time, by virtue of the Merger: (i) the certificate of formation of Merger Sub in effect immediately prior to
and (ii) the Company LLC Agreement shall be amended and restated in accordance with applicable law substantially in the form attached as Exhibit C hereto.
Agreement, certain Company Unitholders (the “Initial Rollover Unitholders”), the Company, Parent, Merger Sub and the Guarantor and have entered into rollov
Rollover Deadline, each other Company Unitholder may elect, subject to the limitations set forth in Section 1.06(b) and Section 1.06(c), to execute and delive
Company Unitholders, the “Additional Rollover Unitholders” and, together with the Initial Rollover Unitholders, collectively, the “Rollover Unitholders”). Pursuar
Effective Time, each Rollover Unitholder shall contribute to Parent a number of Company Units owned by such Rollover Unitholder (such Company Units, the “Ro
Rollover Unitholder’s Rollover Agreement (based on the applicable Per Unit Closing Consideration) as such contributed Rollover Units (such amount being the
Rollover Amounts with respect to all Rollover Unitholders, the “Aggregate Rollover Amount”) in consideration for (a) a number of Parent Units having the same a
Agreement, and (b) the right to receive the applicable Per Unit Post-Closing Consideration with respect to such Rollover Units when, as and if any such amou
herein, which shall be paid in accordance with the procedures set forth in Section 2.06, Section 9.06 and Section 10.01. Within five business days following the da
(i) the form of Rollover Agreement, including a counterpart thereto, and (ii) the form of Parent LLC Agreement, including a counterpart thereto. Each Company U
any portion of the Company Units held by such Company Unitholder (each such election, a “Rollover Election”) by delivering to the Company and Parent, prior to
properly completed and duly executed form of Rollover Agreement (including any exhibits or schedules required to be completed therein) to Parent and the Co
respect to which such Company Unitholder desires to contribute to Parent as Rollover Units pursuant to such Rollover Agreement and (B) a counterpart to the
effective as of the Effective Time; provided that, notwithstanding the foregoing (unless Parent has provided its written consent), (x) any Company Unitholder t
Election, and (y) any Rollover Election made by any Company Unitholder must be with respect to Company Units having an aggregate value (based on the agg
otherwise have been entitled to receive with respect to such Company Units) equal to at least $1,000,000. Any Rollover Election shall be irrev

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slide17

4 [[6200550v1]] Parent, the Company nor any other person shall be under any obligation to notify any person of any defect in a completed form of Rollover Agre
may establish such additional procedures and requirements regarding Rollover Elections as are consistent with this Section 1.06(b) and determined by Parent a
Elections. Notwithstanding anything to the contrary in Section 1.06(b), if but for the application of this Section 1.06(b), the aggregate value of Rollover Units wo
Units as of the date of this Agreement (based on the applicable Per Unit Closing Consideration), then the aggregate number of Company Units for which a Rollo
reduced to the extent necessary to cause such 49% limit not to be exceeded, in which case, the number of each class of Company Units for which each Additi
reduced on a pro rata basis (based on the aggregate value of all such Company Units for which a Rollover Election was made) and any such Company Units s
Effect of the Merger; Deliverables Conversion of Units. At the Effective Time, by virtue of the Merger and without any action on the part of any Company Uni
Membership Interests. Each membership interest in Merger Sub that is issued and outstanding immediately prior to the Effective Time shall be converted into a
interest in the Surviving Company. Cancellation of Excluded Company Units. Each Company Unit that is owned immediately prior to the Effective Time by Paren
indirect wholly owned Subsidiaries (the “Excluded Company Units”) shall be canceled and shall cease to exist, and each holder of any such Company Unit shall
any consideration in exchange therefor. Conversion of Other Company Units. Each Company Unit issued and outstanding immediately prior to the Effective T
accordance with Section 2.01(b), but including any Company Units issued prior to the Effective Time upon exercise of the Exercised Warrants) shall be conver
Closing Consideration which shall be paid in accordance with the procedures set forth in Sectio

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slide18

5 [[6200550v1]] the applicable Per Unit Post-Closing Consideration when, as and if any such amounts become payable upon the terms and subject to the condi
set forth in Section 2.06, Section 9.06 and Section 10.01. Cancellation of Company Units. All Company Units converted pursuant to Section 2.01(c) shall no lo
exist, and each holder of Company Units shall cease to have any rights with respect thereto, except the right to receive the applicable consideration pursuant to t
execution and delivery of this Agreement, Aquarian has entered in a termination agreement with respect to the Aquarian Warrants (the "Aquarian Warrant Termin
has agreed that, effective immediately prior to the Effective Time, such Aquarian Warrants shall be canceled and converted into the right to receive (i) the applica
to such Aquarian Warrants and (ii) any Per Unit Post-Closing Consideration allocable to such Company Units subject to such Aquarian Warrant, as if such Con
Effective Time. The Company shall deliver to each holder of any Company Warrants, other than the Aquarian Warrants, that remain outstanding and unexerci
Aquarian Warrants, the "Other Warrants"), as soon as reasonably practicable and in any event within five business days of the date of this Agreement (or such ea
written notice of the Merger in the form required by, and otherwise in accordance with the applicable terms of, each Other Warrant, and such notice shall inclu
attached hereto as Exhibit D (each, an "Other Warrant Termination Agreement" and, together with the Aquarian Warrant Termination Agreement, collectively, t
Warrant to execute and deliver an Other Warrant Termination Agreement with respect thereto, in lieu of paying the aggregate exercise price with respect to suc
subject to such Other Warrant on or prior to the Closing Date, in which case, effective immediately prior to the Effective Time, such Other Warrant shall be canc
become, subject of a Warrant Termination Agreement, collectively, the "Terminated Warrants") and converted into the right to receive a net amount of cash (pay
Section 2.04) equal to the excess of (x) the aggregate Per Unit Closing Consideration that such holder would have received in respect of such Company Units su
aggregate amount of such net amount of cash with respect to any Terminated Warrant, the applicable "Net Cash Settled Warrant Closing Amount"), and any Per
such Terminated Warrant, as if such Company Units had been issued and outstanding as of immediately prior to the Effective Time. The Company shall co-ope
any Other Warrants and the execution and delivery of any Warrant Termination

slide19

6 [[6200550v1]] Agreements with respect to any Other Warrants and promptly provide Parent with all information reasonably requested by Parent in connectio
Warrants and any other communication with holders related to the Other Warrants or pursuant to this Section 2.02. Upon the receipt, at any time prior to the Clos
any Other Warrant (any such Other Warrant in respect of which a valid exercise notice has been received, an “Exercised Warrant”), the Company shall prompt
issue to the holder of such Exercised Warrant the number and class of Company Units to which the holder of the Exercised Warrant is entitled. Notwithstandin
issued with respect to any Terminated Warrant, but the number and class of Company Units to which the holder of such Terminated Warrant is entitled upon
immediately prior to the Effective Time for purposes of calculating the Per Unit Closing Consideration and the Per Unit Post-Closing Consideration, (ii) the aggreg
the aggregate exercise price of such Terminated Warrant, as if the holder of such Terminated Warrant had paid such aggregate exercise price to the Company
increased pursuant to this clause (ii), the “Deemed Cash”), and (iii) such holder shall be deemed to be a Company Unitholder for purposes of Section 2.04, and e
Estimated Closing Consideration equal to the applicable Net Cash Settled Warrant Closing Amount, and (y) a portion of any Additional Merger Consideration eq
the Company Units subject to such Terminated Warrant, as if such Company Units had been issued and outstanding as of immediately prior to the Effective Tin
valid notice of exercise has not been received on or prior to the Closing Date (each such Company Warrant, an “Unexercised Warrant”), shall by virtue of the Cl
Time, expire and be of no further effect, other than any rights that the holder of any such Unexercised Warrant may have to receive any portion of the Unexercise
Unexercised Warrant. The board of managers of the Company (or, if appropriate, any committee thereof administering the Other Warrants) shall adopt such re
notices, enter into the agreements and effectuate the treatment of the Company Warrants pursuant to

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slide20

7 [[6200550v1]] Closing Date Payments; Deliveries at or prior to the Closing. Closing Date Payments. At the Closing, Parent shall pay (or cause to be paid), by w
by the Exchange Agent prior to the Closing, for the benefit of the Company Unitholders, cash in an amount equal to the Estimated Closing Consideration (such
designated in writing by the Escrow Agent prior to the Closing, cash in an amount equal to the Adjustment Escrow Amount for deposit into an escrow account (th
terms of a customary escrow agreement with the Escrow Agent, in form and substance reasonably acceptable to Parent and the Unitholders' Representative (th
established solely to provide a source of payment in connection with any adjustments to the Merger Consideration pursuant to Section 2.06, and (2) held by th
Agreement; to an account designated in writing by the Escrow Agent prior to the Closing, cash in an amount equal to the Indemnity Escrow Amount for deposit
and administered pursuant to the terms of the Escrow Agreement, and which Indemnity Escrow Account shall be (1) established solely to secure the rights of the
held by the Escrow Agent until it is released pursuant to Section 9.06 and the Escrow Agreement; to an account designated in writing by the Unitholders' Repres
Unitholders' Representative in accordance with Section 10.01; on behalf of the Company and the Subsidiary (as applicable), to the holders of Indebtedness tha
Closing Date as set forth in the Payoff Letters provided by the Company to Parent at least five business days prior to the Closing, the payoff amount with respe
Letters, in accordance with the wire transfer instructions set forth in the Payoff Letters; and on behalf of the Company and the Subsidiary (as applicable), the pay
accordance with the Payoff Letter(s) in respect of the Aquarian Credit Agreement and in accordance with the wire transfer instructions set forth in such Payoff Le
paid in respect of this clause 2.03(a)(vi) be duplicative of any amount paid in respect of clause 2.03(a)(v) above); and on behalf of the Company and the Sub
Expenses that are: (1) included in the

slide21

8 [[6200550v1]] Estimated Transaction Expenses, and (2) to be paid on the Closing Date as set forth in the invoice provided by the Company to Parent at least
the Transaction Expenses in accordance with the wire transfer instructions set forth in the Transaction Expenses Invoice. Deliveries At or Prior to the Closing. At
by Merger Sub) cause the Merger Certificates to be filed in accordance with Section 1.03; the Company shall deliver or cause to be delivered to Parent: a certific
Company in his or her capacity as such, certifying as to an attached copy of the resolutions of the board of managers of the Company unanimously approv
contemplated hereby; counterparts to the Exchange Agent Agreement and the Escrow Agreement, duly executed by the Unitholders' Representative; and a cert
the Company in his or her capacity as such and not in any individual capacity, certifying that the conditions specified in Sections 8.02(a) and 8.02(b) have been
documents necessary to release any and all guarantees in respect of such Estimated Indebtedness and the Aquarian Credit Agreement and any and all Lien
Agreement, including any necessary UCC termination statements or other necessary releases, in each case, in form and substance reasonably satisfactory to
requires that the applicable amount of the Estimated Indebtedness be paid to such person prior to the release of any such guarantee in respect of, or Liens sec
receipt by such person of the applicable amount required to be paid in connection with such Estimated Indebtedness; provided, further, that if Aquarian require
Aquarian Credit Agreement be paid to such person prior to the release of any such guarantee in respect of, or Liens securing, the Aquarian Credit Agreement, s
amount set forth in the Payoff Letter with respect to the Aquarian Credit Agreement

slide22

9 [[6200550v1]] the Company shall deliver to the Unitholders’ Representative, for distribution to the applicable Additional Rollover Unitholders, a counterpart o
Parent shall deliver to the Unitholders’ Representative: for the benefit of the Rollover Unitholders and for further distribution to the applicable Rollover Unitholders
WTM Member (as defined in the Parent LLC Agreement) evidencing the issuance of the applicable number of Parent Units to each applicable Rollover Unitholde
each corresponding Rollover Agreement duly executed by Parent, Merger Sub and the Guarantor. Exchange Agent; Exchange. Exchange Agent. On or prio
Company Unitholder, and Parent and the Unitholders’ Representative shall enter into a customary exchange agent agreement with Citibank, N.A. or another nati
substance reasonably acceptable to Parent and the Unitholders’ Representative (the “Exchange Agent Agreement”), pursuant to which the Exchange Agent will r
Unitholders, in each case, when, as and if payable upon the terms and subject to the conditions set forth herein. Exchange Procedures. As soon as practicable
subject to the terms and conditions of the Exchange Agreement, to each former holder of Company Units that is converted into the right to receive a portion of t
duly executed Letter of Transmittal to the Exchange Agent at least five business days prior to the Closing in respect of such Company Units, the amount of the Es
respect of such Company Units as set forth in the Closing Consideration Schedule. If any former holder of Company Units that is converted into the right to rec
completed and duly executed Letter of Transmittal to the Exchange Agent at least three business days prior to the Closing in respect of such Company Units, the
conditions of the Exchange Agreement, the amount of the Estimated Closing Consideration that such former holder is entitled to receive in respect of such Co
business days of the delivery by such former holder of a duly completed and duly executed Letter of Transmittal to the Exchange Agent. Additional Merger Co
Company Unitholders pursuant to this Agreement, Parent shall (i) make any payment to the Exchange Agent as otherwise required hereunder in connection wi
three business days

slide23

10 [[6200550v1]] following the delivery by the Unitholders' Representative of the Post-Closing Consideration Schedule with respect to such Additional Merg
Unitholders pursuant to and in accordance with such Post-Closing Consideration Schedule. No Further Rights in Company Units. Payment of the applicable port
deemed paid in full satisfaction of all rights pertaining to the Company Units. From and after the Effective Time, (i) all holders of former Company Units shall c
Company, as applicable) in respect of such Company Units, other than the right to receive the applicable portion of the Merger Consideration when, as and if p
there shall be no further registration of transfer on the records of the Surviving Company of Company Units that were outstanding prior to the Effective Time. If, a
Surviving Company or the Exchange Agent for any reason, such Company Units shall be converted and, subject to satisfaction of the exchange procedures set
Any amounts delivered to the Exchange Agent (including any interest or other amounts received with respect thereto) that remain undistributed to the former hold
shall be delivered to Parent, upon demand, and any former holder of Company Units who has not theretofore complied with this Section 2.04 shall thereafter loo
similar Law), as general creditors thereof, for satisfaction of its claim for the applicable portion of the Merger Consideration, in each case, without any interest th
Section 2.04. No Liability. None of Parent, Merger Sub, the Company, the Surviving Company, the Exchange Agent or any other person shall be liable to any pers
official pursuant to any applicable abandoned property, escheat or other similar Law. Notwithstanding anything to the contrary herein, any portion of the Merger
the third anniversary of receipt thereof by the Exchange Agent (or as of immediately prior to such earlier time as such amounts would otherwise escheat to or be
by applicable Law, become the property of Parent, free and clear of any claims or interest of any person previously entitled thereto. Investment of Cash. The Exc
to this Agreement as directed by Parent and the Unitholders' Representative, acting together, provided that no such interest or other income thereon shall affec
and other income resulting from such investments shall become and be considered a part of the Exchange Fun

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slide24

11 [[6200550v1]] Withholding Rights. Parent, the Surviving Company, any of its Subsidiaries or the Exchange Agent shall be entitled to deduct and withhold fron
the Surviving Company, any of its Subsidiaries or the Exchange Agent is required to deduct and withhold with respect to the making of such payment under the I
non-U.S. Tax law. To the extent that amounts are so deducted or withheld, such deducted or withheld amounts shall be treated for all purposes of this Agreeme
withholding was made by Parent, the Surviving Company, any of its Subsidiaries or the Exchange Agent. Calculation of Adjustments to the Merger Consideratio
Company shall, in consultation with Parent, prepare and deliver to Parent a statement (the "Estimation Statement") setting forth the Company's good faith
Indebtedness (the "Estimated Indebtedness"), Cash (the "Estimated Cash"), Transaction Expenses (the "Estimated Transaction Expenses"), and Captive Surp
amounts, the resulting Aggregate Rollover Amount (following any reduction pursuant to Section 1.06(c), the Unexercised Warrant Amount (assuming for this pu
Estimated Closing Consideration, each as of the Reference Time. The Estimation Statement shall be accompanied by reasonable documentation to support the
Letter and Transaction Expenses Invoice), and be prepared in accordance with the Statement Preparation Principles (or, in respect of the Estimated Captive Su
applicable defined terms set forth herein. The Company shall reasonably cooperate with Parent in its review of the Estimation Statement and shall consider in g
Estimation Statement by no later than three business days (or such later time as agreed between Parent and the Company in writing) prior to the Closing Date if
based on its good faith assessment of Parent's comments, which revised statement shall become the applicable Estimation Statement; provided that, to the ex
Statement delivered by the Company shall govern for purposes of the Closing. Within 75 days after the Closing Date, Parent shall prepare and deliver to the Ur
Parent's calculation of (i) as of the Reference Time (in each case, prepared in accordance with the Statement Preparation Principles or, in the case of the Closin
Capital (the "Closing Net Working Capital"), Indebtedness (the "Closing Indebtedness"), Cash (the "Closing Cash") and Transaction Expenses (the "Closing T
Surplus Shortfall") and (ii) based on the foregoing calculations, the Unexercised Warrant Amount (if the amounts set forth on the Closing Statement result in any
During the period of time from and after the date of delivery of the Closing Statement to the Unitholders' Representative through the date on which the Notic
Representative and subject to appropriate confidentiality agreements, Parent shall caus

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slide25

12 [[6200550v1]] Surviving Company to afford to the Unitholders' Representative and any accountants, counsel or financial advisers retained by the Unitholders'
to the Surviving Company's books and records (excluding communications with attorneys and any accountants' working papers) to the extent relevant to the C
information in connection therewith, shall be conducted during normal business hours, upon reasonable prior notice and in such a manner as not to unreaso
Surviving Company. The Closing Statement shall become final and binding upon the parties on the 30th day following delivery thereof, unless the Unitholders
Statement (the "Notice of Disagreement") to Parent prior to such date. The Notice of Disagreement shall (i) specify in reasonable detail the nature and amount o
mathematical errors, calculation errors, errors in inputs or assumptions or based on Closing Net Working Capital, Closing Indebtedness, Closing Cash, Closing
"Closing Statement Amounts") not being calculated in accordance with this Agreement. To the extent not set forth in the Notice of Disagreement, the Company
other items and amounts contained in the applicable Closing Statement and such other items and amounts shall be final and binding for all purposes hereunder
Closing Statement (as revised in accordance with this sentence) shall become final and binding on the earlier of (A) the date the Unitholders' Representative
matters specified in the Notice of Disagreement or (B) the date any disputed matters are finally resolved in writing by the Accounting Firm (as defined below). D
the Unitholders' Representative and Parent shall seek in good faith to resolve in writing any differences which they may have with respect to the matters spec
differences have not been resolved, the Unitholders' Representative and Parent shall submit to an independent accounting firm (the "Accounting Firm") any an
Notice of Disagreement. The Accounting Firm shall be Deloitte Touche Tohmatsu Limited or, if such firm is unable or unwilling to act, then KPMG LLP or, if such
independent public accounting firm as shall be agreed upon by the Unitholders' Representative and Parent, and, if Parent and the Unitholders' Representative ar
Parent and the Unitholders' Representative shall each select a firm and such firms shall jointly select a third nationally recognized independent public accountin
Parent shall instruct the Accounting Firm to render a decision resolving the matters submitted to it for review within 30 days following the submission thereof. Th
in writing and based solely on written materials submitted by Parent and the Unitholders' Representative that are in accordance with the terms of this Agreemen
Representative shall make available to the Accounting Firm such individuals and information (except f

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slide26

13 [[6200550v1]] with attorneys and accountants' working papers) as may be reasonably required by the Accounting Firm to make its determination pursuant to t
included herein. Any information provided to the Accounting Firm by Parent or the Unitholders' Representative shall be shared simultaneously with the other pa
teleconferences or meetings with, or make presentations to, the Accounting Firm, the other party shall be entitled to participate in such teleconferences, meetings
act in the capacity of an expert and not an arbitrator, (ii) the scope of the disputes to be resolved by the Accounting Firm shall only include disagreements based
based on Closing Statement Amounts not being calculated in accordance with this Agreement, and (iii) the Accounting Firm may not assign a value to any item
Closing Statement) or the Unitholders' Representative (in the Notice of Disagreement) or less than the smallest value for such item claimed by either of Parent (

Disagreement). The Accounting Firm shall not be authorized to interpret any provision of this Agreement or otherwise resolve any disputes other than the math
resolution of disputed matters by the Accounting Firm shall be final and binding (other than in the case of fraud or manifest error), and an order or judgment may
party against which such determination is to be enforced. The fees and expenses of the Accounting Firm incurred pursuant to this Section 2.05(d) shall be borne
prevail on the final amount of the adjustment of the matters submitted to the Accounting Firm. For example, in the event that the Unitholders' Representative as
than the amount set forth in the Closing Statement, and the Accounting Firm determines that the final amount of Closing Cash shall be 3% higher than the amou
the Accounting Firm shall be paid by Parent and 70% of the fees and expenses of the Accounting Firm shall be paid by the Company Unitholders. The Accour
apportionment of its fees and expenses as between the Company Unitholders and Parent, in accordance with the provisions of this Section 2.05(d). The proced
contemplated to be determined as set forth in this Section 2.05 shall be the sole and exclusive method for resolving such amounts. Payments of Adjustments to t
or equal to zero: (i) Parent shall pay, or cause to be paid, the lesser of (A) the Aggregate Adjustment Amount and (B) an amount equal to the Adjustment Esc
"Adjustment Payment Amount") to the Exchange Agent for the benefit of the Company Unitholders pursuant to and in accordance with Section 2.04(c), and (i
instructing the Escrow Agent to make payment of the Adjustment Escrow Amount to the Exchange Agent for the benefit of the Company Unith

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slide27

14 [[6200550v1]] If the Aggregate Adjustment Amount is less than zero: (i) Parent shall be entitled to receive a payment in cash out of the Adjustment Escrow
absolute value of the Aggregate Adjustment Amount for Parent's own account, and (ii) Parent and the Unitholders' Representative shall deliver a joint direction
equal to the absolute value of the Aggregate Adjustment Amount, and (B) make payment of the amount (if any) by which the Adjustment Escrow Amount excee
Escrow Release Amount") to the Exchange Agent for the account of the Company Unitholders pursuant to and in accordance with Section 2.04(c). For the av
amounts determined pursuant to Section 2.05 and this Section 2.06 or any claims arising out of the foregoing shall not exceed, in the aggregate, the Adjustme
Amount. Consideration Schedules. No less than five business days prior to the Closing, the Company shall deliver to Parent and the Exchange Agent a schedule
setting forth as of the Closing: a list of all holders of Other Warrants and Aquarian Warrants, and with respect to each such person: such person's name, addres
records); the relevant number or portion of any Exercised Warrants, the exercise price in respect thereof (as adjusted pursuant to the terms thereof), and the am
the relevant number or portion of Terminated Warrants, together with the aggregate exercise price and Net Cash Settled Warrant Closing Amount; based on the
of any Exercised Warrants prior to the Effective Time; the relevant number or portion of any Unexercised Warrants, together with the aggregate exercise price in
have been issuable to such person prior to the Effective Time (had they validly exercised the Unexercised Warrants); a list of all Company Unitholders, and with r
(to the extent available from the Company's books and records);

slide28

15 [[6200550v1]] the number of Common Units, if any, held by such person, indicating the cumulative amount of Distributions that have been received in respe
Agreement; the number of Preferred Units, if any, held by such person, indicating the Original Issue Price for each such Preferred Unit, the full amount of ur
cumulative amount of Distributions that have been received in respect of such Preferred Units under Section 7.01 of the Company LLC Agreement, and the C
Incentive Units, if any, held by such person, indicating the Threshold Value with respect to such person's specific grant(s) of Incentive Units; its good faith estima
respect of such person (if any), together with the amount of any interest accrued thereon; and the number and class of Rollover Units, if any, held by such pers
applicable Per Common Unit Closing Consideration, Per Preferred Unit Closing Consideration and Per Incentive Unit Closing Consideration in respect of such
Closing Consideration payable to each Company Unitholder (including for such purposes, those holders of (A) Exercised Warrants that will hold Company Units
be entitled to receive the applicable Net Cash Settled Warrant Closing Amount with respect thereto). The Company shall prepare the Closing Consideration Sche
and in accordance with this Agreement, the Company LLC Agreement and any other Governing Documents of the Company, any applicable Company Benefit Pl
Aquarian Warrants and any Other Warrants and the Merger Laws, and shall be accompanied by detailed documentation to support the calculations set forth
Consideration becomes due and payable to the Company Unitholders pursuant to this Agreement, the Unitholders' Representative will deliver to Parent and the E
amount of such Additional Merger Consideration in accordance with this Agreement, a schedule (each, a "Post-Closing Consideration Schedule"), substantially
applicable Per Common Unit Post-Closing Consideration, the Per Preferred

slide29

16 [[6200550v1]] Unit Post-Closing Consideration and the Per Incentive Unit Post-Closing Consideration in respect of each Company Unit, and (ii) based on the
each Company Unitholder, in each case, calculated in accordance with this Agreement, the Company LLC Agreement, any other Governing Documents of the C
of any Unexercised Warrants and the Merger Laws and accompanied by detailed calculations to support the calculations set forth therein. For the avoidance of
Units shall be allocated in accordance with Section 7.1 of the Company LLC Agreement after taking into account any previous payments made to such holde
Additional Merger Consideration shall be calculated by reducing the amount of such Additional Merger Consideration by (i) any Transaction Expenses that will
pursuant to Section 2.07, (ii) any expenses allocated to Company Unitholders pursuant to Section 2.05(d), to the extent applicable and (iii) the amount of the inc
Merger Consideration, any expenses allocated to the Company Unitholders pursuant to Section 7.01(b) (and, notwithstanding anything herein to the contrary,
amount of the Adjustment Escrow Amount or the Indemnity Escrow Amount that would be payable to the Company Unitholders by the Escrow Agent, Parent an
Escrow Agent to make payment of such amount to the Company). Parent, the Surviving Company and the Exchange Agent shall be entitled to conclusively rely u
Post-Closing Consideration Schedule delivered by the Company or the Unitholders' Representative, as applicable, and in no event will Parent, the Surviving Co
payments made in accordance with the Estimation Statement, the Closing Consideration Schedule or any Post-Closing Consideration Schedule. Representa
Disclosure Letter (it being understood that any information set forth in one section or subsection of the Company Disclosure Letter shall be deemed to apply to ar
and each other Section or subsection of this Agreement or the Company Disclosure Letter to which the relevance of such item is reasonably apparent on the
represents and warrants, as of the date hereof and as of (x) the Closing Date, with respect to the representations and warranties set forth in Section 3.06(b) and
Date, with respect to the other representations and warranties set forth in this Article III, to Parent and M

slide30

17 [[6200550v1]] Organization, Standing and Power. The Company and each of its Subsidiaries (i) is a corporation, limited liability company or other legal entity,
recognize the concept of good standing) under the laws of the jurisdiction of its incorporation or formation, as the case may be, (ii) has all requisite power and a
assets and to carry on its business as currently conducted and (iii) is duly qualified or licensed to do business as a foreign corporation and is in good standing (

where the character of the properties owned, leased or operated by it or the nature of its business makes such qualification or licensing necessary, except wher
had, and would not reasonably be expected to have, individually or in the aggregate, a Material Adverse Effect. The Company has made available to Parent, prio
Documents of the Company and each of its Subsidiaries, in each case as amended to the date hereof. Neither the Company nor any of its Subsidiaries is in viola
Subsidiaries. The only Subsidiary of the Company is the Captive Reinsurer and all the issued and outstanding equity interests in the Captive Reinsurer have bee
by the Company free and clear of all Liens, and free of any restriction on the right to vote, sell or otherwise dispose of such equity interests, other than transfer re
Governing Documents of the Captive Reinsurer. Except for the equity interests of the Captive Reinsurer, the Company does not own, directly or indirectly, any o
venture, association or other entity. Capital Structure. Section 3.03(a) of the Company Disclosure Letter sets forth, as of the date of this Agreement, (i) the autho
Units and the Company Unitholders owning and holding such Company Units, (ii) with respect to all Company Units, the cumulative amount of Distributions that
the Original Issue Price, the full amount of any unpaid Series A Preferred Return and the Conversion Rate, (iv) in respect of each Incentive Unit, the Threshol
Warrant, the number of Company Units and the class and series thereof subject thereto, the grant date, expiration date and exercise price and vesting schedul
records of the Company and (vi) the amount of any unpaid Additional Capital Contributions. The outstanding Company Units and Company Warrants have been
the registration or qualification provisions of the Securities Act, and any relevant state securities laws, or pursuant to valid exemptions therefrom. There are n
ownership interests in the Company and, except for the rights provided for in this Agreement there are no outstanding options, warrants, rights or agreements to
rights, “phantom” unit rights, performance units, or other

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slide31

18 [[6200550v1]] rights that are linked to the value of equity in the Company, Indebtedness of the Company having the right to vote (or convertible into or exercis
on any matters on which holders of Company Units are entitled to vote or any securities convertible into or exchangeable for any of the foregoing. There are no
interests in the Company. As of the Closing Date, the Closing Consideration Schedule will be complete and accurate in all respects and the amounts set forth the
Company LLC Agreement and any Governing Documents of the Company, any applicable Company Benefit Plan, any Contracts governing the terms of the
conversion rights of the Preferred Units, (ii) the rights set forth in the Company LLC Agreement and (iii) as set forth in Section 3.03(c) of the Company Discl
conversion or preemptive rights and rights of first refusal or other similar rights) or agreements in writing (or to the Knowledge of the Company, orally) for the
without limitation, any Company Units) in the Company. No Company Units or other equity interest in the Company is owned or held by any Subsidiary of the Co
to any voting agreement, unit or stockholder agreement, proxy or other agreement or understanding with respect to any equity interests in, the Company or any
adjustment to the conversion price or Threshold Value of any Company Units (as applicable) or the exercise price of any Other Warrants since their respectiv
representing Company Units or any other equity interests of the Company. Each Company Warrant issued to a Company Service Provider as compensation had
of Section 409A of the Code) of the corresponding Company Unit on the date of grant of such Company Warrant. To the Knowledge of the Company, the Incent
the Code, Treasury Regulations promulgated thereunder, and any published guidance by the IRS with respect thereto, including, without limitation, IRS Revenu
2001-43, 2001-2 C.B. 191. Authority; Noncontravention. The Company has all requisite corporate power and authority to execute and deliver this Agreement an
Ancillary Agreements to be entered at the Closing, will be) a party and to consummate the transactions contemplated hereby, provided that the consummation
transactions contemplated hereby are subject to the receipt of the Requisite Approval. The execution and delivery of this Agreement and each Ancillary Agreeme
entered at the Closing.

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slide32

19 [[6200550v1]] will be) a party by the Company and the consummation by the Company of the transactions contemplated hereby have been duly authorize
approval by any governing body of the Company, and no other corporate proceedings on the part of the Company are necessary to authorize this Agreement ar
Ancillary Agreements to be entered at the Closing, will be) a party or to consummate the transactions contemplated hereby, provided that the consummation o
transactions contemplated hereby are subject to the receipt of the Requisite Approval. The Requisite Approval is the only vote of the holders of any class or se
Merger. This Agreement and each Ancillary Agreement to which the Company is a party has been (or, with respect to the Ancillary Agreements to be entered at
that the consummation of the Merger and the adoption of this Agreement, the Merger and the other transactions contemplated hereby are subject to the receipt o
delivery by each of the other parties to this Agreement and each Ancillary Agreement, constitutes (or, in the case of such Ancillary Agreements to be entered
binding obligation of the Company, enforceable against the Company, in accordance with its terms, subject to any limitations to enforcement hereof and thereof b
or similar Laws relating to or affecting the rights of creditors generally, general equitable principles (whether considered in a proceeding in equity or at law) and a
equity powers (the "Bankruptcy and Equity Exceptions"). The execution and delivery of this Agreement and each Ancillary Agreement to which the Company is (
be) a party by the Company does not, and the consummation of the Merger and the other transactions contemplated hereby and compliance by the Company wit
Company is (or, with respect to the Ancillary Agreements to be entered at the Closing, will be) a party will not (i) conflict with or violate any provision of the Gover
result in any violation or breach of, or default (with or without notice or lapse of time, or both) under, or give rise to a right of, or result in, termination, cancellation
to which the Company or any of its Subsidiaries is a party or by which the Company or any of its Subsidiaries, or any property or asset of the Company or any of
lapse or time or both) in the creation of a Lien on any property or asset of the Company or any of its Subsidiaries or (iv) subject to obtaining receipt of the Requ
waivers contemplated by Section 3.04(c) have been obtained, and all filings described therein have been made, and assuming the accuracy and completeness o
contravene any applicable Law, Governmental Order or Permit, other than, in the case of clauses (ii), (iii) and (iv), as has not had, and would not reasonably be

slide33

20 [[6200550v1]] No consent, approval, order or authorization of, action by or in respect of, or registration, declaration or filing with, any federal, state, local or for
agency, commission or authority or any self-regulatory organization, in each case of competent jurisdiction (each, a “Governmental Entity”) is required by or w
execution and delivery of this Agreement and each Ancillary Agreement to which the Company is (or, with respect to the Ancillary Agreements to be entered a
Merger or the other transactions contemplated hereby, except for (i) compliance with any applicable requirements of the HSR Act, (ii) the filing of the Merger
registrations, declarations, waivers, filings and notices set forth in Section 3.04(c) of the Company Disclosure Letter (the “Company Approvals”), and (iv) such
declarations, waivers, filings and notices the failure of which to be obtained or made has not had, and would not reasonably be expected to have, individually or in
Liabilities, Etc. The Company has made available to Parent copies of the following financial statements: (i) the audited consolidated balance sheets of the Compa
consolidated income and consolidated cash flow statements for the years then ended (the “Consolidated Audited Statements”) and (ii) the unaudited consolida
August 31, 2023 (the “Most Recent Balance Sheet Date”) and the related unaudited consolidated income statement as of the 12-month period then ended (toge
Statements”). The Consolidated Financial Statements (A) have been prepared from the books and records of the Company and its Subsidiaries, (B) have been
periods involved (except as may be specifically indicated in the notes thereto) and (C) present fairly in all material respects the consolidated financial position of t
results of operations and cash flows of the Company and its Subsidiaries for the periods then ended. Neither the Company nor any of its Subsidiaries has any
absolute or contingent, or matured or unmatured) except for such liabilities and obligations (i) to the extent specifically reflected on and reserved against on the
business in a manner consistent with past practice since the Most Recent Balance Sheet Date (provided that none of such liabilities or obligations arose out of a
Company or any of its Subsidiaries), (iii) liabilities pursuant to the express terms and conditions of any Material Contract in effect as of the date hereof and set fo
for default, breach or non-performance thereunder), (iv) liabilities incurred in connection with this Agreement or the Ancillary Agreements or the transactions conte

material to the Company and its Subsidiaries taken as a whole.

slide34

21 [[6200550v1]] The Company has made available to Parent copies of the unaudited balance sheet of the Company as of August 31, 2023, and the related inco
Statements”). The Standalone Financial Statements (A) have been prepared from the books and records of the Company (B) have been prepared in accordance
present fairly in all material respects the financial position of the Company as of the dates thereof. The Company has made available to Parent copies of: (i) the
2021 and December 31, 2022 and the related statutory statement of income and statement of capital and surplus for the years then ended (the “Statutory Audite
as of the end of August 31, 2023, and for the related income statements for the 12-month period then ended (the “Captive Unaudited Statements”). The Statut
prepared from the books and records of the Captive Reinsurer, (B) have been prepared in accordance with SAP (or, in relation to the Captive Unaudited Stateme
as may be specifically indicated in the notes thereto or the related actuarial opinions) (C) the insurance reserves stated therein have been determined in all m
consistently applied (except as otherwise noted therein) and (D) present fairly in all material respects the insurance reserves and financial position the Captive R
of the Captive Reinsurer for the periods then ended. The Company has made available to Parent copies of the unaudited GAAP equity to statutory surplus re
Statements as of the end of August 31, 2023, and such reconciliation: (A) has been prepared from the books and records of the Captive Reinsurer, and (B) has
the periods involved (except as may be specifically indicated in the notes thereto or the related actuarial opinions). Section 3.05(e) of the Company Disclosure L
SS and LC Calculation - 9.30.23” (the “Applied Loss Computations”). The Applied Loss Computations have been prepared in good faith using reasonable ski
practices and include both known loss experience and an estimate for incurred but not reported experience (IBNR). Absence of Certain Changes or Events. Sinc
the Company Disclosure Letter or impacted by or reasonably taken in response to any Contagion Event, the Company and its Subsidiaries have conducted their
all material respects, there has not been any Material Adverse Effect with respect to the Company and through the date hereof, except as reasonably taken
Subsidiaries has taken any actions (or failed to take any actions) that, if taken (or failed to be taken) a

slide35

22 [[6200550v1]] Agreement, would constitute a material breach of any of the covenants set forth in Section 5.01(b) had such restrictions been in effect since the
there is no claim, suit, action, proceeding, arbitration, complaint, charge or investigation by or before any Governmental Entity or arbitrator (“Claim”) pending or,
of its Subsidiaries, or any of their respective assets, officers, directors or employees (in the case of officers, directors or employees, in their respective capac
connection with the services provided under any Program Agreement by any person set forth in clause (A), in each case that (A) asserts claims that exceed $100
result in an injunction or other remedy that would reasonably be likely to be material and adverse to the Company and its Subsidiaries, taken as a whole (it being
conduct, bad faith or fraud by any person set forth in this are or would be material and adverse to the Company and its Subsidiaries, taken as a whole). There is
the other transactions contemplated hereby or that would reasonably be likely to prevent, materially delay or materially impair the consummation by the Company
any Ancillary Agreement to which the Company is (or, with respect to the Ancillary Agreements to be entered at the Closing, will be) a party. There is no Gove
investigation by any Governmental Entity involving, the Company or any of its Subsidiaries or any of their respective assets, officers, directors or employees (in t
as such) that has had, or would reasonably be expected to have, individually or in the aggregate, a Material Adverse Effect. Contracts. Section 3.08(a) of the Co
all Contracts (other than any Company Benefit Plan or Lease) to which the Company or any of its Subsidiaries is a party or by which any of them is bound that r
purchase of materials, supplies, products, services, equipment or other assets providing for (A) payments to or by the Company and its Subsidiaries of $250,0
Company and its Subsidiaries of $1,000,000 or more in the aggregate over the term of such Contract; any Contract (A) containing “most favored nation” terms
purchase or supply of a minimum quantity of products or services (including any minimum value or volume of premiums written) or the purchase or supply of p
covenants binding on the Company or its Subsidiaries that materially restricts the ability of the Company o

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slide36

23 [[6200550v1]] to engage or compete in any type or line of business, any product or service offering, any distribution channel or in any geographic area (incl
groups of related Contracts with any Top Carrier or Top Producer, including any Program Agreement with any such person; any Contract relating to the acquis
assets (whether by merger, sale of equity interests, sale of assets or otherwise) in excess of $250,000 in the aggregate; any Program Agreement, or Contract
$5,000,000 in any 12-month period; any partnership, joint venture, collaboration or other similar agreement or arrangement that is material to the business of the
for Indebtedness of the Company or any of its Subsidiaries having an outstanding or committed amount in excess of $250,000 (other than any intercompany Inde
guarantee by the Company or any of its Subsidiaries of the Indebtedness of any person other than the Company or a wholly-owned Subsidiary of the Company;
or indirectly, made any advance, loan, extension of credit or capital contribution to, or other investment in, any person (other than the Company or any of its Subs
of credit, capital contribution to or investment in such person; any Contract granting any put, call, right of first refusal, right of first negotiation, right of first offer or
of its Subsidiaries; any IP Contract; any Contract that provides for the payment by the Company or any of its Subsidiaries of an early termination fee in excess o
the declaration or payment of dividends in respect of any equity interests in the Company or any of its Subsidiaries; any Contract pursuant to which the Co
development costs in excess of $175,000 or pursuant to which the Company or its Subsidiaries have committed to the acquisition by purchase o

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slide37

24 [[6200550v1]] any Contract with a Governmental Entity relating to the furnishing of any products or services by the Company or any of its Subsidiaries to such
thereof by the other party or parties thereto, (i) each Material Contract is in full force and effect, and is a legal, valid, binding and enforceable obligation of the Co
(subject to the Bankruptcy and Equity Exceptions) and, to the Knowledge of the Company, of the other parties thereto and (ii) none of the Company or any of it
hereof, any other party thereto is in violation in any material respect of or in default under (nor, to the Knowledge of the Company, does there exist any condition
such a violation of or default under) any Material Contract to which it is a party or by which it or any of its properties or other assets is bound, nor have any of the
to each of the foregoing clauses (i) and (ii), where such failures to be valid and binding and in full force and effect or such violations and defaults have not had, ar
a Material Adverse Effect. Complete and accurate copies of each Material Contract (and a written summary of the material terms of any oral Material Contract) h
Laws; Permits. The Company and each of its Subsidiaries is, and at all times since January 1, 2022 has been, in compliance with all applicable Laws (including
have not had, and would not reasonably be expected to have, individually or in the aggregate, a Material Adverse Effect. Since January 1, 2022, neither the Co
Knowledge of the Company, oral notice) from any Governmental Entity alleging any violation of Law by the Company or any of its Subsidiaries, except for vio
individually or in the aggregate, a Material Adverse Effect. All approvals, authorizations, certificates, franchises, licenses, clearances, permits and other simila

necessary for the Company and its Subsidiaries to own, lease and operate its properties and other assets and to carry on its business and operations as current
and effect, except where the failure to have such Permit valid and in full force and effect has not had, and would not reasonably be expected to have, individually
the Company nor any of its Subsidiaries is in material default under, or in violation in any material respect of, any such Permit. Neither the Company nor any
Company, threatened action seeking the suspension or cancellation of any of the Permits, except as has not had, and would not reasonably be expected to ha
Company, any of its Subsidiaries, any of their respective officers or directors or, to the Knowledge of the Company, any employee of the Company or any of its S
the

slide38

25 [[6200550v1]] Company or any of its Subsidiaries (a) is currently, or has been at any time in the prior three years on behalf of the Company or any of its Su
unauthorized dealings or transactions, directly or indirectly, with any Sanctioned Person or in any Sanctioned Country or (ii) in material violation of applicable S
matters; or (b) has at any time (i) made or accepted any unlawful payment or given, offered, promised or authorized or agreed to give or receive any money, adva
use or benefit of or from any Governmental Official or other person; (ii) established or maintained any unlawful or unrecorded fund or asset for any purpose or m
records of the Company or any of its Subsidiaries for any reason; or (iii) otherwise been in material violation of any applicable Anti-Corruption Laws. The Com
compliance in all material respects with all Sanctions Laws, Ex-Im Laws, applicable laws relating to U.S. anti-boycott matters, Antitrust Laws and Anti-Corruptio
instituted and maintains policies and procedures reasonably designed to achieve, and which are reasonably expected to continue to achieve, compliance in all m
payment, gift or transfer of any money, advantage or thing of value to any Governmental Official. [Reserved] Employment Matters. Section 3.11 of the Compar
employed by, or providing services to, the Company as of the date hereof (each, a “Current Company Service Provider”), including for each such Current Comp
Standards Act designation, work location, current base compensation rate, commission or annual cash incentive opportunities, leave of absence status, accrued
no Current Company Service Provider with an annual base salary in excess of $180,000 is a party to, or is otherwise bound by, any agreement or arrangement
adversely affects or restricts the performance of such individual’s duties for the Company or any of its Subsidiaries. The Company and each of its Subsidiaries is
material respects with all laws governing the employment of labor and the engagement of other service providers, including all such laws relating to wages, hours
a leased employee, labor relations, leave of absence requirements, occupational health and safety, privacy, harassment, retaliation and wrongful discharge, in
affirmative action, collective bargaining, discrimination, civil rights, safety and health, workers’ compensation, equal employment opportunity, disability rights ar
insurance.

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slide39

26 [[6200550v1]] In the 90 days prior to the date hereof, neither the Company nor any of its Subsidiaries has (i) engaged in any location closing or employee la
notice, termination pay or similar requirements under the Workers Adjustment and Retraining Notification Act of 1988 or any applicable similar state, local or fo
WARN Act that remains unpaid or unsatisfied. Neither the Company nor any of its Subsidiaries is a party to or has any obligations under a collective bargainin
council, labor organization or other employee representative body. Neither the execution, delivery and performance of this Agreement nor the Merger and the o
Subsidiaries to inform, consult with or obtain the approval of any union, works council, trades union, labor organization or other employee representative body. T
work stoppage or work slowdown by any group of Current Company Service Providers, or any coordinated effort to organize or represent any Current Compa
investigation by any Governmental Entity with respect to the Company or any of its Subsidiaries in relation to the employment or alleged employment or un
employment practices, including with respect to legally protected categories) of or with respect to any individual is ongoing, pending or, to the Knowledge of the C
any notice from any Governmental Entity indicating an intention to conduct the same. No allegations of sexual harassment or misconduct have been made in t
annual base salary in excess of $180,000 and, in the past three years, neither the Company nor any of its Subsidiaries has entered into any material settlemen
discrimination (including with respect to a protected classification, including race and gender, hostile work environment or similar misconduct) with respect to an
$180,000. Employee Benefits. Section 3.12 of the Company Disclosure Letter contains, as of the date hereof, a true, complete and correct list of each “employe
thereto) and each other pension, profit sharing, 401(k), retirement, supplemental retirement, savings, employee stock ownership, deferred compensation, stock
vacation, paid time off, employment, individual independent contractor, individual consulting, change in control, severance, separation, termination, retention,
death, medical insurance, dental insurance, life insurance, retiree medical or employee assistance and other material compensation or employee benefit plan
unwritten, that is sponsored, maintained, contributed to or required to be sponsored, maintained or contributed to by the Company or any of its Subsidiaries, or
be expected to have any liability, whether actual, direct or indirect, contingent or otherwise (each a “Company Benefit Plan”). For

slide40

27 [[6200550v1]] means any person which is (or at any relevant time was or will be) a member of a “controlled group of corporations” with, under “common contr
its Subsidiaries as such terms are defined in Sections 414(b), (c), (m) or (o) of the Code. With respect to each Company Benefit Plan, the Company has made a
together with all amendments thereto, or a written summary of any unwritten Company Benefit Plan, (ii) the summary plan description, (iii) the most recent deter
“IRS”), and (iv) any non-routine correspondence with the Department of Labor, the IRS or any other Governmental Entity in the three years prior to the date he
been, in all material respects, established, maintained, funded, operated and administered in all material respects in accordance with its terms and with all prov
Plan that is intended to be qualified within the meaning of Section 401(a) of the Code has received a favorable determination letter from the IRS, or has received
favorable opinion, and, to the Knowledge of the Company, there are no facts or circumstances that would reasonably be expected to result in the loss of such
Company, investigations with respect to any Company Benefit Plan by any Governmental Entity are pending or, to the Knowledge of the Company, threatened,
actions, investigations, suits, audits or claims against or relating to any Company Benefit Plan (other than routine claims for benefits). Neither the Company
employment medical, life insurance or other welfare benefits to any current or former Company Service Provider or any dependent or beneficiary thereof, except
of the Code or under any equivalent state, federal or foreign benefits continuation laws, (ii) benefits through the end of the month of termination of employment, (
or prior to termination of employment and (iv) post- termination benefits during any period to convert a group Company Benefit Plan to an individual plan. There
Providers by the Company or any of its Subsidiaries which could reasonably be interpreted to promise or guarantee such Company Service Providers health,
Company Benefit Plan is, and none of the Company, any of its Subsidiaries or any ERISA Affiliate presently or, within the past six years, has sponsored, maintai
that is or was subject to Title IV of ERISA, Section 302 of ERISA or Section 412 of the Code. No Company Benefit Plan is, and none of the Company, any of its
sponsored, maintained, contributed to or been

slide41

28 [[6200550v1]] obligated to contribute to, a (i) “multiemployer plan” (as defined in Sections 3(37) or 4001(a)(3) of ERISA), (ii) “multiple employer plan” (as defin
“multiple employer welfare arrangement” (as defined in Section 3(40) of ERISA or applicable state law) or (iv) “voluntary employees’ beneficiary association” (as
of Incentive Units immediately prior to the Closing, neither the execution and delivery of this Agreement nor the consummation of the Merger (either alone or in co
including anything that would be triggered by such other event absent the execution and delivery of this Agreement nor the consummation of the Merger): (i) re
compensation or benefit due, to any Company Service Provider; (ii) increase any compensation or benefits otherwise payable under any Company Benefit Plan
of payment, vesting or funding of any such compensation or benefits; (iv) result in the payment of any amount or any benefit that could, individually or in comb
cleansing or similar vote, constitute an “excess parachute payment”, as defined in 280G(b)(1) of the Code (without regard to 280G(b)(4) of the Code); or (v) resul
the Company or any of its Subsidiaries to amend or terminate any Company Benefit Plan. Neither the Company nor any of its Subsidiaries has any obligation to
(either in whole or in part), indemnification, reimbursement or other payment for any excise or additional Taxes or related interest or penalties pursuant to Section
this Agreement nor the Merger and the other transactions contemplated hereby will entitle the recipient of any payment or benefit to receive any such paymen
Benefit Plan or other similar compensation or benefit arrangement that is subject to the Laws of any jurisdiction outside of the United States or that is registered
[Reserved]. Insurance Coverage. The Company has made available a complete and accurate list of all material insurance policies for property, liability,
compensation/employer’s liability, title and all other forms of insurance owned, held by or applicable to the Company or any of its Subsidiaries (or their respective
Company has made available to Parent copies of all such material policies, including all occurrence-based policies applicable to the Company or any of its Subsi
aggregate, reasonably be likely to be material to the Company and its Subsidiaries, taken as a whole, (a) the Company and its Subsidiaries maintain p

slide42

29 [[6200550v1]] Company reasonably believes to be commercially reasonable, (b) all such policies (or substitute policies with substantially similar terms and und
in full force and effect, and (c) all premiums due thereunder have been paid when due. Neither the Company nor any of its Subsidiaries is in breach of or default
of any such insurance policy or has taken any action or failed to take any action that, with notice or lapse or time (or both), would constitute such a breach or d
Taxes. The Company and each of its Subsidiaries has filed, or has caused to be filed, in a timely manner (within any applicable extension period) all income a
pursuant to the Code (and any applicable U.S. Treasury regulations) or applicable state, local or non-U.S. Tax laws. All such Tax Returns are complete and acc
timely paid or caused to be paid all material Taxes due and owing by such entity, whether or not such Taxes are shown as due on any Tax Return. There are no
of the Company or any of its Subsidiaries. There is no unresolved deficiency, refund litigation, proposed adjustment or matter in controversy with respect to a
Subsidiaries. Each deficiency resulting from any completed audit or examination relating to Taxes by any Taxing Authority has been timely paid or is being cont
records of the Company and its Subsidiaries. The relevant statute of limitations is closed with respect to U.S. federal income Tax Returns of the Company and ea
agreement or other document extending, or having the effect of extending, the period of assessment or collection of any Taxes of the Company or any of its Sub
Company nor any of its Subsidiaries will incur Tax after the Closing Date as a result of (1) other than in the ordinary course of business, income that accrued in a
Closing Tax Period as a result of (i) the installment method of accounting, (ii) the completed contract method of accounting, (iii) the long-term contract method o
under Section 951 or Section 951A of the Code or (vi) any comparable provisions of state, local or non-U.S. Tax laws, or for any other reason, or (2) any electi
Taxes would have been payable before the Closing Date but for such election (such Taxes described in clause (2), “Elective Deferred Taxes”). The Company an
payment and withholding of any material amount of Taxes. None of the Company’s Subsidiaries has constituted either a “distributing corporation” or a “cont

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slide43

30 [[6200550v1]] in a distribution of stock qualifying or intended to qualify for Tax-free treatment (in whole or in part) under Section 355(a) or 361 of the Code. N
taxable period, in the filing of any affiliated, aggregate, consolidated, combined or unitary Tax Return provided for under the law of the United States, any foreign
for which the statute of limitations has not expired, or (2) has any liability for Taxes of any other person under Treasury Regulation Section 1.1502-6 and similar
by Contract (other than customary indemnification or gross-up provisions in Contracts the primary purpose of which does not relate to Taxes). No written claim h
any of its Subsidiaries does not file a Tax Return that it is, or may be, subject to Tax by such jurisdiction. Neither the Company nor any of its Subsidiaries has
organized. Neither the Company nor any of its Subsidiaries is a party to or bound by any Tax sharing agreement, Tax indemnity obligation or similar agreement,
any advance pricing agreement, closing agreement or other agreement relating to Taxes with any Taxing Authority), other than customary indemnification or gro
Taxes. Neither the Company nor any of its Subsidiaries has ever entered into any “reportable transaction” (as defined in Treasury Regulation Section 1.6011-4
material Liens for Taxes with respect to any assets or properties of the Company or any of its Subsidiaries, except for statutory liens for Taxes not yet due and
property holding corporation within the meaning of Section 897(c)(2) of the Code during the applicable period specified in Section 897(c)(1)(A)(ii) of the Code. Ne
that is treated as a “passive foreign investment company” within the meaning of Section 1297(a) of the Code. For U.S. federal income Tax purposes, the Com
classified as a corporation and (if formed) Bamboo Claims Solutions will be classified as a corporation, in each case, at all times since such entity’s formation.
2020, an election to be treated as a domestic corporation under Section 953(d) of the C

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slide44

31 [[6200550v1]] The Company has not made an election pursuant to Section 6221(b) of the Code (or any similar state or local law) to have the Partnership Ta
other proceedings. The Company has, in its capacity as a licensed surplus lines insurance broker, since January 1, 2022, timely collected, reported and subse
premium tax authorities in all applicable jurisdictions. Real and Personal Property. Section 3.16 of the Company Disclosure Letter identifies all real property le
Subsidiaries as of the date of this Agreement (collectively, the “Leased Real Property”), including the address of each Leased Real Property. Section 3.16(a) of
Real Property, each lease, sublease, license or other Contract under which such Leased Real Property is occupied or otherwise used (collectively, the “Lease
individually or in the aggregate, a Material Adverse Effect, each of the Leases is in full force and effect, and the Company or one of its Subsidiaries has a good
proper authorization and execution of such Lease by the other party thereto and subject to the application of the Bankruptcy and Equity Exceptions, free and cle
Subsidiaries or, to the Knowledge of the Company, any other party thereto is in violation in any material respect of or in default under (nor, to the Knowledge of th
the giving of notice or both would cause such a violation of or default under) any Lease to which it is a party or by which it or any of its properties or other assets
the same, except where such violations and defaults have not had, and would not reasonably be expected to have, individually or in the aggregate, a Material Ad
available to Parent prior to the date hereof. To the Knowledge of the Company, there are no condemnation or other similar proceedings in eminent domain pend
its Subsidiaries’ present occupancy or use of any Leased Real Property. Neither the Company nor any of its Subsidiaries has subleased, licensed or otherwise
Leased Real Property to any person other than the Company and its Subsidiaries. Neither the Company nor any of its Subsidiaries owns or has owned any real
the operation of the business of the Company and its Subsidiaries as currently conducted as of the date hereof. The Company and each of its Subsidiaries has g
right to use, all of the material tangible assets, real and personal, reflected in the Company’s audited consolidated

slide45

32 [[6200550v1]] 31, 2022, other than properties and assets sold or otherwise disposed of in the ordinary course of business since such date, and subject to Per
Letter sets forth a complete and accurate list, as of the date hereof, of (i) all Patents, (ii) registered Trademarks, (iii) registered Copyrights ((i)-(iii) collectively, t
products, in each case that are Company Owned Intellectual Property, along with the jurisdictions in which any Company Registrations have been issued or regis
filed, the registration or application number, and the registered owner or applicant for each registration or application. Each of the Company Registrations is sub
Company or one of its Subsidiaries exclusively owns all rights, title and interests in and to the Company Owned Intellectual Property, free and clear of any Liens
there are currently no pending or threatened (in writing, or to the Knowledge of Company, otherwise) Actions with respect to: (i) the ownership, licensing or us
Property; (ii) any actual or potential infringement, dilution, misappropriation or other violation of any Company Owned Intellectual Property; (iii) any actual or po
party Intellectual Property by the Company or any of its Subsidiaries; or (iv) the ownership, validity, enforceability, registration or use of any Company Owned Inte
or received from a third party any charge, complaint, claim, demand, notice or other communication (in writing, or to the Knowledge of Company, otherwise) in c
January 1, 2022, none of the Company, any of its Subsidiaries or the conduct of the business of the Company and any of its Subsidiaries has infringed, diluted, m
or otherwise violating any third-party Intellectual Property. Since January 1, 2022, to the Knowledge of the Company, no third party has infringed, diluted, misap
otherwise violating any Company Owned Intellectual Property. Section 3.17(d) of the Company Disclosure Letter identifies each Contract: (i) pursuant to which
Subsidiaries, other than (A) Contracts between or among the Company or any of its Subsidiaries, or between the Company or any of its Subsidiaries and curre
entered into in the ordinary course of business and on a standard form (or a substantially similar form) of the Company or any of its Subsidiaries, (C) non-exclu
generally standard terms and conditions and (D) immaterial, non-exclusive licenses which are merely incidental to the main purpose of the Contract (clause (i) c
any of its Subsidiaries has granted to any person any right or interest in any material Company Intellectual Property, other than (A) Contracts between

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slide46

33 [[6200550v1]] Company or any of its Subsidiaries and current or former Participants, (B) confidentiality and non-disclosure agreements entered into in the or
form) of the Company or any of its Subsidiaries, (C) Contracts entered into in the ordinary course of business that include non-exclusive licenses, and (D) immat
of the Contract (clause (ii) collectively, the “Outbound IP Contracts”) and (iii) any Contract involving the Company or any of its Subsidiaries containing any cov
Intellectual Property (clause (iii), together with the Outbound IP Contracts and the Inbound IP Contracts, the “IP Contracts”). The Company Owned Intellectua
Subsidiaries have valid rights to use (collectively, the “Company Intellectual Property”), will, as of the Closing, constitute all the material Intellectual Property us
Company and its Subsidiaries as currently conducted. No current or former Participant has any ownership right to or in any Company Intellectual Property. No c
Knowledge of the Company, otherwise) to make, any claim or challenge against the Company or any of its Subsidiaries in connection with his or her contribut
Property. The Company and each of its Subsidiaries has taken commercially reasonable steps to protect the confidentiality of any material Trade Secrets in the
Trade Secrets have been disclosed to any third party except pursuant to a valid, enforceable non-disclosure agreement, license or other appropriate Contract co
obligation to protect such Trade Secrets, and which Contract has not been breached. The Company and each of its Subsidiaries is in compliance in all materia
Software incorporated into the proprietary Software of the Company or any of its Subsidiaries or the Products. Except as would not be material to the business
nor any of its Subsidiaries is using, or has used since January 1, 2022, any Open Source Software in a manner that would result in any claim that the propriet
disclosed, distributed or made available to any third party; (ii) licensed to any third party for the purpose of modification or redistribution; (iii) licensed to any thir
Open Source Software license, except, in each case, with respect to the Open Source Software itself. Neither the Company nor any of its Subsidiaries has rece
license the proprietary Software of the Company or any of its Subsidiaries pursuant to an Open Source Software license, or alleging noncompliance with any Ope
Company and each of its Subsidiaries function in compliance in all material respects with their writte

slide47

34 [[6200550v1]] without material defects or errors when used in accordance with such specifications and related documentation. To the Knowledge of the Con
virus, Trojan horse, worm or other Software routines or IT Assets designed to permit unauthorized access or to disable, erase or otherwise harm Software, IT A
routine designed to disable a computer program automatically with the passage of time or under the positive control of a person other than the user of the pro
Software or any IT Assets, resulting in any impact to the Company or any of its Subsidiaries or the operation of their business, or any Software or IT Assets of
adware or other similar Software that monitors the use of the Products or contacts any remote computer without the knowledge and express consent of the user(
and each of its Subsidiaries is in actual possession of, and has exclusive control over, the source code for all proprietary Software owned by the Company or su
delivered or licensed to any person, or obligated itself to disclose, deliver or license to any person (including any escrow agent), any Software source code owne
has executed, enforceable, valid written confidentiality obligations to the Company or such Subsidiary restricting the use and disclosure of such source code. To t
engineering, decompiling, disassembling or other unauthorized disclosure of or access to any source code owned by the Company or any of its Subsidiaries. S
Subsidiaries have not materially malfunctioned or failed, and to the Knowledge of the Company there has been no material unauthorized access to or unauthorize
times maintained, and currently maintain, commercially reasonable backup, security and disaster recovery plans, in each case consistent with customary indu
Requirements for the IT Assets used in the business of the Company and its Subsidiaries. The Company and its Subsidiaries comply and since January 1, 2022
Security Requirements. The Company and each of its Subsidiaries has a privacy policy that incorporates all disclosures to data subjects required by the Priva
connection with such privacy policies have been inaccurate (including material omissions), misleading or deceptive or in violation of the Privacy and Data Sec
commercially reasonable measures to protect Personal Data processed by or on behalf of the Company or any of its Subsidiaries against loss, theft, misuse o
January 1, 2022, there has been no (A) security breach or intrusion into the IT Assets of the Company or any of its Subsidiaries, other than any immaterial breach
unauthorized access to, or disclosure, use or processing of, Personal Data, or (C) action or circumstance requiring the Company or any of its Su

slide48

35 [[6200550v1]] connection with a disclosure, use or processing of Personal Data within the possession or control of the Company and its Subsidiaries or a viola
such notifications been made nor are any such notifications currently planned to be made. No person (including any Governmental Entity) has commenced any
or modification of any Personal Data within the possession or control of the Company or any of its Subsidiaries. The consummation and performance of the
otherwise cause any violation of any Privacy and Data Security Requirement that would result in any material constraint on the use of Personal Data following th
the Company Disclosure Letter, no broker, investment banker, financial advisor or other person is entitled to any broker's, finder's, financial advisor's or other si
other transactions contemplated hereby based upon arrangements made by or on behalf of the Company or any of its Subsidiaries. Related Party Transactions.
its Subsidiaries (or in the case of any such person who is an individual, any member of his or her immediate family) (each a "Related Person"), or any corpora
manager, director, member or partner (other than membership or limited partnership interests in investment funds or similar entities in which such person does n
has 25% or more of the equity interests or otherwise controls: owns any material property (real or personal, tangible or intangible) that is used, licensed or ow

Contract to which any Top Carrier, the Company or any of its Subsidiaries are a party or to which they are bound; is the borrower pursuant to any outstanding lo
the Company or any of its Subsidiaries is the lender and which remains unpaid; or is the lender pursuant to any outstanding loan, promissory note or similar
Subsidiaries is the borrower and which remains unpaid (any of the foregoing, a "Related Party Transaction"), provided, however, that, for clarity, in no event sha
arising out of or relating to any employment relationship or transaction involving the Company or any of its Subsidiaries, on the one hand, and any employee, o
hand, including any compensation resulting from that employment relationship or transaction or any transaction with any corporation, partnership or other entity i
the direct or indirect ownership by such person and all other Related Persons, in the aggregate, of less than a 5% equity interest in another person (other than
position as a limited partner in a partnership in which such person and all other Related Persons have an interest of less than 10% and such person is not the ge
the partnership.

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slide49

36 [[6200550v1]] Relationships with Producers, Carriers and Reinsurers. Section 3.20 of the Company Disclosure Letter sets forth a true and complete list of th
fees paid by the Company or any of its Subsidiaries) for the period commencing on January 1, 2023 and ending on the date of this Agreement (collectively, the "
otherwise terminated, or provided written notice to the Company or any of its Subsidiaries of its intent, or, to the Knowledge of the Company, threatened to term
notice to the Company or any of its Subsidiaries in writing that it intends to materially reduce the amount of business it transacts with the Company or any of its S
and complete list of the five largest insurance companies (measured by aggregate revenue of the Company and its Subsidiaries) for which the Company or any
the period commencing on January 1, 2023 and ending on the date of this Agreement (collectively, the "Top Carriers"). Since January 1, 2023, no Top Carrier
Company or any of its Subsidiaries of its intent, or, to the Knowledge of the Company, threatened to terminate its relationship with the Company or any of its Subs
that it intends to materially reduce the amount of business it transacts with the Company or any of its Subsidiaries. With respect to all material reinsurance or coi
agreements by or among any Top Carrier and any Top Carrier Reinsurer with respect to any Insurance Contracts entered into since January 1, 2022 (including
supplements and other agreements, if any, related thereto, the "Top Carrier Reinsurance Agreements") (i) to the Knowledge of the Company, all of the Top Carri
and effect, (ii) as of the date hereof, no party to a Top Carrier Reinsurance Agreement is in material breach of or in default of any material provision under any To
event has occurred which, with the passage of time or the giving of notice, or both, would constitute a default thereunder, (iii) neither the Company nor any of its
Carrier Reinsurer that any amount of reinsurance ceded to it under any Top Carrier Reinsurance Agreement will be uncollectible or otherwise defaulted upon or
any Top Carrier or any of its Affiliates pursuant to such Reinsurance Agreement, (iv) no Top Carrier Reinsurer has given written notice to the Company or any
Knowledge of the Company has otherwise threatened, to reduce the amount of reinsurance it cedes in respect of any Top Carrier or any territory, Products or sp
have complied with their respective obligations under any Program Agreement with respect to any Top Carrier Reinsurance Agreement, including any such ob
written premiums, net written premiums, coverage premiums, losses incurred and any applicable reserves or provisions made by or in respect of any person, in
received written notice of, and to the Knowledge of the Company no complaint

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slide50

37 [[6200550v1]] or grievance has been made in respect of, any errors, inaccuracies or omissions (inadvertent or otherwise) with respect to the calculation, me
Company with respect to any such determination. Insurance Producers. To the Knowledge of the Company, no Insurance Producer is in material violation of a
management or production of the business of the Company or any of its Subsidiaries. Section 3.21 of the Company Disclosure Letter sets forth a true and co
Company including state license numbers, state license expiry dates, and the identity of the designated responsible licensed producer supporting such entity li
insurance producers employed by the Company including NPR number, state license numbers, and state license expiry dates. No Other Representations or Wa
Article III and the certificates delivered by the Company pursuant to Sections 8.02(c) and 8.02(d), in each case as modified by the Company Disclosure Letter,
representation or warranty to Parent with respect to the Company or any of its Subsidiaries or with respect to any other information provided, or made availa
Agreement, to Parent or any of its Affiliates, agents or representatives. None of the Company or any of its Subsidiaries shall be subject to any liability to Parent
any information, documents, projections, forecasts or other material made available to Parent or its Affiliates, agents or representatives in the electronic data ro
presentations in expectation of the transactions contemplated by this Agreement, other than to the extent any such information is the express subject of a repre
Company pursuant to Sections 8.02(c) and 8.02(d) and, in each case as modified by the Company Disclosure Letter. The Company and its Subsidiaries discl
except for the representations and warranties contained in Article III and the certificates delivered by the Company pursuant to Sections 8.02(c) and 8.02(d), i
anything to the contrary in this Section 3.22, nothing in this Section 3.22 shall relieve any person from any liability or damages resulting from any fraud. Repres
represent and warrant, as of the date hereof and as of the Closing, to the Company as set forth in this Article IV. Organization, Standing and Power. Each of
existing and in good standing (in the jurisdictions that recognize the concept of good standing) under the la

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slide51

38 [[6200550v1]] incorporation and has all requisite corporate power and authority to carry on its business as currently conducted. Authority; Noncontravention. E
to execute and deliver this Agreement and each Ancillary Agreement to which Parent or Merger Sub is (or, with respect to the Ancillary Agreements to be en
contemplated hereby, provided that the consummation of the Merger, receipt of the approval of the Merger and other transactions contemplated hereby and the
sole member of Merger Sub (the "Merger Sub Sole Member Approval"), which approval by written consent will be delivered promptly following the entry into this
Agreement to which Parent or Merger Sub is (or, with respect to the Ancillary Agreements to be entered at the Closing, will be) a party by Parent and Merger
contemplated hereby have been duly authorized by all necessary limited liability company action on the part of Parent and Merger Sub and no other limited liabilit
authorize this Agreement and each Ancillary Agreement to which Parent or Merger Sub is (or, with respect to the Ancillary Agreements to be entered at the Clos
subject to, in the case of the consummation of the Merger, receipt of the Merger Sub Sole Member Approval. This Agreement, each Ancillary Agreement to whic
entered at the Closing, will be) a party and the transactions contemplated hereby do not require approval of any member of Parent. This Agreement and each A
Ancillary Agreements to be entered at the Closing, will be) a party has been (or, with respect to the Ancillary Agreements to be entered at the Closing, will be) du
the due authorization, execution and delivery by each of the other parties to this Agreement and each Ancillary Agreement, constitutes (or, in the case of such A
and delivered) a legal, valid and binding obligation of Parent and Merger Sub, as applicable, enforceable against Parent and Merger Sub, as applicable, in acco
execution and delivery of this Agreement and each Ancillary Agreement to which Parent or Merger Sub is (or, with respect to the Ancillary Agreements to be ente
consummation of the Merger and the other transactions contemplated hereby and compliance by Parent and Merger Sub with the provisions of this Agreemen
respect to the Ancillary Agreements to be entered at the Closing, will be) a party will not, (i) conflict with or violate any provision of the Governing Documents of P
default (with or without notice or lapse of time, or both) under, or give rise to a right of, or result in, termination, cancellation or acceleration of any obligation or to
party or by which either is bound or affected, (iii) result (immediately or with notice or lapse of time or both) in the creation of a Lien on any property or asset

slide52

39 [[6200550v1]] Member Approval and assuming that all consents, approvals, authorizations and waivers contemplated by Section 4.02(c) have been obtained,
and completeness of the representations and warranties of the Company set forth in Section 3.04 and Section 3.13, contravene any applicable Law, Governme
conflicts, violations, breaches, defaults, rights, losses or Liens that, individually or in the aggregate, would not reasonably be expected to affect the ability of
Agreement and each Ancillary Agreement to which Parent or Merger Sub is (or, with respect to the Ancillary Agreements to be entered at the Closing, will be) a
Parent or Merger Sub of the Merger or the other transactions contemplated hereby. Assuming the accuracy of the representations and warranties of the Compa
authorization of, action by or in respect of, or registration, declaration or filing with, any Governmental Entity is required by or with respect to Parent or Merger S
Ancillary Agreement to which Parent or Merger Sub is (or, with respect to the Ancillary Agreements to be entered at the Closing, will be) a party by Parent and M
the other transactions contemplated hereby, except for (i) compliance with any applicable requirements of the HSR Act, (ii) the filing of the Merger Certificates
declarations, waivers, filings and notices under all applicable Company Approvals, and (iv) such other consents, approvals, orders, authorizations, actions, regi
obtained or made, individually or in the aggregate, would not reasonably be expected to affect the ability of Parent and Merger Sub to perform their respective ob
or Merger Sub is (or, with respect to the Ancillary Agreements to be entered at the Closing, will be) a party or prevent, materially impede or materially delay the co
contemplated hereby. Interim Operations of Merger Sub. Merger Sub was formed solely for the purpose of engaging in the Merger and the other transactions
conducted its operations only as contemplated hereby. Capital Resources. Parent has, or will as at the Effective Time have, access to sufficient funds to consum
all payments required to be made by Parent under this Agreement. Litigation. As of the date hereof, there is no Claim pending or, to the knowledge of Parent,
officers, directors or employees (in the case of officers, directors or employees, in their respective capacities as such) that seeks to restrain or enjoin the consu
would reasonably be expected to affect the ability of Parent or Merger Sub to perform their respective obligations under this Agreement or any Ancillary Agre

slide53

40 [[6200550v1]] Agreements to be entered at the Closing, will be) a party or prevent, materially impede or materially delay the consummation by Parent or Merg
and Other Advisors. Other than Howden Tiger Capital Markets & Advisory, LLC, no broker, investment banker, financial advisor or other person is entitled to ar
connection with this Agreement, the Merger or the other transactions contemplated hereby based upon arrangements made by or on behalf of Parent or Merger
or series of equity interests of Parent is required to approve this Agreement, the Merger or the transactions contemplated hereby. The vote or consent of Paren
Closing) is the only vote or consent of the holders of any class or series of capital stock of Merger Sub necessary to adopt this Agreement, the Merger and t
Warranties; Schedules. Except for the representations and warranties contained in Article IV or the certificate delivered by Parent pursuant to Section 8.03, none
or warranty to the Company or any other person with respect to Parent or any of its Affiliates or with respect to any other information provided, or made availa
Agreement, to the Company or any other person. None of Parent or any of its Affiliates shall be subject to any liability to the Company or its Affiliates, agents or re
projections, forecasts or other material made available to the Company or its Affiliates, agents or representatives or any other person in expectation of the tra
expressly and specifically included in, referenced or contemplated by or the subject of a representation or warranty contained in Article IV or the certificate delive
and all representations and warranties, whether express or implied, except for the representations and warranties contained in Article IV or the certificate deli
contrary in this Section 4.08, nothing in this Section 4.08 shall relieve any person from any liability or damages resulting from any fraud. Acknowledgement. Paren
in Article III and the certificates delivered by the Company pursuant to Sections 8.02(c) and 8.02(d), in each case as modified by the Company Disclosure Letter,
representation or warranty to Parent with respect to the Company or any of its Subsidiaries or with respect to any other information provided, or made availal
Agreement, to Parent or any of its Affiliates, agents or representatives. Parent also acknowledges that none of the Company or any of its Subsidiaries shall be su
other person resulting from any information, documents, projections, forecasts or other material made available to Parent or its Affiliates,

slide54

41 [[6200550v1]] materials or management presentations in expectation of the transactions contemplated by this Agreement, other than to the extent any such i
Article III or the certificates delivered by the Company pursuant to Sections 8.02(c) and 8.02(d), in each case as modified by the Company Disclosure Letter. In c
or made available to Parent and its Affiliates, agents and representatives, in each case in connection with the transactions contemplated by this Agreement, cer
cash flow items and other data of the Company relating to the business of the Company and certain business plan information of the Company. Parent ackn
projections and other forecasts and plans and, accordingly, except as may be included in Article III, as modified by the Company Disclosure Letter, (i) withou
Subsidiaries makes any representation or warranty with respect to such projections and other forecasts and plans and (ii) Parent is making its own evaluation of
furnished to it. In furtherance of the foregoing, Parent acknowledges that it has conducted to its satisfaction an investigation of the financial condition, results o
condition of its business and, in making the determination to enter into this Agreement, has relied on the results of such investigation and the representations a
Letter. Notwithstanding anything to the contrary in this Section 4.09, nothing in this Section 4.09 shall relieve any person from any liability or damages resulting
Conduct of Business. Conduct of Business by the Company and its Subsidiaries. During the period from the date of this Agreement to the Closing (or such earlie
set forth in Section 5.01(b) of the Company Disclosure Letter, as consented to in writing in advance by Parent (which consent shall not be unreasonably withhe
Order or as otherwise expressly contemplated or permitted by this Agreement, the Company shall, and shall cause each of its Subsidiaries to, carry on its bus
consistent with past practice and in compliance in all material respects with all applicable Law and, to the extent consistent therewith, use commercially reasona
organizations and maintain its existing relations and goodwill with any insured persons, vendors, insurance carriers (including any Top Carrier), Top Carrier Re
Company and its Subsidiaries.

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slide55

42 [[6200550v1]] In addition to and without limiting the generality of the foregoing, during the period from the date of this Agreement to the Closing (or such earli
as otherwise set forth in Section 5.01(b) of the Company Disclosure Letter, as required by applicable Law or Governmental Order or as otherwise expressly con
cause each of its Subsidiaries not to, without Parent's prior written consent (which consent, in respect of actions contemplated by clauses (iii) and (v) below, shall
date for, declare, set aside or pay any dividends on, or make any distributions (whether in cash, equity interest or property) in respect of, any of its equity interest
Subsidiary of the Company to the Company or a Subsidiary of the Company or (2) cash dividends or distributions for which both the record date and payment da
any of its equity interests or any securities convertible into or exchangeable or exercisable for its equity interests, or issue or authorize the issuance of any other
purchase, redeem or otherwise acquire any (1) equity interests in the Company or any of its Subsidiaries, (2) any securities convertible into or exchangeable or e
any warrants, calls, options or other rights to acquire from the Company or any of its Subsidiaries any equity interests in the Company or any of its Subsidiaries
interests in the Company or any of its Subsidiaries or (4) any rights to receive any value based on or linked to the value of any of the foregoing (provided that,
exercise or conversion of any Company Warrants or Preferred Units outstanding as of the date hereof, or the issuance of any Company Units with respect the
hereof); issue, deliver, sell, grant, transfer, pledge, dispose of or otherwise encumber or subject to any Lien any of its equity interests or any securities convertibl
or convertible securities, any "equity appreciation rights", "phantom" equity rights, performance units, rights to receive equity interests of the Company or any of i

to the value of equity interests of the Company or any of its Subsidiaries or any of the foregoing, in each case other than as may be required by the terms and c
Parent (including the issuance of Company Units upon the exercise of Company Warrants outstanding on the date hereof in accordance with their terms as of t
Governing Documents of the Company); amend its Governing Documents or create any new Subsidiaries; enter into a new line of

slide56

43 [[6200550v1]] directly or indirectly (A) acquire any asset or assets that have a purchase price in excess of $50,000 in respect of any individual transaction or
transactions, except for new capital expenditures, which shall be subject to the limitations of clause (viii) below, and except for purchases of supplies in the ord
acquire by merging or consolidating with, or by purchasing equity interests of, or by any other manner, any person or division, business or equity interest of any
sheet, exclusivity letter or any similar transaction document (whether binding or non-binding) or engage or retain any professional advisers in connection with a
contained in clauses (A) or (B) above; (A) sell, lease, license, pledge, mortgage, sell and leaseback or otherwise encumber or subject to any Lien (other than Pe
any interests therein (including securitizations), except for (1) sales of any equipment in the ordinary course of business and in a manner consistent with past
assets or interests therein (including securitizations) the total value of which does not exceed $50,000 in respect of any individual transaction or $50,000 in the ag
waive any material rights under, terminate or amend any Lease; (A) incur any Indebtedness or calls, options, warrants or other rights to acquire any Indebtedness
Contract to maintain any financial statement condition of another person or enter into any arrangement having the economic effect of any of the foregoing or (B)
other person, in each case other than (1) Indebtedness incurred in connection with the refinancing of any Indebtedness existing on the date of this Agreeme
Subsidiaries or solely between its Subsidiaries, (3) any additional Indebtedness the total value of which does not exceed $250,000 in the aggregate or (4) advan
business; make any new capital expenditure or expenditures, other than any which, individually, is less than or equal to $100,000 or, in the aggregate, are les
Subsidiaries shall be permitted to make emergency capital expenditures in the event that the Company determines, in its reasonable judgement, after consultat
ability to operate its business in the ordinary course; except as required by Law or for those capital expenditures permitted under clause (viii) above, (A) pay,
liabilities, obligations or litigation (absolute, accrued, asserted or unasserted, contingent or otherwise), other than such payment, discharge, settlement, agreeme
and

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slide57

44 [[6200550v1]] in a manner consistent with past practice; (2) of claims, liabilities, obligations or litigation reserved against in the Most Recent Balance Sheet (fo
not since released), or incurred since the Most Recent Balance Sheet Date in the ordinary course of business consistent with past practice; or (3) of claims,
settlement individually, $100,000, and for all such settlements in the aggregate, $250,000 (provided that doing so would not reasonably be likely to prohibit or mat
following the Closing Date), or (B) cancel any Indebtedness the aggregate value of which, individually or in the aggregate, does not exceed $50,000; enter into,
renew (other than in accordance with its existing terms for renewal) any Material Contract or any Contract that would have been a Material Contract had it been e
in the ordinary course of business consistent with past practice, unless such Material Contract is with a Top Carrier; modify, amend or terminate any Ancillary A
transfer, lease, sublease, license, sublicense, assign or otherwise grant rights under any material Company Owned Intellectual Property, except in the ordinary
abandon, or fail to renew, maintain or pursue applications for, or otherwise dispose of, any material Company Owned Intellectual Property, except in the ordinary
required by the terms of any Company Benefit Plan, (A) pay any amount or benefit under, or grant any awards under, any bonus, incentive, performance or othe
removal or modification of any restrictions in any Company Benefit Plan or awards made thereunder), (B) accelerate the time of payment, vesting or lapse of res
or benefits, or change any actuarial or other assumption used to calculate funding obligations with respect to, any Company Benefit Plan, (C) increase the con
Provider with an annual base salary in excess of $225,000, (D) grant any Current Company Service Provider change of control, severance, retention or terminati
enter into, amend or terminate any collective bargaining agreement or any arrangement that would be a Company Benefit Plan if it were in existence on the c
terminate the employment or services of any Current Company Service Provider, except for (1) any termination in the ordinary course of business of a non-offic

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slide58

45 [[6200550v1]] less, or (2) any termination due to cause (as reasonably determined by the Company consistent with past practice), or (B) hire any employee o
non-officer employees with an annual base salary or annualized wages of $225,000 or less; make any material change (A) in any accounting methods, princ
Company or any of its Subsidiaries, in each case other than as required by changes in GAAP or in SAP or by the applicable insurance regulatory authorities,
authority; enter into any Related Party Transaction not in effect as of the date hereof; adopt or enter into a plan of complete or partial liquidation, dissolution, res
permit to lapse any existing insurance policies of the Company or any of its Subsidiaries or enter into any new insurance policies, except in either case in the
consistent with past practice; modify, waive, terminate or voluntarily abandon, or fail to renew, let lapse or otherwise change, any material Permit; (i) fail to promp
assessment or other proceeding that is or becomes pending against or with respect to the Company or any of its Subsidiaries, (ii) change or rescind any material
Tax accounting period or method or file any material amended Tax Return, in each case of the Company or any of its Subsidiaries, (iv) surrender any right to c
limitations period for the assessment of material Taxes, or (v) change the Tax residency of the Company or any of its Subsidiaries; or authorize, or commit or agr
period from the date of this Agreement to the Closing, each Company shall, and shall cause each of its Subsidiaries to cause all existing Tax sharing agreem
practices, other than customary indemnification or gross-up provisions in Contracts the primary purpose of which does not relate to Taxes ("Tax-Related Agreeme
or may be a party or by which the Company or any of its Subsidiaries is or may otherwise be bound (other than Tax- Related Agreements solely between or amo
so that after such date neither the Company nor any of its Subsidiaries shall have any further rights or l

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slide59

46 [[6200550v1]] No Right to Control Acquired Entities Pre-Closing. Nothing contained in this Agreement is intended to give Parent, directly or indirectly, the righ
the Closing. Prior to the Closing, the Company shall, and shall cause its Subsidiaries to, exercise, consistent with the terms and conditions of this Agreement, co
properties. No Solicitation. The Company shall not, and shall cause its Subsidiaries not to, and shall not authorize any Company Unitholders, directors, officer
advisor, attorney, accountant or other advisor, agent or representative (collectively, “Representatives”) retained by any of the foregoing to, directly or indirectly thr
shall use reasonable best efforts to cause such Representative not to), (a) solicit, initiate or knowingly encourage or facilitate any Transaction Proposal, (b) e
negotiations regarding, or furnish to any person any information in furtherance of, any Transaction Proposal, (c) adopt, approve or recommend, or propose to
Proposal Documentation, or (d) resolve or agree to do any of the foregoing. The Company shall, and shall cause its Subsidiaries and direct its and their Rep
discussions or negotiations with any person conducted heretofore with respect to any Transaction Proposal. The term “Transaction Proposal” means any inqui

expected to lead to, in one or a series of related transactions, any (i) direct or indirect purchase, transfer, disposition, acquisition or sale of substantial assets o
business consistent with past practice, (ii) transaction which would result in a material change in the capitalization of the Company or any of its Subsidiaries a
interests of the Company or any material sale or issuance of any equity interests of any of its Subsidiaries to any person (but excluding the issuance of Compa
Units, in each case in accordance with Section 5.01) or grants to employees, directors, independent contractors or similar, or (iii) except in the ordinary course o
to any third party for any of the Intellectual Property of the Company or any of its Subsidiaries, or (iv) direct or indirect issuance, purchase, transfer, dispositi
Subsidiaries (whether through a share purchase, merger, consolidation, business combination, recapitalization or other similar transaction involving the Compan
transactions contemplated hereby. The term “Transaction Proposal Documentation” means any letter of intent, agreement in principle, merger agreement, sha
option agreement or similar agreement relating to a Transaction Proposal.

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slide60

47 [[6200550v1]] Additional Agreements Written Consents. The Company shall use its reasonable best efforts to obtain and deliver to Parent the Written Consen
after the execution of this Agreement and, in any event within 24 hours, in each case in accordance with this Agreement, the Company LLC Agreement and any
Merger Laws. Access to Information; Confidentiality. The Company shall afford to Parent, and to Parent's officers, employees, accountants, counsel, financia
coordinating any transition planning with the employees of the Company and its Subsidiaries) during normal business hours and upon reasonable prior notice t
Contracts, executive personnel and records of the Company and its Subsidiaries, to the extent that such access does not unreasonably interfere with the busine
provide Parent with the monthly financial statements for the Company and its Subsidiaries within 20 days of the end of each month prior to the Closing. The Com
its designees to non-executive personnel of the Company and its Subsidiaries to the extent reasonably necessary to coordinate transition planning. Except for
August, 9 2023, as amended from time to time (the "Confidentiality Agreement"), between White Mountains Capital LLC and the Company, Parent shall hold in
Confidentiality Agreement and shall otherwise comply with the Confidentiality Agreement with respect to such information. Reasonable Best Efforts. Upon the ter
use its reasonable best efforts to take, or cause to be taken, and to cause its Affiliates to take, all actions, and to do, or cause to be done, and to assist and coop
to consummate and make effective, in the most expeditious manner practicable, the Merger and the other transactions contemplated hereby, including using rea
other parties' obligation to close set forth in Article XI to be satisfied as promptly as practicable, obtain all necessary actions or nonactions, waivers, consents an
and filings (including filings with Governmental Entities) and take all steps as may be necessary to obtain an approval or waiver from, or to avoid an action or p
approvals or waivers from, and give all required notices to, third parties. Each party shall use reasonable best efforts to furnish to any other party all information r
or notice (which information may be furnished on an outside counsel only basis to protect commercially sensitive information), and to keep the other parties rea
waiver sought from a Governmental

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slide61

48 [[6200550v1]] Entity in connection with the Merger and the other transactions contemplated hereby and the material communications between such party
foregoing, each of Parent and the Company shall use reasonable best efforts to file, individually or jointly, as appropriate, such applications, notices, registrati
Governmental Entity in order to consummate the Merger and the other transactions contemplated hereby, including (i) an appropriate filing of a notification and re
transactions contemplated hereby as promptly as practicable but in any event within 10 business days of the date hereof and (ii) any other filings, approvals and
or other third party, including the Company Approvals, in order to consummate the Merger and the other transactions contemplated hereby, as promptly as pra
days after the date hereof. Each of Parent and the Company shall (i) respond as promptly as practicable to any inquiries or requests received from any Gover
applicable to the transactions contemplated hereby and (ii) supply as promptly as practicable any additional information and documentary material that may be re
in this Agreement, (i) none of Parent or any of its Affiliates shall be required and (ii) none of the Company, its Subsidiaries and the Company Unitholders, shall be
the case of each of clauses (i) and (ii), to undertake any efforts or take any action in connection with the approval of the Merger or any of the other transactions c
(a) would reasonably be expected to result in a Burdensome Condition, (b) would require Parent or any of its Affiliates (including, after the Closing, the Comp
obligation to provide prior notice to, or to obtain prior approval from, any Governmental Entity with respect to any transaction, or (c) is not conditioned upon the C
Section 6.03 shall be borne by Parent. Indemnification; Advancement; Exculpation and Insurance. From and after the Closing until the date that is six years a
Subsidiaries to, to the fullest extent permitted by applicable Law, indemnify, defend and hold harmless, and provide advancement of expenses to, each person w
prior to the Closing, an officer, manager, director or employee of the Company or its Subsidiaries (each, a “D&O Indemnified Party”), against all losses, claims, d
settlement of or in connection with any Claim, action, suit, proceeding or investigation based in whole or in part on, or arising in whole or in part out of, the fact tha
Subsidiaries, and pertaining to any matter existing or occurring, or any acts or omissions occurring, at or prior to the Closing, whether asserted or claimed prior t
connection with the approval of this

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slide62

49 [[6200550v1]] Agreement and the consummation of the transactions contemplated hereby) to the same extent that such persons are indemnified or have the
Subsidiaries (as applicable) pursuant to their respective Governing Documents and indemnification agreements of the Company or its Subsidiaries (as applicab
the event that the Surviving Company or any of its successors or assigns (i) consolidates with or merges into any other person and is not the continuing or su
conveys substantially all its assets to any person, then, and in each such case, Parent shall cause proper provision to be made so that the successors and assig
in this Section 6.04 or Parent shall take such other action to ensure that the ability of the Surviving Company to satisfy such obligations will not be diminished. F
Law, Parent shall cause to be maintained in effect the current policies of directors' and officers' liability insurance maintained by or on behalf of the Company as
substantially comparable insurer of at least the same coverage and amounts containing terms and conditions that are no less advantageous to the insured) with
Closing. Notwithstanding the foregoing, prior to the Closing and in satisfaction of Parent's foregoing obligations under the immediately prior sentence, either Par
without duplication) a six year prepaid (or "tail") directors' and officers' liability insurance policy, effective as of the Closing, providing, for a period of six years
contemplated by the foregoing sentence of this Section 6.04(c), provided, further, that in no event shall Parent or its Affiliates be required to expend an amoun
Company for such insurance, provided, however, that in such case Parent or its Affiliates (as applicable) shall purchase as much coverage as reasonably prac
Subsidiaries in excess of such amount shall be deemed to be a Transaction Expense). From and after the Closing, Parent shall continue to honor its obligations
not cancel (or permit to be cancelled) or take (or permit to be taken) any action or omission that would reasonably be expected to result in the cancellation there
and will be enforceable by, each D&O Indemnified Party, his or her heirs and his or her representatives and (ii) are in addition to, and not in substitution for, any
by contract or otherwise. Fees and Expenses. Except as set forth in Sections 2.05 and Section 7.01(b) with respect to the Accounting Firm, Section 6.03, Sectio
this Agreement, the Merger and the other transactions contemplated hereby shall be paid by the party incurring such fees or expenses, whether or not

slide63

50 [[6200550v1]] may, prior to the Reference Time, pay any fees and expenses incurred by the Company Unitholders or the Unitholders' Representative. Public
by any party with respect to the subject matter of this Agreement, the Merger or the other transactions contemplated hereby without the prior written consent of P
not prohibit: (i) any disclosure required by any applicable law, including the rules or regulations of any applicable securities exchange or listing authority (in wh
permitted by applicable law, provide Parent and the Company with the opportunity to review in advance such disclosure and consider in good faith any comment
to the extent such announcement or disclosure does not contain information relating to this Agreement or the Merger that has not been previously announced or
the Merger is consummated, each party shall not, and shall cause each of its Affiliates and its and their Representatives not to, disclose the terms and provis
Company, except as may be required by applicable law, including the rules or regulations of any applicable securities exchange or listing authority. Employee Ma
Company or any of its Subsidiaries who remains in the employment of any of Parent, the Surviving Company or any of their respective Subsidiaries or Affiliates (
applicable) shall receive during his or her continued employment: (i) base salary or wage rate, as applicable, and commission or annual cash incentive oppor
provided to such Continuing Employee immediately prior to the Closing and (ii) other compensation and employee benefits that are substantially comparable in th
equity-based compensation, defined benefit pensions or post-employment or retiree health or welfare benefits, severance, retention, change in control or other
Employee as of the Effective Time. With respect to any employee benefit plan, program or policy that is made available by Parent, the Surviving Company o
Continuing Employee, Parent shall use commercially reasonable efforts to provide to each Continuing Employee service credit for all purposes, including for eligi
of benefits under any vacation policy), benefit accruals and eligibility for vesting under such employee benefit plans and arrangements, with respect to his or her
predecessors) prior to the Closing; provided, that the foregoing shall not result in the duplication of benefits or to benefit accruals under any

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slide64

51 [[6200550v1]] Nothing contained herein shall be construed as requiring, and the Company shall not, and shall cause its Subsidiaries not to, take any action th
their respective Affiliates to continue any specific plans, programs, policies, arrangements, agreements or understandings or to continue the employment of a
construed as prohibiting or limiting the ability of Parent, the Surviving Company or any of their respective Affiliates to amend, modify or terminate any plans, pro
Surviving Company or any of their respective Affiliates. With respect to any welfare plan maintained by Parent, the Surviving Company or any of their respect
participate after the Closing, Parent shall use commercially reasonable best efforts to (i) waive all limitations as to preexisting conditions and exclusions with resp
to the extent such conditions and exclusions were satisfied or did not apply to such employees under the welfare plans of the Company and its Subsidiaries prio
co-payments, deductibles and other out-of-pocket expenses paid prior to the Closing, for the calendar year in which the Closing occurs, in satisfying any anal
applicable under any such plan. For the avoidance of doubt, neither Parent nor any of its Affiliates shall be required to take any action with respect to a specifi
respective Subsidiaries or Affiliates to the extent that such action could make a Continuing Employee (or eligible dependent) ineligible for a benefit (for example
for health savings account contributions from Parent). The parties hereto acknowledge and agree that all provisions contained in this Section 6.07 are included fo
to, and nothing in this Section 6.07 or otherwise in this Agreement, whether express or implied, shall, (i) constitute an amendment to any Company Benefit Plan o
or understanding, (ii) create any obligation of the parties to any person with respect to any employee compensation or benefit plan, program, policy, agreement
their respective Affiliates or (iii) confer on any Continuing Employee or any other person any rights or remedies (including third-party beneficiary rights). 280G Ma
to avoid the application of Section 280G of the Code ("Section 280G") as determined by the Company in good faith, the Company shall, prior to the Closing Da
280G) to whom any payment or benefit is required or proposed to be made in connection with the transactions contemplated by this Agreement that could cons
280G Payments") execute a written agreement waiving such disqualified individual's right to receive some or all of such payment or benefit (the "Waived Bene
applicable to such disqualified individual shall not be deemed a parachute payment, and accepting

slide65

52 [[6200550v1]] for the Waived Benefits the right to receive the Waived Benefits only if approved by the stockholders of the Captive Reinsurer in a manner th
foregoing, Parent shall provide the Company with all information reasonably necessary to allow the Company to determine whether any payments made or to
agreement or other agreement, arrangement or contract entered into or negotiated by Parent or its Affiliates (“Parent Payments”), together with all Section 280G
the meaning of Section 280G(b)(2) of the Code at least 10 business days prior to the Closing Date (and shall further provide any such updated information as is r
Company will submit the Waived Benefits of each disqualified individual who has executed a waiver in accordance with this Section 6.08 for approval of the stoc
such that, if such vote is adopted by 75% of the stockholders of the Captive Reinsurer, no payment or benefit received, or that could be received, by such “dis
Section 280G; provided, that in no event shall this Section 6.08 be construed to require the Company (or any of its Affiliates) to compel any disqualified indivic
disqualified individual has with the Company or any of its Affiliates or any other person, and in no event shall the Company (or any of its Affiliates) be deemed in
any such rights or if the stockholders of the Captive Reinsurer fail to approve any Waived Benefits. Notwithstanding anything to the contrary in this Section 6.08
information, or Parent’s omission of information has resulted in inaccurate information, with respect to any Parent Payments, there shall be no breach of the co
Section 3.13(h) above to the extent caused by such inaccurate or omitted information. The Company shall provide Parent with a copy of the waiver agreemer
reasonable time prior to delivery to each disqualified individual and the stockholders of the Captive Reinsurer of such waiver agreement and disclosure stateme
requested by Parent prior to delivery to each disqualified individual and the stockholders of the Captive Reinsurer. Related Party Contracts. Except as set forth or
of the Related Party Transactions to be terminated prior to or upon the Closing pursuant to written agreements, instruments or other documents (including any r
satisfactory to Parent. The Company shall provide Parent with a reasonable opportunity to review and comment on such written agreements, instruments or othe
to such terminations. With effect from the Closing, neither the Company nor any of its Subsidiaries shall have any obligations or liabilities in respect of any such t
and after the Closing, Parent will be entitled to possession of all documents, books, records (including Tax records), agreements and financial data of any sort r
until the seventh anniversary of the Closing Date, Parent will make or

slide66

53 [[6200550v1]] cause to be made available (including by electronic means, to the extent available) to the Unitholders' Representative, upon reasonable adv
assistance of employees responsible for such books and records or whose participation is reasonably necessary in connection therewith) as may be reasona
defending any Action brought by a third party, (b) the preparation of Tax Returns or (c) such other purposes for which access to such documents is reasonably n
provided that Parent shall not be required to provide any such access or disclose any such information to the extent that (i) such access or disclosure would reas
with respect to attorney- client communications or attorney work product, (ii) such access or disclosure would violate any Contract or applicable law to which Par
or the Unitholders' Representative, on the one hand, and Parent, on the other hand, are adverse parties in any Action and such information is reasonably pertine
the normal business hours of the Surviving Company, under the supervision of Parent's personnel and in such a manner as not to interfere with the normal
Notwithstanding anything to the contrary contained herein, at the option of Parent, upon written request delivered by Parent to the Company at any time prior to
and shall cause each of its Subsidiaries and its and their respective Representatives to use its and their commercially reasonable efforts to, provide reasona
reasonable notice, as may be reasonably required in connection with the implementation of new debt financing arrangements by the Company and/or any of its

Parent, provided that in no event will such cooperation and assistance be required to the extent it would (a) materially interfere with the operation of the Company
out-of-pocket costs or expenses prior to the Closing, unless Parent has agreed in writing to reimburse the Company or any of its Subsidiaries in respect of any su
accordance with its terms prior to the Closing. Tax Matters Tax Returns. (a) In the case of any income Tax Return of the Company or any of its Subsidiaries filed
Tax Returns with respect to Pre-Closing Tax Periods (other than any Straddle Periods) required to be filed after the Closing Date, the Company shall prior to the
unless otherwise required by applicable law, (ii) deliver to Parent a draft of such Tax Return at least ten (10) days prior to the due date of such Tax Return taking
filing date of any such Tax Return) and (iii) incorporate any reasonable comments made by Parent with respect to any such Tax Return. Other than with respec
Straddle

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slide67

54 [[6200550v1]] Periods, Parent shall timely prepare, or cause to be prepared, and file with the appropriate Taxing Authority any Tax Return of the Company o
Company Unitholders and the Unitholders' Representative will cooperate, to the extent required, in preparing and filing such Tax Returns. Parent shall prepare,
are required to be filed after the Closing Date with respect to any Straddle Period. All such Pass-Through Tax Returns shall be (i) prepared in a manner consiste
delivered to the Representative for the Representative's review no later than 30 days before the filing date thereof. Parent shall consider in good faith any reas
from the Representative within 20 days of having delivered such Tax Returns to the Representative. If Parent disagrees with any revision reasonably request
Representative will negotiate in good faith to resolve any such disagreement, and if the Parent and Representative fail to resolve such dispute within five days af
submit such dispute to the Accounting Firm, which shall promptly resolve such dispute in accordance with the principles of Section 2.05. If any such dispute is un
Return, such Tax Return will be filed as prepared by the Parent, subject to amendment, if necessary, to reflect the resolution of the dispute by the Accounting F
Section 7.01(b) shall be borne equally by the Company Unitholders, on the one hand, and Parent, on the other hand. Partnership Tax Audit Rules. Notwithstand
entitled in its sole discretion to cause an election to be made under Section 6226(a) of the Code (or similar provision of state or local law) with respect to any T
(including the Company Unitholders) shall take any action necessary to effectuate such an election. Cooperation. The parties shall cooperate fully in connectio
respect to Taxes of Parent, the Company and its Subsidiaries. Such cooperation shall include the retention and (upon the other party's written request) the provis
Return, audit or Action and making employees available on a mutually convenient basis to provide additional information and explanation of any material provide
on the one hand, and the Company Unitholders and the Unitholders' Representative, on the other hand. Section 754 Election. The parties shall cause an electio
law) to be made on the U.S. federal income Tax Return of the Company for the taxable period that inclu

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slide68

55 [[6200550v1]] (or any other applicable Tax Return), unless such an election is already in effect for such taxable period. Tax Contests. Except as provided in
through counsel of its own choosing, of any examination, audit or administrative or judicial proceeding involving any asserted Tax liability with respect to the Co
and the Unitholders' Representative shall send the other party written notice within five business days after the Parent or Representative, as applicable, becomi
the Company for any Pre-Closing Tax Period or any Straddle Period (each, a "Pre-Closing Tax Contest"); provided that, any such notice shall be given with suff
made in accordance with Section 7.02. The Unitholders' Representative shall be entitled to control, at the Company Unitholders' expense, the conduct of any Pr
Closing Date; provided that the Parent, at its sole cost and expense, shall have the right to participate in any such Pre-Closing Tax Contest (including in any mate
submissions), the Unitholders' Representative shall keep the Parent reasonably apprised of the progress of any such Pre-Closing Tax Contest, and the Unithold
Parent's prior written consent, not to be unreasonably withheld, conditioned or delayed. The Parent shall be entitled to control, at the Parent's expense, the co
Representative, at the Company Unitholders' sole cost and expense, shall have the right to participate in such Tax Contest (including in any material in-person c
the Parent shall keep the Unitholders' Representative reasonably apprised of the progress of such Tax Contest, and the Parent shall not settle or allow the Co
Closing Tax Contest without the prior written consent of the Unitholders' Representative, which consent shall not be unreasonably withheld, conditioned or dela
Agreement, without the prior written consent of the Unitholders' Representative (not to be unreasonably withheld, conditioned, or delayed), the Parent shall not, a
of its Subsidiaries) not to, (i) amend a Pass-Through Tax Return of the Company for a Pre-Closing Tax Period; (ii) file any ruling request with any Governmenta
Closing Tax Period; (iii) enter into any voluntary disclosure agreement with any Governmental Entity with respect to the filing of any Pass-Through Tax Returns
where the Company did not file a Pass-Through Tax Return; (iv) make or change any Tax election or accounting method that relates to, or is retroactive to, a Pas
applicable statute of limitations with respect to a Tax of the Company for a Pre-Closing Tax Period that relates to a Pass-Through Tax Return, in each case, to t
liability of any Company Unitholder or decrease the amount owed to any Company Unitholder under this Agreement. For purposes of this Section 7.0

slide69

56 [[6200550v1]] Intended Tax Treatment; Purchase Price Allocation. For U.S. federal and applicable state and local income Tax purposes: (i) the transactions c
Units, as a disregarded transaction for U.S. federal income tax purposes and (y) in respect of the Company Units (other than the Rollover Units) as a sale of i
Parent shall be treated as a continuation of the Company as a partnership within the meaning of Treasury Regulation Section 1.708-1(a); and (iii) the Merge
accordance with Sections 751 and 755 of the Code (and the Treasury Regulations promulgated thereunder). The parties (including the Company Unitholders
consistent with the Tax treatment set forth in the preceding sentence. Allocation of Taxes. For purposes of determining Net Working Capital and Indebtedness, in
Date, (a) real, personal and intangible property and similar Taxes shall be apportioned on a daily pro rata basis and (b) all other Taxes shall be apportioned on a
706 of the Code, all items of income, gain, loss, deduction and credit shall be apportioned on a closing-of-the-books basis. Treatment of Post-Closing Payments
for Tax purposes as an adjustment to the consideration paid to the Company Unitholders in exchange for the Company Units to the extent permitted by applica
Effect the Merger. The respective obligation of each party to effect the Merger is subject to the satisfaction or (to the extent permitted by law) waiver at or prior to
with any extensions thereof, under the HSR Act with respect to the transactions contemplated hereby shall have expired or been terminated and the waivers,
Governmental Entities set forth on Section 8.01(b) of the Company Disclosure Letter shall have been made or obtained and shall be in full force and effect, in e
Governmental Order (whether temporary, preliminary or permanent) shall have been enacted, issued or enforced that is in effect and that prevents or prohibits co
Sub to Effect the Merger. The obligation of each of Parent and Merger Sub to effect the Me

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slide70

57 [[6200550v1]] subject to the satisfaction or (to the extent permitted by law) waiver by Parent at or prior to the Closing of the following conditions: Representati
representations and warranties of the Company set forth in Section 3.06(b) shall be true and correct in all respects, (B) the representations and warranties of the

representations and warranties of the Company set forth in Section 3.03(b) shall be true and correct in all respects, (B) the representations and warranties of the
correct subject only to de minimis inaccuracies, (C) other than the representations and warranties of the Company set forth in Sections 3.03(a), 3.03(b) and 3.03(
material respects, and (D) the other representations and warranties of the Company set forth in Article III shall be true and correct (without giving effect to any
therein), except, in the case of this clause (D), where the failure of any such representations and warranties to be so true and correct, individually or in the aggre
Adverse Effect, in the case of each of clauses (A) through (C) as of the date of this Agreement and as of the Closing Date (or, in the case of clause (D), as of the
extent any such representations and warranties expressly relate to a specific date, in which case as of such specific date; and (ii) in respect of all Rollover Unith
aggregate as determined in respect of all Rollover Agreements in effect as of such time, true and correct in all material respects. Covenants of the Company. The
agreements, covenants and obligations required to be performed or complied with by it under this Agreement at or prior to the Closing. Company Officer's Certific
by an authorized officer of the Company to the effect of Sections 8.02(a) and 8.02(b). FIRPTA Certificate. Parent shall have received a certificate, issued by the C
Conditions to the Obligation of the Company. The obligation of the Company to effect the Merger is subject to the satisfaction or (to the extent permitted by law)
Representations and Warranties of Parent and Merger Sub. The representations and warranties of Parent and Merger Sub set forth in Article IV shall be true and
to be so true and correct, individually or in the aggregate, would not reasonably be expected to affect the ability of Parent and Merger Sub to perform their respec
Parent or Merger Sub is (or, with respect to the Ancillary Agreements to be entered at the Closing, will be) a party or prevent, materially impede

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slide71

58 [[6200550v1]] Sub of the Merger or the other transactions contemplated hereby, in each case as of the date of this Agreement and as of the Closing, except
specific date, in which case as of such specific date. Covenants of Parent and Merger Sub. Parent and Merger Sub shall have performed and complied with in a
performed or complied with by each of them under this Agreement at or prior to the Closing. Officer's Certificate. The Company shall have received a certificate s
Sections 8.03(a) and 8.03(b). Frustration of Closing Conditions. No party may rely on the failure of any condition set forth in this Article VIII to be satisfied if suc
forth in this Agreement (or otherwise by such party's breach of this Agreement). Survival; Indemnification Survival. The representations and warranties of Parent
contained in this Agreement, the certificate delivered to Parent pursuant to Section 8.02(c) and the certificate delivered to the Company pursuant to Section 8.03(
the Company and the Unitholders' Representative contained herein that by their terms are to be performed in whole or in part after the Closing, shall survive i
Parent, the Company and the Unitholders' Representative contained herein that by their terms are to be performed prior to the Closing, shall not survive the
terminate when the applicable representation or warranty terminates pursuant to this Section 9.01; provided, however, that any claims asserted in good faith wi
notice from (a) the Parent Indemnified Person to the Unitholders' Representative prior to such termination or (b) the Company Indemnified Person to Parent pri
such claims shall survive until finally resolved. Indemnification. Subject to the limitations set forth herein, each Company Unitholder, severally, not jointly and sev
thereof, shall indemnify, defend, and hold harmless Parent, its Affiliates (including, after Closing, the Surviving Company) and their respective Representatives (
Person") from and against any loss, liability, damage, Tax, fee, assessment, settlement, judgment, award

slide72

59 [[6200550v1]] (including any reasonable, documented out-of-pocket attorneys' fees or other professional fees and expenses), whether or not involving a Third
from (i) any breach of any representation or warranty of the Company contained in this Agreement or the certificate delivered to Parent pursuant to Section 8.02
Letter (the "Specified Indemnity Matter"). Subject to the limitations set forth herein, Parent shall indemnify, defend, and hold harmless the Company, the Compan
its Affiliates shall not be deemed Affiliates of the Company or the Company Unitholders for this purpose) and their respective Representatives (collectively, the "
from and against any Damages to the extent arising out of or resulting from any breach of any representation or warranty of Parent or Merger Sub contained in th
8.03(c). Certain Limitations. Notwithstanding anything to the contrary herein, (i) other than with respect to any breach of any Company Fundamental Representa
the Specified Indemnity Matter, the Company Unitholders shall not be liable pursuant to Section 9.02(a) for any Damages incurred by any Parent Indemnified Pe
respect of any individual claim (or series of related claims arising from substantially similar underlying facts, events or circumstances) pursuant to Section 9.0
Deductible) (the "Mini-Basket"), and (B) the aggregate of all Damages incurred by all such Parent Indemnified Persons exceeds, on a cumulative basis (but for s
pursuant to clause (A)), an amount equal to $1,000,000 (the "Deductible"), and then indemnification shall only be available to the Parent Indemnified Persons for
9.02 in excess of the Deductible and (ii) except in the case of fraud, the aggregate amount of Damages for which the Company Unitholders shall be liable pursua
the Indemnity Escrow Account shall be the sole remedy of the Parent Indemnified Persons for any amounts owed or payable under Section 9.02. Notwithstandin
any Parent Fundamental Representations, Parent shall not be liable pursuant to Section 9.02(a) for any Damages incurred by any Company Indemnified Perso
respect of any individual claim (or series of related claims arising from substantially similar underlying facts, events or circumstances) pursuant to Section 9.02(a
Deductible), and (B) the aggregate of all Damages incurred by all such Company Indemnified Persons exceeds, on a cumulative basis (but for such purposes exc
(A)), the Deductible, and then indemnification shall only be available to the Company Indemnified Persons for the amount of Damages for which indemnification
the case of fraud, the aggregate amount of Damages

slide73

60 [[6200550v1]] for which Parent shall be liable pursuant to Section 9.02 shall in no event exceed the Indemnity Escrow Amount. An Indemnitee entitled to ind
entitled to recover once with respect to the set of facts, events or circumstances giving rise to such claim. No Indemnitee shall be entitled to indemnification un
were taken into account in the final determination of Closing Cash, Closing Indebtedness, Closing Net Working Capital, Closing Transaction Expenses or Closin
Notwithstanding anything herein to the contrary, for purposes of calculating or determining the amount of Damages incurred by an Indemnitee under Section 9.0
of any proceeds actually received (net of any costs or expenses incurred in the receipt thereof and net of any applicable premium adjustments) by any Indemn
contribution provisions in connection with such Damages. Such Indemnitee shall use its commercially reasonable efforts to recover under any applicable insura
Damages. In the event the Indemnitee first recovers against the Indemnitor directly for any particular Damages and thereafter recovers for the same Damages pu
contribution provisions, then the Indemnitee shall reimburse the Indemnitor for the amount recovered (net of any costs or expenses reasonably incurred in the
indemnification or contribution provisions (up to the amount recovered by the Indemnitee from the Indemnitor). It is the express intent of the parties that if the ap
or shorter than the statute of limitations that would otherwise have been applicable to such item then, by contract, the applicable statute of limitations with r
contemplated herein (to the extent permitted by applicable laws). Notwithstanding anything in this Agreement to the contrary, the parties hereto acknowledg
Agreement are qualified by references to materiality, material respects and similar qualifications, or by matters having or not having a Material Adverse Effect.
warranty contained in this Agreement has occurred, and the amount of Damages resulting from such breach, in each case, in connection with the right to indemn
that the representations and warranties in Article III or Article IV of this Agreement or in any certificate executed and delivered in connection with the transaction
“Material Adverse Effect” and all similar phrases and words were deleted therefrom. The right of (A) any Parent Indemnified Person to seek indemnificatio

slide74

61 [[6200550v1]] reason of the fact that, based on any facts or circumstances known, or that should have been known, to Parent or any other Parent Indemnifie
or should have known, that any representation or warranty is, was or might be inaccurate and (B) any Company Indemnified Person to seek indemnification purs
fact that, based on any facts or circumstances known, or that should have been known, to the Company or any other Company Indemnified Person, such Com
known, that any representation or warranty is, was or might be inaccurate. Third Party Claims. In the event of an occurrence pursuant to which an Indemnitee as
provide prompt written notice of such claim to the Unitholders' Representative, in the event such Indemnitee is a Parent Indemnified Person or Parent, in the eve
in reasonable detail the factual basis for such claim (to the extent then known to the Indemnitee), and an estimate, if reasonably obtainable, of the amount of D
(such amount, the "Claimed Amount"), and whether or not the claim is based on a claim by a Third Party (the "Indemnification Notice"), and shall otherwise make
a Parent Indemnified Person or Parent, in the event such Indemnitee is a Company Indemnified Person, all relevant information which is material to the claim a
give timely notice as provided herein or to furnish the Unitholders' Representative or Parent, as applicable, with any relevant data and documents in connection w
"Third-Party Claim") shall not relieve the Indemnitor of its respective obligations hereunder, except and only to the extent that such failure shall result in any actu
in the event the Indemnitee is a Parent Indemnified Person, the Unitholders' Representative (on behalf, and at the expense of, the Company Unitholders) shall c
Claim, if the Unitholders' Representative gives written notice to Parent of its intention to do so no later than 30 days following its receipt of the Indemnification N
Parent shall control the defense, settlement, adjustment or compromise of such Third-Party Claim, if Parent gives written notice to such Company Indemnified P
Indemnification Notice; provided, however, that in any event the Indemnitor shall not settle, adjust, compromise or consent to a judgment of a Third-Party Claim w
unreasonably withheld); except that such consent shall not be required if the settlement, adjustment, compromise or judgment (i) provides for an unqualified rele
on such Indemnitee other than financial obligations for which such Indemnitee shall be indemnified in full by the applicable Indemnitor in accordance with the te
any admission of fault, guilt or wrongdoing by such Indemnitee and (iv) does not include injunctive relief, equitable remedies or other conduct remedies. If the In
to assume control of the defense.

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slide75

62 [[6200550v1]] settlement, adjustment or compromise of any such Third-Party Claim for which any Indemnitee would be entitled to indemnification hereunder
right to conduct the defense, settlement, adjustment or compromise of any such Third-Party Claim. No such Third-Party Claim shall be settled, adjusted or com
prior written consent of the Indemnitor (which consent shall not be unreasonably withheld, conditioned or delayed) and any such claim that is settled, adjusted or
consent is unreasonably withheld, conditioned or delayed) shall not be determinative of the existence or amount of Damages hereunder. Notwithstanding any
Representative have the right to control the defense, settlement, adjustment or compromise of a Third-Party Claim if such Third-Party Claim relates to or arises i
relief, equitable remedies or other conduct remedies, such Third-Party Claim relates to the relationship between the Company and any insurance carriers (incluc
Unitholders' Representative or the Company Unitholders have an interest with respect to such Third-Party Claim that materially conflicts with the interests of th
monetary damages in an amount that exceeds the amount of Damages for which the Company Unitholders (severally, not jointly and severally) would be obligat
cooperate fully with each other in connection with the defense, negotiation or settlement of any Third-Party Claims. Other Claims. A claim for indemnification for
Indemnification Notice from the Indemnitee to the Indemnitor. The Indemnitee's failure to give timely notice as provided herein or to furnish the Indemnitor with a
relieve the Indemnitor of obligations hereunder, except and only to the extent that such failure shall result in any actual prejudice to the Indemnitor. The Indemnit
that the Indemnitee is entitled to receive any or all of the Claimed Amount (a "Dispute Notice"). In case the Indemnitor timely delivers a Dispute Notice, the Indem
the respective parties with respect to such Claimed Amount. In the event that the Indemnitee and the Indemnitor are unable to agree on whether Damages exist c
Dispute Notice, either the Indemnitee or the Indemnitor may (but are not required to) pursue any and all remedies available to such party in connection with su
Indemnity Escrow Account. In the event and to the extent that any Claimed Amount made by any Parent Indemnified Person becomes an Established Claim, Pa
event within five business days, deliver a joint direction instructing the Escrow Agent to make payment to the relevant Parent Indemnified Person from the Inde
such time there remains in the Indemnity

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slide76

63 [[6200550v1]] Escrow Account less than the full amount so payable, the full amount remaining in the Indemnity Escrow Account). Any portion of the Indemnity
Date"), less the aggregate of (i) any Claimed Amounts made by any Parent Indemnified Persons which have not become Established Claims, plus (ii) any Establ
paid pursuant to Section 9.06(a) (such retained amount of the Indemnity Escrow Amount, as it may be further reduced after the Escrow Release Date by distribu
Parent Indemnified Persons pursuant to this Article IX and the Escrow Agreement, the "Retained Escrow Amount"), plus (iii) an estimate, if reasonably obtain
pursuant to Section 7.01(b) shall promptly be released from the Indemnity Escrow Account. Parent and the Unitholders' Representative shall promptly thereafter
the Escrow Agent to pay such amount to the Exchange Agent for further distribution pursuant to and in accordance with Section 2.04(c). In the event and to the
made by any Parent Indemnified Person pursuant to this Article IX is resolved against such Parent Indemnified Person: (i) the Escrow Agent shall promptly relea
Escrow Amount equal to the amount of the outstanding Claimed Amounts resolved against such Parent Indemnified Person, and (ii) Parent and the Unitholders
deliver a joint direction instructing the Escrow Agent to pay such resolved amount to the Exchange Agent for further distribution pursuant to and in accordance w
shall only be made to the extent that the Retained Escrow Amount remaining after such distribution would be sufficient to cover the Claimed Amounts made by
Remedy. Except in the case of fraud, Parent, on its behalf and on behalf of each of the Parent Indemnified Persons, acknowledges and agrees that, if the Cl
Damages with respect to any claims pursuant to the applicable provisions set forth in this Agreement shall not exceed the Indemnity Escrow Amount, and (i
Unitholders with respect to any and all claims to the extent arising under, out of, representations and warranties of the Company contained in this Agreement an
shall be pursuant to the applicable provisions set forth in this Agreement and shall be limited to the Indemnity Escrow Account and no Parent Indemnified Perso
contract, tort or otherwise, against the Company Unitholders or any of their affiliates or direct or indirect equityholders, it being agreed that all of such other reme
on its behalf and on behalf of each of the Parent Indemnified Persons, to the fullest extent perm

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slide77

64 [[6200550v1]] Except in the case of fraud, the Company, on its behalf and on behalf of each of the Company Indemnified Persons, acknowledges and agrees
with respect to any claims pursuant to the applicable provisions set forth in this Agreement shall not exceed the Indemnity Escrow Amount, and (ii) its sole and
claims to the extent arising under, out of, representations and warranties of Parent and Merger Sub contained in this Agreement and the certificates delivered to
provisions set forth in this Agreement and shall be limited to the amount of the Indemnity Escrow Amount, and no Company Indemnified Person will have any
otherwise, against Parent or any of its affiliates or direct or indirect equityholders, it being agreed that all of such other remedies, entitlements and recourse are
each of the Company Unitholders, to the fullest extent permitted by law. Treatment of Indemnification Payments. Any payments made pursuant to the indem
adjustment to the consideration paid to the Company Unitholders in exchange for the Company Units for all Tax purposes, except as required by applicable law.
to indemnification under this Article IX; and "Indemnitor" means any person required to provide indemnification under this Article IX. In respect of this Article
representative of, and to be acting on behalf of, (i) the Company Unitholders, in any situation in which the Indemnitee is a Parent Indemnified Person and (ii) the

Company Indemnified Person, and in such cases, unless otherwise specified in this Article IX, any notices to be delivered to the Indemnitor (in the case of the pr
delivered to the Unitholders' Representative. Unitholders' Representative Unitholders' Representative. By (i) the approval and adoption of this Agreement pursua
thereof or (iii) separate instruments (including Written Consents and Letters of Transmittal), each Company Unitholder irrevocably appoints (or is deemed to irrev
proxy and attorney-in-fact for all the Company Unitholders for all purposes under this Agreement, the Exchange Agent Agreement and the E

slide78

65 [[6200550v1]] to act on their behalf, and in any event the Unitholders' Representative shall have the full power and authority to act on the behalf of all of t
transactions contemplated by this Agreement, the Exchange Agent Agreement, the Escrow Agreement and the other agreements, instruments and document
Escrow Agreement or executed in connection herewith or therewith; (2) to negotiate disputes arising under, or relating to, this Agreement, the Exchange Agent A
documents contemplated by this Agreement, the Exchange Agent Agreement, the Escrow Agreement or executed in connection herewith (including pursuant
Unitholders any funds received on behalf of the Company Unitholders under this Agreement, the Exchange Agent Agreement, the Escrow Agreement or oth
Unitholders or otherwise to satisfy any and all obligations or liabilities incurred by the Company Unitholders or the Unitholders' Representative in the performance
the Escrow Agreement; (5) to execute and deliver any amendment or waiver to this Agreement, the Exchange Agent Agreement, the Escrow Agreement or any o
the Exchange Agent Agreement, the Escrow Agreement or executed in connection herewith or therewith (without the prior approval of the Company Unitholders
be taken by or on behalf of the Company Unitholders in connection with this Agreement (including pursuant to Section 2.05), the Exchange Agent Agreement, th
contemplated by this Agreement, the Exchange Agent Agreement, the Escrow Agreement or executed in connection herewith or therewith, including settling
disputes with respect to any payments from, the Representative Reimbursement Account. Such agency and proxy are coupled with an interest, are therefore irre
terminate or otherwise be affected by the death, incapacity, bankruptcy, dissolution or liquidation of any Company Unitholder. All decisions and actions by th
Unitholders, and no Company Unitholder shall have the right to object, dissent, protest or otherwise contest the same. The Unitholders' Representative shall ha
those set forth herein, and such duties and obligations shall be determined solely by the express provisions of this Agreement. By (i) the approval and adoption
and receipt of the benefits thereof or (iii) separate instruments (including Written Consents and Letters of Transmittal), each Company Unitholder irrevocably agre
to indemnify and hold harmless the Unitholders' Representative and its agents and other representatives against their Pro Rata Share of all expenses (including
persons in connection with Action to which any of the Unitholders' Representative or such other persons is made a party by reason of the fact that it is or wa
Agreement.

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slide79

66 [[6200550v1]] Neither the Unitholders' Representative nor any of its agents or other representatives shall incur any liability to any Company Unitholder by virt
transactions contemplated hereby or relating to the performance of the Unitholders' Representative's duties hereunder, except for actions or omissions cor
Representative and its agents and other representatives shall have no liability in respect of any Action brought against such persons by any Company Unitholder
sought to be imposed, whether sounding in contract or tort, or whether at law or in equity, or otherwise, if such persons took or omitted taking any action in good
distribute to the Unitholders' Representative from the funds remaining in the Representative Reimbursement Account, prior to any distribution to the Company
Representative's reasonable out-of-pocket expenses incurred by it or its representatives in the performance of its duties hereunder. At any time following the
Consideration pursuant to the terms of this Agreement (the "Majority Unitholders") may, by written consent of the Majority Unitholders, appoint a new representat
the written consent appointing such new Unitholders' Representative and bearing the signatures of the Majority Unitholders must be delivered to Parent not less
upon the later of the date indicated in the consent or the date such consent is received by Parent. In the event that the Unitholders' Representative becomes una
or if the Unitholders' Representative resigns as the Unitholders' Representative, the Majority Unitholders may, by written consent, appoint a new representative
consent appointing such new representative and bearing the signatures of the Majority Unitholders must be delivered to Parent. Such appointment will be effecti
is received by Parent. A decision, act, consent or instruction of the Unitholders' Representative shall constitute the decision, act, consent or instruction of the
Company Unitholders, and Parent shall be entitled to rely upon any such decision, act, consent or instruction as being the decision, act, consent or instruction o
Representative Reimbursement Fund Amount as agent and for the benefit of the Company Unitholders in a segregated account, which shall be used for the p
Representative pursuant to this Section 10.01. The Company Unitholders shall not receive interest or other earnings on amounts in the Representative Reimburs
or liability to the Company Unitholders for any loss of principal of the Representative

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slide80

67 [[6200550v1]] Reimbursement Account other than as a result of its gross negligence, willful misconduct or fraud. For tax purposes, the Representative Re
voluntarily set aside by the Company Unitholders at the time of Closing. As soon as practicable following the completion of the Unitholders' Representative's r
balance in the Representative Reimbursement Account (such amount, the "Representative Reimbursement Fund Release Amount") to the Exchange Agent f
Termination, Amendment and Waiver Termination. This Agreement may be terminated at any time prior to the Closing, whether before or after receipt of the Re
either Parent or the Company: if the Closing shall not have occurred by April 19, 2024 (the "Termination Date"); provided, however, that the right to terminate thi
whose action or failure to act has been a principal cause of the failure of the Closing to occur prior to such date and such action or failure to act constitutes a br
satisfied and any Law or Governmental Order giving rise to such non-satisfaction shall have become final and nonappealable; provided, however, that the rig
available to any party whose action or failure to act has been a principal cause of the failure of the condition set forth in Section 8.01(b) to be satisfied and such a
Company or the Unitholders' Representatives shall have breached or failed to perform any of their respective representations, warranties, covenants or agreem
give rise to the failure of a condition set forth in Sections 8.02(a) or 8.02(b) and (B) is incapable of being cured by the Termination Date, or, if capable of being cu
written notice of such breach or failure to perform from Parent, provided, however, that Parent shall not be entitled to terminate this Agreement pursuant to this Se
warranties, covenants or

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slide81

68 [[6200550v1]] agreements set forth in this Agreement to the extent that such breach or breaches would give rise to the failure of a condition set forth in Sectio
breached or failed to perform any of its representations, warranties, covenants or agreements set forth in this Agreement, which breach or failure to perform (A
8.03(b) and (B) is incapable of being cured by the Termination Date or, if capable of being cured by the Termination Date, is not cured within 30 days following re
provided, however, that (i) the Company shall not be entitled to terminate this Agreement pursuant to this Section 11.01(d) if the Company is then in breach o

provided, however, that (i) the Company shall not be entitled to terminate this Agreement pursuant to this Section 11.01(d) if the Company is then in breach o
Agreement to the extent that such breach or breaches would give rise to the failure of a condition set forth in Sections 8.02(a) or 8.02(b). Effect of Termination. In
as provided in Section 11.01, this Agreement shall forthwith become void and have no effect, without any liability or obligation on the part of Parent, Merger Su
except that (a) the provisions of the final sentence of Section 6.02, Section 6.05, this Section 11.02 and Article XIII shall survive such termination and (b) the term
this Agreement or any fraud. Amendment. This Agreement may be amended by the parties hereto at any time before or after the Requisite Approval has been
obtained, there shall be made no amendment that by applicable law (including the Merger Laws) requires further approval by the Company Unitholders without
except by an instrument in writing signed on behalf of each of the parties hereto. Extension; Waiver. At any time prior to the Effective Time, the parties may (i)
required hereunder, (ii) to the extent permitted by law, waive any inaccuracies in or breaches of any of the representations and warranties contained herein or in
waive compliance with any of the covenants, agreements, obligations or conditions contained herein; provided, however, that, after the Requisite Approval has be
(including the Merger Laws) requires further approval by the Company Unitholders without such approval having been obtained. Any agreement on the part of
instrument in writing signed on behalf of such party. The failure of any party to this Agreement to assert any of its rights under this Agreemen

slide82

69 [[6200550v1]] Guarantee from the Guarantor Guarantee. The Guarantor hereby absolutely, unconditionally and irrevocably guarantees to the Company, as pr
all monetary obligations of Parent under this Agreement and the Ancillary Agreements and (ii) the full and complete performance of all covenants and agree
Agreements (the obligations of the Guarantor specified in clauses (i) and (ii) above, collectively, the "Guaranteed Obligations"). The guarantee contained in th
Obligations shall have been indefeasibly paid, observed, performed, satisfied by payment and discharged in full. Nature of Guarantee. The Guarantor guaran
performed in accordance with the terms of this Article XII. If for any reason Parent or Merger Sub shall fail or be unable to duly and punctually pay or perforn
Obligations as and when the same shall become due and payable, the Guarantor shall, subject to the terms and conditions of this Article XII, forthwith duly a
performed, such Guaranteed Obligations. The Guarantor further agrees that the guarantee contained in this Article XII (the "Guarantee") constitutes a guarantee
conditioned or contingent upon any attempt to collect from Company. The Guarantor acknowledges and agrees that (a) the Company may bring and prosecute a
performance and discharge of the Guaranteed Obligations, regardless of whether an action is brought against any of Parent and/or Merger Sub or whether any o
Company is not obligated to file any claim relating to the Guaranteed Obligations in the event that any of Parent and/or Merger Sub becomes subject to a bankru
so file shall not affect the Guarantor's obligations hereunder. In the event that any payment hereunder is rescinded or returned for any reason, the Guarantor sha
Obligations; Certain Waivers. The Guarantor agrees that the Company may, in its sole discretion, at any time and from time to time, without notice to or furth
discharge of any of the Guaranteed Obligations, and may also make any agreement with Parent, Merger Sub or any other person interested in the transactio
compromise, discharge or release thereof, in whole or in part, or for any modification of the terms of this Agreement or any agreement between the Company ar
the Guarantor's obligations under the Guarantee or the validity or enforceability of the Guarantee. The Guarantor agrees th

slide83

70 [[6200550v1]] released or discharged, in whole or in part, or otherwise affected by: (i) the failure or delay on the part of the Company to assert any claim or d
Parent or any other person; (ii) any change in the time, place or manner of payment, performance or discharge of any of the Guaranteed Obligations, or any resc
of any of the terms or provisions of this Agreement or any other agreement evidencing, securing or otherwise executed in connection with any of the Guarantee
person; (iv) any change in the legal existence, structure or ownership of Parent or any other person; (v) any insolvency, bankruptcy, dissolution, receivership, re
(vi) the existence of any claim, set-off or other right which the Guarantor may have at any time against Parent, Merger Sub or the Company or any of their Affi
except as expressly provided in this Agreement; (vii) the adequacy of any means the Company may have of obtaining payment, performance or discharge in res
validity, regularity, illegality or enforceability of this Agreement or any other agreement or instrument referred to herein or therein. To the fullest extent permitted
rights or defenses arising by reason of any Law which would otherwise require any election of remedies by the Company. The Guarantor irrevocably and expres
Guarantee and of the Guaranteed Obligations, presentment, demand for payment, notice of non-performance, default, dishonor and protest, notice of any obl
provided to Parent and its counsel in accordance with this Agreement), all defenses which may be available by virtue of any valuation, stay, moratorium or other
assets of Parent or any other person and all suretyship defenses generally (other than defenses to the payment of the applicable Guaranteed Obligations that a
Company of the Guarantee). The Guarantor acknowledges that it will receive substantial direct and indirect benefits from the transactions contemplated by this A
in contemplation of such benefits. The Guarantor hereby covenants and agrees that it shall not directly or indirectly institute, and shall cause its Affiliates not to
and shall cause its Affiliates not to directly or indirectly institute any proceeding asserting or assert as a defense in any proceeding, (i) that (x) the Company has
appropriate remedy for any reason at law or equity or (ii) the illegality, invalidity or unenforceability in accordance with its terms of the Guarantee. Unless and unt
have been paid in full in immediately available funds, the Guarantor hereby unconditionally and irrevocably waives, and agrees not to exercise, any rights that i
arise from the existence, payment, performance, discharge or enforcement of the Guarantor's obligations under or in respect of this Guarantee or any othe
reimbursement, exoneration, contribution or indemnification and any right to

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slide84

71 [[6200550v1]] participate in any claim or remedy of the Company against Parent or any other person, whether or not such claim, remedy or right arises in e
receive from Parent or any other person, directly or indirectly, in cash or other property or by set-off or in any other manner, payment or security on account of
rights. If any amount shall be paid to the Guarantor in violation of the immediately preceding sentence at any time prior to the payment in full in immediately ava
such amount shall be received and held in trust for the benefit of the Company, shall be segregated from other property and funds of the Guarantor and shall fo
received (with any necessary endorsement or assignment) to be credited and applied to all amounts payable, or thereafter to become payable, by the Guarant
Solely for the purpose of this Article XII, the Guarantor represents and warrants to Company as follows: Organization. The Guarantor is an exempted limited liab
laws of Bermuda has all requisite power and authority necessary to carry on its business as it is now being conducted and to own, lease and operate its asse
Contravention. The Guarantor has all corporate power and authority necessary to execute and deliver this Agreement and to perform its obligations in connectio
performance of the obligations under the Guarantee have been duly and validly authorized by the board of directors of the Guarantor and no other proceedings o
performance of the Guarantor’s obligations under the Guarantee and does not contravene or constitute a default under (i) any applicable law, rule or regulation, (
order or other material instrument to which it is a party or its property is subject, except where such contravention or default would not reasonably be expected to
this Agreement. Binding Effect. This Guarantee constitutes a valid and binding agreement of the Guarantor, enforceable against the Guarantor in accordan
Exceptions. No Consent Required. Assuming the accuracy of the representations and warranties of the Company set forth in Section 3.04, no consent, approval,
or filing with, any Governmental Entity is required by or with respect to the Guarantor in connection with the execution and delivery of this Agreement by the G
registrations, declarations, waivers, filings and notices the failure of which to be obtained or made, individually or in the aggregate, would not reasonably be
obligations under this Agreement.

slide85

72 [[6200550v1]] Financial Capacity. The Guarantor has the financial capacity to pay, perform and discharge its obligations under this Guarantee, and all funds n
be available to the Guarantor for so long as this Guarantee shall remain in effect in accordance with this Article XII. Sole Obligation of the Guarantor. Other than
that are applicable to the Guarantor. The Guarantor shall not have any obligations under this Agreement other than those expressly set forth in this Article XII. C
have been represented by counsel during the negotiation and execution of this Agreement and have together drafted this Agreement and, therefore, waive the a
ambiguities in an agreement or other document will be construed against the party drafting such agreement or document. Notices. All notices, requests, claims,
deemed to have been duly given upon delivery, even if the party to whom the notice is delivered refuses to accept delivery) by hand delivery, by prepaid overni
(return receipt requested and first class postage prepaid) or by electronic transmission by email, addressed as follows (or at such other address for a party as sha
the Closing, the Surviving Company, to: PM Holdings LLC 23 South Main Street, Suite 3B Hanover, New Hampshire 03755 Attention: Liam Caffrey; Jason Lic
Swaine & Moore LLP Worldwide Plaza 825 Eighth Avenue New York, NY 10019 Attention: David Perkins; Maurio A. Fiore Email:

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slide86

73 [[6200550v1]] if, prior to the Closing, to the Company, to: Bamboo Ide8 Insurance Services, LLC 7050 Union Park Center, Suite 550 Midvale, UT 84047 Atten
Willkie Farr & Gallagher LLP 787 Seventh Avenue New York, NY 10019 Attention: Greg Astrachan; Howard Block Email: gastrachan@willkie.com; hblock@will
Insurance Services, LLC 7050 Union Park Center, Suite 550 Midvale, UT 84047 Attention: Carleen Driscoll Email: with a copy to: Willkie Farr & Gallagher LLP 7
Block Email: gastrachan@willkie.com; hblock@willkie.com provided that any notice received at the addressee's location on any business day after 5:00 p.m. (a
(addressee's local time) on the next business day. Certain Definitions. For purposes of this Agreement: "Accredited Investor" shall have the meaning given

slide87

[[6200550v1]] “Action” means any claim, action, lawsuit, litigation, opposition, interference or other legal proceeding (whether sounding in contract, tort or o
“Additional Capital Contribution” has meaning given to such term in the Company LLC Agreement; “Additional Merger Consideration” means (i) any Adjustme
Indemnity Escrow Release Amount, and (iv) any Representative Reimbursement Fund Release Amount; “Adjustment Escrow Account” has the meaning set fo
“Adjustment Escrow Release Amount” has the meaning set forth in Section 2.06(b); “Affiliate” of any person means another person that directly or indirectly, throu
control with such first person (it being understood that the term “control” (including the correlative terms “controlled by” and “under common control with”) mea
direction of the management and policies of a person, whether through the ownership of voting securities, by Contract or otherwise); “Aggregate Adjustment Ar
Working Capital, minus (C) the Closing Captive Surplus Shortfall, minus (D) the Closing Indebtedness, minus (E) the Closing Transaction Expenses minus (ii) the
minus (C) the Estimated Captive Surplus Shortfall, minus (D) the Estimated Indebtedness, minus (E) the Estimated Transaction Expenses; “Ancillary Agreem
Rollover Agreements, the Letters of Transmittal and all other agreements, instruments and certificates contemplated hereby or thereby to which any party to th
relating to the prevention of corruption and bribery, including the U.S. Foreign Corrupt Practices Act of 1977 and the UK Bribery Act 2010; “Antitrust Law” mea
actions having the purpose or effect of monopolization or restraint of trade or lessening competition through merger or acquisition, including t

slide88

75 [[6200550v1]] “Applicable Closing Date” means: the Closing Date or, if (i) the Scheduled Closing Date occurs on or prior to December 31, 2023 and (ii) t
withholding its consent pursuant to the proviso set forth in the first sentence of Section 1.02 for the Closing Date to occur on the Scheduled Closing Date, the S
Investors Heritage Life Insurance Company (as applicable); “Aquarian Credit Agreement” means the Loan and Security Agreement between, among others, th
dated August 16, 2022, as amended from time to time; “Aquarian Warrants” means the warrants granted by the Company to Aquarian to purchase Common Uni
means $384,000,000; “Burdensome Condition” means (a) any material prohibition or limitation on the ownership or operation by Parent or any of its Affiliates o
business, properties or assets of the Company or any of its Subsidiaries or Parent or any of its Affiliates, (b) any material prohibition or limitation on the ability
ownership of, the Company or any of its Subsidiaries, (c) any material prohibition or limitation on Parent or any of its Affiliates effectively controlling any portion o
or (d) in the case of the Company Unitholders, any material prohibition or limitation on the ownership or operation by such Company Unitholder or any of its
business, properties or assets, or any requirement of any of the foregoing persons to provide any form of capital support, keepwell, guarantee, equity, capital ma
Affiliates (including the Company or any of its Subsidiaries or Parent or any of its Affiliates); “business day” means any day other than (i) a Saturday or Sunda
Bermuda or Luxembourg are permitted or required by applicable law to remain closed; “Captive Reinsurer” means Ide8 Limited, an exempted limited compa
Bermuda Insurance Act 1978 as amended; “Captive Surplus Ratio” means the an amount equal to the ratio of (1) the excess of (a) the aggregate gross premium
on the Closing Date, over (b) the aggregate amount of

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slide89

76 [[6200550v1]] expenses incurred by the Captive Reinsurer for excess of loss reinsurance over such period, in each case, determined as of the Reference Tim
the amount that would be reflected in line item 40 on the Captive Reinsurer’s statutory balance sheet (Total Statutory Capital and Surplus) determined as of the
the absolute value of (if negative) or minus (if positive) (y) Trial Balance number 330000 on the Captive Reinsurer’s balance sheet (Unrealized Gains/Losses) det
in Section 13.03(v) of the Company Disclosure Letter); “Captive Surplus Ratio Target” means an amount equal to 5 to 1; “Captive Surplus Shortfall” means the a
the Captive Reinsurer’s statutory balance sheet (Total Statutory Capital and Surplus) determined as of the Reference Time in accordance with the Statutory Acc
Ratio less than or equal to the Captive Surplus Ratio Target as of the Reference Time. For the avoidance of doubt, if the Captive Surplus Ratio at the Referenc
Surplus Shortfall shall equal $0; “CARES Act” means the Coronavirus Aid, Relief, and Economic Security Act (or any similar state, local or foreign law enacted
Company and its Subsidiaries (other than the Captive Reinsurer), all cash and cash equivalents of the Company, in each case determined in accordance with G
Section 2.02(b); provided that Cash shall include all deposits in transit and shall be reduced for any outstanding checks and other debits and uncleared paym
“Common Units” as such term is defined in Section 3.03 of the Company LLC Agreement; “Company Disclosure Letter” means the disclosure letter, dated as of

the execution of this Agreement; “Company Fundamental Representations” means the representations and warranties set forth in Sections 3.01(a) (Organizat
(Capital Structure), 3.04(a) (Authority; Noncontravention), 3.18 (Brokers and Other Advisors) and 3.19 (Related Party Transactions) of this Agreement; “Com
Operating Agreement of the Company dated as of July 11, 2022, as amended by

slide90

77 [[6200550v1]] Amendment No. 1 to the Fourth Amended and Restated Operating Agreement, and as may be further amended as expressly provided in this A
Company, all Intellectual Property owned or purported to be owned by the Company or any of its Subsidiaries; “Company Service Provider” means each em
individual service provider engaged by the Company or any of its Subsidiaries as of the date hereof. “Company Unitholders” means the holders (other than t
immediately prior to the Effective Time; “Company Units” means, collectively, Common Units, the Preferred Units and the Incentive Units; “Company Warrant” me
means the effects of any outbreak of contagious disease, epidemic or pandemic (including COVID-19 and any evolutions or mutations thereof), any escalati
declaration of martial law, any quarantine, “shelter in place”, “stay at home”, workforce reduction, social distancing, shut down, closure, sequester, safety or simila
promulgated by any Governmental Entity (including the Centers for Disease Control and Prevention) in response thereto. “Contract” means, with respect to any
agreement, lease, instrument, arrangement, understanding or other legally binding obligation to which such person is a party or is otherwise subject or bound
Agreement; “COVID-19” means the infectious disease caused by severe acute respiratory syndrome coronavirus 2 (SARS-CoV-2) and known as “COVID-19”
Delaware; “Distributions” has meaning given to such term in the Company LLC Agreem

slide91

78 [[6200550v1]] “ERISA” means the U.S. Employee Retirement Income Security Act of 1974; “Escrow Agent” means Citibank, N.A.; “Established Claim” mea
Notice, to the extent contemplated by Section 9.05, (ii) resolved by mutual resolution of the Unitholders’ Representative and the relevant Parent Indemnified Pe
(after exhaustion of any appeals) of a court of competent jurisdiction; “Estimated Closing Consideration” means the sum of (i) the Base Consideration, minus (ii) t
Transaction Expenses, plus (iv) the amount of Estimated Cash, plus (v) the amount, if any, by which the Estimated Net Working Capital exceeds (or is less neg
which the Target Net Working Capital exceeds (or is less negative than) the Estimated Net Working Capital, minus (vii) the Estimated Captive Surplus Shortfall,
Indemnity Escrow Amount, minus (x) the Adjustment Escrow Amount minus (xi) the Aggregate Rollover Amount and minus (xii) if any, the Unexercised Warrant
transfer and import controls, including the Export Administration Regulations, the applicable laws relating to customs and import matters administered by U.S. C
Act” means the Securities Exchange Act of 1934. “Excluded Aquarian Interest” means the excess of (a) any accrued and unpaid payment-in-kind interest on (or i
under the Aquarian Credit Agreement (but not, for the avoidance of doubt, any accrued and unpaid interest required to be paid in cash pursuant to the Aquarian
fraud under Delaware Law; provided, however, that “fraud” shall not include any fraud claim based on constructive knowledge, recklessness, negligent misr
accounting principles in the United States as in effect from time to time; “Governing Documents” means the legal document(s) by which any person (other than a
including as applicable, the articles or certificate of incorporation or formation, bylaws, operating agreement, limited liability company agreement, partnership agr
joint

slide92

79 [[6200550v1]] venture agreement, registration rights agreement and any similar agreement and any amendments or supplements to any of the foregoing; “Go
or any other person acting in an official capacity for or on behalf of, (a) any Governmental Entity, including any entity owned or controlled thereby, (b) any poli
“Governmental Order” means any binding and enforceable order, writ, judgment, injunction, decree, stipulation, determination or award entered by or with ar
Improvements Act of 1976; “Incentive Units” means the “Series C Profits Interest Units” as such term is defined in Section 3.05 of the Company LLC Agreement;
of any particular time, without duplication and expressed as a positive number, (i) any liability of the Company for borrowed money including any obligations e
securities, (ii) all obligations of the Company that bear interest (other than trade payables and other current trade liabilities incurred in the ordinary course of busir
obligations, contingent or otherwise, of the Company in respect of any letters of credit (to the extent drawn), performance bonds, surety bonds, bankers’ acceptar
any interest rate swap, collar, cap, forward contract or other hedging arrangement of the Company other than any of its Subsidiaries that is an insurance co
Subsidiaries under leases required to be classified as capital leases in accordance with GAAP (excluding operating lease liabilities) or classified as such in the Fi
other title retention agreements or other vendor financing relating to any property or assets purchased by the Company (other than trade payables and other cu
included as a current liability in Net Working Capital), (vii) all Indebtedness of others secured by (or for which the holder of such Indebtedness has an existing rig
acquired by the Company, whether or not the obligations secured thereby have been assumed, (viii) all obligations of the Company consisting of overdrafts (ot
accounts, to the extent included as a current liability in Net Working Capital), (ix) all obligations of the Company for the deferred purchase price with respect to th
pursuant to any earn-out or similar obligation, whether contingent or not, or any seller notes, indemnities or post- closing true-up obligations (other than trade p
business, to the extent included as a current liability in

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slide93

80 [[6200550v1]] Net Working Capital) or any unpaid fees and disbursements of professional advisers in connection with any such acquisition (whether or not c
Taxes (A) for any Pre-Closing Tax Period for which a final income Tax Return has not yet been filed or (B) that are unpaid Elective Deferred Taxes (irrespective
severance with respect to terminations that occur prior to Closing Date, and accrued but unpaid employee bonuses (including the employer paid portion of any a
loans or other stimulus packages received pursuant to the CARES Act, (xiii) any declared and unpaid dividends (including on any preferred units) or distributio
liability of the Company with respect to excess of loss re-insurance with any Top Carrier or any of their respective Affiliates (otherwise than pursuant to Contrac
(i.e., Trial Balance account 200300) related to the period prior to Treaty Year 2023, and (xvi) to the extent not otherwise included, any obligation by the Compa
obligations of a third person of the type referred to in clauses (i) through (xv) and, in the case of each of clauses (i) through (xvi), including any principal, accre
breakage costs, expense reimbursements, penalties or other fees, charges, payments or expenses. Notwithstanding the foregoing, Indebtedness does not inclu
Amount or the Excluded Aquarian Interest; “Indemnity Escrow Amount” means $25,000,000; “Indemnity Escrow Release Amount” means the amount of the Inde
to Section 9.06 of this Agreement and the Escrow Agreement; “Insurance Contract” means any insurance policy, binder, slip or contract issued, bound or placed
connection with the Company’s business or its Subsidiaries’ business. “Insurance Laws” means all Laws applicable to the business of insurance or reinsuranc
national, provincial, state, local, foreign or multinational, and all applicable orders and directives by Insurance Regulators in any jurisdiction in which the Company
broker, distributor or other producer that offers, writes, sells or produces any Insurance Contract for the Company or any of its Subsidiaries (in each case, either c

broker, distributor or other producer that offers, writes, sells or produces any insurance Contract for the Company or any of its Subsidiaries (in each case, either o
regulating the business of insurance or reinsurance, or regulating insurance or reinsurance companies, u

slide94

81 [[6200550v1]] “Intellectual Property” means all intellectual property and other similar proprietary rights in any jurisdiction, including such rights in and to (i) pat
and similar or equivalent rights in inventions and designs, and all rights therein provided by international treaties and conventions, and all related continuatio
substitutions and extensions (including any supplemental protection certificate) (collectively, “Patents”); (ii) trademarks, trade dress, trade names, brand names,
and other indications of origin, the goodwill associated with the foregoing and registrations in any jurisdiction of, and applications in any jurisdiction to register,
registration or application (collectively, “Trademarks”); (iii) registered and unregistered copyrights, works of authorship (including rights in Software as a wor
applications and registrations therefor (collectively, “Copyrights”); (iv) rights associated with domain names, uniform resource locators, Internet Protocol addresse
with Internet addresses, sites and services; (v) computer programs (whether in source code, object code, human readable form or other form), applications,
diagnostics, software development tools and kits, templates, analytics and tracking tools, compilers, version control systems, operating system virtualization en
compilation, configuration, debugging, performance analysis and runtime files, libraries, and documentation, including user manuals and training materials, re
enhancements, translations, modifications, adaptations, further developments and derivative works thereto (collectively, “Software”); (vi) trade secrets and in
information, invention disclosures and inventions (whether or not patented or patentable and whether or not reduced to practice), data, databases, data colle
improvements, concepts, ideas, methods, processes, designs, schematics, drawings, specifications, research and development information, technology and bus
similar or equivalent intellectual property rights anywhere in the world; “IT Assets” means (i) all computers (including servers, workstations, desktops, laptops a
routers, hubs, switches, data communications lines, data storage devices, data centers, operating systems and other information technology equipment and
“Infrastructure-as-a- Service” or “Platform-as-a-Service” or other cloud or hybrid cloud services and (ii) all business systems software or applications (including
resource, information technology support and accounting systems), whether hosted “on prem” or in the cloud, or provided as a service (e.g., “Software-as-a-S
leased by the Company or any of its Subsidiaries;

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slide95

82 [[6200550v1]] “Knowledge” means, with respect to the Company and any matter in question, the actual knowledge of the person’s listed on Schedule 13.03
local law, statute, ordinance, regulation, judgment, decree, injunction or other legally binding obligation, U.S. or non- U.S., imposed by or on behalf of a Govern
contain a customary release of all claims against Parent, Merger Sub and the Company arising out of or related to such holder’s ownership of Company Units,
Agent shall reasonably agree upon; “Liens” means, collectively, pledges, liens, charges, encumbrances or security interests of any kind or nature whatsoever; “M
to such term in the Company LLC Agreement; “Material Adverse Effect” means, with respect to the Company, any change, effect, event, occurrence, state of fact
resulted in or would reasonably be expected to (i) result in a material adverse effect to the business, assets, condition (financial or otherwise) or results of op
however, that in the case of this clause (i), in no event shall any Event resulting from, arising out of or relating to any of the following, alone or in combination, c
whether there has been or will be, a Material Adverse Effect: (A) any changes in general economic, business, regulatory or legislative conditions in the Uni
Subsidiaries has operations or conducts business, except to the extent such changes disproportionately and adversely impact the Company and its Subsidiaries
which the Company and its Subsidiaries operate, (B) any Event reasonably attributable to conditions affecting the industry in which the Company or any of its S
banking, currency or capital markets or conditions, including changes in prevailing interest rates, currency exchange rates, currency fluctuations or price levels c
capital markets, except to the extent such changes disproportionately adversely impact the Company and its Subsidiaries, taken as a whole, relative to oth
Subsidiaries operate, (C) any changes in global or national political conditions (including the outbreak or escalation of war, armed hostilities, military or police
widespread cyberattack not targeted specifically at the Company or its Subsidiaries, hurricane, earthquake, tropical storm, floods, fire or other natural or man-
hereof and whether or not pursuant to the declaration of a national emergency, whether in

slide96

83 [[6200550v1]] outside the United States, in each case except to the extent such changes disproportionately and adversely impact the Company and its Sub
industry in which the Company and its Subsidiaries operate, (D) any changes or proposed changes in Law or GAAP, or other applicable accounting rules, o
requirements for insurance companies required by applicable Law or mandated by any Governmental Entity, (E) the negotiation, execution, announcement or
(including compliance with the covenants set forth herein, or any action taken or omitted to be taken by the Company or its Subsidiaries at the prior written reque
of the Merger or the identity of the parties to this Agreement, including any resulting termination of, reduction in or similar negative impact on relationships, contra
partners, officers or employees of the Company and its Subsidiaries, (F) actions required by the terms of this Agreement to obtain any consent, approval, author
other transactions contemplated by this Agreement (including pursuant to Section 6.03), (G) the effects of any breach, violation or non-performance of any provi
any failure, in and of itself, by the Company or any of its Subsidiaries to meet any internal projections, forecasts or revenue or earnings predictions or other finan
occurrences giving rise to or contributing to such failure may be deemed to constitute, or be taken into account in determining whether there has been or will be,
other clauses of this proviso); or (ii) prevent, materially impede or materially delay the consummation by the Company or any of its Subsidiaries of the Merger or t
"Merger Consideration" means (i) the Estimated Closing Consideration, plus (ii) any Additional Merger Consideration, in the case of each of clause (i) and (ii), to
an amount, which may be positive or negative, equal to (i) the current assets of the Company and its Subsidiaries (other than the Captive Reinsurer) on a cons
current liabilities of the Company and its Subsidiaries (other than the Captive Reinsurer) on a consolidated basis (excluding any income or deferred Tax liabilities
that comprise the Excluded Aquarian Interest), in each case determined as of the Reference Time in accordance with the Statement Preparation Principles; "
software" (as defined by the Free Software Foundation), (ii) as "open source software" or pursuant to any license identified as an "open source license" by the
substantially conforms to the Open Source Definition (opensource.org/osd) or (iii) under a li

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slide97

84 [[6200550v1]] agreement that requires, as a condition of the use, modification or distribution of Software subject to such license or agreement, that such Softw
Software be (A) disclosed, distributed, made available, offered, licensed or delivered in source code form, (B) licensed for the purpose of making derivative work
or disassembly of any kind or (D) redistributable at no charge; “Original Issue Price” has the meaning given to such term in the Company LLC Agreement; “Pare
set forth in Sections 4.01 (Organization, Standing and Power), 4.02(a) (Authority; Noncontravention) and 4.06 (Brokers and Other Advisors) of this Agreement

Parent in the form attached to the Rollover Agreements entered into with Initial Rollover Unitholders; “Parent Units” means the “Class A Units” as such term is
former director, officer, employee or contractor of the Company or any of its Subsidiaries; “Partnership Tax Audit Rules” means Sections 6221 through 6241 of th
or successor provisions and any similar provision of state or local Tax laws; “Pass-Through Tax Return” means all income Tax Returns of an entity filed or requ
indirect beneficial owners of such entity, and not such entity itself, are required to pay the related Tax (including, for the avoidance of doubt, IRS Form 1065 and
the lenders or holders (or agent on their behalf) providing any portion of the Closing Indebtedness related to Indebtedness set forth in clauses (i) or (ii) of the de
thereunder, in respect of the repayment at Closing of such Indebtedness, including all amounts owed under the Aquarian Credit Agreement whether constitutin
amount of, or the formula for the determination of, such portion of the Closing Indebtedness, set forth instructions for the repayment of such portion of the Closin
all related guarantees, if any, in connection therewith; “Per Common Unit Closing Consideration” means, with respect to any Common Unit, the amo

slide98

85 [[6200550v1]] the Company distributed an aggregate amount equal to the Estimated Closing Consideration (calculated for this purpose without any redu
accordance with, Section 7.1 of the Company LLC Agreement, determined as if such distribution occurred immediately prior to the Effective Time; "Per Commo
and any payment of Additional Merger Consideration, the amount that would be distributable in respect of such Common Unit if the Company distributed the agg
7.1 of the Company LLC Agreement, determined as if such distribution occurred immediately prior to the Effective Time (but after giving effect to the distribution
without any reduction with respect to the Aggregate Rollover Amount or otherwise giving effect to the transactions contemplated by the Rollover Agreements wi
any Additional Merger Consideration previously paid, if any, pursuant to such Section 7.1 of the Company LLC Agreement); "Per Incentive Unit Closing Conside
distributable in respect of such Incentive Unit if the Company distributed an aggregate amount equal to the Estimated Closing Consideration (calculated for this p
pursuant to, and in accordance with, Section 7.1 of the Company LLC Agreement, determined as if such distribution occurred immediately prior to the Effective T
any Incentive Unit and any payment of Additional Merger Consideration, the amount that would be distributable in respect of each Incentive Unit if the Compa
accordance with, Section 7.1 of the Company LLC Agreement, determined as if such distribution occurred immediately prior to the Effective Time (but after givin
and paid for this purpose without any reduction with respect to the Aggregate Rollover Amount or otherwise giving effect to the transactions contemplated by th
Rollover Unitholders, and any Additional Merger Consideration previously paid, if any, pursuant to such Section 7.1 of the Company LLC Agreement); "Per Pref
the amount that would be distributable in respect of such Preferred Unit if the Company distributed an aggregate amount equal to the Estimated Closing Consid
Aggregate Rollover Amount) pursuant to, and in accordance with, Section 7.1 of the Company LLC Agreement, determined as if such distr

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slide99

86 [[6200550v1]] “Per Preferred Unit Post-Closing Consideration” means, with respect to any Preferred Unit and any payment of Additional Merger Consideratio
the Company distributed the aggregate amount of such payment pursuant to, and in accordance with, Section 7.1 of the Company LLC Agreement, determined
after giving effect to the distribution of the Estimated Closing Consideration, calculated and paid for this purpose without any reduction with respect to the A
contemplated by the Rollover Agreements with the Initial Rollover Unitholders or the Additional Rollover Unitholders, and any Additional Merger Consideration
Agreement); “Per Unit Closing Consideration” means, with respect to (i) any Common Unit, the Per Common Unit Closing Consideration, (ii) any Preferred Unit,
Per Incentive Unit Closing Consideration; “Per Unit Post-Closing Consideration” means, with respect to (i) any Common Unit, the Per Common Unit Post-Closin
Consideration, and (iii) any Incentive Unit, the Per Incentive Unit Post-Closing Consideration; “Permitted Liens” means any (a) liens for Taxes not yet due or
appropriate proceedings in a timely manner, in each case for which adequate reserves have been established and shown on the Most Recent Balance Sheet, (b)
materialmen and similar liens arising in the ordinary course of business and neither incurred in connection with the borrowing of money nor due and payable, (c)
matters of title to the Leased Real Property of record which do not materially interfere with the conduct of the business of the Company at such property, (d) zo
imposed by any Governmental Entity, none of which materially interfere with the conduct of the business of the Company at such property or are violated by the
thereon, (e) any non-exclusive license of Company Intellectual Property entered into in the ordinary course of business, and (f) such non-monetary liens as do no
subject thereto or affected thereby, or otherwise materially impair business operations involving such properties; “person” means an individual, sole proprietorshi
trust, unincorporated organization or other entity or any Governmental Entity; “Personal Data” means any information defined as “personal data”, “personally ide
any Privacy and Data Security Requirement, and any and all information that can

slide100

87 [[6200550v1]] reasonably be used to identify an individual natural person, or that relates to an identified person, including name, physical address, telephone
identifier or unique identification number, government-issued identifier (including Social Security number or driver's license number), biometric, medical, health
information, religious or political views or affiliations or marital or other status (to the extent any of these data elements can reasonably be associated with a
reasonably be associated with an individual natural person); "Preferred Units" means the "Series A Preferred Units" as such term is defined in Section 3.03 of the
the Company, any Tax period ending on or before the Closing Date, and, with respect to a Straddle Period, the portion of such Straddle Period ending on the Clos
any binding legal industry standards concerning the collecting, accessing, using, disclosing, transmitting, transferring, securing, sharing, storing, maintaining, reta
of personal information (including the EU General Data Protection Regulation, the UK Data Protection Act 2018 and retained version of the EU General Data
Privacy Rights Act), and other international, foreign, federal, local and state data security and data privacy laws and regulations (including but not limited to the N
National Association of Insurance Commissioners ("NAIC") Insurance Data Security Model Law, as adopted, local and state insurance information privacy laws,
NAIC Standard for Safeguarding Customer Information and NAIC Privacy of Consumer Financial and Health Information Model Regulation, as adopted in applic
each case to the extent binding on the Company or any its Subsidiaries, (b) all obligations under all material Contracts to which the Company or any of its Subs
protection of its IT Assets and (c) all publicly posted policies and representations of the Company and its Subsidiaries regarding the collection, use, disclosure
protection or processing of personal information; "Pro Rata Share" means, for each Company Unitholder, the quotient of (i) the aggregate value of all Company
all Company Units, in each case based on the applicable Per Unit Closing Consideration and Per Unit Post-Closing Consideration. "Products" means the product
commercially available by the Company or any of its Subsidiaries;

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slide101

88 [[6200550v1]] “Program Agreement” means a Contract providing the Company with the authority to bind insurance policies on behalf of a Top Carrier, includ
“Representative Reimbursement Account” means the account established by the Unitholders’ Representative to hold the Representative Reimbursement Fund

Fund Amount" means $300,000; "Requisite Approval" means receipt by the Company of the Written Consents of the Requisite Unitholders; "Requisite Unitholde
the Series A Preferred Members; "Restricted Cash" means cash and cash equivalents not available for use by the Company within a period of three months due
law, Contract or otherwise (including, for the avoidance of doubt, any unremitted insurance premiums that are collected by the Company from insureds and
underwriter or insured person); "Rollover Unitholder Fundamental Representations" means, in respect of each Rollover Unitholder, the representations and w
Rollover Units and the Rollover Units) and 5(c) (Authority to Execute; Binding Effect of this Agreement) of the Rollover Agreement executed by such Rollover U
Unitholder Fundamental Representations set forth in all Rollover Agreements in effect at such time). "Sanctioned Country" means any country or region that is
embargo under Sanctions Laws (including Cuba, Iran, North Korea, Sudan, Syria, the Crimea region of Ukraine, the so-called Donetsk People's Republic and
person that is the subject or target of sanctions or restrictions under Sanctions Laws or Ex-Im Laws, including: (i) any person listed on any applicable U.S. or
Department of the Treasury Office of Foreign Assets Control's ("OFAC") Specially Designated Nationals and Blocked Persons List, the EU Consolidated List and
(ii) any entity that is, in the aggregate, 50% or greater owned, directly or indirectly, or otherwise controlled by a person or pers

slide102

89 [[6200550v1]] “Sanctions Laws” means all applicable Laws relating to economic or trade sanctions, including applicable laws administered or enforced by t
United Nations Security Council, the European Union, the United Kingdom, or any EU member state; “SAP” means the financial reporting provisions of the In
Regulations 1980 and the other rules and regulations promulgated by the Bermuda Monetary Authority thereunder; “Securities Act” means the Securities Act of
such term in the Company LLC Agreement; “Series A Preferred Return” has meaning given to such term in the Company LLC Agreement; “Specified Court” me
County, Delaware, or, if such court finds it lacks subject matter jurisdiction, the United States District Court located in the State of Delaware, or, if such court a
Delaware; “Statement Preparation Principles” means (a) GAAP, and (b) to the extent consistent with GAAP, the accounting principles, practices, procedures, m
Audited Statements (with consistent classifications, assumptions, judgments, inclusions, exclusions and valuation and estimation methodologies), in each cas
Accounting Principles” means (a) SAP, and (b) to the extent consistent with SAP, the accounting methods, practices, principles, policies and procedures, w
methodologies, that were used in the preparation of the Statutory Audited Statements; provided that, for purposes of calculating the total liabilities of the Captive I
Loss Corridor) related to Treaty Year 2023 shall be calculated based on the same Managing General Agent gross loss ratio amount, consistent with actuarial
Company (as further described in Appendix A of Exhibit A); “Straddle Period” means a taxable period that includes (but does not end on) the Closing Date; “S
securities, other voting rights or voting partnership interests of which is sufficient to elect at least a majority of its board of directors

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slide103

90 [[6200550v1]] or indirectly by such first person (or, if there are no such voting interests, fifty percent (50%) or more of the equity interests of which is owned d
$1,500,000; “Tax” or “Taxes” shall include (whether disputed or not) all taxes or similar duties, fees or charges or assessments thereof imposed by a Governmen
and additions with respect thereto; “Taxing Authority” means any Governmental Entity exercising Tax regulatory authority; “Tax Return” or “Tax Returns” means a
for refund, declarations of estimated Tax payments, reports, estimates, information returns and statements, including any related or supporting information with r
connection with the determination, assessment, collection or administration of any Taxes; “Third Party” means any person other than Parent, Merger Sub, any Af
persons. “Threshold Value” has meaning given to such term in the Company LLC Agreement; “Top Carrier Reinsurer” means any person who has since Jan
“Transaction Expenses” means, without duplication and expressed as a positive number (i) all fees, costs and expenses (including fees, costs, commissions and
or other representatives, service providers, consultants and vendors) incurred or reimbursable by the Company or any of its Subsidiaries, whether or not accrued
relating to the Merger or in connection with other negotiations or processes involving the sale of the Company and its Subsidiaries (or any equity interests therei
of-control, retention, severance or other compensatory payments or other amounts that become payable to any Company Service Provider in connection with, o
Payments”) and the employer-paid portion of payroll Taxes payable by the Company or any of its Subsidiaries in respect of the Change of Control Paymen
Subsidiaries to the extent borne by the Company Unitholders pursuant to Section 7.04, and (iv) 50% of all fees payable to the Exchange A

slide104

91 [[6200550v1]] Agreement and Escrow Agreement, respectively, by Parent, the Company or any of its Subsidiaries; “Transfer Taxes” means all sales, use, valu
property transfer or gains, stock transfer or other similar Taxes, and all conveyance fees, recording charges and other similar fees and charges (including any pe
other transactions contemplated hereby; “Unexercised Warrant Amount” means the amount equal to: (i) the aggregate sum of the Per Unit Closing Consideratio
Units that would have been issuable to holders of Unexercised Warrants had such persons validly exercised all Unexercised Warrants prior to the Effective Ti
holders of Unexercised Warrants had such persons validly exercised all Unexercised Warrants prior to the Effective Time; “Written Consents” means the writte
transactions contemplated hereby and adopting this Agreement. Interpretation. When a reference is made in this Agreement to an Article, Section, Exhibit or S
Schedule to, this Agreement unless otherwise indicated. The table of contents and headings contained in this Agreement or in any Exhibit or Schedule hereto ar
interpretation of this Agreement. Whenever the words “include”, “includes” or “including” are used in this Agreement, they shall be deemed to be followed by t
applicable to a general statement that is preceded or followed by or referable to an enumeration of specific matters to limit such statement to matters similar to
business day is expressly specified. Whenever any action must be taken hereunder on or by a day that is not a business day, then such action may be validly ta
this Agreement, has the inclusive meaning represented by the phrase “and/or”. The words “hereof”, “herein” and “hereunder” and words of similar import when u
particular provision of this Agreement. References to “this Agreement” shall include the Company Disclosure Letter. References to the “date hereof” refer to the d
to which a subject or other thing extends, and such phrase does not mean simply “if”. The word “will” shall have the same meaning as “shall” and vice versa. For
“made available to Parent” or “provided to Parent” and similar expressions in respect of any document or information will be construed for all purposes of this Ag
document or information was uploaded and made available for viewing by Parent in the Data Room in each case no later than one business day prior to the date
Parent, in an electronic format mutually agreed by the Company and Parent, as promptly as pra

slide105

92 [[6200550v1]] the date of this Agreement. All references to a list or copy of any materials or other information set forth in the Company Disclosure Letter or
words “true”, “complete”, “correct”, “accurate” or any similar word, shall be deemed to refer to an accurate and complete list or copy thereof. All terms defined in
or other document made or delivered pursuant hereto unless otherwise defined therein. The definitions contained in this Agreement are applicable to the singula
the feminine and neuter genders of such terms. Any statute defined or referred to herein means such statute as amended, modified or supplemented from time t

succession and the rules and regulations promulgated under such statute or comparable statute. References to a person are also to its permitted successors an
References in this Agreement to Company Unitholders refer, following the Closing, to the Company Unitholders, immediately prior to the Closing. Consents an
approval of any party to be valid and binding on the parties hereto, such consent or approval must be in writing (email being sufficient). Counterparts. This Agree
other means of electronically imaging a signature), all of which shall be considered one and the same agreement and shall become effective when one or more
other parties. Until and unless each party has received a counterpart hereof signed by the other party hereto, this Agreement shall have no effect and no party sh
or written agreement or other communication). Entire Agreement; No Third-Party Beneficiaries. This Agreement, the Ancillary Agreements and the Confidentia
agreements and understandings, both written and oral, among the parties with respect to the subject matter hereof and thereof and (ii) are not intended to and
rights or remedies, except upon the current or former directors or officers of the Company, solely pursuant to the provisions of Section 6.04. GOVERNING LAW
ALL ACTIONS RELATING TO OR ARISING IN WHOLE OR IN PART UNDER OR IN CONNECTION WITH THIS AGREEMENT, THE MERGER OR THE OTHE
AND CONSTRUED AND ENFORCED IN ACCORDANCE WITH THE DOMESTIC SUBSTANTIVE LAWS OF THE STATE OF DELAWARE, WITHOUT GIVING
THAT WOULD CAUSE THE APPLICATION OF THE LAWS OF ANY OTHER JURISDICTION. Assignment. Neither this Agreement nor any of the rights, interest
of law or otherwise by any person without the prior written consent of the Company (or, follo

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slide106

93 [[6200550v1]] Closing, the Unitholders' Representative) and Parent, and any assignment without such consent shall be null and void, except that, following th
Representative, may assign, in its sole discretion, any of or all of its rights, interests and obligations under this Agreement to any direct or indirect wholly owned
Sub, as applicable, of any of its obligations hereunder; provided that any such assignee of Parent or Merger Sub, as applicable, shall be primarily liable with res
applicable, shall be secondary. Notwithstanding the foregoing, following the Closing, Parent and its Affiliates, as applicable, may assign, in their sole discretion,
third party in connection with any transaction or series of transactions in which such third party directly or indirectly acquires the business of the Surviving Comp
all of its assets or business. Subject to the preceding sentences in this Section 13.09, this Agreement will be binding upon, inure to the benefit of and be enforce
Waiver of Jury Trial; Specific Performance. Jurisdiction and Venue. Each of the parties, by its execution hereof, hereby (i) irrevocably submits to the exclusive juri
parties relating to or arising in whole or in part under or in connection with this Agreement, the Merger or the other transactions contemplated hereby, (ii) waives t
of motion, as a defense or otherwise, in any such Action, any claim that it is not subject personally to the jurisdiction of the Specified Court, that its property is exe
the Specified Court should be dismissed on grounds of forum non conveniens, should be transferred or removed to any court other than the Specified Court, or s
court other than the Specified Court or that this Agreement or the subject matter hereof may not be enforced in or by the Specified Court and (iii) agrees not to c
case, appellate courts thereof. Notwithstanding the immediately preceding sentence, a party may commence any Action in a court other than the Specified C
Specified Court. This Section 13.10(a) shall not apply to any dispute under Section 2.05 that is required to be decided by the Accounting Firm. Service of Proces
among any of the parties relating to or arising in whole or in part under or in connection with this Agreement, the Merger or the other transactions contemplated
process made in accordance with clause (i) or made by registered or certified mail, return receipt requested, at its address specified pursuant to Section 13.02,
waives and agrees not to assert (by way of motion, as a defense or otherwise) in any such Action any claim that service of process made in accordance with cla
Jury Trial. TO THE EXTENT NOT PROHIBITED BY APPLICABLE LAW THAT CANNOT BE WAIVED, TH

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slide107

94 [[6200550v1]] IRREVOCABLY AND UNCONDITIONALLY WAIVE, AND COVENANT THAT THEY WILL NOT ASSERT (WHETHER AS PLAINTIFF, DEFEND
RELATING TO OR ARISING IN WHOLE OR IN PART UNDER OR IN CONNECTION WITH THIS AGREEMENT, THE MERGER OR THE OTHER TRANSA
HEREAFTER ARISING, AND WHETHER SOUNDING IN CONTRACT, TORT OR OTHERWISE. THE PARTIES AGREE THAT ANY OF THEM MAY FILE A COI
THE KNOWING, VOLUNTARY AND BARGAINED-FOR AGREEMENT AMONG THE PARTIES IRREVOCABLY AND UNCONDITIONALLY TO WAIVE THEIR R
BETWEEN OR AMONG THEM RELATING TO OR ARISING IN WHOLE OR IN PART UNDER OR IN CONNECTION WITH THIS AGREEMENT, THE MERGER
SUCH ACTION WILL INSTEAD BE TRIED IN A COURT OF COMPETENT JURISDICTION BY A JUDGE SITTING WITHOUT A JURY. Specific Performance. T
the agreements, covenants or obligations contained in this Agreement were not performed in accordance with their specific terms or were otherwise breached.
injunctions to prevent breaches of this Agreement, without any bond or other security being required, and to enforce specifically the terms and provisions of th
proving the inadequacy of money damages as a remedy. Severability. If any term or other provision of this Agreement is determined by a court of competent juris
provisions of this Agreement shall nevertheless remain in full force and effect. Upon such determination that any term or other provision is invalid, illegal or inc
modify this Agreement so as to effect the original intent of the parties as closely as possible to the fullest extent permitted by applicable law in an acceptable ma
extent possible. Waiver of Conflict; Non-Assertion of Attorney Client Privilege. Parent waives and will not assert, and agrees after the Closing to cause the Surviv
or relating to the representation after the Closing of any Company Unitholder or the Unitholders' Representative (any such person, a "Designated Person") in an
hereby by each of Willkie Farr & Gallagher LLP and Appleby (Bermuda) Limited (the "Designated Firms"), to the extent relating to the negotiation of this Agreer
general business matters of the Company or any of its Subsidiaries) (the "Current Represen

slide108

95 [[6200550v1]] Parent waives and will not assert, and agrees after the Closing to cause the Surviving Company to waive and to not assert, any attorney-client
the one hand, and any Designated Person, on the other hand, occurring during the Current Representation, including in connection with a dispute with Parent, a
the parties hereto that all such rights to such attorney-client privilege and to control such attorney-client privilege will be retained by such Designated Person; p
extend to any communication not involving the Current Representation, or to communications with any person other than the Designated Firms; provided, furt
attorney-client privilege. Notwithstanding the foregoing, in the event that a dispute arises between the Surviving Company and any other person, the Surviving C
other person of confidential communications between any Designated Firm and the Company. Nothing in this Section 13.12 shall be construed as a waiver of a
nor shall anything herein be construed to permit any Designated Firm to communicate to any Designated Person after the Closing any information subject to
avoidance of doubt, excludes the Current Representation). Matters in Respect of Subsidiaries of Parent and the Company. Whenever this Agreement requires
such requirement shall be deemed to include an undertaking on the part of Parent or the Company, as applicable, to cause such Subsidiary to take such action.
Agreements to the contrary, each party hereto agrees, on behalf of itself and its Affiliates, that all Actions or causes of action (whether in Contract or in tort, in La
through attempted piercing of the corporate, limited partnership or limited liability company veil or any other theory or doctrine,) that may be based upon, ari
transactions contemplated hereby and thereby, (b) the negotiation, execution or performance of this Agreement (including any representation or warranty made i
or violation of this Agreement or (d) any failure of the transactions contemplated by this Agreement and the Ancillary Agreements to be consummated, in each c
expressly identified therein as a party to this Agreement and each of the Ancillary Agreements, respectively. Neither Parent, its Affiliates nor any of their respectiv
the Guarantor, solely as and to the extent specified, and in accordance with, and subject to the terms and conditions of, this Agreement) shall have any liability
Ancillary Agreements or the transactions contemplated hereby or thereby. Reserves. Except as expressly provided in this Agreement, none of the Com

slide109

96 [[6200550v1]] representation or warranty with respect to, and nothing contained in this Agreement, any other Transaction Agreement or any other agreemen
contemplated hereby or thereby is intended or shall be construed to be a representation or warranty (express or implied) with respect to the adequacy or sufficie
of the adequacy or sufficiency of the reserves of the Captive Reinsurer on any “line item” or asset, liability or equity amount on any financial or

slide110

slide111

[[DMS:6182194v27:10/19/2023--12:09 AM]] IN WITNESS WHEREOF, Parent, Merger Sub, Guarantor, the Company and the Unitholders’ Representative have
authorized, all as of the date first written above. PM HOLDINGS LLC by Name: Title: WM PIERCE MERGER SUB LLC by Name: Title: BAMBOO IDE8 INSUR
GROUP, LTD by Name: Title: JOHN CHU, as the Unitholders’ Representative by Name:

PRINCIPAL EXECUTIVE OFFICER CERTIFICATION PURSUANT TO RUL
OF THE SECURITIES EXCHANGE ACT OF 1934

I, G. Manning Rountree, certify that:

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

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

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

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

(a) Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be
information relating to the registrant, including its consolidated subsidiaries, is made known to us by others w
this quarterly report is being prepared;

(b) Designed such internal control over financial reporting, or caused such internal control over financial reportin
reasonable assurance regarding the reliability of financial reporting and the preparation of financial statemen
accepted accounting principles;

(c) Evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this repo
disclosure controls and procedures, as of the end of the period covered by this report based on such evaluat

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

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

(a) All significant deficiencies and material weaknesses in the design or operation of internal control over financ
the registrant's ability to record, process, summarize and report financial information; and

the registrant's ability to record, process, summarize and report financial information; and

(b) Any fraud, whether or not material, that involves management or other employees who have a significant rol
reporting.

November 6, 2023 May 9, 2024

By:

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

PRINCIPAL FINANCIAL OFFICER CERTIFICATION PURSUANT TO RULE
OF THE SECURITIES EXCHANGE ACT OF 1934

I, Liam P. Caffrey, certify that:

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

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

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

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

(a) Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be
information relating to the registrant, including its consolidated subsidiaries, is made known to us by others v
this quarterly report is being prepared;

(b) Designed such internal control over financial reporting, or caused such internal control over financial reportir
reasonable assurance regarding the reliability of financial reporting and the preparation of financial statemer
accepted accounting principles;

(c) Evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this repo
disclosure controls and procedures, as of the end of the period covered by this report based on such evaluat

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

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

(a) All significant deficiencies and material weaknesses in the design or operation of internal control over financ
the registrant's ability to record, process, summarize and report financial information; and

(b) Any fraud, whether or not material, that involves management or other employees who have a significant rol
reporting.

November 6, 2023 May 9, 2024

By:

/s/ Liam P. Caffrey

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

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

In connection with the quarterly report on Form 10-Q of White Mountains Insurance Group, Ltd. (the "Company"), for the pe with the Securities and Exchange Commission on the date hereof (the "Report"), I, G. Manning Rountree, Chief Executive C §1350, as adopted pursuant to §906 of the Sarbanes-Oxley Act of 2002, that to my knowledge:

- The Report fully complies with the requirements of Section 13(a) or 15(d) of the Securities Exchange Act c
- The information contained in the Report fairly presents, in all material respects, the financial condition and periods presented in the Report.

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

November 6, 2023 May 9, 2024

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

In connection with the quarterly report on Form 10-Q of White Mountains Insurance Group, Ltd. (the "Company"), for the pe with the Securities and Exchange Commission on the date hereof (the "Report"), I, Liam P. Caffrey, Executive Vice Presider pursuant to 18 U.S.C. §1350, as adopted pursuant to §906 of the Sarbanes-Oxley Act of 2002, that to my knowledge:

- The Report fully complies with the requirements of Section 13(a) or 15(d) of the Securities Exchange Act of
- The information contained in the Report fairly presents, in all material respects, the financial condition and r periods presented in the Report.

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

November 6, 2023 May 9, 2024

Months	Total Number of Shares Purchased	Average Price Paid per Share	Total Number of Shares Purchased as Part of Publicly Announced Plans (1)

DISCLAIMER

THE INFORMATION CONTAINED IN THE REFINITIV CORPORATE DISCLOSURES DELTA REPOR
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THE TEXT AND THE COMPARISON DATA AND TABLES. IN NO WAY DOES REFINITIV OR THE AP
RESPONSIBILITY FOR ANY INVESTMENT OR OTHER DECISIONS MADE BASED UPON THE INF
USERS ARE ADVISED TO REVIEW THE APPLICABLE COMPANY'S ACTUAL SEC FILINGS BEFOR
OTHER DECISIONS.